BASE PROSPECTUS

ALPHA BANK A.E.

(incorporated with limited liability in the Hellenic Republic)

€8 billion Direct Issuance Global Covered Bond Programme

Under this €8 billion direct issuance global covered bond programme (the **Programme**), Alpha Bank A.E. (the **Issuer**) 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). Covered Bonds may be issued in bearer or registered form.

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**). The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus 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. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The 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 between the Issuer, the Trustee (as defined below), the Arrangers (as defined below) and the relevant Dealer(s). The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated or unregulated market.

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed €8 billion (or its equivalent in other currencies calculated as described in the Programme Agreement), subject to increase as described herein. The payment of all amounts due in respect of the Covered Bonds will constitute direct and unconditional obligations of the Issuer, in addition to having recourse to assets comprising the cover pool (the **Cover Pool**).

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

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 certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Covered Bonds*") of Covered Bonds will be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF. Copies of Final Terms in relation to Covered Bonds to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuer has been rated Caa1 (long-term) and NP (short-term) by Moody's Investors Service Cyprus Limited, CCC+ (long-term) and C (short-term) by Standard and Poor's Credit Market Services Italy S.r.l. (**S&P**) and B- (long-term) and B (short-term) by Fitch Ratings España SAU. The Programme has been rated B+ by Fitch Ratings Limited (**Fitch**) and B1 by Moody's Investors Service Limited (**Moody's**). Each of Moody's, S&P and Fitch is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Moody's, S&P and Fitch is 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. Covered Bonds issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Covered Bonds is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in Covered Bonds issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations in respect of the Covered Bonds are discussed under "*Risk Factors*" below. Please review and consider the risk factors beginning on page 43 of this Base Prospectus carefully before you purchase any Covered Bonds.

Arrangers

Barclays and Alpha Finance

Dealer(s)

Barclays and Alpha Bank A.E.
(or to be selected from time to time in accordance with the terms of the Programme Agreement)

The date of this Base Prospectus is 30 October 2014

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of 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 the Luxembourg Stock Exchange) will be available 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 *pro rata* without any preference or priority among themselves, irrespective of their Series, except for the timing of repayment of principal and the timing and amount of interest payable.

The Issuer confirmed to the Dealers named under "*General Description of the Programme*" 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.

Neither the Arrangers, the Dealers 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, and each of the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds, see "*Subscription and Sale*". In particular, Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States or to U.S. persons. Covered Bonds may be offered and sold outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

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

The maximum aggregate principal amount of Covered Bonds outstanding at any one time under the Programme will not exceed €8 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.

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 (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 of Covered Bonds in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer, the Arrangers or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer, the Arrangers 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, the Arrangers or any Dealer to publish or supplement a prospectus for such offer.

In connection with the issue of any Series of Covered Bonds, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation 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 Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation 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 Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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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	Alpha Bank A.E. (**Alpha** or the **Issuer**).
Arrangers	Barclays Bank PLC and Alpha Finance A.E.P.E.Y. (**Alpha Finance**) (together the **Arrangers** and, each of them, an **Arranger**).
Dealer(s)	Barclays Bank PLC and Alpha and/or any other dealers appointed from time to time in accordance with the Programme Agreement.
Servicer	Alpha (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 **Replacement Servicer**), the **Servicer**) will service the Loans and Related Security in the Cover Pool pursuant to the Servicing and Cash Management Deed. The Servicer shall also undertake certain notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Transaction Account and cash management activities (the **Servicing and Cash Management Services**) in accordance with the Servicing and Cash Management Deed and the Greek Covered Bond Legislation, including the calculation of the Statutory Tests and the Amortisation Test. See *"Servicing and Collection Procedures"* below.
Asset Monitor	A reputable firm of independent auditors and accountants appointed pursuant to the Asset Monitor Agreement as an independent monitor to perform certain tests and recalculations 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 Kifissias Avenue, Halandri 15231, Greece (the **Asset Monitor**).
Account Bank	Citibank, N.A., London Branch acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB 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 issuer default ratings are at least A and F1 respectively by Fitch and whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-2 by Moody's.
Principal Paying Agent	Citibank, N.A., London Branch (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.
Transfer Agent	Citibank, N.A., London Branch has been appointed pursuant to the Agency Agreement as transfer agent (the **Transfer Agent**).
Registrar	Citibank, N.A., London Branch has been appointed pursuant to the Agency Agreement as registrar (the **Registrar**).
Trustee	Citicorp Trustee Company Limited acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the **Trustee**) has been appointed to act as bond trustee for the Covered Bondholders in respect of the Covered Bonds and will also act as security trustee to hold the benefit of all security granted by the Issuer (on trust for itself, the Covered Bondholders and the other Secured Creditors) under the Deed of Charge and the Statutory Pledge granted pursuant to the Greek Covered Bond Legislation. See "*Security for the Covered Bonds*" below. **Covered Bond** means each covered bond issued or to be issued pursuant to the Programme Agreement and which is or is to be constituted under the Trust Deed, which covered bond may be represented by a Global Covered Bond or any Definitive Covered Bond and includes any replacements for a Covered Bond issued pursuant to Condition 12. **Covered Bondholders** means the several persons who are for the time being holders of outstanding Covered Bonds (being, in the case of Bearer Covered Bonds, the bearers thereof and, in the case of Registered Covered Bonds, the several persons whose names are entered in the register of holders of the Registered Covered Bonds as the holders thereof) save that, in respect of the Covered Bonds of any Series, for so long as such Covered Bonds or any part thereof are represented by a Bearer Global Covered Bond deposited with a common depositary for Euroclear and Clearstream, Luxembourg, or so long as Euroclear or Clearstream, Luxembourg or its nominee is the registered holder of a Registered Global Covered Bond, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg), as the holder of a particular principal amount of the Covered Bonds of such Series shall be deemed to be the holder of such principal amount of such Covered Bonds (and the holder of the relevant Global Covered Bond shall be deemed not to be the holder) for all purposes of the trust presents other than with respect to the payment of principal or interest on such principal amount of such Covered Bonds.

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**) and interest risks (each an **Interest Rate Swap Provider** and, together with the Covered Bond Swap Providers, the **Hedging Counterparties** and each a **Hedging Counterparty**) associated with the Covered Bonds. The Hedging Counterparties will act as such pursuant to the relevant Hedging Agreements (as defined herein). Each Hedging Counterparty will be required to satisfy the conditions under paragraph I. 2(b)(bb) of the Secondary Covered Bond Legislation.
Listing Agent	Dexia Banque Internationale à Luxembourg acting through its offices at 69 route d'Esch, Luxembourg L-2963, Luxembourg (the **Luxembourg Listing Agent**).
Rating Agencies	**Rating Agencies** means, in respect of each Series of Covered Bonds, such of Fitch Ratings Limited (**Fitch**) and Moody's Investors Service Limited (**Moody's**) and any other rating agency who are rating such Series of Covered Bonds (each a **Rating Agency**).

PROGRAMME DESCRIPTION

Description:	Alpha €8 billion Direct Issuance Global Covered Bond Programme.
Programme Amount	Up to €8 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 will issue Covered Bonds without the prior consent of the Covered Bondholders pursuant to Condition 16. 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. **Issue Date** means each date on which the Issuer issues a Series of Covered Bonds under the Programme, as specified in the applicable Final Terms. **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.

Final Terms	Final terms (the **Final Terms**) will be issued and published in accordance with the terms and conditions (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 supplemented, amended and/or replaced 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) no Issuer Event has occurred which is continuing 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.
Forms of Covered Bonds	The Covered Bonds may 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 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.
Redenomination	The applicable Final Terms may provide that certain Covered Bonds may be redenominated in Euro. If so, the redenomination provisions will be set out in the applicable Final Terms.
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 such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption 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; or

(c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s),

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.

ISDA Definitions means the 2006 ISDA Definitions, as published by ISDA.

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 (each 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).

Interest Period means, in accordance with Condition 5, 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.

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

Minimum Rate of Interest means in respect of Floating Rate Covered Bonds the percentage rate per annum (if any) specified 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 *pro rata* without any preference or priority among themselves, irrespective of their Series, for all purposes except for the timing of the repayment of principal and the timing and amount of interest payable.
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. See Condition 8 (*Taxation*).
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 to the extent that such assets are governed by Greek law, have the benefit of a statutory pledge established by operation of law pursuant to paragraph 4 of Article 152 (the **Statutory Pledge**) by virtue of registration statement(s) filed with the Athens Pledge Registry (each a **Registration Statement**) pursuant to paragraph 5 of Article 152. 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 "*Summary 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, on each Interest 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 amounts due and payable on the Covered Bonds. After the occurrence of an Issuer Event (but prior to the delivery of a Notice of Default), on each Programme Payment Date, the Servicer will apply the Covered Bonds Available Funds in accordance with the Pre Event of Default Priority of Payments. See also "*Priority of Payments prior to the delivery of a Notice of Default* " below. Following the delivery of a Notice of Default, on any Business Day, the Servicer will apply the Covered Bonds Available Funds in accordance with the Post Event of Default Priority of Payments. See also "*Priority of Payments following the delivery of a Notice of Default* " below.
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 the Third Party Collection Account) will be available to satisfy the obligations of the Issuer to the Covered Bondholders and the other Secured Creditors and, following the occurrence of a Segregation Event (which is continuing), the occurrence of an Issuer Event or the service of a Notice of Default, in priority to the Issuer's obligations to any other creditors, until the repayment in full of the Covered Bonds. Pursuant to 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, the other English law governed Transaction Documents (other than the Deed of Charge and the Trust Deed) and the Asset Monitor Agreement. **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 having the benefit of the Charged Property in accordance with the Greek Covered Bond Legislation or pursuant to any Transaction Document entered into in the course of the Programme. **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. **Agents** means the Paying Agents, the Registrar, the Transfer Agents and any Calculation Agent. **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 91 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 entitled, 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 meaning given in the applicable Final Terms (as the case may be).
Programme Payment Date	The 18th calendar day of January, April, July and October of each year and if such day is not an Athens Business Day, the first Athens Business Day thereafter or, following the occurrence of an Issuer Event and for so long as an Issuer Event is continuing, the 18th calendar day of each month of each year and if such day is not an Athens Business Day, the first Athens Business Day thereafter (the **Programme 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.
Redemption:	The applicable Final Terms will indicate either that the relevant Series of Covered Bonds cannot be redeemed prior to their stated maturity or that such Series of Covered Bonds can be redeemed prior to their stated maturity for taxation reasons in the manner set out in Condition 7, or that such Covered Bonds will be redeemable at the option of the Issuer and/or the Covered Bondholders upon giving notice to the Covered Bondholders or the Issuer (as the case may be), on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms). Unless previously redeemed or purchased and cancelled, each Covered Bond will be redeemed by the Issuer at at least 100 per cent. of its nominal value on its scheduled maturity date.
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 previously redeemed as provided in the Conditions, the Covered Bonds of each Series will be redeemed at their Principal Amount Outstanding on the relevant Final Maturity Date. If the Covered Bonds are not redeemed in full on the relevant Final Maturity Date or (as described below) where the Covered Bonds are subject to an Extended Final Maturity Date, on the Extended Final Maturity Date, then the Trustee shall serve a Notice of Default on the Issuer pursuant to Condition 10. 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 and the Issuer (or the Servicer on its behalf) will make payments on each relevant Interest Payment Date and Extended Final Maturity Date. If the Covered Bonds are not redeemed in full on the relevant Final Maturity Date or, where the Covered Bonds are subject to an Extended Final Maturity Date, on the Extended Final Maturity Date, then the Trustee may or shall, as the case may be, 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, if applicable, its 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, if 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 Post Event of Default Priority of Payments until the date on which such Covered Bond is cancelled or redeemed. **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 or any Subsidiary of the Issuer shall be zero.
Ratings	Each Series issued under the Programme will be assigned a rating by each of the Rating Agencies.
Approval, listing and admission to trading	Application has been made to the CSSF to approve this document as a Base Prospectus. Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme after the date hereof to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List 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 and/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 applicable 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 "*Summary 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 Bank Account Agreement, the Programme Agreement, each Subscription Agreement and each Hedging Agreement and any non-contractual obligations arising out of or in connection with any of them will be governed by, and construed in accordance with, English law. The Asset Monitor Agreement and any non-contractual obligations arising out of or in connection with it will be governed by, and construed in accordance with, Greek law. The Covered Bonds and any non-contractual obligations arising out of or in connection with any of them will be governed by and construed in accordance with English law, save that the Statutory Pledge referred to in Condition 3, will be governed by and construed in accordance with Greek law.

CREATION AND ADMINISTRATION OF THE COVER POOL

Principal source of payments under Covered Bonds	Payments on the Covered Bonds will be direct and unconditional obligations of the Issuer. Prior to an Issuer Event, on each Interest 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 amounts due and payable on the Covered Bonds. After the occurrence of an Issuer Event (but prior to the delivery of a Notice of Default), on each Programme Payment Date, the Servicer will apply the Covered Bonds Available Funds in accordance with the Pre Event of Default Priority of Payments. See also "*Priority of Payments prior to the delivery of a Notice of Default* " below. Following the delivery of a Notice of Default, on any Business Day, the Servicer will apply the Covered Bonds Available Funds in accordance with the Post Event of Default Priority of Payments. See also "*Priority of Payments following the delivery of a Notice of Default* " below.
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), 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 levy of Greek Law 128/1975 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; and

(d) Marketable Assets (as defined below).

(each a **Cover Pool Asset** and collectively the **Cover Pool**).

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.

First Issue Date means the date on which the Issuer issues a Series of Covered Bonds for the first time pursuant to the Programme.

Subsidised Loan means any of the OEK Subsidised Loans, the State Subsidised Loans or the State/OEK Subsidised Loans.

Subsidised Interest Amounts means the interest subsidy amounts due and payable from the Greek State or any Greek State owned entity (other than the OEK) in respect of the State Subsidised Loans and/or from the OEK in respect of the OEK Subsidised Loans (as the case may be).

OEK means the Greek Worker Housing Organisation.

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 Greek State or any entity owned by the Greek State (other than the OEK) 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.

Optional changes to the Cover Pool

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

(a) *Allocation of Further Assets*: 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 Bonds provided that, with respect to any Cover Pool Assets assigned after the Issue Date for the first Series of Covered Bonds which 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), Moody's has provided a Rating Agency Confirmation (defined below) and Fitch has been notified in writing of such assignment; and

(b) *Removal or substitution of Cover Pool Assets*: 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 existing Cover Pool Assets with new Cover Pool Assets, provided that for any substitution of new Cover Pool Assets which have characteristics other than those of the Initial Assets, Moody's has provided a Rating Agency Confirmation (defined below) and Fitch has been notified in writing of such removal or substitution (as the case may be).

Any further assets added to the Cover Pool at the option of the Issuer in accordance with the above items (a) and (b) (each, an **Additional Cover Pool Asset**) 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 a certificate, or as the case may be, procure the delivery of a certificate confirming that (i) such Additional Cover Pool Assets comply with the Eligibility Criteria and are subject to the Statutory Pledge and (ii) no Issuer Insolvency Event (as defined below) or a breach of any Statutory Test has occurred or, as a result of the addition of such Additional Cover Pool Assets to the Cover Pool, will occur.

Issuer Insolvency Event means in relation to the Issuer:

(a) an order is made or an effective resolution passed for the liquidation or winding up of the Issuer, except for the purposes of a reconstruction, amalgamation or merger or following the transfer of all or substantially all of the assets of the relevant entity, the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Covered Bondholders (of all Series taken together as a single Series) or which has been effected in compliance with the terms of Condition 18;

(b) the Issuer stops or threatens to stop payment to its creditors generally;

(c) the Issuer stops or threatens to 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;

(d) 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 (in the opinion of the Trustee) 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;

(e) the Issuer is in a status of cessation of payments within the meaning of article 3 of the Greek Bankruptcy Code; or

(f) a supervisor (Epitropos) of the Issuer is appointed in accordance with article 137 of Law 4261/2014 or Issuer is placed in liquidation in accordance with article 1458 of Law 4261/2014.

Greek Bankruptcy Code means Greek Law 3588/2007.

Minimum Credit Rating means at least BBB- by Fitch and Baa3 by Moody's.

Rating Agency Confirmation means a confirmation in writing by Moody's that the then current ratings of the Covered Bonds will not be adversely affected by or withdrawn as a result of the relevant event or matter.

Rating Agencies means Fitch Ratings Limited (**Fitch**) and Moody's Investors Service Limited (**Moody's**) (each a **Rating Agency**).

Disposal of the Loan Assets Following the occurrence of an Issuer Event (but prior to the 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 have the option to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed until one year prior to the Extended Final Maturity Date of the Earliest Maturing Covered Bonds, and thereafter 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 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 10 Athens Business Days from the receipt of an 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. See "*Description of Principal Documents – Servicing and Cash Management Deed*".

Following the service of a Notice of Default, the Trustee shall be entitled to direct the Servicer to dispose of part or all of the Cover Pool.

Undertakings of the Servicer in respect of the Cover Pool

Pursuant to the Transaction Documents, the Servicer 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 Alpha in its capacity as Issuer and Servicer

Under the Servicing and Cash Management Deed, Alpha 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) the existence of the Cover Pool Assets;

(d) the absence of any lien attaching to the Cover Pool Assets;

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

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

Eligibility Criteria

Each Loan Asset to be included in the Cover Pool shall comply with the following criteria (the **Eligibility Criteria**):

(a) each Loan is an existing loan denominated in euro;

(b) in respect of any Loan that has a principal outstanding balance exceeding €1,000,000, the inclusion of such Loan would not cause the aggregate value of all Loans in the Cover Pool with a principal outstanding balance exceeding €1,000,000 to exceed 3 per cent. of the aggregate value of the Cover Pool;

(c) each Loan is governed by Greek law and is subject to the jurisdiction of the courts of Greece;

(d) if any Loan has characteristics other than those pertaining to the Initial Assets (each such Loan, a **New Asset Type**), the Issuer has received written confirmation from Moody's that if such New Asset Type is included in the Cover Pool, such inclusion of the New Asset Type by the Issuer would, taking into account any consequential amendments to this Eligibility Criteria, the Transaction Documents (including the Representations and Warranties) and the Statutory Tests, not have an adverse effect on the then current ratings of the Covered Bonds and Fitch has been notified in writing of such inclusion;

(e) each borrower is an individual (the **Borrower**) and is not an employee of the Issuer or any of its subsidiaries;

(f) in respect of each Loan where the purpose was for the construction of a new property, the Loan is secured against completed properties only;

(g) each Loan is secured by a valid and enforceable first ranking mortgage and/or mortgage pre-notation over property located in Greece that is used for residential purposes;

(h) notwithstanding (g) above, if the mortgage and/or mortgage pre-notation is lower ranking, (i) the Issuer has determined to its satisfaction acting as a prudent mortgage lender that there are no actual claims capable of being made in connection with such prior ranking mortgages or pre-notations; or (ii) the Loans that rank higher have also been originated by the Issuer and are included in the Cover Pool;

(i) all lending criteria and preconditions applied by the Issuer's credit policy and customary lending procedures and the "European Code of Conduct on Mortgage Loans" have been satisfied with regards to the granting of each Loan;

(j) each Loan is fully drawn down and the Issuer is not obliged to advance any further amounts to the relevant Borrower;

(k) each Loan has a maturity date which falls on or prior to the Final Maturity Date or, if applicable, the Extended Final Maturity Date of the **Latest Maturing Covered Bonds** (being, 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 latest Final Maturity Date (ignoring

any acceleration of amounts due under the Covered Bonds prior to an Event of Default) or, if applicable, Extended Final Maturity Date, as specified in the applicable Final Terms).

Monitoring of the Cover Pool

Prior to the occurrence of an Issuer Event, the Servicer shall verify that:

(l) the Cover Pool satisfies the Nominal Value Test on each Calculation Date falling in January, April, July and October of each year;

(m) the Cover Pool satisfies the Net Present Value Test on each Calculation Date falling in January, April, July and October of each year; and

(n) the Cover Pool satisfies the Interest Cover Test on each Calculation Date falling in January, April, July and October of each year,

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

Calculation Date means the Athens Business Day which falls five Athens Business Days prior to each Programme Payment Date.

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 (i) an Issuer Event and (ii) the Issuer not being able to issue further Covered Bonds. The Statutory Tests will include the following:

(a) *The Nominal Value Test*: Prior to an Issuer Event, the Issuer must ensure that on each Calculation Date falling in January, April, July and October of each year, the Euro Equivalent of the Principal Amount Outstanding of all Series of Covered Bonds then outstanding, together with all accrued interest thereon, is not greater than 95% of the nominal value of the Cover Pool (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 other than the Hedging Agreements shall be evaluated in accordance with the Servicing and Cash Management Deed.

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.

Eligible Investments means any Marketable Assets 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 Programme 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) AA- and F1+ by Fitch with regard to investments having a maturity of up to 365 days where the investment carries both a short-term and long-term rating; or

(B) F1+ by Fitch with regard to investments having a maturity of up to 365 days where the investment carries only a short-term rating; or

(C) equal to the current rating given by Fitch to the then outstanding Covered Bonds:

(1) with regard to investments having a maturity of greater than 365 days; and/or

(2) in cases where the current rating given by Fitch to the then outstanding Covered Bonds is lower than AA-; and

(ii) either:

(A) A2 by Moody's in respect of long-term debt or P-1 by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month; or

(B) A1 by Moody's in respect of long-term debt and P-1 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;

For the purposes of calculating the nominal value of the Cover Pool on any Calculation Date falling in January, April, July and

October of each year, 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**) as at such Calculation Date.

(d) *The Net Present Value Test*: Prior to an Issuer Event, the Issuer must ensure that on each Calculation Date falling in January, April, July and October of each year, the net present value of liabilities under the Covered Bonds is less than or equal to the net present value of the Cover Pool, including the Hedging Agreements (if included, at the discretion of the Issuer), as determined in accordance with the Servicing and Cash Management Deed.

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 Calculation Date falling in January, April, July and October of each year, the net present value of the Hedging Agreements are in aggregate less than or equal to 15% of the nominal value (being principal) of the Covered Bonds plus accrued interest thereon.

For the purposes of calculating the net present value of the Cover Pool on any Calculation Date falling in January, April, July and October of each year, 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 relevant Calculation Date.

(e) *The Interest Cover Test*: Prior to an Issuer Event, the Issuer must ensure that on each Calculation Date falling in January, April, July and October of each year, the amount of interest due on the Covered Bonds does not exceed the amount of interest expected to be received in respect of the Loans (including, for this purpose, any Subsidised Interest Amounts that are expected to accrue during such period but which are not Excluded Subsidised Interest Amounts) comprised in the Cover Pool and the Marketable Assets which are to be included for the purpose of valuation in accordance with paragraph I.6 of the Secondary Covered Bond Legislation, in each case, during the period of 12 months from such Calculation Date. The Hedging Agreements (if included, at the discretion of the Issuer) must be included for assessing compliance with this test.

For the purposes of calculating the Nominal Value Test, the Net Present Value Test and the Interest Cover Test set out above, each Loan will be deemed to have an outstanding principal balance (the **Adjusted Aggregate Principal Balance**) equal to the lower of:

(a) the actual outstanding principal balance of the relevant Loan in the Cover Pool as calculated on the relevant Calculation Date;

(b) the latest of either the physical valuation or the Prop Index Valuation relating to that Loan multiplied by 0.80 less the Outstanding Principal Balance of any first 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 arrears of more than 90 days, zero,

and each Loan shall be deemed to bear interest on its Adjusted Aggregate Principal Balance.

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.

Excluded Subsidised Interest Amounts means the Subsidised Interest Amount accrued in respect of the Subsidised Loans during the twelve month period immediately following any Calculation Date on which the Interest Cover Test is carried out.

Prop Index Valuation means the index of movements in real estate prices issued by Prop Index SA in relation to residential properties in Greece.

Breach of Statutory Tests

If on a Calculation Date any one or more of the Statutory Tests being tested on such Calculation Date are not satisfied, the Issuer must cure any breach(es) of the relevant Statutory Tests within 5 Athens Business Days, failing which an Issuer Event shall occur.

The Servicer will immediately notify the Trustee, and where the Servicer is not Alpha, the Issuer and 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 a Notice of Default has not been served, the Cover Pool will be subject to an amortisation test (the **Amortisation Test**). The Amortisation Test is intended to ensure that the Cover Pool Assets are sufficient to meet the obligations under all Covered Bonds outstanding together with senior expenses that rank in priority or *pari passu* with amounts due on the Covered Bonds.

The Amortisation Test will be tested by the Servicer on each Calculation Date following an Issuer Event. A breach of the Amortisation Test will constitute an Event of Default, which, following receipt of notice of such breach from the Servicer, will require the Trustee to serve a Notice of Default declaring the Covered Bonds immediately due and repayable and the Trustee may enforce the Security over the Charged Property.

The Servicer will immediately notify the Trustee of any breach of the

Amortisation Test and of the occurrence of an Event of Default.

Amendment to definitions

The Servicing and Cash Management Deed will provide that the definitions of Cover Pool, Cover Pool Asset, Eligibility Criteria, Statutory Test and Amortisation Test may be amended by the Issuer (without the consent of the Trustee) from time to time as a consequence of, *inter alia*, including in the Cover Pool, Additional Cover Pool Assets that are New Asset Types and/or changes to the hedging policies or servicing and collection procedures of Alpha 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 Fitch 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 Principal Documents – Servicing and Cash Management Deed – Amendment to Definitions*".

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:

(a) an Issuer Insolvency Event;

(b) the Issuer fails to pay any principal (other than the Principal Amount Outstanding on the Covered Bonds on the Final Maturity Date or the Extended Final Maturity Date, as applicable) or interest in respect of the Covered Bonds within a period of seven Athens Business Days from the due date thereof;

(c) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of amounts due under the Covered Bonds or Coupons of any Series) under the Trust Deed, the Deed of Charge or any other Transaction Document to which the Issuer is a party which, in the opinion of the Trustee, would have a materially prejudicial effect on the interests of the Covered Bondholders of any Series, and (except where such default is or the effects of such default are, in the opinion of the Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required) such default continues for 30 days (or such longer period as the Trustee may permit) after written notice has been given by the Trustee to the Issuer requiring the default to be remedied;

(d) any present or future Indebtedness in respect of moneys borrowed or raised in an amount of €15,000,000 or more (other than Indebtedness under this Programme) of the Issuer becomes due and payable prior to the stated maturity thereof as extended by any grace period originally applicable thereto; or if any present or future guarantee of, or indemnity given by the Issuer in respect of such Indebtedness is not honoured when called upon or within any grace period originally applicable thereto;

(e) if there is a breach of a Statutory Test on a Calculation Date and

such breach is not remedied within five Athens Business Days; or

(f) if it is or will (in the opinion of the Trustee, having taken legal advice from a reputable firm of lawyers or a reputable legal expert) become unlawful or illegal for the Issuer to comply with any of its obligations under or in respect of the Covered Bonds or any of the Transaction Documents where such unlawfulness or illegality cannot be remedied and, in the case of an unlawfulness or illegibility which can be remedied, is not remedied within 30 days after written notice has been given by the Trustee to the Issuer requiring the same to be remedied,

then (for as long as such Issuer Event is continuing) (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 paid henceforth directly into the Transaction Account or the Third Party Collection Account (as applicable) in accordance with the Servicing and Cash Management Deed, (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 Alpha is the Servicer, its appointment as Servicer will be terminated and a Replacement 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 will have the option to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed until one year prior to the Extended Final Maturity Date of the Earliest Maturing Covered Bonds, and thereafter 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.

Coupons means interest coupons in respect of Bearer Definitive Covered Bonds.

Indebtedness means all indebtedness in respect of moneys borrowed on the capital markets.

Authorised Investments

Pursuant to the Servicing and Cash Management Deed, the Servicer is entitled to draw sums from time to time standing to the credit of the Transaction Account for purchasing Authorised Investments.

Authorised Investments means any of the following:

(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 AA- or F1+ by Fitch and P-1 by Moody's, have a remaining period to maturity of 30 days or less and mature on or before the next following Programme Payment Date and the long-term and short-term issuer default ratings of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are at least AA- or

F1+ respectively by Fitch and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least P-1 by Moody's; and

(b) Euro denominated government and public securities, provided that such investments have a remaining period to maturity of 30 days or less and mature on or before the next following Programme Payment Date and which are rated AA- or F1+ by Fitch and Aaa by Moody's,

provided that such Authorised Investments satisfy the requirements for eligible assets that can collateralise covered bonds under paragraph I.2(a) of the Secondary Covered Bond Legislation.

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 relating to the relevant immediately preceding Collection Period (the **Servicer Reports**) (to be submitted to the Issuer, the Trustee (if requested), 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 Borrowers under the Loans on the relevant Programme Payment Date.

ACCOUNTS AND CASH FLOW STRUCTURE:

Segregation Event and Collection Account

Prior to the occurrence of an Issuer Event, Alpha will deposit on a daily basis within one Athens Business Day of receipt, all collections of interest (including any Subsidy Payments) and principal it receives on the Cover Pool Assets and all moneys received from Marketable Assets and Authorised Investments, if any, included in the Cover Pool into a segregated account maintained at Alpha (the **Collection Account**). Alpha 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 the purposes of the Statutory Tests.

Prior to the occurrence of an Issuer Event, the Servicer shall procure that

all Subsidy Payments received from the OEK and/or the Greek State or any other Greek State owned entity in respect of the Subsidised Loans will be deducted from the applicable Subsidy Bank Account and paid into the Collection Account within one Athens Business Day of receipt.

All amounts deposited in, and standing to the credit of, the Collection Account shall constitute segregated property distinct from all other property of Alpha pursuant to paragraph 9 of Article 91 and by virtue of an analogous application of paragraphs 14 through 16 of Article 10 of Greek Law 3156/2003.

Prior to a reduction in the long-term senior unsecured credit rating of Alpha below the Minimum Credit Rating (such occurrence, a **Segregation Event**), Alpha will be entitled to draw sums from time to time standing to the credit of the Collection Account in addition to any other 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) Alpha shall only be entitled to withdraw moneys from the Collection Account (A) to the extent that amounts standing to the credit of the Collection Account shall at all times exceed the equivalent of the aggregate of (i) any amounts on any Covered Bonds Series outstanding falling due for payment or required to be transferred before or on the following Interest Payment Date of each Covered Bond Series outstanding, provided that the Interest Payment Date falls before or on the date falling three calendar months after the date of the withdrawal (or in the case of Zero Coupon Covered Bonds, the amount by which the Amortised Face Amount on the next Programme Payment Date (provided such Programme Payment Date falls on or before the date that falls three calendar months after the date of withdrawal) exceeds the Amortised Face Amount of such Zero Coupon Covered Bond on the Programme Payment Date on the date of withdrawal, on the basis that the Accrual Yield and the Reference Price are the same on each of such date), (ii) such other payments falling due on or before the date falling three calendar months after the date of the withdrawal which rank senior to or *pari passu* with the payments on the Covered Bonds (by reference to the Pre Event of Default Priority of Payments) and/or, (iii) any sums required to be transferred to the Commingling Reserve Ledger on or before the date falling three calendar months after the date of the withdrawal, or (B) for the purpose of transferring funds to the Transaction Account or making payments on the Covered Bonds and/or such other payments which rank senior to or *pari passu* with the payments on the Covered Bonds (by reference to the Pre Event of Default Priority of Payments).

If Alpha'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 Alpha will be entitled to draw sums standing to the credit of the Collection Account in addition to any other funds available to it for any purpose including to make payments on the Covered Bonds.

Subsidy Payments means the aggregate of all amounts actually received

from the OEK, the Greek State and any other Greek State owned entity representing the Subsidised Interest Amounts in respect of the Subsidised Loans comprised in the Cover Pool.

Subsidy Bank Account means the OEK Savings Account, the Alpha Bank BoG Account and any other bank accounts in the name of the OEK, the Greek State or any other Greek State owned entity maintained in respect of the Subsidised Loans with either the Bank of Greece, Alpha, the Replacement Servicer, or if the Replacement Servicer is not a Credit Institution, with the Credit Institution appointed by such Replacement Servicer in accordance with Servicing and Cash Management Deed, as applicable.

OEK Savings Account means the savings bank account in the name of the OEK maintained in respect of the OEK Subsidised Loans with Alpha, the Replacement Servicer or, if the Replacement Servicer is not a Credit Institution, with the Credit Institution appointed by such Replacement Servicer in accordance with Servicing and Cash Management Deed, as applicable.

Alpha Bank BoG Account means the bank account in the name Alpha, maintained in respect of the State Subsidised Loans with the Bank of Greece.

Credit Institution means a credit institution for the purposes of Greek Law 4261/2014 of the Hellenic Republic.

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, Alpha 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 Commingling Required Amount. Following the occurrence of a Segregation Event but prior to the occurrence of an Issuer Event, Alpha shall no longer be entitled to withdraw moneys from the Transaction Account other than for purposes of making payments on the Covered Bonds and/or such payments which rank senior to or *pari passu* with the payments on the Covered Bonds (by reference to the Pre Event of Default Priority of Payments). If Alpha's rating(s) are reinstated above the level at which a Segregation Event occurs and so long as no Issuer Event has occurred, then Alpha 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 Commingling Required Amount.

Following the occurrence of an Issuer Event (as defined above), the Servicer shall (i) procure that within two Athens Business Days of the occurrence of such Issuer Event, all collections of principal and interest on deposit in the Collection Account (or, if applicable, the Third Party Collection Account) are transferred to the Transaction Account and (ii) provide notification to all Borrowers that any and all future payments due under the Loan Assets are henceforth to be effected directly to a bank account opened in the name of the Issuer with the Replacement Servicer, a

Greek Credit Institution or a Greek branch of a foreign Credit Institution, provided that the Replacement Servicer, the Greek Credit Institution or the Greek branch of a foreign Credit Institution (as the case may be) is rated at least P-1 by Moody's and A and F1 by Fitch (or such other ratings that may be agreed between the Issuer and the Rating Agencies from time to time) (the **Third Party Collection Account**). The Replacement Servicer shall procure that all amounts deposited into the Third Party Collection Account shall be transferred to the Transaction Account within two Athens Business Day of receipt. Following an Issuer Event, the Transaction Account will be the bank account used for the crediting of, *inter alia*, amounts standing to the credit of the Collection Account or the Third Party Collection Account (as applicable) or in respect of the Cover Pool Assets and to make payments under the Covered Bonds. Amounts to be credited into the Transaction Account include:

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

(b) all Subsidy Payments received from the OEK and/or the Greek State or any other Greek State owned entity;

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

(d) 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 any Loan Assets to a third party);

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

(f) the Commingling Withdrawal Amount;

(g) any amounts paid to the Issuer by the Hedging Counterparties under the Hedging Agreements; and

(h) any amounts deriving from maturity or liquidation of Authorised Investments.

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 (or the Servicer on its behalf) shall transfer any amounts it receives in respect of any Cover Pool Assets (including any Subsidy Payments) to the Transaction Account within two Athens Business Days of receipt.

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

Commingling Reserve Ledger means the ledger on the Transaction Account of such name maintained by the Servicer pursuant to the

Servicing and Cash Management Deed.

Commingling Withdrawal Amount means on each Programme Payment Date following an Issuer Event, a drawing from the Commingling Reserve Ledger to be applied as Covered Bonds Available Funds in accordance with the Pre Event of Default Priority of Payments, if and to the extent the Servicer has during the immediately preceding Programme Payment Period failed to transfer to the Issuer any collections received by the Servicer during or with respect to such Programme Payment Period and such amounts represent amounts other than principal or, as applicable, principal paid by the Borrowers.

Covered Bonds Available Funds

Following the occurrence of an Issuer Event, payments on the Covered Bonds will be made from the Covered Bonds Available Funds in accordance with the Pre Event of Default Priority of Payments.

Covered Bonds Available Funds means, at any time upon or after the occurrence of an Issuer Event, in respect of any Programme Payment Date, the aggregate of:

(i) all amounts standing to the credit of the Transaction Account at the immediately preceding Calculation Date;

(j) all amounts (if any) paid or to be paid on or prior to such Programme Payment Date by the Hedging Counterparties into the Transaction Account pursuant to the Hedging Agreement(s);

(k) all amounts of interest paid on the Transaction Account during the Programme Payment Period immediately preceding such Programme Payment Date;

(l) the Commingling Withdrawal Amount; and

(m) all amounts deriving from repayment at maturity of any Authorised Investment on or prior to such Programme Payment Date.

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 (A) any early termination amount received by the Issuer under a Hedging Agreement, but only to the extent that such amount is to be applied in acquiring a replacement Interest Rate Swap or Covered Bond Swap (as applicable); (B) any Excess Swap Collateral or Swap Collateral, except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the relevant Hedging Agreement, to reduce the amount that would otherwise be payable by the Hedging Counterparty to the Issuer on early termination of the Interest Rate Swap or Covered Bond

Swap (as applicable) and, to the extent so applied in reduction of the amount otherwise payable by the Hedging Counterparty, such Swap Collateral is not to be applied in acquiring a replacement swap (the **Swap Collateral Excluded Amounts)**; (C) any premium received by the Issuer from a replacement Hedging Counterparty in respect of a replacement Interest Rate Swap or Covered Bond Swap, to the extent it is to be used to make any termination payment due and payable by the Issuer with respect to the previous Interest Rate Swap or Covered Bond Swap; and (D) any tax credits received by the Issuer in respect of an Interest Rate Swap or Covered Bond Swap (as applicable) used to reimburse the relevant Hedging Counterparty 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 or Covered Bond Swap (as applicable).

Programme Payment Period means the period from (and including) a Programme Payment Date (or, in the case of the first Programme Payment Period, the Programme Closing Date) to (but excluding) the next Programme Payment Date.

Excess Swap Collateral means, in respect of a Hedging Agreement, an amount (which will be transferred directly to the Hedging Counterparty in accordance with the Hedging Agreement) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Hedging Counterparty to the Issuer pursuant to the Hedging Agreement exceeds the Hedging Counterparty's liability under the Hedging Agreement (such liability determined as if no collateral had been provided) as at the date of termination of the Hedging Agreement or which it is otherwise entitled to have returned to it under the terms of the Hedging Agreement.

Swap Collateral means, at any time, any asset (including, without limitation, cash and/or securities) other than Excess Swap Collateral, which is paid or transferred by a Hedging Counterparty to the Issuer as collateral in respect of the performance by such Hedging Counterparty of its obligations under the relevant Hedging Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed.

Event of Default

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

(a) on the Final Maturity Date or Extended Final Maturity Date, as applicable, in respect of any Series of Covered Bonds or on any earlier redemption date or Interest Payment Date on which principal is due and payable thereon, 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 seven Athens Business Days from the due date thereof;

(b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series of Covered Bonds occurs

and such default is not remedied within a period of 14 Athens Business Days from the due date thereof; or

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

then the Trustee shall, upon receiving notice in writing from the Principal Paying Agent or any Covered Bondholder, or the Servicer in the case of (c), of the occurrence of such Event of Default, serve a notice of default (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 service of a Notice of Default, the Trustee shall be entitled to direct the Servicer to dispose of part or all of the Cover Pool. See "*Description of Principal Documents - Servicing and Cash Management Deed*".

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

At any time upon or after the occurrence of any Issuer Event but prior to the delivery of a Notice of Default, the Servicer shall apply all Covered Bonds Available Funds on each Programme 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):

(a) *first*, in or towards satisfaction of all amounts then due and payable or to become due and payable prior to the next Programme 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;

(b) *second*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any additional fees, costs, expenses and taxes due and payable on the Programme Payment Date or to provide for all such amounts that will become due and payable prior to the next Programme Payment Date to the Trustee or any Appointee in order to fund any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders in connection with the assignment and/or collection and/or management of the Cover Pool Assets;

(c) *third, pari passu* and *pro rata* according to the respective amounts thereof, to pay all amounts due and payable on the Programme Payment Date, or to provide for all such amounts that will become due and payable prior to the next Programme Payment Date, to the Account Bank and the Agents under the Bank Account Agreement and the Agency Agreement, respectively;

(d) *fourth*, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) to pay 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, and (ii) to pay all amounts due and payable on the Programme Payment Date, or to provide for all such amounts that will become due and payable prior to the next Programme Payment Date (and for which payment has not been provided for elsewhere in this Pre Event of Default Priority of Payments), to any Secured Creditors other than the Account Bank, the Agents, the Hedging Counterparties and the Covered Bondholders and Couponholders;

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

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

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

(h) *eighth*, to pay all Series of Covered Bonds to which an Extended Final Maturity Date applies *pari passu* and *pro rata* according to the respective amounts thereof, of or towards the Final Redemption Amount in respect of such Series of Covered Bonds;

(i) *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;

(j) *tenth*, if no Covered Bonds remain outstanding, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable on the Programme Payment Date, or to provide for all such amounts that will become due and payable prior to the next Programme Payment Date to any Hedging Counterparties arising out of any Subordinated Termination Payment; and

(k) *eleventh*, if no Covered Bonds remain outstanding, 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.

Priority of Payments following the delivery of a Notice of Default

Following delivery of a Notice of Default, all funds deriving from the Cover Pool Assets and the Transaction Documents, and any other sums standing to the credit of the Transaction Account shall be applied on any 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:

(a) *first*, to pay any Indemnity to which the Trustee or any Appointee or any Receiver 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 Appointee or any Receiver (i) following the occurrence of a Potential Event of Default, Issuer Event or, as applicable, an Event 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 (ii) 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 to, or is 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;

(b) *second*, *pari passu* and *pro rata* according to the respective amounts thereof, (i) to pay all amounts of interest and principal then due and payable on any Covered Bonds and Coupons, (ii) 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, (iii) to pay all amounts due and payable to any Secured Creditors other than the Covered Bondholders and Couponholders with the exception of those amounts set out in items (b)(iv) and (d), and (iv) any amounts due and payable under any Hedging Agreement other than the Subordinated Termination Payments to any

Hedging Counterparties under any such Hedging Agreements;

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

(d) *fourth*, following the payment in full of all items under (a) to (c) above, to pay all excess amounts 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) under Clause 14 of the Trust Deed.

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.

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 (including the Servicer 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 Services to be performed by the Servicer.

Programme Closing Date means 20 May 2010.

See "*Description of Principal Documents – Servicing and Cash Management Deed*".

Asset Monitor Agreement

Under the terms of the asset monitor agreement entered into on the Programme Closing Date (as amended and restated on 24 September 2010) 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 between the Issuer and the Trustee (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**), 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, where necessary, assign its rights arising under the Hedging Agreements, the other English law governed Transaction Documents (other than the Deed of Charge and the Trust Deed) and the Asset Monitor Agreement (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 Pre Event of Default Priority of Payments.

The Trustee has been authorised, in accordance with the Deed of Charge, subject to a Notice of Default being delivered to the Issuer following the occurrence of an Event of Default or upon failure by the Issuer to exercise its rights under the Transaction Documents, 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 and any non-contractual obligations arising out of or in connection with it 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 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, 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 (as amended and restated on 23 August 2012) 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, any Swap Collateral Accounts and any other account required under the Transaction Documents (together with the Transaction Account and each Swap Collateral 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** and each, a **Hedging Agreement**) 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, at its discretion, include its rights and claims 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 and any non-contractual obligations arising out of or in connection any of them shall be governed by English Law.

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

Interest Rate Swap Agreement means each agreement between the Issuer, the relevant Interest Rate Swap Provider and the Trustee governing the Interest Rate Swap in the form of an ISDA Master Agreement, including a schedule and one or more confirmations and a credit support annex.

Covered Bond Swap Agreement means each agreement between the Issuer, a Covered Bond Swap Provider and the Trustee governing any Covered Bond Swaps in the form of an ISDA Master Agreement, including a schedule and one or more confirmations and any credit support annex.

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 (named therein) or one or more Dealers (as the case may be).

Investor Report

On the Athens Business Day which falls three Athens Business Days prior to each Programme Payment Date (each an **Investor Report Date**), the Servicer will produce an investor report (the **Investor Report**), which will contain information regarding the Covered Bonds and the Cover Pool Assets, including statistics relating to the financial performance of the Cover Pool Assets for the immediately preceding Collection Period. Such report will be available to the prospective investors in the Covered Bonds and to Covered Bondholders on Bloomberg and on the Issuer's website www.alphabank.gr.

Collection Period means the period from (and including) a Collection Period Start Date (or, in the case of the first Collection Period, the Programme Closing Date) to the next Collection Period End Date.

Collection Period Start Date means the first calendar day falling in January, April, July and October of each year.

Collection Period End Date means the last calendar day falling in March, June, September and December of each year.

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.

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

Risks Relating to the Hellenic Republic Economic Crisis

Uncertainty resulting from the Hellenic Republic's financial and economic crisis has had and is likely to continue to have a significant adverse impact on the Group's business.

The composition of the Group's assets, business, results of operations, financial condition and prospects depends on the macroeconomic and political conditions in Greece. As at and for the financial year ended 31 December 2013, 78.0 per cent. of the Group's net interest income and 82.8 per cent. of the total net loans were derived from operations in the Hellenic Republic. The Greek economy is in the seventh year of financial recession and the Hellenic Republic continues to face significant pressure in its public finances. Over the last four years, the Hellenic Republic has committed to certain significant structural measures intended to restore competitiveness and promote economic growth in the country, as part of the adjustment programme agreed with the International Monetary Fund (the **IMF**), European Union (**EU**) and the European Central Bank (the **ECB**) (collectively referred to as the **Troika**), 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 which was completed in April 2012, which offered private investors the opportunity to exchange certain eligible Greek government bonds for new bonds on certain terms), as well as the IMF/Eurozone stabilisation and recovery programme as replaced by a second economic adjustment programme in March 2012 and amended in November 2012 (the **Stabilisation Programme**) for the financial support of Greece and provisions which have been established for reducing the financial needs of, and providing additional debt relief to, the Hellenic Republic and Greek banks, the Hellenic Republic is expected to have more time to implement fiscal adjustment policies and growth-enhancing structural reforms. In addition, the PSI resulted in a significant decline of the Greek debt burden by approximately 50 per cent. of GDP in 2012, as well as a sharp reduction in debt servicing needs through lower interest rates and a substantial extension of the average debt maturity. The completion of the buy-back of Greek government bonds by the Hellenic Republic in December 2012 (the **Buy-back**) provided an

additional debt relief of at least 9.5 per cent. of GDP, while the restructuring of interest payments under loans owing to the European Financial Stability Facility (**EFSF**) and the further interest rate decrease of official sector loans granted to Greece will further decrease the servicing cost of the Greek debt. However, in 2013, the debt burden increased again significantly to 176 per cent. of GDP, as a result of new sovereign borrowing of €50 billion from the EFSF in order to recapitalise Greek banks. The PSI has resulted in significant impairment losses for Greek banks.

The Group participated in the PSI by exchanging all its eligible Greek government bonds and loans guaranteed by the Hellenic Republic with a nominal value of €6 billion for (i) new Greek government bonds with a nominal value of €1.9 billion, (ii) bonds issued by the EFSF with a nominal value of €1 billion and (iii) a security linked to Greek GDP in accordance with the terms announced by the Greek government. In the fourth quarter of 2011, as a result of participating in the PSI, the Group recognised an impairment loss of €4.8 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 €288.3 million before tax.

The Group also participated in the Hellenic Republic's invitation of December 2012 concerning the Buy-back of bonds with a nominal value of €1.5 billion and a carrying amount of €0.5 billion. As a result of its participation in the Buy-back, the Group recognised a gain of €117.7 million before tax in the fourth quarter of 2012.

The Stabilisation Programme also includes a comprehensive strategy for recapitalisation of the banking system following PSI-related losses and the detrimental impact of a prolonged recession on bank loan quality. However, there can be no assurance that the PSI and the completion of the Buy-back together with the implementation of the Stabilisation Programme in accordance with its terms will lead to its stated objectives or have the anticipated effects. Following the recapitalisation of Greek banks that was completed in 2013 and the resulting consolidation of the banking sector, four systemic banks emerged. The Bank of Greece conducted a follow-up stress test on the basis of June 2013 data to update Greek banks' capital needs. The total capital needs for Greek banks (including the four systemic banks) according to the 2014 BoG Stress Test (as defined below) amounted to €6.4 billion. Failure to successfully implement the Stabilisation Programme may lead to termination of the financial support by the IMF and the EU, which would create the conditions for a new credit event with respect to the Hellenic Republic debt or lead to a default by the Hellenic Republic on its debt which would include both marketable instruments and official sector loans from EU Member States.

Greece has limited margin to absorb additional adverse shocks or slippages in the implementation of the Stabilisation Programme. In the event that policy implementation takes longer than expected or falls short of expectations, the economy takes longer than expected to respond to labour market and other structural competitiveness-enhancing reforms, 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 Stabilisation Programme. Such slippages could even outweigh the benefits from the additional debt and funding relief provided to Greece by the decisions of the Council of the European Union (the **Eurogroup**) of 27 November 2012 and 13 December 2012 and the successful completion of the Buy-back in December 2012.

Even if the Hellenic Republic successfully implements the Stabilisation Programme, government debt as a percentage of GDP is projected by the European Commission to remain above 170 per cent. of GDP through 2015, and it remains uncertain whether the Greek economy will grow sufficiently to ease the financing constraints of the Hellenic Republic without a new agreement with EU partners and the IMF which may involve additional debt relief mainly in relation to the official sector. This relief could occur through new changes in conditions of official sector loans or further

restructuring of Greek government bonds held by the Bank of Greece, through its Emergency Liquidity Assistance (the **ELA**), and the ECB (collectively referred to as the **Eurosystem**) and a direct haircut on official sector loans or loans from the EFSF or any other measure. Failure of the Hellenic Republic 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 Stabilisation Programme, may result in a credit event with respect to the Hellenic Republic debt occurring prior to the completion of the Stabilisation Programme.

The uncertainty relating to the implementation of the Stabilisation Programme and the sovereign debt reduction through the PSI has directly affected the capital levels, liquidity and profitability of the financial system of the Hellenic Republic and consequently of the Issuer. The limited liquidity in the Greek banking system reflects an effective closing of market financing since the end of 2009, a sizeable contraction of the domestic deposit base since then (31.3 per cent. cumulatively from 31 December 2009 to 31 December 2013, according to Bank of Greece data) and heavy reliance on Eurosystem funding.

A failure of the Stabilisation Programme to result in a marked improvement in the Greek economy would have significant adverse consequences on the Issuer. If another credit event with respect to the Greek government debt or an additional restructuring of Greek government debt were to occur, regulatory capital would be severely affected due to direct exposure to the Hellenic Republic 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 Stabilisation Programme is successfully implemented, the Greek economy may not achieve the sustained and robust growth that is necessary to ease the financial constraints of the country and improve conditions for foreign direct investment and the availability of funding from the capital markets. Notwithstanding the Stabilisation Programme, the Greek economy will continue to be affected by the credit risk of other countries in the EU, the creditworthiness of commercial counterparties internationally and the repercussions arising from changes to the European institutional framework, which may contribute to continuing investor fears regarding Greece's capacity to honour its financial commitments. In addition, a continued depression in the Greek economy will have a significant material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Recessionary pressures in Greece stemming from the Stabilisation Programme have had and may continue to have an adverse effect on the Issuer's business

The Group's business activities are dependent on the level of banking, finance and financial products and services offered, as well as 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.

The cumulative decline in real GDP by 23.5 per cent. during the period between 2008 and 2013 has resulted in significantly reduced disposable income, spending and debt repayment capacity of the Greek private sector. A protracted period of financial recession in the Hellenic Republic has materially and adversely affected the liquidity, business activity and financial conditions of borrowers, which in turn has led to further increases in non-performing loans (**NPLs**), impairment charges on the Issuer's loans and other financial assets and decreased demand for borrowings in general and increased deposit outflows.

Although the Group has experienced a growth in deposits since June 2012, new loans to businesses and households are expected to remain subdued in the Group and in Greece in general, as the sizeable decrease of household disposable incomes and firms' profitability from the austerity measures, as

well as the resulting deterioration in the business environment against a backdrop of tighter credit criteria and stressed liquidity conditions, are likely to continue to impair further demand for credit. In addition, the need to reduce dependency on Eurosystem funding may not allow the reversal of deleveraging, especially if the growth of deposits does not follow the expected improvement of economic activity and increased confidence in the banking system. Moreover, customers may decrease their interest in non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect fee and commission income. In addition, in the context of continued market turmoil, worsening macroeconomic conditions and increasing unemployment, coupled with declining consumer spending and business investment and the worsening credit profile of corporate and retail borrowers, the value of assets collateralising secured loans, including houses and other real estate, could decline significantly. Such a decline could result in impairment of the value of the Issuer's loan assets or an increase in the level of non-performing loans, either of which may have a material adverse effect on business, financial condition, results of operations and prospects. Finally, if the Stabilisation Programme is not implemented successfully—especially with respect to the structural reform agenda—or if additional austerity measures beyond those agreed to in the Stabilisation Programme are required to counterbalance potential deviations from the Stabilisation Programme's targets, economic activity may experience a sharper than expected drop in 2014, resulting in a further delayed recovery and a further adverse effect on business.

The Issuer is currently restricted in its ability to obtain funding in the capital markets and from other sources and is heavily dependent on the ECB for 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 customer repurchase contracts and other 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. Since the end of 2009, the severity of pressure experienced by the Hellenic Republic 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. As a result, maturing inter-bank liabilities have not been renewed, or have been renewed only at higher costs. In addition, deposit outflows beginning in late 2009 and lasting through to June 2012, continue to put pressure on the liquidity position of many Greek banks despite a progressive inflow of deposits since June 2012. Political initiatives at an 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. Consequently, ECB funding has increased since the start of the crisis. As at 31 December 2013, the Issuer's Eurosystem funding amounted to €17.2 billion (excluding repos). In addition, if the ECB were to revise their collateral standards or increase the rating requirements for collateral securities such that these instruments were not eligible to serve as collateral with the ECB, the Issuer's funding costs could significantly increase and its access to liquidity could be 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 the Issuer's cost of funding due to the higher interest rate of ELA funding compared with ECB funding. The ECB decided on March 2012 to place time limitations (i.e., until the end of February 2015) on the use of Greek government guaranteed securities as eligible collateral. Any downgrade or withdrawal of Greek sovereign ratings would likely have a material adverse effect on the Issuer's ability to continue to access current levels of funding from the ECB or from any other source. A new loss of deposits and the prolonged need for additional Eurosystem funding may result in the exhaustion of collateral eligible for 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. If depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Issuer is unable to obtain the necessary liquidity by other means, it would be unable to maintain current levels of funding without incurring significantly higher funding costs or having to liquidate certain assets, or without increasing access to the Eurosystem under its then-current terms.

The on-going availability of customer deposits to fund the Issuer's loan portfolio is subject to potential changes in certain factors outside the Issuer's control, such as depositors' concerns relating to the economy in general, the financial services industry or the Issuer specifically, the increasing fiscal burden over depositors leading depositors to use their funds (and thus decrease their deposits), the risk of implementation of changes in the framework for supporting credit institutions by requiring the participation of their respective shareholders, creditors and unsecured depositors (so called "bail-in" measures) 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 Issuer's ability to access customer deposit funding on appropriate terms in the future, which would impact the Issuer's ability to fund its operation and meet its minimum liquidity requirements and have an adverse effect on the Issuer'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 Group's need for additional capital and liquidity, most notably from impairments, as well as deterioration in the portfolio's quality compared to previous estimates.

In March 2014, in the independent diagnostic study performed on the loan portfolios of, among others, the Greek systemic banks by BlackRock Financial Management Inc. at the instructions of the Bank of Greece (**2014 BoG Stress Test**), the Bank of Greece determined the Group's capital needs through to 2016, under the baseline scenario, to be €262 million. Such capital needs were covered in the context of a recent capital increase of the Issuer, completed in April 2014. The Issuer's capital needs, however, may be reassessed in the future due to: (a) the adverse economic environment in Greece, which may result in (i) a sharper deterioration in the quality of the loan portfolio resulting in a loss figure over and above the sum of (1) the lifetime credit loss projection (baseline scenario) of €11,569 million projected by the independent loan diagnostic study performed on the Greek loan portfolio of the Group by BlackRock Financial Management Inc. (**BlackRock**) and (2) an additional €3,151 million in credit loss projection resulting from the prudential filters applied in the 2014 BoG Stress Test, in accordance with the commitment undertaken by the Bank of Greece under the Programme in the context of ensuring that the Greek banks are adequately capitalised and (ii) weaker 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. Even if the Issuer initially meets the minimum capital ratio requirements established by the Bank of Greece, the above risks could result in the need to raise further core capital.

The Group is required by regulators in the Hellenic Republic 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 the Hellenic Republic, 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 Issuer, 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, or 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 demands in the jurisdictions in which it operates.

As at 31 December 2013, and following the Group's recapitalisation in 2013 and the acquisition of Emporiki Bank S.A. (**Emporiki**) in the same year, the Group maintained a Core Tier I ratio equal to 16.1 per cent., which was higher than the minimum of 9 per cent. determined by the Bank of Greece, and a capital adequacy ratio equal to 16.4 per cent. (with a minimum requirement of 8 per cent.). However, the Bank of Greece could enact more stringent capital requirements for Greek banks which may increase the capital needs of the Group.

Any of these factors may result in the need for additional capital and capital increases for the Group. 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 state support and/or the Bank of Greece, thereby increasing the likelihood that the shareholders will be subject to limitations on their rights and/or incur significant losses in their investments.

Negative results in the Group's stress testing may have an adverse effect on the Group's funding cost or the public's confidence in the Group and, consequently, may adversely affect its business, financial condition, results of operations and prospects.

Stress tests analysing the European banking sector have been, and the Issuer anticipates that they will continue to be, published by national and supranational regulatory authorities. For example, the European Banking Authority has commissioned the European Central Bank to conduct an asset quality review of banks within the European Union, the results of which have been published on 26 October 2014. The Issuer successfully concluded the 2014 ECB Comprehensive Assessment, exceeding the Core Equity Tier I hurdle rates of 5,5% and 8% for the adverse and the baseline scenarios with a safe margin between Euro 1.3 and Euro 3.1 billion. This includes the results of the Asset Quality Review, the Stress Test and the "join-up" methodology. However, a loss of confidence in the banking sector following the announcement of any stress tests regarding the Greek banking system or in the future the Group itself, or a market perception that any such tests are not rigorous enough, could have a negative effect on the Group's cost of funding and may thus have a material adverse effect on its results of operations and financial condition.

Wholesale borrowing costs and access to liquidity and capital have been negatively affected by a series of downgrades of the Hellenic Republic's credit rating

Since 2009, the Hellenic Republic has undergone a series of credit rating downgrades and in 2010 moved to below investment grade. The credit rating of the Hellenic Republic was lowered by all three credit rating agencies to levels just above default status following the activation of collective action clauses in Greek government bonds subject to Greek law in late February 2012. Specifically, the Hellenic Republic's credit rating was lowered to Selective Default-SD by Standard & Poor's on 27 February 2012, to Restricted Default-RD by Fitch on 9 March 2012, and to C by Moody's on 2 March 2012. Following the conclusion of the exchange of Greek government bonds under Greek law, Fitch raised its rating to B- on 13 March 2012 and Standard & Poor's raised its rating to CCC on 2 May 2012. Subsequently, on 17 May 2012, Fitch lowered the Hellenic Republic's credit rating to CCC due to the upcoming general elections.

In December 2012, Standard & Poor's downgraded the Hellenic Republic to SD (Selective Default), following the invitation to eligible holders of new Greek government bonds issued under the PSI to participate in the Buy-back. However, on 18 December 2012, following the completion of the auction process relating to the Buy-back, Standard & Poor's upgraded the long-term credit rating of the Hellenic Republic by six notches to B- and the short-term credit rating to B with stable outlook

stating that this upgrade is based on the strong commitment of the Eurozone countries to ensure that Greece will remain in the Eurozone and the commitment of the Greek government to achieve the fiscal adjustment. On 23 May 2014 Fitch upgraded the Hellenic Republic's rating to B. On 1 August 2014, Moody's upgraded the Hellenic Republic's credit rating to Caa1 due to Greece's improved fiscal outlook. On 12 September 2014, Standard & Poor's upgraded Greece's sovereign credit rating of B and gave it a stable outlook.

Despite of the current upgrades of the Hellenic Republic's ratings, downgrades may occur in the event of a failure to implement the Stabilisation Programme or if the Stabilisation Programme fails to produce the intended results. Accordingly, the cost of risk for the Hellenic Republic would increase further, with negative effects on the cost of risk for Greek banks and thereby on their results. Further downgrades of the Hellenic Republic's credit rating could result in a corresponding downgrade in the Issuer's credit rating.

Access to the capital and interbank markets depends significantly on the Issuer's credit ratings

Negative publicity following a credit rating downgrade may have an adverse effect on depositors' sentiment, which may increase dependence on Eurosystem funding. The Issuer is currently severely restricted in its ability to obtain funding in the capital markets and is heavily dependent on the Eurosystem for funding, and any further reductions in the long-term credit ratings of the Issuer could delay the Issuer's return to the capital and interbank markets for funding, increase borrowing costs and/or restrict the potential sources of available funding available to the Issuer. It could also, coupled with the deterioration of the market conditions, lead to higher spreads on bonds and have an adverse effect on the Issuer's ability to use its collateral to secure funding.

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

The global economic slowdown and economic crisis in Greece from 2009 to 2014 have resulted in an increase in non-performing 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, vessels, term deposits and receivables. In particular, as mortgage loans are one of the Issuer's principal assets, the Issuer is currently highly exposed to developments in real estate markets, especially in Greece. From 2002 to 2007, demand for housing and mortgage financing in Greece increased significantly, driven by, among other things, economic growth, declining unemployment rates, demographic and social trends and historically low interest rates in the Eurozone. In late 2007, the housing loan market in Greece began to be affected by excess supply, higher interest rates and an accelerated decline in household disposable income. Construction activity has contracted sharply since 2009. Housing prices began decreasing in 2009 and these decreases have continued through into 2013 due to further contraction of disposable income and high supply of houses available for sale. The sharp increase in unemployment during the economic crisis, which in 2013 averaged 27.3 per cent., compared with 7.2 per cent. in 2008 (EL.STAT), 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, the inability to provide additional collateral, the continued downturn of the Greek economy or the deterioration of the financial conditions in any of the sectors in which the Issuer's debtors conduct business, may result in further impairment losses and provisions to cover credit risk, which would be in addition to the ones included in the assessment of BlackRock under the adverse scenario as described in the 2014 BoG Stress Test.

A decline in the value of collateral may also result from deterioration of financial conditions in Greece or the other markets where the provided collateral is located. In addition, failure to recover

the expected value of collateral in the case of foreclosure, or inability to initiate foreclosure proceedings due to domestic legislation, may expose the Issuer to losses which could have a material adverse effect on business, results of operations and financial condition. Specifically, pursuant to the current legal framework, foreclosures initiated by credit institutions for satisfaction of claims below €200,000 on real property used as a primary residence are forbidden to the extent that certain conditions concerning the income and overall financial position of the borrower are met until 31 December 2014, and there can be no assurance that this prohibition, or any other similar prohibition, will not be extended or be in effect beyond this date.

In addition, an increase in financial market volatility or adverse changes in the marketability of the Issuer's assets could impair ability to value certain of the Group'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 market value. Any decrease in the value of such assets and exposures could require the Issuer to recognise additional impairment charges, which could adversely affect business, financial condition, results of operations and prospects, as well as capital adequacy.

Government and intergovernmental interventions aimed at alleviating the financial crisis are uncertain and carry additional risks.

Government and intergovernmental interventions aimed at alleviating the financial crisis could lead to increased ownership and control of financial institutions by the Hellenic Republic or other entities and further consolidation in the banking sector. Since the recent global financial crisis, various governments around the world have responded to credit or liquidity concerns in certain banks by nationalising or partially nationalising those banks or putting them through a form of resolution or recapitalisation process. Generally, even if banks were not fully nationalised, shareholders experienced significant dilution and loss of value.

Changes in the Greek government or of its economic policy may adversely affect the Group's business.

The ruling coalition in Greece controls a majority in the Greek Parliament since the general elections held in June 2012. The coalition's economic policy primarily seeks to implement the measures agreed in the Stabilisation Programme. Any aggravation of the economic environment or of social tensions could precipitate a change of government or a revision of policies. This could result in a change in economic policy and a more challenging relationship with governmental authorities and could affect the Issuer's business and strategic orientation, which may adversely affect business, financial condition, results of operations and prospects.

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

The European Parliament has adopted two regulations on economic governance, namely: (i) EU Regulation 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) EU Regulation 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. The two regulations introduce provisions for enhanced monitoring of countries' budgetary policies. Greater emphasis is being placed on the debt criterion of the Stability and Growth Pact, where Member States whose debt exceeds 60 per cent. of GDP (the EU's debt reference value), such as the Hellenic Republic, 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 is proposed, which implies that annual expenditure growth should not exceed a reference medium-term rate of GDP growth. A new set of financial sanctions are proposed for euro-area Member States; these will be triggered at a lower deficit level and will use a

graduated approach. Though not relevant in the short run, 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 disruptions and volatility in the global financial markets

Global economic growth continues, albeit at a weaker than normal pace. Nonetheless, 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 and many forecasts predict at best only 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 and fiscal fragilities have come to the fore. 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, concerns that surfaced in a progressive widening of infra-Eurozone government bond and sovereign credit default swap spreads for several Eurozone government issuers with large fiscal imbalances are now reducing. In the event such stability is proven fragile and such concerns surface again, business, financial condition, results of operations and prospects, will be adversely impacted.

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

Uncertainty resulting from the debt sovereign crisis in the eurozone is likely to continue to have a significant adverse impact on the Issuer's business

The continuing 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 global 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.

The on-going Eurozone sovereign debt crisis has 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 on 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 European 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 austerity 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 assists 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.

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.

Soundness of other financial institutions

The Issuer is exposed to many different counterparties in the normal course of its business; hence its exposure to counterparties in the financial services industry is significant. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and numerous other activities and relationships. These counterparties include institutional clients, brokers and dealers, commercial banks, investment banks and mutuals. Many of these relationships expose the Issuer to credit risk in the event of default of a counterparty or client. In addition, the Issuer's credit risk may be exacerbated when the collateral it holds cannot be realised at, or is liquidated at prices not sufficient to recover, the full amount of the loan or derivative exposure it is due to cover. Many of the hedging and other risk management strategies utilised by the Issuer also involve transactions with financial services counterparties. The insolvency of these counterparties may impair the effectiveness of the Issuer's hedging and other risk management strategies, which could in turn affect the Issuer's financial condition and results of operations.

Risks Relating to Operations Outside of the Hellenic Republic

The Issuer conducts significant international activities outside of Greece

In addition to the operations in the Hellenic Republic, the Group has operations in Cyprus, Romania, Bulgaria, Serbia and the Former Yougoslav Republic of Macedonia (**FYROM**). The Group's Souteastern Europe (**SEE**) operations accounted for 15.7 per cent. of the Group's €62.8 billion total loans as at 31 December 2013 (compared to 21.5 per cent. as at 31 December 2012) and 20.9 per cent. of the Group's net interest income for the year ended 31 December 2013 (compared to 26.0 per cent. for the year ended 31 December 2012). The Group's SEE operations are exposed to the risk of adverse political, governmental or economic developments in the countries in which it operates. Furthermore, the majority of the countries outside Greece, where the Group conducts business, are "emerging economies" in which the Group faces particular operational risks. These factors could have a material adverse effect on its business, results of operations and financial condition. SEE operations also expose the Issuer to foreign currency risk. A decline in the value of the currencies in which SEE subsidiaries receive their income or value their assets relative to the value of the euro may have an adverse effect on the results of operations and financial condition.

The recent 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 for conditions under development and may adversely affect business, financial condition, results of operation and prospects

In June 2012, the government of Cyprus applied for financial assistance from the Troika. On 21 April 2013, the government of Cyprus and the Troika reached an agreement regarding the provision of a €10 billion loan and related finance package to Cyprus, such loan and finance package being conditional on Cyprus implementing a comprehensive economic adjustment programme (the **Cyprus Economic Adjustment Programme**). The Cyprus Economic Adjustment Programme included a scheme for the reorganisation of the Cypriot banking system whereby Bank of Cyprus plc, Cyprus' largest bank and Cyprus Popular Bank Public Co. Ltd., Cyprus' second largest bank were placed in resolution pursuant to applicable legislation (the **Resolution Process**). As a result of the Resolution Process, Cyprus Popular Bank was absorbed by Bank of Cyprus and deposit holders with credit balances of in excess of €100,000, referred to herein as the **Uninsured Deposits**, held with Cyprus Popular Bank and Bank of Cyprus suffered significant losses. Additionally, restrictions on bank transfers and withdrawals from banking institutions in Cyprus are in effect as at the date hereof in order to enable Cyprus to implement the Cyprus Economic Adjustment Programme. On 30 July 2013, the Ministry of Finance and the Central Bank of Cyprus announced that the Bank of Cyprus has been fully recapitalised by the overall conversion of 47.5 per cent. of Uninsured Deposits with the Bank of Cyprus into shares in Bank of Cyprus thus bringing an end to the Bank of Cyprus's Resolution Process. The measures implemented to date have had a significant effect on the Group's operations in Cyprus. In particular, Alpha Bank Cyprus has experienced a significant decline in deposits in Cyprus of 15.5 per cent. to €2,246 million in 2013 from €2,660 million in 2012, despite the Issuer's acquisition of Emporiki, which, through its subsidiary Emporiki Bank Cyprus Ltd., added €177.9 million deposits as of 31 December 2013 to the Group's Cypriot operations. Further disruption to the Cyprus banking system, or additional changes to implement the Cyprus Economic Adjustment Programme, are possible and may continue to adversely affect the Group's financial condition and results of operations.

Alpha Bank Cyprus Ltd. was included in the independent diagnostic audit performed for Cypriot banks. The audit was part of evaluating the country's banking system, following the request submitted by the government of Cyprus for financial support from the Troika. The results of the diagnostic due diligence which aimed, among others, to define the capital needs of the banks which participated in the audit, based on a base and an extreme scenario for a three year period, were published on 19 April 2013. The results for Alpha Bank Cyprus Ltd. reflected a capital surplus under the baseline scenario, while its capital requirements under the adverse scenario amounted to €129 million, covered on 1 December 2013 through the issuance of common shares of €65 million and a contingent convertible bond (pursuant to the new rules of CRD IV) of €64 million. Emporiki Bank Cyprus Ltd. did not participate in the independent diagnostic audit.

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.

(a) Credit Risk

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties or a general deterioration in the Greek, U.S. or global economic conditions, or arising from systematic risks in the financial systems, could affect the recoverability and value of the Issuer's assets and require an increase in the Issuer's provision for bad and doubtful debts and other provisions.

(b) Market Risk

The most significant market risks that the Issuer faces are interest rate, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect income from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios. the Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed and exposures are constantly measured and monitored. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance and business operations.

(c) Operational Risk

The Issuer's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of external systems, for example, those of the Issuer's suppliers or counterparties. Although the Issuer has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in controlling each of the operational risks.

(d) Liquidity Risk

The inability of a bank, including the Issuer, to anticipate and provide for unforeseen decreases or changes in funding sources could have an adverse effect on such bank's ability to meet its obligations when they fall due.

The Hellenic Republic has the ability and currently exercises significant influence on the Issuer

In April 2014, the Issuer repaid the Hellenic Republic, who owned 200 million non-transferable and redeemable Preference Shares issued by the Issuer, without voting rights, pursuant to Greek Law 3723/2008 under the €28 billion plan to strengthen the liquidity of the Greek banking sector and economy, as set out in Greek Law 3723/2008 (the **Hellenic Republic Bank Support Plan**). However, the Issuer still participates in Pillar II of the Hellenic Republic Bank Support Plan and has issued government guaranteed bonds up to €9.8 billion. This participation of the Issuer provides the Hellenic Republic, amongst other things, with the right to appoint a representative on the Board of Directors, who has the ability to veto decisions relating to strategic issues or decisions that could have a material impact on the legal or financial status of the Issuer and for which the approval of the General Meeting is required, or decisions referring to the distribution of dividends and the remuneration of the Issuer's Chairman, Managing Director - Chief Executive Officer, the remaining members of the Board of Directors, the General Managers and their deputies under the relevant decision of the Ministry of Finance, or, in case of decisions that the representative considers detrimental to the interests of the depositors or that may materially affect the Issuer's solvency and operations. In addition, the representative of the Hellenic Republic has full access to the Issuer's books and records, restructuring reports, plans for medium-term financing needs, as well as data relating to the level of funding of the economy.

In addition, as part of the Stabilisation Programme, the Hellenic Republic undertook a series of commitments towards the European Commission regarding Greek banks under the restructuring, 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 Directorate General of Competition of the European Commission by virtue of which the Issuer's restructuring plan will be approved. The Monitoring Trustee is responsible for the compliance of the Issuer's with legislation of Societe Anonyme (Greek Codified Law 2190/1920), 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 and risk management committee of the Issuer as an observer, review the annual audit plan and may require additional investigations, receive all reports emanating from internal control bodies of the Issuer and be entitled to interview any auditor. Furthermore, the Monitoring Trustee will monitor the commercial practices of the Issuer, with a focus on credit policy and deposit policy. Accordingly, the Monitoring Trustee will attend the meetings of the credit committees of the Issuer as an observer, and monitor 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 will also have access to all the relevant credit files and the right to interview credit analysts and risk officers. Furthermore, he will monitor the management policy of legal cases of the Issuer. As a result, the discretion of the Issuer's management will be subject to further oversight and certain decisions may be constrained by powers accorded to the Monitoring Trustee.

The Hellenic Republic 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. An action supported by the Hellenic Republic may not be in the best interests of the Group or its shareholders generally.

*The Hellenic Financial Stability Fund (the **HFSF**) as shareholder will have certain rights in relation to the operation of the Issuer*

The original Stabilisation Programme, as established in May 2010, introduced restructuring measures such as the establishment of the HFSF whose only shareholder is the Hellenic Republic and whose role is to maintain the stability of the Greek banking system by providing capital support in the form of ordinary shares or contingent convertible securities or other convertible securities to credit institutions legally operating in Greece and licensed by the Bank of Greece. The Stabilisation Programme, as currently in force, and Greek Law 3864/2010 provides the HFSF, through its representative, with rights as shareholders in the credit institutions in which it has committed to participate by means of the share capital increases.

Following HFSF's initial contribution in May 2012 to the Issuer of €1.9 billion in EFSF bonds as an advance for its participation in the Group's recapitalisation pursuant to Greek Law 3864/2010, the HFSF appointed a representative to the Issuer's Board of Directors. In December 2012, the Issuer received, as a capital contribution, an additional €1.0 billion of EFSF bonds from the HFSF as an additional advance for participation in the Issuer's recapitalisation. In connection with the Issuer's share capital increase in June 2013, the Issuer received, as a capital contribution, an additional €1.0 billion in EFSF bonds from the HFSF, which subscribed for 9,138,636,364 newly issued Ordinary Shares of the Issuer. Following the first exercise of the Warrants on 17 December 2013, HFSF's equity interest decreased to 8,925,267,781 ordinary shares in the Issuer, representing 81.71 per cent. of the Issuer's aggregate common share capital. Further, following the share capital increase which was completed on the 4 April 2014 HFSF's participation was further decreased to 69.90 per cent. Whilst following the recent exercise of the Warrants on 16 June 2014, HFSF's equity interest was further decreased to 8,474,088,060 common shares representing 66.4 per cent of the issued share capital of the Issuer.

Pursuant to the provisions of Greek Law 3864/2010, the HFSF's appointed representative has the power, among other things: (i) to request the convocation of the General Meeting; (ii) to veto any decision of the Board of Directors (A) regarding the distribution of dividends and the remuneration policy concerning the Chairman, the Managing Director – Chief Executive Officer and the other members of the Board of Directors, as well as the general managers and their deputies, following the relevant approval of the Minister of Finance; or (B) where the decision in question could seriously compromise the interests of depositors, or impair the Issuer's liquidity or solvency or its overall sound and smooth operation of the Issuer; (iii) to request an adjournment of any meeting of the Board of Directors for three business days in order to get instructions from the Executive Committee, following consultation with the Bank of Greece; (iv) to request the convocation of the Board of Directors; and (v) to approve the appointment of the Chief Financial Officer of the Issuer. Accordingly, as a result of the Issuer's participation in the recapitalisation plan, the HFSF will be able to exercise significant influence over the operations of the Group. In addition to the provisions of Greek Law 3864/2010, and pursuant to the Relationship Framework Agreement entered into on 12 June 2013, the HFSF has a series of information rights with respect to matters pertaining to the Issuer. Additionally, the HFSF may appoint at least one (1) member of each of the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee. Finally, the Issuer is obliged to obtain the prior approval of the HFSF on a number of material issues. Consequently, there is a risk that the HFSF may exercise the rights they have 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.

Any inability of the Issuer in the future to meet the terms specified in its approved restructuring plan may result in the European Commission initiating a procedure for misuse of the aid

Following the Issuer's participation in the PSI, which was booked retroactively in the Group's accounts for the fourth quarter of 2011, the Group's capital was significantly diminished: the Group's Core Tier I ratio decreased to 3 per cent. and the capital adequacy ratio to 5.4 per cent. On 20 April 2012, the HFSF provided the Issuer with a commitment letter to participate in its share capital increase. On 28 May 2012, the commitment letter was replaced by the Presubscription Agreement executed between the HFSF and the Issuer, pursuant to which the HFSF advanced to the Issuer €1.9 billion against the total amount of recapitalisation required by the Issuer.

As a result, in the balance sheet as at 31 March 2012, the Issuer registered a capital adequacy ratio of 9.5 per cent. and an Core Tier I ratio of 7.1 per cent., including the recapitalisation amount of €1.9 billion contributed by the HFSF. The amount of the bridge recapitalisation represented around 4.2 per cent. of the Group's Risk Weighted Assets (**RWA**) as at 31 March 2012. Including the 200,000,000 each of a nominal value of €4.7 Preference Shares injected in May 2009 (state aid previously granted), the total amount of state aid received by the Issuer, in forms other than guarantees and liquidity assistance, stood at 9.6 per cent. of the Group's RWA as at 31 December 2013. Following the 2014 share capital increase, the 200,000,000 Preference Shares were redeemed by the Issuer on the 17 April 2014.

On 27 July 2012, the European Commission provisionally approved the aid in the form of a commitment letter and a bridge recapitalisation.

In addition, on 27 July 2012, the European Commission provisionally approved and initiated a formal investigation under EU state aid rules, regarding the bridge recapitalisation provided by the HFSF in favour of the other three Greek systemic banks, Eurobank Ergasias, Piraeus Bank and National Bank of Greece, for reasons of financial stability. On the 9 July 2014 the European Commission announced that it has found the restructuring plan of the Issuer to be in line with EU state aid rules. For more information see "*The Issuer and the Group – Recent Developments – Approval of the Issuer's Restructuring Plan*".

Notwithstanding the on-going investigation of the European Commission, in June 2013, HFSF subscribed for 9,138,636,364 newly issued Ordinary Shares of the Issuer by its contribution of in kind EFSF notes. Following the first exercise of the Warrants on 17 December 2013, HFSF's equity interest decreased to 8,925,267,781 Ordinary Shares, representing 81.71 per cent. of the Issuer's aggregate common share capital. Following the share capital increase of the Issuer, completed in April 2014, and the warrant exercise in June 2014, the HFSF equity interest in the Issuer has been reduced to 66.40 per cent.

Any inability of the Issuer in the future to meet the terms specified in the approved restructuring plan may result in the European Commission initiating a procedure for misuse of the aid which may lead the HFSF to recover the suspended voting rights of its Ordinary Shares.

The existing market fluctuations and volatility may result in significant losses in the commercial and investment activities of the Group

Positions in trading and investment portfolio which relate to the debt, currency, equity and other markets could be adversely affected by continuing volatility in financial and other markets creating a risk of substantial losses.

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, trading portfolios and financial assets and liabilities for which the fair value option has been elected.

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

The increase of non-performing loans may have a negative impact on the Group's operations in the future.

Non-performing loans represented 32.7 per cent. of the Issuer's loans as at 31 December 2013 compared to 22.8 per cent. as at 31 December 2012. 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 borrowers, with increasing delinquencies and defaults. Moreover, as a result of the financial crisis, and for the protection of the weaker debtors, foreclosure actions have been suspended subject to certain conditions until 31 December 2014, in cases where the mortgaged asset is used as a primary residence and its objective value does not exceed €200,000. Future provisions for impaired loans could have a materially adverse effect on business operations and financial results and there can be no assurance that this prohibition, or any other similar prohibition, will not be extended or be in effect beyond this date.

Volatility in interest rates may negatively affect 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. There can be no assurance that further events will not 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 charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. This difference could reduce 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 its 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 clients' capacity to repay in the current economic circumstances.

The Issuer faces significant competition from Greek and foreign banks.

The general scarcity of wholesale funding since the onset of the economic crisis has led to a significant increase in competition for retail deposits in Greece and significant consolidation of the Greek banking system. The Issuer also faces competition from foreign banks. The Issuer may not be able to continue to compete successfully with domestic and international banks in the future. These competitive pressures on the Group may have an adverse effect on its business, financial condition, results of operations and prospects.

Laws regarding the bankruptcy of individuals and regulations governing creditors' rights in Greece and various SEE countries may limit the Group's ability to receive payments on non-performing loans.

Laws regarding the bankruptcy of individuals and other laws and regulations governing creditors' rights generally vary significantly within the region in which the Group operates. If the current economic crisis persists or worsens, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change to limit the impact of the recession on corporate and retail borrowers. Such changes may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Changes in consumer protection laws might limit the fees that the Group may 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 and credit cards. If introduced, such laws could reduce the Group's net income, though the amount of any such reduction cannot be estimated at this time. Such effects could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it operates. All of these regulatory requirements are subject to change, particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing financial institutions. In response to the global financial crisis, national governments as well as supranational groups, such as the EU, have been considering significant changes to current bank regulatory frameworks, including those pertaining to capital adequacy, liquidity and scope of banks' operations. As a result of these and other on-going and possible future changes in the financial services regulatory 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 Plan), the Issuer may face greater regulation. Current and future regulatory requirements may be different across each of these locations and even requirements with European Economic Area wide application may be implemented or applied differently in different jurisdictions.

For example, regulation of the banking industry in the Hellenic Republic 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 has issued a series of Governor's Acts aiming to further strengthen the regulatory framework of financial institutions and to incorporate specific European guidelines. In 2011, the European Parliament and the Council of Europe published for consultation a new directive ("*CRD IV*": "*European Commission, Proposal for a Regulation of the European Parliament and of the Council of Europe on prudential requirements for credit institutions and investment firms, 20 July 2011*"), which incorporates respective amendments that have been proposed by the Basel Committee for Banking Supervision (the **Basel Committee**).

In March 2013, the Council of the EU announced that an agreement had been reached on the overall CRD IV package, composed of the CRD IV Directive and the Capital Requirements Regulation. 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 (as of 1 January 2015), and liquidity and leverage. CRD IV comprises Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, which was transposed into Greek Law by virtue of Law 4261/2014, and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, which concerns prudential requirements for credit institutions and investment firms. Most of the rules enacted by CRD IV became effective as of 1 January 2014.

In addition, the Solvency II Directive (2009/138/EC) serves as a fundamental review of the capital adequacy regime for the European insurance industry. This directive was expected to be implemented on 1 January 2014, but because the Omnibus II Directive has not yet been approved, the directive's 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 our business, financial condition, results of operations and prospects. For additional information see "*Regulation and Supervision of Banks in Greece*".

The European Central Bank is preparing to take on new banking supervision tasks as part of a Single Supervisory Mechanism (the **SSM**). The SSM will create a new system of financial supervision comprising the ECB and the national competent authorities of participating EU countries. Among these EU countries are those whose currency is the euro and those whose currency is not the euro but who have decided to enter into close cooperation with the SSM. The main aims of the SSM will be to ensure the safety and soundness of the European banking system and to increase financial integration and stability in Europe. The ECB will be responsible for the effective and consistent functioning of the SSM, cooperating with the national competent authorities of participating EU countries. It is expected that the ECB will directly supervise around 130 credit institutions, representing almost 85 per cent. of total banking assets in the euro area. We are included as one of the credit institutions that will be subject to the regulations of the SSM. As such, the ECB has completed an Asset Quality Review (the **AQR**) of the credit institutions. The AQR is a key component of the comprehensive assessment, which aims to enhance the transparency of the balance sheets of significant banks, trigger balance sheet repair where necessary, and rebuild investor confidence prior to the ECB taking over its supervisory tasks in November 2014. Additionally, announced revised definitions and policies may have an effect on monitoring credit risk and they may differ compared to the ones currently used by the Issuer's management and, as such, may reflect a different credit quality compared to the one currently shown with the current definitions and terms adopted. Such definitions include definition of forborne loans, non-performing loans as well as prescribed disclosures for measurement of these risk parameters.

Compliance with new requirements may increase the Issuer's regulatory capital and liquidity requirements and costs, disclosure requirements, restrict certain types of transactions, affect the strategy and limit or require the modification of rates or fees that are charged on certain loan and other products, any of which could lower the return on the Group's investments, assets and equity. 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. Changes on business, financial condition, results of operations and prospects cannot be predicted.

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

Directive 2014/49/EU lays down rules and procedures relating to the establishment and functioning of deposit guarantee schemes. Member States shall bring into force the necessary laws, regulations and administrative provisions to comply with the Directive by 3 July 2015. The harmonisation of deposit guarantee systems throughout the European Union 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.

Although the harmonisation of the deposit guarantee systems maintains 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 Group may not be able to preserve its customer base

The Group's success depends on its capacity to maintain high levels of loyalty among its customer base and to offer a wide range of competitive and high quality products and services to its customers. In order to pursue these objectives, the Group has adopted a strategy of segmentation of its customer base, aimed at serving the various needs of each segment in the most suitable manner. Moreover, the Group seeks to maintain long-term financial relations with its customers through the sale of anchor products and services, namely mortgage loans, salary accounts, standing transfers, credit cards and saving products and bancassurance products. Nevertheless, high levels of competition in Greece and in other countries where the Group operates, and an increased emphasis in cost reduction may result in an inability to maintain high loyalty levels of the Group's customer base, in providing competitive products and services, or of maintaining high customer service standards, each of which may adversely affect the Group's business, financial condition, results of operations and prospects.

If the Group's reputation is damaged, this would affect its image and customers relations, which could adversely affect 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. Although the Group makes all possible efforts to comply with the regulatory instructions, negative publicity and negative public opinion could adversely affect the Group's ability to maintain and attract customers, in particular, institutional and retail depositors, whose loss could adversely affect the Group's business, financial condition and future prospects.

The Issuer could be exposed to future pension and post-employment benefit liabilities.

The personnel of the Group in Greece are insured with funds providing social security (main pension, auxiliary pension, health and welfare). As at 31 December 2013 on a consolidated basis, the Group's liabilities in connection with defined benefit plans amounted to €78.7 million. These amounts were calculated on the basis of specific economic and demographic assumptions. These include

assumptions relating to changes in interest rates, which may not actually occur. Should future events deviate from these assumptions, our liabilities may significantly increase.

With particular reference to the auxiliary pension, under Article 10 of Greek Law 3620/07, since 1 January 2008 staff originating from the former Alpha Credit Bank are insured for their auxiliary pension with the Greek Common Insurance Fund of Bank Employees (**ETAT**), following the said Fund's takeover of the Staff Mutual Assistance Fund (**TAP**). The Issuer pays into ETAT a contribution which is a fixed percentage of salaries plus an annual instalment, in the amount of €67.3 million per instalment, towards the overall fixed liability of €543 million, as calculated based on a reference date 31 December 2006 in the special economic study provided for in Greek Law 3371/2005 and subsequently ratified by law.

The implementation of Law 3371/2005 for Emporiki was made in accordance with Law 3455/2006. According to this law, the pensioners and insured members of Emporiki, who were insured for supplementary pensions in Supplementary Insurance Fund for the Personnel of Commercial Bank of Greece (**T.E.A.P.E.T.E.**) were absorbed by I.K.A- E.T.E.A.M. and ETAT on 18 April 2006. In accordance with a special economic study, as stipulated by Law 3371/2005 and subsequently ratified by law, Emporiki had to pay a total amount of specific contributions for the pensioners to I.K.A-E.T.E.A.M and ETAT in ten annual interest bearing instalments. The outstanding amount, including interest, amounts to €90 million as at 31 December 2013 which equals the last interest bearing instalment, which was paid in January 2014. In addition, in accordance with the amendments of Law 3455/2006, with respect to the current insured members who were hired until 31 December 2004 by Emporiki, the social contributions that are paid over the service life for the supplementary pension are larger compared to the respective contributions which are stipulated by E.T.E.A.M. These arrangements were the subject of an investigation concerning the possible application of state aid by the European Commission (decision N597/2006-Greece: Reform of the organisation of the supplementary pension regime in the banking sector), which concluded that such arrangements did not constitute state aid, given the methodology followed by the special economic studies was adhered to.

Furthermore, following the merger of ETAT from the Unified Auxiliary Social Security Fund (**ETEA**), on 1 March 2013, there is a risk associated that auxiliary social security contributions to ETEA will increase given that it is possible that additional actuarial studies will be required to be made, and there is no assurance that such studies, if and when made, will not result in, among other things, additional liabilities for all Greek banks, in a similar manner that Greek banks have been required to cover ETAT actuarial deficits.

Apart from the above, the passing of Greek Law 3863/2010 introduced radical changes to the structure and mode of operation of the insurance system. These developments, with possible reinterpretations of the current legislation or possible future changes to that legislation in respect to pensions and related liabilities, as well as the requirements of the memorandum, which are targeted to creating a viable and sustainable general pension system and minimising state subsidies through, among other things, the consolidation of pension funds, may alter the liabilities of the banking sector and hence of the Issuer or its subsidiaries in respect to contributions to meet actuarial or operational deficits of the pension funds. Moreover, it is impossible to predict potential legal challenges against the consolidations of pension funds, or the outcome of such disputes.

The Issuer is exposed to risk of fraud and illegal activities of other forms which if they are not dealt with timely and successfully could have negative effects on its business, financial condition results of operation and prospects.

The Group is 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 current anti-money laundering and anti-terrorism financing policies and procedures are adequate to ensure compliance with applicable legislation, it cannot be guaranteed that they will comply at all times with all rules applicable to money laundering and terrorism financing as extended to the whole Group and applied to its workers in all circumstances. A possible violation, or even any suspicion of a violation of these rules, may have serious legal and financial consequences, which could have a material and adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Economic hedging may not prevent losses.

If any of the variety of instruments and strategies that are used to economically hedge 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 these hedging strategies.

Transactions in the Issuer's own portfolio involve risks.

The Issuer carries out various proprietary activities, including the placement of deposits denominated in euro and other currencies in the interbank market, as well as trading in primary and secondary markets for government securities. 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 its own portfolio carries risks, since its results depend partly on market conditions. Moreover, the Issuer relies on a vast range of reporting and internal management tools in order to be able to report its exposure to such transactions correctly and in due time. Future results arising from trading on account of its own portfolio will depend partly on market conditions, and the Issuer may incur significant losses which could have a material adverse effect on our 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 cyber security 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 constant 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 Group'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 Group'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 at the Group, 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 under stringent contractual agreements, may also be sources of cyber security or other technological risks. The Group outsources a limited number of supporting functions, such as printing of customer credit card statements and processing of cards, which results in 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 production systems and operating a highly controlled IT environment, unauthorised access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Group as 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.

The Issuer's loan portfolio may contract.

In the current economic environment, the Issuer's Greek and foreign loan portfolio may decline. Furthermore, there are a limited number of high credit quality customers. Developments in the loan portfolio will be affected mainly by, among other factors, the health of the Greek economy and of the other economies in which it operates and the successful implication of the Programme. The decline in the loan portfolio, in combination with non-performing loans, may limit the Group's net interest income, and this could have a material adverse effect on the business, financial condition, results of operations and prospects.

Additional taxes may be imposed on the Group.

The Greek Law 4110/23.1.2013 "*Income tax regulations, regulations regarding issues under the responsibility of the Ministry of Finance and other provisions*" imposed an increase of the tax rate for legal entities from 20 per cent. to 26 per cent., whereas the tax rate for dividend distributions decreased from 25 per cent. to 10 per cent. from 1 January 2013.

Additional taxes and penalties may be imposed for the unaudited years to the Group companies due to the fact that some expenses may not be recognised by the tax authorities.

The Group recognises deferred tax assets to the extent that it is probable that the Issuer and/or Group companies will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilised. The main uncertainties for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Issuer's business plan, which is affected by the general macroeconomic environment in Greece and internationally. In addition, on 25 March 2013, the European Commission reached an agreement with the government of Cyprus which includes an increase of withholding tax on capital returns and the corporate income tax rate.

In addition, at the European Council summit held on 17 June 2010, it was agreed that Member States should introduce a system of levies and taxes on financial institutions to promote an equitable distribution of the costs of the global financial crisis. On 14 February 2013, a proposal for a new directive was adopted, calling for enhanced cooperation regarding the financial transaction tax. This directive will apply to eleven Member States (known as the FTT-zone), including Greece, and imposes a tax on any transaction with an established link to the FTT-zone. This proposal was approved by the European Parliament on 3 July 2013 and was scheduled to enter into force on 1 January 2014. Implementation of the financial transaction tax has been delayed as Member States in the FTT-zone are divided with respect to the details of the tax. It is uncertain, as of the date of this Offering Circular, whether or when the financial transaction tax will be implemented. Any additional

taxes imposed on us 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.

There is no legal provision or interpretation regarding the tax treatment of goodwill in case of capitalisation or distribution.

An amount of €3.3 billion negative goodwill was recorded as a result of the acquisition of Emporiki. Under current tax law, the difference arising as a result of a merger, conducted in accordance with Article 16 paragraph 5 of Greek Law 2515/1997, is a credit balance after offsetting the paid in share capital of the acquired bank with the carrying amount of that investment as reported in the acquirer books, is not subject to income tax and is recognised in the tax books as a separate component of equity of the acquirer. The current tax legislation has not specifically addressed nor has interpreted on the tax implications of the credit difference in case it is distributed or capitalised.

A failure to integrate Emporiki and the Greek retail banking business of Citibank effectively and in a timely manner could adversely affect the Issuer's business.

On 28 June 2013 the merger by absorption between the Issuer and Emporiki was completed, pursuant to which Emporiki merged into the Issuer. The integration of Emporiki's operations, including Emporiki's IT systems (which was largely integrated with the Group's IT system in November 2013) with the Issuer's operations could result in disruptions to the Issuer's business, and may cause difficulties managing an integration process of this magnitude. Additionally, on 30 September 2014 the Issuer acquired the Greek retail banking business of Citibank ("**Citi**"), including Diners Club of Greece.

Although the Issuer have acquired and successfully integrated banks in the past, the Issuer could encounter significant unexpected difficulties or incur material unexpected expenditures in connection with the integration of Emporiki and Citi's Greek retail banking business. The failure to integrate Emporiki and Citi's Greek retail banking business successfully and on a timely and efficient basis, as well as to achieve expected income return and capitalise on funding synergies to achieve economies of scale, could have a significant adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Moreover, the Issuer estimates that it will realise cost savings or funding and revenue synergies from the abovementioned merger and acquisition when fully phased in; however, it is possible that the estimates of the potential cost savings could turn out to be incorrect. For example, the combined loan portfolio may not be as strong as expected, and therefore the cost savings could be reduced. Those cost saving estimates also depend on the Issuer's ability to combine the businesses of the Issuer and the acquired businesses in a manner that permits those cost savings to be realised. If the estimates turn out to be incorrect or the Issuer is not able to successfully combine the activities, the anticipated cost savings or funding and revenue synergies may not be fully realised or realised at all, or may take longer to realise than expected.

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 2 July 2014, Directive 2014/59/EU 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**) entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and

economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool (see below) which is to be applied from 1 January 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Covered Bonds to equity (the **general bail-in tool**), which equity could also be subject to any future application of the general bail-in tool. Relevant claims for the purposes of the bail-in tool would include the claims of the holders in respect of any Covered Bonds issued under the Programme, although in the case of Covered Bonds, this would only be the case if and to the extent that the amounts payable in respect of the Covered Bonds exceeded the value of the cover pool collateral against which payment of those amounts is secured.

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

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

The powers that are granted to supervisory authorities under the BRRD include a "write-down and conversion power" and a "bail-in" power, which would give such authorities the power to write down or write off the claims of certain unsecured creditors of a failing institution and/or to convert certain debt claims into another security, including ordinary shares of the surviving Group entity, if any. It is currently contemplated that the majority of measures (including the write-down and conversion powers relating to Tier 2 Capital) set out in the BRRD will be implemented with effect from 1 January 2015 at the latest, with the bail-in power for other eligible liabilities (including the Covered Bonds more generally) expected to be introduced by 1 January 2016 at the latest. The BRRD contains safeguards for shareholders and creditors in respect of the application of the "write down and conversion" and "bail-in" powers which aim to ensure that they do not incur greater losses than they would have incurred had the relevant financial institution been wound up under normal insolvency proceedings. However, changes may be made to the BRRD in the course of the legislative process and anticipated implementation dates could change.

The powers currently set out in the draft BRRD would impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is

implemented, holders of Covered Bonds may be subject to write-down or conversion into equity on any application of the general bail-in tool (subject, in the case of Covered Bonds, to the limitation outlined above), which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Covered Bondholders, the price or value of their investment in any Covered Bonds and/or the ability of the Issuer to satisfy its obligations under any Covered Bonds.

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 Arrangers, the Dealers 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 Arrangers, the Dealers, 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 remedial action to cure any breach of these tests within five Athens Business Days of such breach 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 effect 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 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 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 Bonds.

Default by Borrowers in paying amounts due on their Loans

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

Changes to the Lending Criteria of the Issuer

Each of the Loans originated by the Issuer will have been originated in accordance with its Lending Criteria at the time of origination. The Lending Criteria of the Issuer also includes the Lending Criteria applied by Emporiki (which was merged into the Issuer in 2013). 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 changes in a manner that affects the credit worthiness 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 by the Issuer into the Cover Pool may in the future not have been originated by the Issuer in the case of Loans that 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.

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 have the option to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed until one year prior to the Extended Final Maturity Date of the Earliest Maturing Covered Bonds, and thereafter 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 applicable 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 such Loan Asset 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 have the option to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed until one year prior to the Extended Final Maturity Date of the Earliest Maturing Covered Bonds, and thereafter 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 or the Issuer will not be permitted to give representations and warranties or indemnities in respect of those Loan Assets unless expressly agreed by the Servicer. 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 Principal Documents – Servicing and Cash Management Deed*".

Reliance on Hedging Counterparties

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

In addition, to provide a hedge against interest rate 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, 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 between the Issuer and that Covered Bond Swap Provider.

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, or there is a partial termination following the sale of any Loans, 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, including any termination payments arising from a partial termination following the sale of any Loans, such termination payment will rank ahead of amounts due on the Covered Bonds (in respect of the Interest Rate Swaps) and *pari passu* with amounts due on the Covered Bonds (in respect of the Covered Bond Swaps), except where default by, or downgrade of, the relevant Hedging Counterparty has caused the relevant Hedging 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 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 monies 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 monies.

These criteria include requirements in relation to the short-term, unguaranteed and unsecured credit ratings ascribed to such party by Fitch and Moody's. 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 monies 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.

Security and insolvency considerations

The Issuer will grant security over (a) the Cover Pool pursuant to the Transaction Documents and any Registration Statement and (b) the Transaction Documents and the Hedging Agreements pursuant to the Deed of Charge in respect of certain of its obligations, including its obligations under the Covered Bonds. In certain circumstances, including the occurrence of certain insolvency events in respect of the Issuer, the ability to realise any such security may be delayed and/or the value of the security impaired. There can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Covered Bondholders would not be adversely affected by the application of insolvency laws (including Greek insolvency laws).

The Issuer's hedging may not prevent losses

If any of the variety of instruments and strategies that the Issuer uses to hedge its exposure to various types of risk in its businesses 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 its hedging strategies. Moreover, the Issuer does not hedge all of its risk exposure in all market environments or against all types of risk. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Issuer's reported earnings.

An interruption in or a breach of security in the Issuer's information systems may result in lost business and other losses

The Issuer relies on communications and information systems provided by third parties to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in its customer relationship management, general ledger, deposit, and servicing and/or loan organisation systems. The Issuer cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could result in a loss of customer data and an inability to service the Issuer's customers, which could have a material adverse effect on the Issuer's reputation, financial condition and results of operations.

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:

(a) 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 the applicable Final Terms;

(b) 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;

(c) 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;

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

(e) be able to evaluate (either alone or with the help of financial and/or legal advisers) 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 Post Event of Default 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. This will occur (subject to no Notice of Default having been served) if the applicable Final Terms Document for a relevant Series of Covered Bonds provides that such Covered Bonds are subject to an Extended Final Maturity Date.

To the extent that the Issuer has sufficient monies available under the Priority of Payments to pay in part the Final Redemption Amount, partial payment of the Final Redemption Amount shall be made

as described in Condition 7.1 (*Final redemption*). Payment of the unpaid portion of the Final Redemption Amount shall be deferred automatically until the applicable Extended Final Maturity Date. The Issuer shall be entitled to make payments in respect of the Final Redemption Amount on any Interest Payment Date thereafter up until the 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 Replacement Servicer is appointed pursuant to the Transaction Documents, and in the event of the Issuer's insolvency under Greek Law 4261/2014 (special liquidation), 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 Alpha 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:

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

(b) 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 Eligibility Criteria and be subject to the representations and warranties set out in the Servicing and Cash Management Deed. In addition, the Programme provides that the assets of the Issuer are subject to certain Statutory Tests and an Amortisation Test. The Nominal Value Test is intended to ensure that the Principal Amount Outstanding of all Series of Covered Bonds then outstanding, together with all accrued interest thereon, is not greater than 95 per cent. of the Nominal Value of the Cover Pool (as determined pursuant to the Servicing and Cash Management Deed) for so long as Covered Bonds remain outstanding (although there is no assurance that it will do so) and the Asset Monitor will provide quarterly agreed upon procedures report on the required tests (including Nominal Value Test) where exceptions, if any, will be noted.

The Servicer will provide Servicer Reports that will set out certain information in relation to the Statutory Tests and following the occurrence of an Issuer Event, the Amortisation Test.

Ratings of the Covered Bonds

The credit ratings assigned to the Covered Bonds address:

(a) the likelihood of full and timely payment to Covered Bondholders of all payments of interest on each Interest Payment Date (in respect of Moody's only);

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

(c) the likelihood of ultimate payment of principal in relation to Covered Bonds on (a) the Final Maturity Date thereof, or (b) if the Covered Bonds are subject to an Extended Final Maturity Date in accordance with the applicable Final Terms, the Extended Final Maturity Date thereof (in respect of Moody's only).

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 addition, the ratings assigned to the Covered Bonds 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, suspended or withdrawn by the rating agency 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 Offering Circular.

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 the 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 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* with each other in all respects and rateably without any preference or priority among themselves, irrespective of their Series, for all purposes except for the timing of the repayment of principal and the timing and amount of interest payable and will share in the security granted by the Issuer under the Deed of Charge.

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:

(a) the Statutory Tests will be required to be met both before and immediately after any further issue of Covered Bonds; and

(b) on or prior to the date of issue of any further Covered Bonds, the Issuer will be obliged to notify Fitch of the issue and obtain written confirmation from Moody's that such further issue would not adversely affect the then current ratings of the existing Covered Bonds.

Obligations under the Covered Bonds

The Covered Bonds will not represent an obligation or be the responsibility of any of the Arrangers, the Dealers, 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, the Eligibility Criteria or the Servicing and Cash Management Deed, in the opinion of the Trustee, which adversely affects their interests (such consent not to be unreasonably withheld or delayed), concur with the Issuer or any person in making or sanctioning any modification to the Transaction Documents and the Conditions:

(a) 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

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

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.

Realisation of Charged Property following the occurrence of an Event of Default and service of a Notice of Default

If an Event of Default occurs and a Notice of Default is served on the Issuer, then the Trustee will be entitled to enforce the security created under and pursuant to the Greek Covered Bond Legislation and the Deed of Charge, after having been indemnified and/or secured to its satisfaction, and the proceeds from the realisation of the Charged Property will be applied by the Trustee towards payment of all secured obligations in accordance with the Post Event of Default Priority of Payments.

There is no guarantee that the proceeds of realisation of the Charged Property will be in an amount sufficient to repay all amounts due to the Secured Creditors (including the Covered Bondholders) under the Covered Bonds and the Transaction Documents.

If, following the occurrence of an Event of Default, a Notice of Default is served on the Issuer then the Covered Bonds may be repaid sooner or later than expected or not at all.

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

General legal investment considerations

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

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

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

Covered Bonds subject to optional redemption by the Issuer

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may 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 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 then 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 more conventional interest-bearing securities with comparable maturities.

General risk factors

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

The conditions of the Covered Bonds contain provisions which may permit their modification 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.

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.

Subsidy Payments

In the Hellenic Republic, subsidies are available to borrowers under residential mortgage loans in respect of interest payments under such loans. Subsidies are available from the Greek State and/or Greek Manpower Employment Organisation (**OAED**) as a universal successor, as of February 2012, of the Greek Workers Housing Association (the **OEK**). Granting of new OEK Subsidized loans has ceased since July 2010, whereas State subsidized loans are still available for customers who meet the eligibility criteria. Under the terms of these loans, part of the interest for the first 8 (**State-subsidized loans**) or 9 years (**OEK loans**) is subsidized by the relevant Authority. The availability and amount of subsidy is determined by reference to the financial and social circumstances of a borrower, with a maximum of 44% subsidy for State-subsidized loans and 100% for OEK loans. The State and OEK subsidy payments will be transferred in accordance with Greek Law 3156/2003 along with the other receivables under the loan agreements.

The Issuer receives the subsidised component of interest due under the Loans (the **Subsidised Loans**) from the OAED (OEK's successor) and, the Greek State OAED maintains a savings account at Alpha (or, following an Issuer Event, with the Replacement Servicer or, if the Replacement Servicer is not a credit institution, with the credit institution appointed by such Replacement Servicer in accordance with Servicing and Cash Management Deed) (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 in accordance with the terms of the Servicing and Cash Management Deed. On the other hand, until such withdrawal from the OEK Savings Account by the Servicer, OAED 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 OAED in advance of the next month's automated deduction of the subsidy amounts, the remaining balance owing to Alpha and to be transferred by the Servicer into the Collection Account or the Transaction Account (as the case may be) will be deducted once additional funds have been deposited by OAED.

The Greek State will make payments of the subsidised interest amounts to Alpha into the Alpha Bank BoG 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 in accordance with 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 subsidised interest amounts provided by a Greek State owned entity, the Greek State owned entity will make payments of the subsidised interest amounts to Alpha into the Alpha Bank BoG 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 in accordance with the standard procedures applicable to such entity and the Servicer shall notify the relevant Greek State owned entity of the amount of any such subsidy due as soon as possible.

Although the Greek State, OAED or the relevant Greek State owned entity, as appropriate, is required to make the subsidised interest amounts, the relevant Borrowers also remain liable to pay the full amount of interest due under their Subsidised Loans. However, if the Greek State and/or OAED and/or the relevant Greek State owned entity fails to pay any subsidised interest amounts, then the Borrower (although liable for the full amount of the interest payment) may not be able to make all payments which are due under the relevant Subsidised Loan. If the Borrower fails to pay the full amount under the Subsidised Loan made to it, this may have an adverse impact on the funds available for the payments in respect of the Covered Bonds.

OAED pays subsidised interest amounts under the relevant Subsidised Loans on a monthly basis and up to two months in arrears and the Greek State pays subsidised interest amounts under the relevant

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

Despite the fact that the Greek State, OAED or any Greek State owned entity will not benefit from sovereign immunity in respect of their respective obligations under Greek law, investors should note that enforcement of judgments against the Greek State, OAED or any Greek State owned entity may be subject to limitations. If there is any change in Greek law or in administrative practice of the Greek State, OAED or any Greek State owned entity affecting the timing and amount of subsidised interest amounts otherwise payable (but for that change) then this could adversely affect the payments in respect of the Covered Bonds.

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. See for further details "*The Mortgage and Housing Market in Greece - Enforcing Security*" 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 ten 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) 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, article 2 of Greek law 4224/2013 provides for the suspension of auctions of real estate property which is declared by the debtor as its main residence in the latest tax return from 01.01.2014 to 31.12.2014, provided that the objective value of such property does not exceed €200,000 and the following cumulative conditions are met:

(a) their annual declared family income, as formed after the deductions in favor of insurance funds, the income tax and solidarity contributions, is less than or equal to € 35,000;

(b) the total value of their movable and real estate property is less than or equal to € 270,000 and from which the overall amount of deposits and securities in Greece and abroad does not exceed the amount of € 15,000 on 20.11.2013, with the exception of periodic allowances granted by pension and insurance programs.

For (i) families that are for tax purposes burdened with more than three children, (ii) persons with disability of over 67% and (iii) those that are for tax purposes burdened with persons with disability of over 67%, the aforementioned thresholds of the cumulative conditions are increased by 10%.

During the prohibition of the auction, the debtors are obliged to submit to the creditor, by all appropriate means, a declaration, stating the debtor's full information, any detailed and updated contact information, a description of the fulfillment of the aforementioned conditions and a detailed indication of account statements that exceed the amount of €1,000 for the last twenty four (24) months prior to the submission of the declaration. In case of non compliance with this obligation until 31.1.2014, or within two (2) months from the service of the enforcement order, the prohibition of the auction for the particular debtor and the particular debt is revoked.

The creditor, during the prohibition of the auction, may request the debtor to provide: (a) copies of titles of ownership for properties that have been obtained after 1.1.2007 and a property value calculation sheet for properties that have been obtained prior to 1.1.2007, (b) a certificate of comparative data issued by the competent tax authority with reference to the amount of the real estate property for real estate properties outside of the objective determination, (c) a copy of its latest income and property tax declaration statements, (d) a document dated 20 November 2013 (the date of which should be certified by a public authority) regarding the amount of its deposits and securities and, where required, (e) an unemployment certificate issued by the Manpower Employment Organization or a copy of its updated unemployment card, (f) a family status certificate, (g) a certificate regarding the disability and its percentage. In case of non-submission by the debtor of the aforementioned date within one (1) month from the notification of the request, the prohibition of the auction for the particular debtor and the particular debt is revoked.

During the prohibition of the auction, the debtors are obliged to pay annually to the creditors a percentage of 10% of their net monthly income, provided that the annual family income does not exceed the amount of €15,000. If the annual family income exceeds the amount of €15,000, the debtors are obliged to pay monthly to the creditor a percentage of 10% up to the amount of €15,000 and a percentage of 20% of the excess amount. For (i) families that are for tax purposes burdened with more than three children, (ii) persons with disability of over 67% and (iii) those that are for tax purposes burdened with persons with disability of over 67%, the threshold of the annual family income mentioned above amounts to €20,000.

For debtors who are not unemployed, do not have a dependent services agreement, either of private or public law, are not pensioners and do not have an income generated from employment services, the above calculated amount could not be less than 20% of the last installment. Any payments made during the prohibition of the auction are deducted from the outstanding amount. Debtors with zero income or whose income is equal to the unemployment benefit, are not required to make the aforementioned payments.

In case where there is more than one creditor, the monthly payment determined above is allocated pro rata in accordance with the outstanding amount of each debt.

In case of non compliance with the above-described obligation monthly payments for three (3) months in total, the prohibition of the auction for the particular debtor and the particular debt is revoked.

During the prohibition of the auction and provided that the prohibition is not revoked with respect to the principal debtor, the auction of the guarantors' real estate property regarding the particular debts is prohibited.

The above suspension of auctions of real estate property which is declared by the debtor as its main residence may be further extended.

Rescheduling of debts of distressed debtors

The enacted 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, monetary sanctions, taxes, state levies and social security contributions and debts from loans granted from Social Security funds under the provisions of articles 15 and 16 of Greek Law 3586/2007 are excluded from the scope of the law.

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). 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 installments 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 installments 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 on a pro rata basis (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 fair market value of the primary residence at a floating or fixed interest rate and with a potential settlement period of up to 20 years, unless the duration of the contract by virtue of which the credit was granted is greater than 20 years, in which case the judge of the Justice of Peace can set the duration of the settlement period up to 35 years.

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.

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, overdue Value Added Tax (VAT) claims of the Greek State along with any kind of surcharges, 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 claims against the relevant Borrower of social security funds subject to the responsibility of the General Secretariat of Social Security and 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 or the declaration of the bankruptcy. 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:

(a) claims for hospitalisation and funeral costs of the Borrower and his family arising in the previous 12 months, as well as compensation claims against the 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;

(b) costs for the nourishment of the Borrower and his family arising in the previous six months;

(c) claims by farmers or farming partnerships arising from sale of agricultural goods arising in the previous 24 months;

(d) claims of the Greek state and municipal authorities that are due and payable prior to the auction; and

(e) claims by the Athens Stock 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% LTV indexed value for the purpose of calculating the Statutory Tests and the Amortisation Test the value of the property securing a Loan should exceed the Outstanding Principal Balance of that portion of the Loan accredited value for the purposes of the Statutory Tests. Accordingly, the possibility that the Issuer will not receive sufficient proceeds following the enforcement against a property securing a Loan to discharge the amounts that are owed to it by the relevant Borrower is reduced.

Greek Covered Bond Legislation

In Greece, the primary legal basis for Covered Bonds issuance is article 152 of Law 4261/2014 ("Primary Legislation"). This provision is identical with the provision of Article 91 of the now repealed Law 3601/2007, which had entered into force on 1 August 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 at least six similar programmes 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 "*Summary 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. Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Subordination Termination Payments.

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 nc.* [2011] UKSC 38. The U.S. Bankruptcy Court held in related proceedings to the *Belmont* decision that such a subordination provision is unenforceable under U.S. 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 U.S. 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. decision 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 which refers to the ranking of the Hedging Counterparties' payment rights in respect of Subordination Termination 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 Subordination Termination 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 be reduced.

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).

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 paid the Principal Paying Agent and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.*

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 and administrative practice in effect as at the date of this Base Prospectus, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to English or Greek law (or the laws of any other jurisdiction) (including any change in regulation which may occur without a change in the primary legislation) or administrative practice in the U.K. or Greece after the date of this Base Prospectus or can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Covered Bonds.

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). 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 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 directly 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 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 a Covered Bondholders is a tax resident.

In addition, 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 directly 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 natural persons (individuals), while it may not for other types of Covered Bondholders.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CSSF shall be deemed to be incorporated in, and form part of, this Base Prospectus:

1. Annual financial report (produced in accordance with Law 3556/2007) for the financial year ended 31 December 2013 for the Issuer, including:

(a)	consolidated balance sheet	set out on page 38 of the 2013 annual financial report;
(b)	non-consolidated balance sheet	set out on page 188 of the 2013 annual financial report;
(c)	consolidated profit and loss accounts	set out on page 37 of the 2013 annual financial report;
(d)	non-consolidated profit and loss accounts	set out on page 187 of the 2013 annual financial report;
(e)	consolidated cashflow statements	set out on page 42 of the 2013 annual financial report;
(f)	non-consolidated cashflow statements	set out on page 191 of the 2013 annual financial report;
(g)	consolidated notes	set out on pages 43 of the 2013 annual financial report;
(h)	non-consolidated notes	set out on pages 192 of the 2013 annual financial report;
(i)	consolidated audit reports	set out on pages 35 of the 2013 annual financial report; and
(j)	non-consolidated audit reports	set out on pages 185 of the 2013 annual financial report.

2. Annual financial report (produced in accordance with Law 3556/2007) for the financial year ended 31 December 2012 for the Issuer, including:

(a)	consolidated balance sheet	set out on page 32 of the 2012 annual financial report;
(b)	non-consolidated balance sheet	set out on page 144 of the 2012 annual financial report;
(c)	consolidated profit and loss accounts	set out on page 31 of the 2012 annual financial report;
(d)	non-consolidated profit and loss accounts	set out on page 143of the 2012 annual financial report;
(e)	consolidated cashflow statements	set out on page 36 of the 2012 annual financial report;

(f)	non-consolidated cashflow statements	set out on page 147 of the 2012 annual financial report;
(g)	consolidated notes	set out on pages 37 of the 2012 annual financial report;
(h)	non-consolidated notes	set out on pages 148 of the 2012 annual financial report;
(i)	consolidated audit reports	set out on pages 29 of the 2012 annual financial report; and
(j)	non-consolidated audit reports	set out on pages 141 of the 2012 annual financial report.

3. Semi-annual financial report (produced in accordance with Law 3556/2007) for the period from 1 January to 30 June 2014 for the Issuer, including:

(a)	consolidated balance sheet	set out on page 20 of the semi-annual financial report;
(b)	non-consolidated balance sheet	set out on page 72 of the semi-annual financial report;
(c)	consolidated profit and loss accounts	set out on page 19 of the semi-annual financial report;
(d)	non-consolidated profit and loss accounts	set out on page 71 of the semi-annual financial report;
(e)	consolidated cashflow statements	set out on page 24 of the semi-annual financial report;
(f)	non-consolidated cashflow statements	set out on page 76 of the semi-annual financial report;
(g)	consolidated notes	set out on pages 25-68 of the semi-annual financial report;
(h)	non-consolidated notes	set out on pages 77-109 of the semi-annual financial report;
(i)	consolidated audit reports	set out on pages 17 of the semi-annual financial report; and
(j)	non-consolidated audit reports	set out on pages 69 of the semi-annual financial report.

4. The terms and Conditions contained in the base prospectus dated 20 May 2010 on pages 64 to 100.

5. The terms and Conditions contained in the base prospectus dated 28 July 2011 on pages 68 to 105.

The Issuer's consolidated and non-consolidated annual financial statements are prepared in accordance with IFRS and are included in the annual financial reports produced in accordance with Law 3556/2007 for the Issuer.

For the purposes of items 4 and 5 above, any supplement(s) to the base prospectuses mentioned in these items are not incorporated by reference as they are deemed not relevant for an investor.

Any information not listed in the cross reference tables above 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 Prospectus Directive.

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 pursuant to paragraphs 1 to 2 above 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 and for Covered Bonds listed on the official list of the Luxembourg Stock Exchange from the internet site of the Luxembourg Stock Exchange at www.bourse.lu.

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.

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into 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 "Applicable 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 Alpha Bank A.E. (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;

(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 Citicorp Trustee Company Limited at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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 (as defined below) 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, Citibank, N.A., London Branch 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) Citibank, N.A., London Branch as registrar (the **Registrar**, which expression shall include any successor registrar, and, together with any transfer agent appointed thereunder, the **Transfer Agents**, which expression shall include any successor transfer agents) and together with the Paying Agents, the Registrar and any Calculation Agent referred to below, the **Agents**). Interest bearing Definitive Covered Bonds have (unless otherwise indicated in

the applicable Final Terms) 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 (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the applicable Final Terms and the other Transaction Documents are available for inspection during normal business hours at the registered office of the Issuer and of the Principal Paying Agent and at the specified office of each of the other Paying Agents. If the Covered Bonds are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) 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 and 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, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, 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 (as amended and/or supplemented and/or restated from time to time, 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 denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination and Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and *vice versa*.

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

The Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and set out in the applicable Final Terms save that the minimum denomination of each Covered Bond will be 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) Moody's have confirmed the then current rating of all Covered Bonds issued and outstanding under the Programme and that the ratings of such Covered Bonds will not be adversely affected or withdrawn as a result of such issuance and Fitch has been notified of such issuance, (iv) such issuance has been approved by the Bank of Greece in accordance with paragraph II.3 of the Secondary Covered Bond Legislation and (v) if applicable, in respect of any Series or Tranche, a Hedging Agreement is entered into.

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 or, as the case may be, registered in the name of a common depositary for, 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 and any such

certificate or other document may comprise any form of statement or printout of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) 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 or other amounts on such nominal amount of such Covered Bonds, for which purpose the bearer or, as applicable, the registered holder 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 successor operator and/or successor clearing system and/or 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 or any Transfer Agent, 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 or, as the case may be, the relevant Transfer Agent, and (b) the Registrar or, as the case may be, the relevant Transfer Agent, 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 or, as the case may be, the relevant Transfer Agent, will, within three 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 or, as the case may be, the relevant Transfer Agent, 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 (*Redemption and Purchase*), 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, Registrar or Transfer Agent 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 and any relative Coupons constitute direct, unconditional and unsubordinated obligations of the Issuer secured by the statutory pledge provided by paragraph 4 of Article 91 of the Greek Covered Bond Legislation (the **Statutory Pledge**). They are issued in accordance with the Greek Covered Bond Legislation and are backed by the assets of the Cover Pool. The Covered Bonds will at all times rank *pari passu* without any preference among themselves, irrespective of their Series, for all purposes except for the timing of the repayment of principal and the timing and amount of interest payable.

4. Priorities of Payments

4.1 *Pre Event of Default Priority of Payments*

Following an Issuer Event but prior to the delivery of a Notice of Default, the Servicer shall apply all Covered Bonds Available Funds on each Programme 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):

(a) *first*, in or towards satisfaction of all amounts then due and payable or to become due and payable prior to the next Programme 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;

(b) *second*, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any additional fees, costs, expenses and taxes due and payable on the Programme Payment Date or to provide for all such amounts that will become due and payable prior to the next Programme Payment Date to the Trustee or any Appointee in order to fund any notice to be given to any parties in accordance with any of the Transaction Documents or to the Covered Bondholders in connection with the assignment and/or collection and/or management of the Cover Pool Assets;

(c) *third, pari passu* and *pro rata* according to the respective amounts thereof, to pay all amounts due and payable on the Programme Payment Date, or to provide for all such amounts that will become due and payable prior to the next Programme Payment Date, to the Account Bank and the Agents under the Bank Account Agreement and the Agency Agreement, respectively;

(d) *fourth*, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) to pay 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, and (ii) to pay all amounts due and payable on the Programme Payment Date, or to provide for all such amounts that will become due and payable prior to the next Programme Payment Date (and for which payment has not been provided for elsewhere in this Pre Event of Default Priority of Payments), to any Secured Creditors other than the Account Bank, the Agents, the Hedging Counterparties and the Covered Bondholders and Couponholders;

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

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

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

(h) *eighth*, to pay all Series of Covered Bonds to which an Extended Final Maturity Date applies *pari passu* and *pro rata* according to the respective amounts thereof, of or towards the Final Redemption Amount in respect of such Series of Covered Bonds;

(i) *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;

(j) *tenth*, if no Covered Bonds remain outstanding, to pay *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable on the Programme Payment Date, or to provide for all such amounts that will become due and payable prior to the next Programme Payment Date to any Hedging Counterparties arising out of any Subordinated Termination Payment; and

(k) *eleventh*, if no Covered Bonds remain outstanding, to pay any excess to the Issuer.

4.2 *Post Event of Default Priority of Payments*

Following delivery of a Notice of Default, all funds deriving from the Cover Pool Assets and the Transaction Documents and any other sums standing to the credit of the Transaction Account shall be applied on any 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:

(a) *first*, to pay any Indemnity to which the Trustee or any Appointee or any Receiver 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 Appointee or any Receiver (i) following the occurrence of a Potential Event of Default, Issuer Event or, as applicable, an Event 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 (ii) 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 to, or is required to pursue, under or in connection with the Transaction Documents and the Covered Bonds for the purpose of protecting the interests of the Covered Bondholders and the other Secured Creditors;

(b) *second*, *pari passu* and *pro rata* according to the respective amounts thereof, (i) to pay all amounts of interest and principal then due and payable on any Covered Bonds and Coupons, (ii) 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, (iii) to pay all amounts due and payable to any Secured Creditors, other than the Covered Bondholders and Couponholders with the exception of those amounts as set out in items (b)(iv) and (d), and (iv) any amounts due and payable under any Hedging Agreement other than the Subordinated Termination Payments to any Hedging Counterparties under any such Hedging Agreements;

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

(d) *fourth*, following the payment in full of all items under (a) to (c) above, to pay all excess amounts to the Issuer.

5. Interest

The applicable Final Terms will indicate whether the Covered Bonds are Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds.

5.1 *Interest on Fixed Rate Covered Bonds*

This Condition 5.1 applies to Fixed Rate Covered Bonds only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.1 for full information on the manner in which interest is calculated on Fixed Rate Covered Bonds. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

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, subject as provided in these Conditions, 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 (as defined in Condition 5.5 (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) 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 *Interest on Floating Rate Covered Bond*

This Condition 5.2 applies to Floating Rate Covered Bonds only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Floating Rate Covered Bonds. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final

Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(a) Interest 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 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 LIBOR or 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 page on 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.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (ii) in the event that 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.

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

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

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

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

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

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

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

(e) 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.

(f) 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 promptly be 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*).

(g) Determination or Calculation by the 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 shall 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). 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, the Calculation Agent or the Trustee shall (in the absence of wilful default, negligence, fraud 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, negligence 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(c)(b)) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

(b) **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).

(c) **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.

(d) **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.

(e) **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.**

(f) **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.

(g) **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.

(h) 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.

(i) 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.

(j) **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:

(a) 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);

(b) 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; and

(c) 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 to (i) 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 Bearer Definitive Covered Bonds and Coupons*

Payments of principal and interest (if any) will (subject as provided below) be made in accordance with Condition 6.1 (*Method of payment*) only against presentation and surrender of Bearer Definitive Covered Bonds or Coupons (or, in the case of part payment of any sum due, endorsement of the Bearer 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 of principal 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 or a Long Maturity 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 Bearer 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 Bearer Definitive Covered Bond.

6.3 *Payments in respect of Bearer Global Covered Bonds*

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

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

6.4 *Payments in respect of Registered Covered Bonds*

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

Payments of interest in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register at the close of business on the Record Date at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the Registrar not less than three 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, as provided in the Trust Deed, 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:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment 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;

(b) 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

(c) 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:

(a) 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:

(i) the relevant place of presentation;

(ii) London;

(iii) Athens; and

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

(b) 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:

(a) 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;

(b) the Final Redemption Amount (as defined in the Final Terms) (the **Final Redemption Amount**) of the Covered Bonds;

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

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

(e) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 7.6(b)); and

(f) 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, the Agents, the Registrar (in the case of Registered Covered Bonds), Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Covered Bondholders in accordance with Condition 17 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds shall be redenominated in euro. In relation to any Covered Bonds where the applicable Final Terms provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream, Luxembourg must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least euro 100,000.

The election will have effect as follows:

(a) 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 and the Trustee, 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 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;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) 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;

(c) 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 euro 100,000 and/or such higher amounts as the Agents may determine and notify to the Trustee and the Covered Bondholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in euro in accordance with Condition 7 (*Redemption and Purchase*);

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

(e) 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;

(f) 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;

(g) 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

(h) such other changes shall be made to this Condition (and the Transaction Documents) as the Issuer may decide, after consultation with the Agents and the Trustee, 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) or Extended Final Maturity Date, as applicable.

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) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of the holders of not less than three-fourths of the Principal Amount Outstanding of the Covered Bonds of the relevant Series which would be entitled to attend a meeting if a meeting were convened, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders.

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

Optional Redemption Date 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.

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

7. Redemption and Purchase

7.1 *Final redemption*

(a) Unless previously redeemed 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.

(b) 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 the unpaid 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 may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date.

(c) The Issuer shall confirm to the 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 four 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.

(d) Where the applicable Final Terms for a relevant Series of Covered Bonds provides that such Covered Bonds are subject to an Extended Final Maturity Date, such failure to pay by the Issuer on the Final Maturity Date shall not constitute a default in payment.

7.2 *Redemption for taxation reasons*

Subject to Condition 7.6 (*Early Redemption Amounts*) 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 the minimum period and not more than the maximum period of notice specified in the applicable Final Terms 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, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Principal Paying Agent, the Registrar (in the case of the redemption of Registered Covered Bonds) and, in accordance with Condition 17 below, the Covered Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date specified in the applicable Final Terms and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal 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)*

(a) If an investor put is specified as being applicable 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, in accordance with Condition 17 (*Notices*), not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice provided that the Servicer has notified the Trustee in writing that there will be sufficient funds available to pay any termination payment due to the relevant Covered Bond Swap Provider(s), redeem in whole (but not in part), such Covered Bond on the Optional Redemption Date as specified in the applicable Final Terms and at the relevant Optional Redemption Amount together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption 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 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.

(c) 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 *General*

Prior to the publication of any notice of redemption pursuant to Condition 7.2 (*Redemption for taxation reasons*) or Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*), the Issuer shall deliver to the Trustee a certificate signed by two directors (at the relevant time) of the Issuer stating that the Issuer is entitled or required to effect such redemption and setting forth a statement of facts showing that the conditions set out in Condition 7.2 (*Redemption for taxation reasons*) or Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) for such right or obligation (as applicable) of the Issuer to arise have been satisfied and that the Issuer will have the funds, not subject to the interest of any other persons, required to fulfil its obligations hereunder in respect of the Covered Bonds and any amounts required under the Servicing and Cash Management Deed and/or the Deed of Charge to be paid *pari passu* with, or in priority to, the Covered Bonds and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions set out above, in which event it shall be conclusive and binding on all Covered Bondholders and Couponholders.

7.6 *Early Redemption Amounts*

For the purpose Condition 7.2 (*Redemption for taxation reasons*) and Condition 10 (*Events of Default and Enforcement*):

(a) each Covered Bond (other than a Zero Coupon Covered Bond) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Covered Bond will be redeemed at an amount (the **Amortised Face Amount**) equal to the sum of:

(i) the Reference Price; and

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

7.8 *Cancellation*

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

7.9 *Late Payment*

If any amount payable in respect of any Covered Bond is improperly withheld or refused upon its becoming due and repayable or is paid after its due date, the amount due and repayable in respect of such Covered Bond (the **Late Payment**) shall itself accrue interest (both before and after any judgment or other order of a court of competent jurisdiction) from (and including) the date on which

such payment was improperly withheld or refused or, as the case may be, became due, to (but excluding) the Late Payment Date in accordance with the following provisions:

(a) 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 (*Interest on Floating Rate Covered Bond*), as the case may be; and

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

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

9. Issuer Events

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

(a) an Issuer Insolvency Event;

(b) the Issuer fails to pay any principal (other than the Principal Amount Outstanding on the Covered Bonds on the Final Maturity Date or the Extended Final Maturity Date, as applicable) or interest in respect of the Covered Bonds within a period of seven Athens Business Days from the due date thereof;

(c) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of amounts due under

the Covered Bonds or Coupons of any Series) under the Trust Deed, the Deed of Charge or any other Transaction Document to which the Issuer is a party which, in the opinion of the Trustee, would have a materially prejudicial effect on the interests of the Covered Bondholders of any Series and (ii) (except where such default is or the effects of such default are, in the opinion of the Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required), such default continues for 30 days (or such longer period as the Trustee may permit) after written notice has been given by the Trustee to the Issuer requiring the same to be remedied;

(d) any present or future Indebtedness in respect of moneys borrowed or raised in an amount of €15,000,000 or more (other than Indebtedness under this Programme) of the Issuer becomes due and payable prior to the stated maturity thereof as extended by any grace period originally applicable thereto; or if any present or future guarantee of, or indemnity given by the Issuer in respect of such Indebtedness is not honoured when called upon or within any grace period originally applicable thereto; or

(e) if there is a breach of a Statutory Test on a Calculation Date and such breach is not remedied within five Athens Business Days; or

(f) if it is or will (in the opinion of the Trustee, having taken legal advice from a reputable firm of lawyers or a reputable legal expert) become unlawful or illegal for the Issuer to comply with any of its obligations under or in respect of the Covered Bonds or any of the Transaction Documents where such unlawfulness or illegality cannot be remedied and, in the case of an unlawfulness or illegibility which can be remedied, is not covered within 30 days after written notice has been given by the Trustee to the Issuer requiring the same to be remedied,

then (for as long as such Issuer Event is continuing) (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 or the Third Party Collection Account (as applicable) in accordance with the Servicing and Cash Management Deed, (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 Alpha Bank A.E. is the Servicer, its appointment as Servicer will be terminated and a new servicer (the **Replacement 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 the Servicing and Cash Management Deed and the Covered Bond Legislation will have the option to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed until one year prior to the Extended Final Maturity Date of the Earliest Maturing Covered Bonds, and thereafter 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.

Issuer Insolvency Event means, in respect of the Issuer:

(a) an order is made or an effective resolution passed for the liquidation or winding up of the Issuer, except for the purposes of a reconstruction, amalgamation or merger or following the transfer of all or substantially all of the assets of the relevant entity, the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series or which has been effected in compliance with the terms of Condition 18;

(b) the Issuer stops or threatens to stop payment to its creditors generally;

(c) the Issuer shall stop or threatens to 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;

(d) 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 (in the opinion of the Trustee) 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;

(e) the Issuer is in a status of cessation of payments within the meaning of article 3 of the Greek Bankruptcy Code; or

(f) a supervisor (Epitropos) of the Issuer is appointed in accordance with article 137 of Law 4261/2014 or Issuer is placed in liquidation in accordance with article 145 of Law 4261/2014.

Subsidiary means, with respect to any person, any corporation or other business entity of which such person owns or controls (either directly or through another subsidiary or other subsidiaries) 50 per cent. or more of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such corporation or other business entity (other than capital stock or other ownership interest of any other classes which have voting power on the occurrence of any contingency).

10. Events of Default and Enforcement

10.1 *Events of Default*

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

(a) on the Final Maturity Date or Extended Final Maturity Date, as applicable, in respect of any Series of Covered Bonds or any earlier date for redemption or on any Interest Payment Date on which principal is due and payable thereon, 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 seven Athens Business Days from the due date thereof;

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

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

then the Trustee shall, upon receiving notice in writing from the 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 further notice, take such proceedings or steps or exercise rights or powers under or in connection with the Deed of Charge, the Trust Deed, the Covered Bonds or any other Transaction Document 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 or exercise such rights or powers as it may think fit to enforce the Security, but it shall not be bound to take any such proceedings or steps unless (i) it shall have been so directed by (A) an Extraordinary Resolution of all 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 prefunded 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 together 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 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.

The Issuer shall be discharged from its obligation to pay principal on a Registered Covered Bond to the extent that the relevant Registered Covered Bond certificate has not been surrendered to the Registrar by, or a cheque which has been duly despatched in the Specified Currency remains uncashed at, the end of the period of ten years from the Relevant Date for such payment.

The Issuer shall be discharged from its obligation to pay interest on a Registered Covered Bond to the extent that a cheque which has been duly dispatched in the Specified Currency remains uncashed at the end of the period of five years from the Relevant Date in respect of such payment.

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 (*Prescription*) 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, Coupon or Talon 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 Principal Paying 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 Bearer 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 and, in certain circumstances specified therein, of 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 approval 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 Agents *provided, however, that*:

(i) there will at all times be a Principal Paying Agent and a Registrar;

(ii) 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 (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered 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;

(iii) 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;

(iv) 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

(v) 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 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 prefunded 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 Covered Bondholders of each Series to consider matters relating to the Covered Bonds, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution of Covered Bondholders of the relevant Series. 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 of the relevant Series. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than a clear majority of the aggregate principal amount of the outstanding Covered Bonds of the relevant 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* Series Reserved Matters, described in the Trust Deed, may only be sanctioned by an Extraordinary Resolution passed at a meeting of Covered Bondholders of the relevant Series at which one or more persons holding or representing not less than two-thirds or, at any adjourned meeting, not less than one-third of the aggregate principal amount of the outstanding Covered Bonds of the relevant Series form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Covered Bondholders and Couponholders of the relevant Series, whether present or not.

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

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Euro, the nominal amount of the Covered Bonds of any Series not denominated in Euro shall be converted into Euro at the relevant Covered Bond Swap Rate.

(b) *Rating Agency Confirmation and Notification*: Any such modification referred to in paragraph (a) above may only be effected provided that each of the Rating Agencies has been notified.

(c) *Modification*: The Trustee may, without the consent or sanction of any of the Covered Bondholders or Couponholders 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, these Conditions, the Eligibility Criteria or the Servicing and Cash Management Deed which, in the opinion of the Trustee, adversely affects their interests (such consent or sanction 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 or any Transaction Document provided that in the sole opinion of the Trustee such modification is not materially prejudicial to the interests of any 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.

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

(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;

(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.

(d) *Breach/ waiver*: 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, Potential Event of Default, 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 Issuer Event, Potential Event of Default or 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(d) in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 10 (Events of Default and Enforcement) 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 in accordance with Condition 17 (Notices) and (ii) to the Rating Agencies as soon as practicable thereafter.

16. Further Issues

The Issuer may from time to time, without the consent of the Covered Bondholders or the Couponholders or any other Secured Creditors, 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) no Issuer Event or Event of Default has occurred which is continuing 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) each Rating Agency has been notified of such issuance, (iv) such issuance has been approved by the Bank of Greece in accordance with paragraph II.3 of the Secondary Covered Bond Legislation and (v) if applicable, in respect of any Series or Tranche, a Hedging Agreement is entered into.

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 on the relevant website or 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.

So long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of Euroclear and/or Clearstream, Luxembourg, there may be substituted for such publication in such newspaper(s) or such mailing, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Covered Bondholders provided that, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to listing or trading by any other relevant authority and the rules of the stock exchange, or as the case may be, other relevant authority so require, such notice will be published on the relevant website or published in a daily newspaper of general circulation in the place or places required by that stock exchange or, as the case may be, any other relevant authority. Any such notice shall be deemed to have been given to the Covered Bondholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

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 (in the case of Bearer Covered Bonds) or the Registrar (in the case of Registered Covered Bonds). Whilst the Covered Bonds are represented by Global Covered Bonds, any notice may be given by any Covered Bondholder to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

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 of any other body incorporated in any country in the world as the debtor in respect of the Covered Bonds, any Coupons and the Trust Deed and each other Transaction Document (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 the Trustee and each Covered Bondholder to be bound by the Trust Deed, these Conditions and each other Transaction Document as the principal 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 the Trustee and each Covered Bondholder has the benefit of an undertaking in terms corresponding to the provisions of this Condition 8 (*Taxation*), 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) legal opinions 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;

(vi) if Covered Bonds issued or to be issued under the Programme have been assigned a credit rating by Fitch and Moody's (together the **Rating Agencies** and each a **Rating Agency**), each Rating Agency has been notified of the proposed substitution and Moody's have confirmed, within 30 days of receiving such notice, that the then current rating of the then outstanding Covered Bonds would not be downgraded as a result of such substitution;

(vii) 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;

(viii) 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, the Trust Deed and/or any other Transaction Document;

(ix) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (x), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Covered Bondholders of any Series; and

(x) 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.

(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 shall be 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 any 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 Alpha Bank London Limited at 66 Cannon Street, London EC4N 6EP (Attn.: Martin Waghorn (Managing Director) / Alex Gibb (General Manager), Email: martinw@alpha-bank.co.uk / alexg@alpha-bank.co.uk, Fax: 0044 207 332 0010), 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 Alpha Bank London Limited 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 initially be issued in the form of a temporary global covered bond without interest coupons attached (a **Temporary Global Covered Bond**) which will:

(a) if the Bearer Global Covered Bonds (as defined below) are issued in new global covered bond (**NGCB**) form, as stated in the applicable Final Terms, be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and

(b) if the Bearer Global Covered Bonds are not issued in NGCB form, be delivered on or prior to the issue date of the relevant Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

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

Where the Global Covered Bonds issued in respect of any Tranche are in NGCB form, the applicable Final Terms will also indicate whether such Global Covered Bonds are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Covered Bonds are to be so held does not necessarily mean that the 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 outside the United States and its possessions and 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 Bearer Definitive Covered Bonds of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-U.S. beneficial ownership as described above unless such certification has already been

given. Purchasers in the United States and certain United States persons will not be able to receive Bearer Definitive Covered Bonds or interests in the Permanent Global Covered Bond. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond or for Bearer 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 outside the United States and its possession and through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Covered Bond (if the Permanent Global Covered Bond is not issued in NGCB form) without any requirement for certification.

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

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

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

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

The sections referred to provide that United States persons (as defined for U.S. federal tax purposes), 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 in respect of any gain on any sale or other disposition in respect of such Bearer Covered Bonds, talons or interest coupons.

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

Registered Covered Bonds

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

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

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

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

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

General

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

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

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

APPLICABLE 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*]

ALPHA BANK A.E.
Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Covered Bonds*]
Under the €8 billion
Direct Issuance 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 set forth in the Base Prospectus dated 30 October 2014 [and the supplement to the Base Prospectus dated [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). 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. The Base Prospectus has been published on the Luxembourg Stock Exchange website (www.bourse.lu).

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

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Terms and Conditions**) set forth in the Base Prospectus dated [[20 May 2010] [28 July 2011]] which are incorporated by reference in the Base Prospectus dated 30 October 2014. 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 dated 30 October 2014 [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 offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectuses has been 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 directions for completing the Final Terms*]

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	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:		[ ]
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	(a)	Specified Denominations:	[ ] (*N.B. Covered Bonds must have a minimum denomination of EUR 100,000 (or equivalent*)) (*Note – 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 Bond in definitive form will be issued with a denomination above [€199,000]."*)
	(b)	Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations*.)
6.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[ ] (*NB An Interest Commencement Date will not be relevant for certain Covered Bonds, for example Zero Coupon Covered Bonds*)
7.	(a)	Final Maturity Date:	[*Fixed rate - specify date / Floating rate - Interest Payment Date falling in or nearest to [specify month and year*]
	(b)	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]]*

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 [ ] per cent of their nominal amount
10.	Change of Interest Basis:	[*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there*][Not Applicable]
11.	Put/Call Options:	[Not Applicable] [Investor Put] [Issuer Call] [(further particulars specified below)]
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*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Covered Bond Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Rate[(s)] of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Final Maturity Date, or the Extended Final Maturity Date, if applicable] (*Amend appropriately in the case of irregular coupons*)
	(c)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Not applicable]]
	(d)	Additional Business Centre(s):	[ ]
	(e)	Fixed Coupon Amount[(s)]: (*Applicable to Covered Bonds in definitive form*)	[ ] per Calculation Amount
	(f)	Broken Amount(s):	[[ ] per Calculation Amount payable on the

	(*Applicable to Covered Bonds in definitive form*)	Interest Payment Date falling [in/on] [ ]][Not applicable]
(g)	Day Count Fraction:	[30/360/Actual/Actual [(ICMA/ISDA)]] [adjusted/not adjusted]
(h)	[Determination Date	[[ ] in each year][Not applicable] (*N.B. 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*]
14.	**Floating Rate Covered Bond Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(a)	Specified Period(s)/Specified Interest Payment Dates	[ ][, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to adjustment, as the Business Day Convention in (b) below is specified to be not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention] [Not applicable]
(c)	Additional Business Centre(s):	[ ]
(d)	Manner in which the Rate(s) of Interest and Interest Amount is/are to be determined:	[Screen Rate Determination / ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ]
(f)	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*)
	(g)	ISDA Determination:	
		– Floating Rate Option:	[ ]
		– Designated Maturity:	[ ]
		– Reset Date:	[ ] (*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period).*
	(h)	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)*]
	(i)	Margin(s):	[+/-][ ] per cent. per annum
	(j)	Minimum Rate of Interest:	[ ] per cent. per annum
	(k)	Maximum Rate of Interest:	[ ] per cent. per annum
	(l)	Day Count Fraction:	[Actual/ Actual [(ICMA)/(ISDA)] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA) [adjusted/not adjusted]
15.	**Zero Coupon Covered Bond Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[Not Applicable]]

(d)	Day Count Fraction in relation to Early Redemption Amounts and Late Payments:	[30/360] [Actual/Actual [(ICMA)/(ISDA)]] [adjusted/not adjusted]

PROVISIONS RELATING TO REDEMPTION

16.	**Notice periods for Condition 7.2 (*Redemption for taxation reasons*):**	Minimum period: [30] days Maximum period: [60] days
17.	**Issuer Call**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount(s):	[ ] per Calculation Amount
	(c) (If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ] per Calculation Amount
	(ii) Maximum Redemption Amount:	[ ] per Calculation Amount
	(d) Notice Periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee*)
18.	**Investor Put**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount(s)	[ ] per Calculation Amount
	(c) Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of*

		information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee)
19.	**Final Redemption Amount:**	[ ] per Calculation Amount
20.	**Early Redemption Amount payable on redemption for taxation reasons or on event of default:**	[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21.	**Form of Covered Bonds:**	[Bearer Covered Bonds: Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds [on 60 days' notice given at any time/only upon an Exchange Event]] [Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds [on 60 days' notice given at any time/only after 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 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*)] [Registered Covered Bonds: Registered in the name of a nominee of the [[common safekeeper]/[common depositary for Euroclear and Clearstream, Luxembourg]]
22.	**[New Global Covered Bond][New Safekeeping Structure]:**	[Yes/No]
23.	**Additional Financial Centre(s) or other special provisions relating to payment dates:**	[Not Applicable/*give details*]. (*Note that this item relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which paragraph* [*13(d) relates*])]
24.	**Talons for future Coupons to be**	[Yes, as the Covered Bonds have more than 27 coupon

attached to Bearer Definitive Covered Bonds:	payments, Talons may be required 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 of Alpha Bank A.E.

By:

Duly Authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	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 [*Specify relevant regulated market and, if relevant, listing on an official list*] with effect from [ ]. *(NB Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.)*
(b)	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 generally]: [*insert details*]] by [*insert legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [Each of [*defined terms*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) *(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the 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. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]

(a)	Reasons for the offer:	[ ]

(b) [Estimated net proceeds: [ ]

(c) [Estimated total expenses: [ ]

5. YIELD (Fixed Rate Covered Bonds only)

Indication of yield: [ ] [Not Applicable]

6. HISTORIC INTEREST RATES (Floating Rate Covered Bonds only)

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].

7. 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.]

8. DISTRIBUTION

Method of distribution:	[Syndicated/Non-syndicated]
If syndicated, names of managers:	[Not applicable/*give names*]
Date of [Subscription] Agreement:	[ ]
Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
U.S. Selling Restrictions:	[Reg S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]]

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 Replacement 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 may either be (a) an administrator or a liquidator (under articles 137 or 145 respectively of Greek Law 4261/2014), and in such an event servicing of the Cover Pool will be included in their general powers over the Issuer's assets; or (b) in addition to such persons, a person specifically carrying out the servicing of the Cover Pool. Any such person appointed as described in paragraph (a) or (b) 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 will be required to treat the Cover Pool as a segregated pool of assets on the basis of the segregation provisions of Article 91 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.

SUMMARY OF THE GREEK COVERED BOND LEGISLATION

The following is a summary 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. 170/A/5-5-2014 and dealing with, *inter alia*, the access to the activity of credit institutions (transposition of Directive 2013/36/EU) (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, 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), 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(b) should be read as a reference to article 129 of Regulation 575/2013; and

(b) derivative financial instruments satisfying certain requirements as to the scope thereof and the capacity of the counterparty.

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 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 a 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 in the 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 91 of Greek Law 3601/2007 and repeated in 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.

THE ISSUER AND THE GROUP

The Issuer and its subsidiaries (together, the **Group**) is one of the leading banking and financial services groups in Greece, offering a wide range of services including retail banking, corporate banking, asset management and private banking, insurance distribution, investment banking and brokerage, treasury and real estate management. The Group is active in Greece, its principal market, and in most markets of South-eastern Europe (Romania, Cyprus, Serbia, Bulgaria, FYROM and Albania). The Group also maintains a presence in London and the Channel Islands. The Issuer is the parent company of the Group and its principal bank.

According to estimates on the basis of data published by the Bank of Greece, The Group has a strong market share in each of its four domestic lines of business (retail banking, corporate banking, asset management and investment banking and treasury) and this demonstrates resilience to the economic crisis. The Group's client base comprises of retail clients, small and medium-sized enterprises, self-employed professionals, large corporations, high-net worth individuals, private and institutional investors and the Greek government.

The Group, through an extensive national and international branch and ATM network, in combination with advanced online and telephone channels, offers banking and financial services to its individual and corporate customers. These features extend the Group's presence in the domestic Greek market, as well as in the international markets in which it operates.

The Issuer's management considers other competitive strengths of the Group as being its large customer base, its highly motivated and trained personnel, its advanced IT systems and its fairly recently reorganised and modernised branch network, which has extended its ability in product innovation and in offering a wide range of services and opportunities for cross-selling products of the Group through its traditional and alternative distribution channels.

In February 2013, the Issuer completed the acquisition of Emporiki from Crédit Agricole. The transaction represents a major step in the restructuring of the Greek banking sector. For more information see "*The Acquisition of Emporiki*" below.

In 2013, the Issuer's operating performance was positively affected by higher operating income, supported mainly by lower funding cost and gradual realisation of synergies, while 2012 operating performance was negatively affected by trading losses of Euro 232.9 million primarily resulting from valuations adjustments in respect of the new Greek government bonds following the PSI voluntary exchange transaction The Issuer's pre-provision income (adjusted for trading income, integration costs and extraordinary costs) was Euro 750.8mn, an increase 10.4 per cent. from 2012. This can be attributed to the inclusion of Emporiki Bank and the lower cost of funding, as the rates for the new time deposits in Greece declined by almost 200 bps since the high 4.6 per cent. at the beginning of 2013 and the lower wholesale funding costs due to the interest rate cut of ECB by 25bps in November 2013.

As at 31 December 2013, the Issuer had total assets of Euro 73.7 billion, total customer deposits (including debt securities in issue held by customers) of Euro 42.5 billion and total net loans of Euro 51.7 billion.

As at 31 December 2013, the Issuer's share capital was Euro 4,216.87 million divided into 11,122,906,012 shares, of which 1,997,638,231 are ordinary, registered, voting, paperless shares with a nominal value of Euro 0.30 each, 8,925,267,781 ordinary, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, dematerialised shares owned by the Hellenic Financial Stability Fund of nominal value of Euro 0.30 each and 200,000,000 are preferred, registered, without voting rights, paper, redeemable shares issued in accordance with the provisions of Greek Law 3723/2008 with a nominal value of €4.70 each. The Issuer's share capital is all fully paid up.

As at 31 December 2013, the Issuer's equity was held by approximately 133,000 shareholders. On the same date, the shareholder base comprised of

(a) the Hellenic Financial Stability Fund, representing approximately 82 per cent. and private shareholders representing approximately 18 per cent. of the common shareholder base. The private shareholders are analysed as follows:

- institutional shareholders representing approximately 57 per cent. of the shareholder base (of which approximately 50 per cent. were foreign institutional investors and 7 per cent. were Greek institutional investors);

- Mr. Y.S. Costopoulos, together with other members of the founding family, represented approximately 5 per cent. of the shareholder base;

- individuals representing approximately 38 per cent. of the shareholder base;

(b) the Greek State, holding 200 million registered, non-voting, non-listed and redeemable preference shares issued under the voluntary scheme for the capitalisation and liquidity support of credit institutions licensed by the Bank of Greece (the **Greek State Preference Shares**).

Following the completion of a Euro 1.2 billion share capital increase which was approved by the Extraordinary General Meeting of 28 March 2014 and completed on 31 March 2014, and the subsequent redemption of the Greek State Preference Shares of Euro 940 million on 17 April 2014 as well as the 2nd warrant exercise which took place on 10 June 2014, the share capital of the Issuer consists of 12,769,059,858 common, nominal, voting, dematerialised shares, of a nominal value of Euro 0.30 each. As a result, the shareholder base comprises of the Hellenic Financial Stability Fund, representing approximately 66.4 per cent. (owing 8,474,088,060 ordinary, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, non-paper shares) and private shareholders (with 4,294,971,798 ordinary, registered, voting, paperless shares) representing approximately 33.6 per cent. of the common shareholder base.

The private shareholders are analysed as follows:

- institutional shareholders representing approximately 80 per cent. of the shareholder base (of which approximately 76 per cent. were foreign institutional investors and 4 per cent. were Greek institutional investors);

- Mr. Y.S. Costopoulos, together with other members of the founding family, represents approximately 2 per cent. of the shareholder base; and

- individuals who represent approximately 18 per cent. of the shareholder base.

The Acquisition of Emporiki

In February 2013, the Issuer announced the completion of transfer of Emporiki's entire share capital from Crédit Agricole, while the legal merger was completed on 28 June 2013. In connection with and prior to completion of the acquisition, Crédit Agricole completed a €2.9 billion recapitalisation of Emporiki and subscribed for convertible bonds (€150 million) which are convertible into the Issuer's Ordinary Shares, beginning on the fourth anniversary of the completion of the acquisition of Emporiki, at Crédit Agricole's discretion and subject to certain terms and conditions. Crédit Agricole's investment in the Issuer provided further support to its capital ratios on top of Emporiki's recapitalised equity base. With regards to the Issuer's strategy, the acquisition of Emporiki further strengthened the corporate banking arm of the Issuer, while regarding the integration process, there has been a strong cultural fit based on similar corporate values between both banks.

2014 Capital Increase

On 28 March 2014, the Extraordinary General Meeting of the Shareholders of the Issuer, approved the raising of capital by the Issuer, up to the amount of Euro 1.2 billion through a private placement with qualified investors, with the issuance of 1,846,153,846 new, ordinary, registered shares offered at Euro 0.65 each. The offering, which was fully underwritten by a syndicate of international banks, was priced on 25 March 2014, while the new shares commenced trading on the Athens Exchange on 4 April 2014.

The proceeds from the capital increase were intended to strengthen the Issuer's capital base with high-quality common equity capital and allow for the redemption of the Greek State Preference Shares of Euro 940 million, whereas the remaining amount of the capital raise was expected to cover the Euro 262 million capital needs assessed in the 2014 BoG Stress Test. The Greek State Preference Shares of Euro 940 million were subsequently redeemed on 17 April 2014.

2013 Capital Increase

On 16 April 2013, the second iterative meeting of the Extraordinary General Meeting of the Issuer's Shareholders convened and approved the Issuer's €4,571 million Capital Strengthening Plan (announced on 2 April 2013) and granted the power to the Board of Directors to implement, assessing the financial conditions, the General Meeting's resolutions (the "**Capital Strengthening Plan**"). On 3 June 2013, the Issuer announced the successful completion of its €457.1 million rights issue (the "**Rights Issue**"), and the allotment of all of the shares offered in the €92.9 million private placement to institutional and other qualified private investors (the "**Private Placement**"). As a consequence, the Issuer was the first among the Greek banks, to meet successfully the required private sector contribution test by raising more than 10 per cent. of its total recapitalisation amount, of €4,571 million, from private investors. The remaining part of the €4,571 million Capital Strengthening Plan was covered by the HFSF through direct subscription. The Rights Issue was fully underwritten by a syndicate of international investment banks.

For each new share subscribed for in the capital increase by private sector investors, the HFSF issued on 10 June 2013 separately traded warrants which allow holders to purchase shares subscribed by the HFSF at selected intervals over the 4.5 years that follow the share capital increase, at the subscription price of €0.44 per share ("**Subscription Price**") increased by an annual margin.

2009 Issue of preference shares in favour of the Hellenic Republic

In accordance with Greek Law 3723/2008, the Extraordinary General Meeting of Shareholders of the Issuer held on 12 January 2009 approved the increase of the share capital of the Issuer in a maximum amount of €950,000,000, in accordance with GreekLaw 3723/2008, by means of the issuance and distribution of new, redeemable non-voting preference shares in registered form, together with the abolition of the pre-emptive rights, if any, of its existing shareholders. Such share capital increase was completed in May 2009 when the Greek State Preference Shares were issued to the Greek State, in return for the Greek State contributing Greek government bonds to the Issuer in kind.

On 17 April 2014, the Issuer fully redeemed to the Hellenic Republic the total amount of preference shares of Euro 940 million, issued to the latter by the Issuer.

2009 Capital Increase

The Board of Directors of the Issuer, on 19 October 2009, resolved upon a rights issue through cash payment (with pre-emption and over subscription rights in favour of existing shareholders) and raised capital amounting to €986.3 million. The rights issue was successfully completed on 27 November 2009 and was oversubscribed 1.52 times.

Recent Developments

Approval of the Issuer's Restructuring Plan

On 12 June 2014, the Issuer submitted through the Greek Ministry of Finance to the European Commission (Directorate General for Competition) its restructuring plan, as stipulated in applicable legislation, while on July 9, 2014 the European Commission approved under State Aid rules the Issuer's restructuring plan and concluded that the measures already implemented and those included in the restructuring plan will enable the Issuer to return to viability.

According to the ruling of the European Commission, the Issuer's restructuring plan is in line with EU state aid rules while the measures already implemented and those included in its restructuring plan, will enable the Issuer to return to viability. Furthermore, the acquisition of Emporiki Bank was considered as positive for the viability of the Issuer, as the merger enabled the realisation of significant synergies.

Acquisition of Citibank's Greek retail operations

On 30 September, 2014, the Issuer announced the completion of the acquisition of the Greek retail banking business of Citibank (**Citi**), including Diners Club of Greece. The acquired operations include Citi's wealth management unit with Customers' assets under management of c. Euro 2.0 billion, including deposits of c. Euro 0.9 billion, net loans, mainly credit card balances of Euro 0.4 billion, as well as a retail network of 20 Branches servicing 480,000 Clients.

The acquisition of Citi's retail operations in Greece further strengthens Alpha Bank's position in the Greek banking system and enhances its offering to its affluent Customer base. Additionally, the partnership with Diners Club, a high quality brand, reinforces the Bank's strong presence in the card and payments market.

The integration of Citi's retail operations is expected, within the next two years, to have a positive contribution to the Bank's annual net income of Euro 50 million (including synergies).

2014 EU-wide stress test results

On 26 October 2014, the Issuer announced its successful conclusion of the 2014 EU-wide stress test 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.

BUSINESS OF THE GROUP

Introduction

The Issuer was established in 1879 as the banking branch of J.F. Costopoulos Company. On 11 April 2000 Alpha Credit Bank A.E. merged with Ionian Bank and the new entity was renamed Alpha Bank A.E.

The Issuer was incorporated and registered in the Hellenic Republic as a public company under Greek Codified Law 2190/20 with limited liability (registration number 6066/06/B/86/05) on 10 March 1918. The Issuer is subject to regulation and supervision by the ECB, the Bank of Greece, the Hellenic Capital Market Commission (the "**HCMC**"), the Greek Ministry of Development and Greek banking, securities and accounting laws.

In February 2013, the Issuer completed the acquisition of Emporiki from Crédit Agricole. For more information see "*The Group - The Acquisition of Emporiki*" above.

The objects of the Issuer as set out in Article 4 of the Issuer's Articles of Incorporation are "to engage in, and to transact, in Greece and abroad, any and all banking operations, activities, transactions and services allowed in banking institutions, in conformity with whatever rules and regulations may be in force each time."

The Issuer is the parent company of the Group and its principal bank. Under its current organisational structure, implemented in 2006 and updated in May 2012, all of the activities of each of its companies are divided into five business units, with enhanced management and administrative responsibilities, as well as a sixth category for its other activities. The management of its overall strategy and the coordination of activities between business units is undertaken by its executive committee. Furthermore, the Issuer has strengthened the distinction between retail and wholesale banking and extended this organisational principle across the Group to apply to its operations in South-eastern Europe.

At the income-generation level the Issuer operates the following business units:

- ***Retail Banking***, which includes all of the Issuer's individual banking customers in Greece, including professionals and small businesses. Through its Greek branch network, the Issuer offers products such as savings accounts, current accounts, investment facilities, term deposits, repos, swaps, loan facilities (housing consumer and corporate loans and letters of guarantee) and debit and credit cards to the above customers.

- ***Corporate Banking***, which includes all medium - and large-sized corporate clients, including corporations with international activities and shipping corporations. To these corporate customers the Issuer offers a full range of working capital facilities, corporate loans and letters of guarantee, and a variety of primarily short-term investment options to cover their excess liquidity placement requirements.

- ***Asset Management***, which offers a range of asset management services through the Issuer's private banking business and its subsidiary Alpha Asset Management. In addition, a range of insurance products is also distributed by the Issuer to individuals and corporations.

- ***Investment Banking and Treasury***, which offers stock exchange, advisory and brokerage services relating to capital markets, investment banking facilities and treasury services, and also includes the Issuer's interbank dealing room for bonds, futures, interest rate swaps, foreign exchange swaps, interbank placements and borrowings. These services are provided by the Issuer directly or through its specialised subsidiaries Alpha Finance A.E.P.E.Y. and Alpha Ventures A.E.

- ***South Eastern Europe***, which consists of the Issuer's branches and subsidiaries that operate in Romania, Cyprus, Serbia, Bulgaria, Albania and FYROM. Following the recent restructuring exercise, the Issuer's foreign operations are organised primarily around the distinction between retail and corporate banking, as is the case with its Greek banking operations.

- ***Other activities***, which relate to the administration of the Issuer and non-financial subsidiaries and participations. Such activities consist of custody services, the management of the Hilton Athens hotel property, real estate management and advisory services carried out by Alpha Astika Akinita.

A more detailed description of each business unit follows:

Retail Banking

The Issuer is a major participant in the retail banking sector in Greece and as at 31 December 2013 had a domestic network of 637 branches, 9 corporate (commercial) centres and 9 private banking (customer service centres). Each Greek branch network is supported by a nationwide network of over 1,240 ATMs. Its retail banking activities and products include deposits, investment products, distribution of bancassurance and standard insurance products (most commonly, policies attached to mortgage sales), banking activities on commission (mutual funds, credit cards, capital transfers, brokerage activities and payroll services), loans to individuals (consumer and housing loans) and loans to small-sized firms.

For latest information on the Issuer following its acquisition of Citibank's retail operations in Greece please refer to "*The Issuer and the Group - Acquisition of Citibank's Greek retail operations*" above.

Retail deposits

The retail deposits of the Greek private sector during 2013 increased at a moderate rate of 1 per cent. as a result of gradual stabilisation of political and economic developments. Due to its strong customer base, the Issuer maintained its market share in 2013 (20.6 per cent.) despite the households' increasing financial obligations.

Retail loans

The downturn in economic activity and the consequent reduction in households' disposable income, in combination with the low level of consumer and business confidence, have brought about a clear fall in demand for new loans and a decline in credit expansion in Greece. At this difficult juncture, the Issuer has continued to support its customers and to assist in the effort to restore stability to the Greek economy.

Total gross loans on a consolidated basis attributed to the Retail Banking business unit (before provisions for loan impairment) amounted to €33.9 billion as at 31 December 2013.

Mortgage loans

Over the last few years, the Greek mortgage market has shrunk as a result of the economic downturn. The prevailing economic uncertainty, the decrease of disposable income and the additional tax burden on real estate has resulted in a reluctance of households to enter long-term commitments and investments in property.

As of 31 December 2013 the Group's mortgage lending stood at €21.2 billion.

Consumer loans

The Issuer has an overall portfolio of consumer loans of €5.8 billion as at 31 December 2013 (€5.0 billion in Greece). Due to the acquisition of Emporiki, the number of new personal and consumer loans has been substantially increased.

The Group currently offers a wide variety of consumer finance solutions through a consumer loans product mix that it has designed to respond to the needs of its retail banking customers (i.e. Alpha ALL in 1, Alpha Epilogi, Alpha Metron Ariston, Alpha Green Solution, etc)

The Issuer, taking into consideration the needs of the customers in the current financial climate, has launched several restructuring products under the programme "Alpha Convenience". Alpha Convenience aims to help customers to better control and schedule the repayment of their consumer loans and credit cards. Moreover, through this programme, the Issuer offers custom-made solutions to customers with specific requirements, such the unemployed.

Furthermore, the Issuer still also offers the co-financed loan, "Energy Efficiency at Household Buildings", with the Ministry of Environment, Energy and Climate Change. The programme offers incentives to carry out renovations aimed at improving their houses' energy efficiency, while at the same time contributes to the achievement of Greece's energy and environmental targets.

Credit cards

With approximately 3 million credit and debit cards in issue, the Issuer enjoys a leading position in the Greek market for both card issuance and acquiring. Since 1995, the Issuer has been the exclusive American Express card issuer and merchant acquirer in the Greek market. The sales and cash advance volume of credit and debit cards in 2013 was approximately €1.9 billion. As at 31 December 2013, outstanding balances reached €1,15 billion. With respect to its acquiring business, the Issuer operates a network of more than 135,000 associated merchants, holding a significant position in the Greek market as at 31 December 2013.

Loans to small businesses

Small businesses financing facilities (annual turnover up to €2.5 million and credit limit up to €1 million) in the Greek market had an outstanding balance of €5.6 billion as at 31 December 2013.

Wholesale Banking

Commercial & Corporate Banking (including Shipping and Project Finance)

The Issuer provides a full range of wholesale banking services to Greek companies, foreign corporations active in Greece and, to a lesser degree, public sector entities. Commercial and corporate clients serviced by respective divisions generally have annual turnover of over €2.5 million. Its loan portfolio at 31 December 2013 was balanced in terms of industry concentration, with exposure to the industrial and trade sectors standing at 23 per cent. and 22 per cent. respectively, while the rest of the portfolio was spread among entities in construction and real estate, transportation, shipping, tourism and services.

In an increasingly challenging environment, the Group retained a dominant position in Greece, despite pursuing a tactical deleveraging policy. At the end of December 2013, the Group's total gross loans on a consolidated basis attributed to its Wholesale Banking business unit stood at €29.4 billion.

With regards to shipping, the balance of loans to the sector as at 31 December 2013 amounted to €1.8 billion. The allocation of the portfolio in terms of the types of vessels financed was 34 per cent. bulk carriers, 50 per cent. tankers, 6 per cent. container vessels and 1 per cent. yachts, with the remaining 13 per cent. representing loans to the largest Greek coastal shipping firms.

The Project Finance and Real Estate Finance sections carry out the Issuer's non-recourse financings both domestically and internationally, with a key focus on Infrastructure, Public Private Partnerships ("**PPPs**"), Energy, and Structured Real Estate Transactions. In 2013, Project Finance undertook advisory roles for the majority of waste management PPPs that was tendered and held senior roles in the reset of the major Greek toll road transactions, successfully concluded in the fourth quarter. In addition, several new financings were completed in the renewable energy sector, adding to the well-structured, diversified and robustly performing loan portfolio of the Division.

International Banking Activities

The Group is active in Southeast Europe through its subsidiaries in Cyprus, Romania, Serbia, Albania, FYROM and with a branch network in Bulgaria. The Group also has a presence in the United Kingdom through London branch and the subsidiary Alpha Bank London and in the Channel Islands. In June 2013, Alpha Bank sold the Ukrainian banking subsidiary. As at 31 December 2013, the Group had 430 Branches and 5,794 employees in these markets.

As at 31 December 2013, gross loans in the region stood at €9.9 billion, corresponding to 15.7 per cent. of total loans of the Group on a consolidated basis. Retail loans amounted to approximately €4.5 billion.

Deposits decreased by 5.3 per cent. and amounted to €5.1 billion as at 31 December 2013, compared to 31 December 2012.

At the organisational level, separate retail and corporate banking business areas have been established together with corresponding support units and an IT system that was installed during late 2008 and early 2009. In the countries in which the Group operates, our approach is to apply uniform systems and policies across key operations such as risk management and internal audit for processing and monitoring retail applications, NPLs and credit risk assessment for corporate loans. These are built on the standards applicable to the Group's domestic operations and are adapted to the regulatory and legal framework in each country.

Investment Banking and Treasury

Investment Banking

The Investment Banking Division offers services relating to mergers and acquisitions, restructurings, privatisation projects, valuations, capital markets transactions, public tenders and concessions.

Investment banking services in 2013 focused mainly on the provision of advisory services to private sector companies in valuations, mergers and acquisitions transactions and privatisation projects under the Hellenic Asset Development Fund. Advisory services were also offered in connection with a tender offer and a number of rights issues of companies trading on the Athex.

Treasury

The Issuer participates in the interbank spot, bond and derivatives markets. Its use of sophisticated systems to measure risk, along with the Issuer's conservative trading profile, have contributed to limiting risk, to enhancing flexibility in adapting to changing market conditions, and to improved performance. The Treasury Division is particularly active in both the Greek primary and secondary bond markets as well as in the primary and secondary European and international debt capital markets. It also participates in organising and completing syndicated loans in the Greek and international markets.

Asset Management

The Issuer's Asset Management business segment includes its activities in asset management, insurance and private banking.

It undertakes management of funds entrusted to it by clients and several other categories of investment services through Alpha Asset Management Mutual Fund Management Company A.E.D.A.K. (otherwise called "AAM") and Alpha Investment Services A.E The respective Boards have recently decided to proceed with a merger of the two companies, which was completed in December 2009.

AAM, established in 1989, is the dedicated asset management arm of the Alpha Bank Group and a leader in the mutual fund market in Greece. With approximately €1.3 billion in assets under management as at 31 December 2013, AAM offers institutional asset management services through discretionary portfolio management and investment advice to a number of institutional clients and pension funds in Greece.

For latest information on assets under management of the Issuer following the acquisition of Citibank's Greek retail operations please refer to ("*The Issuer and the Group – Recent Developments – Acquisition of Citibank's Greek retail operations*") above.

Distribution Network

The Issuer's presence in Greece and the other countries in which it operates is supported by a network comprising 1,085 branches at 31 December 2013, which includes approximately 637 retail branches in Greece, 9 commercial centres in Greece, 9 Private Banking customer service centres in Greece and 430 retail branches outside Greece.

Risk management

Alpha Bank Group has established a complete and strict risk management framework, in full compliance with the current supervisory rules giving special focus in continuously improving and updating. The Group continued in 2013 to undertake all the necessary measures in order to reinforce itself against all types of financial risks.

The Issuer's risk management framework and its effectiveness are reviewed regularly to ensure alignment with international best practices.

The Credit and Risk Unit is headed by the General Manager of the Issuer and Group Chief Risk Officer.

The Group Chief Risk Officer is based in Athens and is responsible for supervising, coordinating and controlling the Credit and Risk Management Units of the Group's subsidiaries and the Risk and the Credit Divisions of the Issuer.

Credit Risk

Credit risk arises from the borrowers' weakness to implement their obligations to the Group. The provision of a complete and timely support for the decision making process of business units and the continuous and systematic monitoring of its loan portfolio, in accordance with the provisions set out in the Group policies and procedures, the harmonisation with the regulatory framework and international best practices constituted the main objectives for the Issuer's Credit Risk management and the minimisation of potential losses. These objectives materialise through a continuously evolving framework of methodologies and systems for measuring and monitoring credit risk, customised to the challenges of the prevailing economic circumstances and the nature as well as the extent of the business activities of the Group.

A marked deterioration of the economic environment in Greece and the Issuer's other markets has had a negative impact on the quality of its loan portfolio. In this respect, high importance is given to provisions to cover credit risk. As of 2013 the Cost of Risk reached to 3.01 per cent. of the Group's average loans and advances to customers. The resulting reserves totalled €11.1 billion and translated to coverage of 17.7 per cent. of the loan portfolio as at 31 December 2013 . Loans in arrears as a percentage of total loans stood at 32.7 per cent., as at 31 December 2013. As a result of the Issuer's prudent provisioning policy loans in

arrears coverage stood at 54 per cent. as at 31 December 2013, increasing to 116 per cent. when collateral is taken into account.

Internal Audit

The Audit Committee comprises four Non-Executive Members of whom at least one is a Non-Executive Independent Member with sufficient knowledge of accounting and auditing. One of the Members is appointed Chairman of the Committee and the remainder are appointed Members of the Committee. The composition of the Audit Committee is approved by the General Meeting of Shareholders.

The Audit Committee oversees the preparation and publication of the annual Financial Statements of the Issuer and the Group, as well as the internal and external audits of the Issuer. It ensures communication of the Internal Auditor, the External Auditors and the Regulatory Authorities with the Board of Directors and evaluates the performance of the Audit and Compliance Divisions. Ensures the independence of the External Auditors and assesses the adequacy and effectiveness of the Internal Control System of the Issuer and the Group Companies.

Asset and Liability Management

The Alpha Bank Group's Asset and Liability management policy is in line with the Group's current and planned activities, strategic goals and internal and external conditions. The Group's ALM framework is comprised of systems, methodologies and procedures that enable the identification, measurement, monitoring, controlling and reporting of interest rate, structural foreign exchange and liquidity risks in the Banking Book in an objective and consistent manner across the Group. It is designed with the aim of maximising the Group's profitability, in line with its risk tolerance and business objectives.

Capital Adequacy: The Basel II framework was implemented in the EU in June 2006 by means of EU Directives 2006/48 and 2006/49. These EU directives were transposed in Greece in August 2007 by means of Greek Law 3601/2007 accompanied by various Acts issued by the Governor of the Bank of Greece.

The framework provides a range of options of escalated sophistication for the determination of the capital requirements for credit and operational risk. Various options allow banks and supervisors to select those approaches that are most appropriate for their own operations and the structure of their capital market. Furthermore, Basel II significantly enhances the requirements for market disclosures on both quantitative and qualitative aspects of risk management practices and capital adequacy.

In 2008, the European Commission submitted a Proposal for a Directive of the European Parliament and the Council of Europe amending Directives 2006/48/EC and 2006/49/EC regarding banks affiliated with central institutions, certain own funds items, large exposures, supervisory arrangements and crisis management which led to the adoption of Directive 2009/111/EC of the European Parliament and of the Council of Europe transposed into Greek law by virtue of Greek Law 4021/2011, and Directives 2009/27/EC and 2009/83/EC as regards technical provisions concerning risk management. Greece adopted the new measures as from 31 December 2010. Further, by virtue of Act 13/28.03.2013 of the Executive Committee of the Bank of Greece, the percentage of the total risk weighted assets that must be covered by a credit institution's Tier I funds is set at 9 per cent., starting 31 March 2013. The notion of the said Tier I funds includes, among others, the Preference Shares, held by the Hellenic Republic (see "—The Hellenic Republic Bank Support Plan"), and the contingent convertible securities issued under Greek law 3864/2010 (and the Cabinet Act no. 38/09.11.2012) as amended and in force, held by the HFSF. Moreover, by virtue of the said Act, the percentage of the total risk-weighted assets that must be covered by a credit institution's common equity is set at 6 per cent., starting 31 March 2013. Act 13/28.3.2013 of the Executive Committee of the Bank of Greece was amended by virtue of Act 36/28.12.2013 which entered into force on 31 December 2013. By virtue of such Act, the 20 per cent. limit on the deduction of deferred tax assets was abolished.

The Basel Committee on 16 December 2010 published its final recommendations for the new capital adequacy framework—Basel III. On 26 June 2013, the Council of the EU announced that an agreement had been reached on a legislative package to implement Basel III—the CRD IV Directive and the Capital Requirements Regulation (CRR). 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 new Directive 2013/36/EE and Regulation 575/2013 came in force effective as of 1 January 2014. The Issuer believes that it is in the position to comply with the above directive, following a potential low impact to the Core Tier I ratio, arising from:

- negligible minorities;
- limited amount of goodwill and intangibles included in its capital base; and
- no material insurance risk.

Supervision: The Greek banking system is supervised by the Bank of Greece, which is the country's central bank. The Governor and Deputy Governor of the Bank of Greece are currently nominated by the government, which is also able to influence the election of the remaining nine members of the Central Bank's general council. Nevertheless, as of November of 2014 by virtue of Council Regulation (EU) No 1024/2013 specific tasks and authorities concerning policies relating to the prudential supervision of Greek credit institutions will be conferred to the European Central Bank, depriving accordingly the Bank of Greece from such tasks and authorities (including among others the authorisation and revocation of licences of credit institutions, the assessment of acquisitions of qualifying holdings in credit institutions, the observance of prudential requirements on credit institutions in the areas of own funds requirements, securitisation, large exposure limits, liquidity, leverage, and reporting and public disclosure of information on those matters etc.).

Treasury: The Treasury Division is responsible for conducting trading activities in order to provide quality services to customers, to enhance profitability and to ascertain liquidity in a cost effective manner. Its goal is to maximise the Issuer's income, according to certain established risk policies and limits, and manage the liquidity requirements deriving from all the Issuer's commercial and trading activities.

Interbank, counterparty and trading limits are reviewed by the Board of Directors of the Issuer at least annually. Internal procedures are in place to ensure adherence to the limits and processes. The Risk Management unit of the Issuer is responsible for monitoring adherence and reports directly to the General Management. The Risk Management unit applies daily, sensitivity analysis methods and the value at risk methodology to measure the interest and foreign exchange exposures of the Issuer and runs monthly stress testing scenarios. It produces management review reports and presents them to the Executive General Management and the Treasury Division.

Assets – Liabilities Management Committee (ALCo): The Assets-Liabilities Management Committee (ALCo) convenes regularly every quarter under the chairmanship of the Managing Director. The General Managers, the Executive General Managers and the Managers of the ALM Planning Division, the Market and Operational Risk Division, the Analysis and Performance Management Division, the Asset Gathering Products Division, the Accounting and Tax Division, the Economic Research Division, the Wholesale Banking Credit Risk Division, the Retail Banking Credit Risk Division, the Trading Division, the Capital Management and Banking Supervision Division and the Financial Markets Division participate as Members. The Committee examines issues related to Treasury and Balance Sheet Management and monitors the course of the results, the budget, the funding plan, the capital adequacy and the overall financial volumes of the Issuer and the Group approving the respective actions and policies. In addition, the Committee approves the interest rate policy, the structure of the investment portfolios and the total market, interest rate and liquidity risk limits.

DIRECTORS AND MANAGEMENT

The Issuer is managed by a Board of Directors comprised of a minimum of nine (9) and a maximum of eighteen (18) Directors elected by the Shareholders at their General Meetings. Directors hold office for a term of four years and may be re-elected by the Shareholders to serve multiple terms. The absence of a Director from Board meetings for a period exceeding six consecutive months may be considered by the Board as constituting his resignation. The Board must elect a Chairman of the Board and a Vice Chairman of the Board from among the Directors.

The Board resolves all matters concerning management and administration of the Issuer except those which, under the Articles of Incorporation or under applicable law, are the sole prerogative of Shareholders acting at a General Meeting. The Board is convened by invitation of the Chairman or following a request by at least two Directors. The Directors have no personal liability to Shareholders or third parties and are only liable to the legal entity of the Issuer with regard to the administration of corporate affairs.

Board resolutions are passed at Board meetings by an absolute majority of Directors present or represented by another Director, except in the case of share capital increases, for which, as per Greek Codified Law 2190/1920, a two-thirds majority is required. In case of tie vote, the vote of the Chairman prevails. A Director can only be represented in person by another Director. No Director can represent more than one other Director in a single Board meeting. To form a quorum, more than half of the Directors must be present in person or duly represented and the number of Directors present in person in no case may be less than six (6). The Board of Directors elects the Chairman through secret vote among its present or represented members, by an absolute majority. The Board of Directors appoints the executive and non-executive members except for independent members, who are appointed, according to Greek Law 3016/2002, by the General Meeting.

The current Board was elected at the General Meeting held on 27 June 2014 and its tenure will end at the 2018 Ordinary General Meeting of Shareholders.

The Extraordinary General Meeting of Shareholders held on 12 January 2009, approved the increase of the maximum number of Directors to sixteen (16) and approved the election of a representative of the Hellenic Republic as a new Director for the purposes of the Issuer participating in the Hellenic Republic economic support plan. The representative of the Hellenic Republic has certain statutory veto rights described below.

The Ordinary General Meeting of Shareholders held on 29 June 2012 approved the election by the Board of Directors, held on 7 June 2012, of Mr. Nikolaos G. Koutsos as a Non-Executive Member of the Board of Directors, in accordance with law 3864/2010, upon instruction of the Hellenic Financial Stability Fund.

In the context, inter alia, of the adjustment to the changing demands of corporate governance, on 29 June 2012, the General Meeting of Shareholders approved the modification of the maximum number of members of the Board of Directors from sixteen (16) to eighteen (18), by an amendment of the Articles of Incorporation of the Issuer.

The Board, while retaining responsibility for approving general policy and overall responsibility for significant decisions affecting the Issuer, delegates day-to-day management to the Managing Director, the General Managers of the Issuer, and the Executive Committee.

The current Board of Directors consists of fifteen (15) Directors as recently elected by the Ordinary General Meeting of Shareholders at its meeting on 27 June 2014. The business address of the Board of Directors is: 40 Stadiou Street, 102 52 Athens, Greece.

Board of Directors

The following table sets forth the position of each Director and his/her status as an Executive, Non-Executive or Non-Executive Independent Director.

Position	Name
Non-Executive Director:	
Chairman	Vasileios T. Rapanos
Executive Directors:	
Managing Director	Demetrios P. Mantzounis
General Manager	Spyros N. Filaretos
General Manager	Artemios Ch. Theodoridis
General Manager	George C. Aronis
Non-Executive Directors:	
Director	Efthimios O. Vidalis
Director	Ioanna E. Papadopoulou
Non-Executive Independent Directors:	
Vice Chairman	Minas G. Tanes
Director	Pavlos A. Apostolides
Director	Ibrahim S. Dabdoub
Director	Evangelos J. Kaloussis
Director	Ioannis K. Lyras
Director	Shahzad A. Shahbaz
Non-Executive Director in accordance with Greek Law 3723/2009:	
Director	Sarantis-Evangelos G. Lolos
Non-Executive Director in accordance with Greek Law 3864/2010:	
Director	Panagiota S. Iplixian

Biographical Information

Below are brief biographies of the Chairman, Vice Chairman, Managing Director, General Managers and other Directors and Management.

Non-Executive Director

Vasileios T. Rapanos, Chairman

Mr. Rapanos was born in Kos in 1947. He is Professor of Public Finance at the Department of Economics of the Faculty of Law, Economics and Political Sciences of the University of Athens. He studied Business Administration at the Athens School of Economics and Business (1975) and holds a Master's in Economics from Lakehead University, Canada (1977) and a PhD from Queen's University, Canada. He was Deputy Governor and Governor of the Mortgage Bank (1995-1998), Chairman of the Board of Directors of the Hellenic Telecommunications Organization (1998-2000), Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance (2000-2004), and Chairman of the Board of Directors of the National Bank of Greece and the Hellenic Bank Association (2009-2012). He has been the Chairman of the Board of Directors of the Issuer since May 2014.

Executive Directors

Demetrios P. Mantzounis, Managing Director

Mr. Mantzounis was born in Athens in 1947. He studied Political Sciences at the University of Aix-Marseille. He joined the Issuer in 1973 and he has been a member of the Board of Directors of the Issuer since 1995. In 2002 he was appointed General Manager and he has been the Managing Director since 2005.

Spyros N. Filaretos, General Manager and Chief Operating Officer

Mr. Filaretos was born in Athens in 1958. He studied Economics at the University of Manchester and at the University of Sussex. He joined the Issuer in 1985. He was appointed Executive General Manager in 1997. He has been a member of the Board of Directors of the Issuer and a General Manager since 2005. On October 2009 he was appointed Chief Operating Officer (COO).

Artemios Ch. Theodoridis, General Manager

Mr. Theodoridis was born in Athens in 1959. He studied Economics and holds an MBA from the University of Chicago. He joined the Issuer as Executive General Manager in 2002. He has been a member of the Board of Directors of the Issuer and a General Manager since 2005.

George C. Aronis, General Manager

Mr. Aronis was born in Athens in 1957. He studied Economics and holds an MBA, major in Finance, from the Athens Laboratory of Business Administration (ALBA). He has worked for multinational banks for 15 years, mostly at ABN AMRO BANK in Greece and abroad. He joined the Issuer in 2004 as Retail Banking Manager. In 2006 he was appointed Executive General Manager and in 2008 General Manager. He joined the Board of Directors of the Issuer in 2011.

Non-Executive Directors

Efthimios O. Vidalis, Director

Mr. Vidalis was born in 1954. He holds a BA in Government from Harvard University and an MBA from the Harvard Graduate School of Business Administration. He worked at Owens Corning (1981-1998), where he served as President of the Global Composites and Insulation Business Units. Furthermore, he was Chief Operating Officer (1998-2001) and Chief Executive Officer (2001-2011) of the S&B Industrial Minerals Group. He is Secretary General of the Hellenic Federation of Enterprises (SEV) and Chairman of the SEV Business Council for Sustainable Development. He is executive member of the Board of Directors of the

TITAN Group and member of the Board of Directors of RAYCAP. He has been a member of the Board of Directors of the Issuer since May 2014.

Ioanna E. Papadopoulou, Director

Mrs. Papadopoulou was born in 1952 and is the President and Managing Director of the E.J. PAPADOPOULOS S.A. BISCUIT AND FOODWARE INDUSTRY. She has been a member of the Board of Directors of the Issuer since 2008.

Non-Executive Independent Directors

Minas G. Tanes, Vice Chairman

Mr. Tanes was born in 1940 and is the Chairman of FOOD PLUS S.A. He was at the helm of Athenian Brewery S.A. from 1976 to 2008 and has been a member of the Board of Directors of the Issuer since 2003.

Pavlos A. Apostolides, Director

Mr. Apostolides was born in 1942 and graduated from the Law School of Athens. He has been a member of the Issuer's Board of Directors since 2004. He joined the Diplomatic Service in 1965 and has been, among others, Ambassador of Greece to Cyprus and Permanent Representative of Greece to the European Union in Brussels. In 1998 he became General Secretary of the Ministry of Foreign Affairs and in 1999 he was appointed Director of the National Intelligence Agency. He retired in November 2004.

Ibrahim S. Dabdoub, Director

Mr. Dabdoub was born in 1939. He studied at the Collège des Frères in Bethlehem, at the Middle East Technical University in Ankara, Turkey and at Stanford University, California, U.S.A. He was the Group Chief Executive Officer of the National Bank of Kuwait from 1983 until March 2014. He is Vice Chairman of the International Bank of Qatar (IBQ), Doha and a member of the Board of Directors of the International Institute of Finance (IIF) as well as Co-Chair of the Emerging Markets Advisory Council (EMAC), Washington D.C. He is also a member of the Bretton Woods Committee, Washington D.C. and of the International Monetary Conference (IMC). Furthermore, he is a member of the Board of Directors of the Central Bank of Jordan, Amman, of the Board of Directors of the Consolidated Contractors Company, Athens, and of the Board of Advisors of Perella Weinberg, New York. In 1995, he was awarded the title of "Banker of the Year" by the Arab Bankers Association of North America (ABANA) and in 1997 the Union of Arab Banks named him "Arab Banker of the Year". In 2008 and 2010 he was given a "Lifetime Achievement Award" by "The Banker" and "MEED" respectively. He has been a member of the Board of Directors of the Issuer since May 2014.

Evangelos J. Kaloussis, Director

Mr. Kaloussis was born in 1943 and is the Chairman of NESTLE HELLAS S.A. He is also Chairman of the Federation of Hellenic Food Industries (SEVT) as of 2006, whereas he has been a member of the Federation's Board of Directors since 2002. He has been a member of the Board of Directors of the Issuer since 2007.

Ioannis K. Lyras, Director

Mr. Lyras was born in 1951 and is the President of PARALOS MARITIME CORPORATION S.A. He has been a member of the Board of Directors of the Issuer since 2005. He was Chairman of the Union of Greek Ship-owners from 1997 to 2003. He represents the Union of Greek Ship-owners to the Board of Directors of the European Community Ship-owners' Associations.

Shahzad A. Shahbaz, Director

Mr. Shahbaz was born in 1960. He holds a BA in Economics from Oberlin College, Ohio, U.S.A. He has worked at various banks and investments firms, since 1981, including the Bank of America (1981-2006), from which he left as Regional Head (Corporate and Investment Banking, Continental Europe, Emerging Europe, Middle East and Africa). He served as Chief Executive Officer (CEO) of NDB Investment Bank/Emirates NBD Investment Bank (2006-2008) and of QInvest (2008-2012). He is currently the Investment Advisor at Al Mirqab Holding Co. He has been a member of the Board of Directors of the Issuer since May 2014.

Non-Executive Directors

Sarantis-Evangelos G. Lolos, Director in accordance with Greek Law 3723/2008

Mr. Lolos was born in Athens in 1951. He is Professor of Economics in the Department of Economic and Regional Development at Panteion University of Social and Political Sciences. He studied at Warwick University in the U.K. and received a BSc degree in Engineering and a BA degree in Economics. In 1981 he obtained a PhD in Economics from the Council for National Academic Awards (CNAA) in collaboration with Imperial College, London. He was an Executive of the Economic Research Department of the Bank of Greece (1985-1997), while he collaborated as an expert and researcher with an advisory role in economic Ministries. His research and published work focuses mainly on issues of economic growth, macroeconomic and structural policies and financial economics. Following a decision by the Minister of Finance, he was appointed as a member of the Board of Directors of the Issuer representing the Greek State since 2010.

Panagiota S. Iplixian, Director in accordance with Greek Law 3864/2010

Mrs. Iplixian was born in 1949. She holds a BA in Business Administration and a Postgraduate Diploma in Management Studies from the University of Northumbria, Newcastle upon Tyne, England, and specialised in Organisation and Methods at the British Institute of Administrative Management. In the interval 1972-1987 she worked for consulting firms. From 1987 until 2000 she worked for commercial banks in the United States and from 2000 until 2009 for EFG Eurobank Ergasias. From 2010 until 2012 she was a Non-Executive Independent Member of the Board of Directors of the Hellenic Financial Stability Fund. From October 2011 until December 2013 she was Non-Executive Vice President of the Board of Directors of New Proton Bank, representing the Hellenic Financial Stability Fund. She has been a member of the Board of Directors of the Issuer, representing the Hellenic Financial Stability Fund, since January 2014.

Board Practices

Corporate Governance

The Issuer's Corporate Governance Code

The Issuer's corporate governance framework is governed by the requirements of the Greek legislature (mainly the provisions of Greek Law 3016/2002, the decision of the Board of Directors of the HCMC no 5/204/2000, as currently applicable, Greek Law 3693/2008 and Greek Law 3873/2010), the decrees of the HCMC and the Issuer's Articles of Incorporation and regulations.

In 1994, the Issuer's Board of Directors adopted principles of corporate governance aimed at transparency in communication with the Issuer's Shareholders and at keeping investors promptly and continuously informed. The Corporate Governance Code was first adopted and implemented by the Issuer's Board of Directors in January 2011.

The Issuer, in keeping abreast of the international developments in corporate governance issues, continuously updates its corporate governance framework and consistently applies the principles and rules

dictated by the Corporate Governance Code, focusing on the long-term protection of the interests of its depositors and customers, shareholders and investors, employees and other stakeholders.

The Issuer has adopted the Corporate Governance Code and provides explanations within the code for any exceptions identified in accordance with the "comply or explain" principle of the above-mentioned laws.

The Corporate Governance Code has been posted on the Issuer's website: http://www.alpha.gr/page/default.asp?id=120&la=2.

Committees

Committees help secure the smooth and efficient operation of the Group, and shape a common strategy and policy, as well as the coordination of operations.

Board Committees

Audit Committee

The Audit Committee of the Board was established by a resolution of the Board of Directors of 23 November 1995. It consists of a Committee Chairman who is an Independent Non-Executive Director, two other Independent Non-Executive Directors and one Non-Executive Director. According to Greek Law 3693/2008, article 37, the members of the Audit Committee are appointed by the General Meeting of Shareholders. The current Members of the Audit Committee are Evangelos J. Kaloussis (Chairman), Minas G. Tanes, Ioannis K. Lyras and Pangiota S. Iplixian, all appointed by the General Meeting of Shareholders of 27 June 2014. The Audit Committee:

- assists the Board of Directors in the adaptation and implementation of an adequate and effective Internal Control System for the Issuer and the Group;
- monitors and evaluates on an annual basis the adequacy and effectiveness of the Internal Control System of the Issuer and the Group;
- monitors the process of financial information for the Issuer and the Group;
- supervises and evaluates the procedures related to the drafting of the published annual and interim financial statements of the Issuer and the Group, in accordance with the applicable accounting standards;
- approves the financial statements of the Issuer and the Group prior to their submission to the Board of Directors;
- ensures the independent and unprejudiced conducting of internal and external audits to the Issuer, and ensures communication between the auditors and the Board of Directors;
- assesses the performance and effectiveness of the Audit and the Compliance Divisions of the Issuer and the Group.

The Audit Committee convenes at least once every quarter or more frequently when deemed necessary. The Audit Committee may invite any other executive or manager of the Issuer to attend its meetings. The Audit Committee keeps minutes of its meetings and informs the Board about the results of its work.

The Chairman of the Audit Committee may convene a meeting of the Audit Committee if any of the members of the Audit Committee deems this to be necessary, following a recommendation thereof by such

member(s). Depending on the issues under discussion, Internal Auditor, the Group Compliance Officer and a representative of the Issuer's independent auditors may participate in the meetings of the Committee.

The Chairman of the Audit Committee submits to the Board a report on the operations, recommendations and findings of the Committee, once every year or on a more frequent basis in the case of issues which, in the opinion of the Committee, require notification to and action by the Board.

Risk Management Committee

The Risk Management Committee of the Board was established by a resolution of the Board of Directors on 19 September 2006. It consists of a Committee Chairman who is an Independent Non-Executive Director, two other Independent Non-Executive Directors and one Non-Executive Director all appointed by the Board. The current Members of the Risk Management Committee are Minas G. Tanes (Chairman), Evangelos J. Kaloussis, Shahzad A. Shahbaz and Panagiota S. Iplixian.

The Risk Management Committee:

- recommends to the Board of Directors the risk undertaking and capital management strategy which corresponds to the business objectives of the Issuer and the Group, monitors and audits its application;
- evaluates the adequacy and effectiveness of the risk management policy and procedures of the Issuer and of the Group, in terms of the:
    - undertaking, monitoring and management of risks (market, credit, interest rate, liquidity, operational, other substantial risks) per category of transactions and customers per risk level (i.e., country, profession, activity);
    - determination of the applicable maximum risk appetite on an aggregate basis for each type of risk and further allocation of each of these limits per country, sector, currency and business Unit etc;
- establishment of stop-loss limits or of other corrective actions;
- ensures communication among the Internal Auditor, the External Auditors, the Supervisory Authorities and the Board of Directors on risk management issues.

The Chief Risk Officer reports to the Board of Directors of the Issuer through the Risk Management Committee.

The Risk Management Committee convenes at least once every month or more frequently when deemed necessary. The Committee may invite any other executive or manager of the Issuer to attend its meetings. The Risk Management Committee keeps minutes of its meetings and informs the Board of the results of its work.

The Chairman of the Risk Management Committee submits to the Board a report on the activities, proposals and findings of the Risk Management Committee, once every year or on a more frequent basis in the case of issues which, in the opinion of the Committee, require notification to and action by the Board.

Remuneration Committee

The Remuneration Committee of the Board was established by a resolution of the Board of Directors of 23 November 1995. It consists of a Committee Chairman who is an Independent Non-Executive Director, two other Independent Non-Executive Directors and one Non-Executive Director appointed by the Board. The

current members of the Remuneration Committee are Pavlos A. Apostolides (Chairman), Ibrahim S. Dabdoub, Ioannis K. Lyras and Panagiota S. Iplixian.

The Remuneration Committee formulates the remuneration policy of the Personnel of the Issuer and the Group, as well as of the Members of the Board of Directors and makes recommendations to the Board of Directors.

The Remuneration Committee convenes at least once by-annually or more frequently when deemed necessary. The Remuneration Committee may invite any executive or manager of the Issuer to attend its meetings. The Chairman of the Remuneration Committee may convene a meeting of the Committee if any of the Directors deem it necessary. The Remuneration Committee keeps minutes of its meetings and informs the Board about the results of its work. The Chairman of the Remuneration Committee reports the Remuneration Committee's activities to the Board and submits proposals as the Remuneration Committee deems necessary.

In accordance with article 1 para. 3 of Greek Law 3723/2008, and for as long as the Issuer is under the provisions of article 1 of the said law, the annual compensation for each member of the Board of Directors cannot exceed the total remuneration of the Governor of the Bank of Greece. All bonuses for the above persons are revoked for the same period.

Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee was established by a resolution of the Board of Directors of 27 June 2014. It consists of a Committee Chairman who is an Independent Non-Executive Director, one Independent Non-Executive Director and two others Non-Executive Directors appointed by the Board. The current members of the Corporate Governance and Nominations Committee are Minas G. Tanes (Chairman), Pavlos A. Apostolides, Ioanna E. Papadopoulou, and Panagiota S. Iplixian.

The Corporate Governance and Nominations Committee ensures that the composition, structure and operation of the Board of Directors meet all the requirements of the legal, supervisory and regulatory frameworks, pursues the application of international corporate governance best practices, formulates the nomination policy regarding candidate Members of the Board of Directors and submits relevant recommendations to the Board of Directors. It ensures the nomination of candidate Members of the Board of Directors through an effective and transparent procedure, establishes the conditions required for securing smooth succession and continuity in the Board of Directors and supervises the application of the above policies and practices as well as their implementation procedures.

The Corporate Governance and Nominations Committee convenes at least once by-annually or more frequently when deemed necessary. The Corporate Governance and Nominations Committee may invite any executive or manager of the Issuer to attend its meetings. The Chairman of the Corporate Governance and Nominations Committee may convene a meeting of the Committee if any of the Directors deem it necessary. The Corporate Governance and Nominations Committee keeps minutes of its meetings and informs the Board about the results of its work. The Chairman of the Corporate Governance and Nominations Committee submits to the Board a report on the activities, proposals and findings of the Corporate Governance and Nominations Committee once every year, or on a more frequent basis in the case of issues which, in the opinion of the Committee, require notification to, and action by, the Board.

Management Committees

Executive Committee

The Executive Committee is the senior executive body of the Issuer. It convenes at least once a week under the chairmanship of the Managing Director and with the participation of the General Managers and the Secretary of the Committee. Depending on the subjects under discussion, other Executives or Members of

the Management of Group Companies participate in the proceedings. The Executive Committee carries out a review of the domestic and international economy and market developments, and examines issues of business planning and policy. Furthermore, the Committee deliberates on issues relating to the development of the Group, submits recommendations on the Rules and Regulations of the Issuer along with the budget of each Business Unit. Finally, it submits recommendations on the Human Resources policy and the participation of the Issuer or the Group Companies in other companies.

Operations Committee

The Operations Committee convenes at least once a week under the chairmanship of the Managing Director and with the participation of the General Managers, the Executive General Managers, and the Secretary of the Committee. Depending on the subjects under discussion, other Executives or Members of the Management of Group Companies participate in the proceedings. The Operations Committee undertakes a review of the market and the sectors of the economy, examines the course of business and new products. It approves the policy on Network and Group development and determines the credit policy. Finally, it decides on treasury management, the level of interest rates and the Terms and Conditions for deposits, loans and transactions.

Assets – Liabilities Management Committee (ALCO)

The Assets – Liabilities Management Committee convenes regularly every quarter under the chairmanship of the Managing Director. The General Managers, the Executive General Managers and the Managers of the ALM Planning Division, the Market and Operational Risk Division, the Analysis and Performance Management Division, the Asset Gathering Products Division, the Accounting and Tax Division, the Economic Research Division, the Wholesale Banking Credit Risk Division, the Retail Banking Credit Risk Division, the Trading Division, the Capital Management and Banking Supervision Division and the Financial Markets Division participate as Members. The Committee examines and decides on issues related to Treasury and Balance Sheet Management and monitors the course of the results, the budget, the funding plan, the capital adequacy and the overall financial volumes of the Issuer and the Group approving the respective actions and policies. In addition, the Committee approves the interest rate policy, the structure of the investment portfolios and the total market, interest rate and liquidity risk limits.

Relationships and Other Activities

There are no potential conflicts of interest between the duties to the Issuer of the persons listed above and their private interests or duties.

State Influence

As we have participated in the capital facility of the Hellenic Republic Bank Support Plan, as described in "Description of Share Capital—State Interests," we are required to seat a government-appointed representative on our Board of Directors, who attends the General Meeting and has certain veto authorities. This government representative may also carry influence over the strategic decisions of the Group. See also "Regulation and Supervision of Banks in Greece—The HFSF—Provision of Capital Support by the HFSF."

Mr. Sarantis-Evangelos G. Lolos was appointed as the Hellenic Republic's representative on the Board of Directors on 22 June 2010 pursuant to the Issuer's participation in the Hellenic Republic Bank Support Plan for the liquidity of the Greek economy as per Greek Law 3723/2008. As per Greek Law 3723/2008, in certain circumstances, this representative has the ability to veto decisions relating to strategic issues or decisions that could have a material impact on the legal or financial status of the Issuer and for which the approval of the General Meeting is required, or decisions referring to the distribution of dividends and the remuneration policy for the Issuer's Chairman, Managing Director-CEO, the rest of the members of the Board of Directors, the General Managers and their deputies under the relevant decision of the Ministry of Finance, or, in case of decisions that the representative considers detrimental to the interests of the depositors

or that may materially affect the Issuer's operation, without such decision. Furthermore, the representative of the Hellenic Republic has free access to the Issuer's books and records, restructuring reports and viability, plans for medium-term financing needs, as well as data relating to the level of funding of the economy.

HFSF Influence

The HFSF is the Issuer's most significant shareholder and is able to exercise voting rights subject to certain statutory restrictions, presented below.

Pursuant to Greek Law 3864/2010, the HFSF will exercise its voting rights as follows:

As a result of meeting the required 10 per cent. private sector contribution test in the 2013 Share Capital Increase, the HFSF may only exercise its voting rights for decisions regarding amendments to the Issuer's Articles of Association, including capital increase or reduction or providing authorisation to the Board of Directors to that effect, merger, division, conversion, revival, extension of duration or dissolution of the credit institution, assets' transfer including the sale of subsidiaries, or any other matter that requires an increased majority as provided in Greek Codified Law 2190/1920. For calculating the quorum and majority of the General Meeting, shares held by the HFSF are not taken into account for resolving on issues other than the above-mentioned.

The HFSF fully exercises its voting rights, without the above restrictions if it is concluded, following a decision of the members of the General Council of the HFSF, that the Issuer is in breach of material obligations under the Relationship Framework Agreement including those included in, or facilitating the implementation of the restructuring plan.

Furthermore, in the context of the recapitalisation of Greek banks, the Board of Directors, at its meeting on 7 June 2012, elected as a non-executive member, in accordance with Greek Law 3864/2010, article 6, paragraph 9, as representative and upon instruction of the HFSF, Mr. Nikolaos G. Koutsos. The Board of Directors, at its meeting on 30 January 2014, elected as a non-executive member, in accordance with Greek Law 3864/2010, upon instruction of the HFSF, Mrs. Panagiota S. Iplixian, as non-executive member of the Board of Directors, in replacement of Mr. Nikolaos G. Koutsos who resigned. As a representative of the HFSF on the Board of Directors, Mrs. Iplixian has the following rights:

(a) to request the convocation of the General Meeting;

(b) to veto any decision of the Board of Directors:

  (i) regarding the distribution of dividends and the remuneration policy concerning the Chairman, the Managing Director-CEO and the other members of the Board of Directors, as well as the general managers and their deputies; or

  (ii) where the decision in question could seriously compromise the interests of depositors, or impair the Issuer's liquidity or solvency or its overall sound and smooth operation of the Issuer (including business strategy, and asset/liability management);

(c) to request an adjournment of any meeting of the Board of Directors for three business days in order to get instructions from its Executive Committee, following consultation with the Bank of Greece;

(d) to request the convocation of the Board of Directors; and

(e) to approve the appointment of the Chief Financial Officer of the Issuer.

Relationship Framework Agreement

The relationship between the Issuer and the HFSF was further regulated by the Relationship Framework Agreement, entered into between the Issuer and the HFSF in accordance with the provisions of the Memorandum of Economic and Financial Policies (the "RFA"), which entered into force on 12 June 2013 and will remain in force for as long as the HFSF holds at least 33 per cent. of the Issuer's share capital.

The RFA sets the general principles governing the Issuer's relationship with the HFSF, in its capacity as majority shareholder, and regulates among others (a) matters of corporate governance, (b) the development and approval of the restructuring plan, (c) the Issuer's material obligations under the restructuring plan and Greek law 3864/2010, (d) the monitoring of the implementation of the restructuring plan and (e) the matters in relation to which the HFSF's consent is required.

In view of the fact that in the 2013 Share Capital Increase, the private sector participation exceeded 10 per cent. of the total recapitalisation amount, the RFA provides the HFSF with limited rights additional to the rights provided by Greek Law 3864/2010. The Issuer's administrative and management bodies continue to determine independently the Issuer's commercial strategy and policy (including business plans and budgets) in compliance with the restructuring plan, whereas the decisions on the day-to-day operation of the Issuer continue to rest with the Issuer's competent bodies and officers.

According to the RFA, the Issuer must adopt and apply a corporate governance structure in compliance with the corporate governance principles provided by the RFA, as well as with a Group policy governing relations of the Group with connected borrowers. The HFSF has a series of information rights regarding the Issuer's affairs, whereas, in addition to those provided by Greek Law 3864/2010, the HFSF's representative on the Board of Directors has the right to include items on the daily agenda of the Board of Directors meetings scheduled. The HFSF is represented with one member in the Audit, Risk, Remuneration and Nomination Committees. The Issuer must obtain the prior written consent of the HFSF on the following matters:

1. the restructuring plan and any amendment, extension, revision of or deviation from the restructuring plan or corrective actions or materials matters thereof;

2. the Group policy governing relations of the Group with connected borrowers and any amendment, extension, revision or deviation thereof;

3. to the extent such are not included in the approved restructuring plan, any Group material acquisitions, disposals, investments, indebtedness, off-balance sheet transactions, asset transfers, including sale of subsidiaries, or other material transactions, except for loans, credits and equivalent transactions to third parties within the Group's course of business, and in any case those fulfilling the following criterion: The gross exposure or assets subject to the transaction or the transaction value is equal or exceeds the minimum amount between €50 million and the Group's Risk Weighted Assets multiplied by the minimum regulatory required Core Tier I ratio (currently set at 6 per cent.) multiplied by 1 per cent.;

4. to the extent such are not included in the approved restructuring plan, any Group reorganisations, transformations, including mergers, restructurings, or capital decreases or increases, including those to be resolved by the Board of Directors. Especially with regards to increases the prior consent of the HFSF is required in case the increase exceeds the minimum amount between €50 million and the Group's Risk Weighted Assets multiplied by the minimum regulatory required Core Tier I ratio (currently set at 6 per cent.) multiplied by 1 per cent.; and

5. the appointment of the Issuer's statutory auditors.

If the Issuer breaches any of its material obligations under the RFA including its minimum commitments to be set by the HFSF under the restructuring plan, the HFSF will be able to exercise its full voting rights in

accordance with article 7(a) of Greek Law 3864/2010, whereas the RFA applicable to credit institutions that did not achieve the minimum private sector participation at their recapitalisation, will apply automatically.

Apart from their above representatives and the rights of the Hellenic Republic as a shareholder, both the Hellenic Republic and the HFSF do not currently have other powers or control over the appointment of any other member of the Board of Directors. See also "*Risk Factors—Risks Relating to the Hellenic Republic Economic Crisis—Government and intergovernmental interventions aimed at alleviating the financial crisis are uncertain and carry additional risks*."

The template relationship framework agreement is available on the website of the HFSF (http://www.hfsf.gr).

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The selected consolidated financial information of the Issuer set out below is extracted from the audited consolidated financial statements of the Issuer as at, and for the years ended, 31 December 2013 and 31 December 2012 and the unaudited financial statements of the Issuer as at, and for the six months ended, 30 June 2014 and 30 June 2013, in each case, prepared in accordance with IFRS. The notes and audit reports in respect of these financial statements are incorporated by reference in this Base Prospectus — see "*Documents Incorporated by Reference*".

Set out below are selected consolidated balance sheet figures for the Issuer extracted from the audited consolidated financial statements of the Issuer as at, and for the years ended, 31 December 2013 and 31 December 2012 and the unaudited financial statements of the Issuer as at, and for the six months ended, 30 June 2014 and 30 June 2013.

(1) Consolidated Balance Sheet

	30 June 2014	30 June 2013[1]	31 December 2013	31 December 2012
		(*Thousands of Euro*)		
ASSETS				
Cash and balances with Central Banks	1,420,262	1,731,152	1,688,182	1,437,248
Due from banks	2,834,452	2,509,384	2,566,230	3,382,690
Securities	9,669,216	9,904,387	10,654,112	7,593,002
Loans and advances to customers	50,132,904	53,530,477	51,678,313	40,578,845
Investment in associates and joint ventures	46,709	49,046	50,044	74,610
Investment property	571,676	559,771	560,453	493,498
Property, plant and equipment	1,107,130	1,175,676	1,122,470	987,385
Goodwill and other intangible assets	241,307	226,241	242,914	141,757
Non-current assets held for sale	5,091	150,728	5,638	6,804
Other assets	5,658,091	5,043,206	5,128,911	3,557,579
Total assets	**71,686,838**	**74,880,068**	**73,697,267**	**58,253,418**
LIABILITIES				
Due to banks	16,303,187	20,261,583	19,082,724	25,215,163
Due to customers (including debt securities in issue)	42,206,387	42,001,675	42,484,860	28,464,349
Debt securities in issue held by institutional investors and other borrowed funds	1,145,010	810,106	782,936	732,259
Other liabilities	3,132,539	3.149,422	2,979,012	3,094,147
Total liabilities	**62,787,123**	**66,222,786**	**65,329,532**	**57,505,918**
EQUITY				
Total equity	**8,899,715**	**8,657,282**	**8,367,735**	**747,500**
Total liabilities and equity	**71,686,838**	**74,880,068**	**73,697,267**	**58,253,418**

Set out below are selected consolidated income statement figures for the Issuer extracted from the audited consolidated financial statements of the Issuer for the years ended 31 December 2013 and 31 December 2012

[1] Certain figures of the Interim Consolidated Balance Sheet and Income Statement of the comparative period have been restated due to the finalization of the accounting for the acquisition of Emporiki Group (note 25 of SEMI ANNUAL FINANCIAL REPORT for the period from 1st January to 30th June 2014 (In accordance with Law 3556/2007)).

and the unaudited financial statements of the Issuer as at, and for the six months ended, 30 June 2014 and 30 June 2013.

(2) Consolidated Income Statement

	30 June 2014	30 June 2013[2]	31 December 2013	31 December 2012
		(Thousands of Euro)		
Net interest income	951,731	734,356	1,657,821	1,383,282
Net fee and commission income	194,859	168,309	370,307	271,687
Dividend income	945	896	1,048	998
Gains less losses from financial transactions	69,265	249,709	256,551	(232,856)
Other income	28,371	30,552	58,432	50,944
Total income	**1,245,171**	**1,183,822**	**2,344,159**	**1,474,055**
Staff costs	(332,679)	(343,622)	(661,569)	(532,699)
General administrative expenses	(286,765)	(258,474)	(672,122)	(525,759)
Depreciation and amortisation expenses	(47,611)	(45,230)	(92,161)	(93,634)
Total expenses	**(667,055)**	**(647,326)**	**(1,425,852)**	**(1,152,092)**
Impairment losses and provisions to cover credit risk	(743,584)	(984,059)	(1,923,213)	(1,666,543)
Negative goodwill from the acquisition of Emporiki Bank A.E.	-	3,283,052	3,283,052	-
Income tax	432,884	577,984	701,195	256,973
Profit/(Loss) after income tax from continuing operations	**(267,416)**	**3,413,473**	**2,979,341**	**(1,087,607)**
Profit/(Loss) after income tax from discontinued operations	-	(24,889)	(57,117)	5,920
Profit/(Loss) after income tax	**(267,416)**	**3,388,584**	**2,922,224**	**(1,081,687)]**

[2] Certain figures of the Interim Consolidated Balance Sheet and Income Statement of the comparative period have been restated due to the finalization of the accounting for the acquisition of Emporiki Group (note 25 of SEMI ANNUAL FINANCIAL REPORT For the period from 1st January to 30th June 2014 (In accordance with Law 3556/2007)).

OVERVIEW OF THE BANKING SERVICES SECTOR IN GREECE

Bank lending to the private sector (corporations and households) has decreased by 3.3% on average annually in the period 2009-2013, with average annual nominal GDP growth of 6.4% over the same period. In December 2013, the outstanding amount of bank credit to the private sector decreased by 3.9% annually, though nominal GDP fell by 3.3% in the same year. However, credit expansion to the private sector fell further to 3.5% at end-August 2014. In particular, the annual rate of change of mortgage and consumer lending stood at 3.0% and 2.9% respectively at end-August 2014, from 3.3% and 3.9% respectively at end-December 2013. According to ECB data, household indebtedness in Greece reached 54.2% of GDP at the end of August 2014, compared to 54.5% of GDP in the Eurozone. Furthermore, lending growth to businesses fell to 4.6% at the end of August 2014, from 4.9% at the end of December 2013. Overall, the annual rate of change of credit to the private sector is expected to be around 3.4% by year-end 2014, from 3.9% at the end of December 2013.

The assets of the Greek banking sector mildly decreased during the first half of 2014 to €385.6 billion from €392.9 billion at the end of December 2013 (*Bank of Greece: Table IV.7, consolidated balance sheet of other monetary financial institutions*). It is primarily a result of the low demand and deleveraging.

Today 41 banks operate in Greece, of which 10 are commercial banks, 10 are cooperative banks, 20 are branches of foreign banks, and one is a special credit institution. Banks and their subsidiaries represent approximately 40% of the total market capitalization of the Athens Stock Exchange. Despite the current conditions, Greek banks continue to retain the confidence of Greek and foreign investors holding first place in their investment choices against other sectors of the Greek Stock market.

Higher credit risk in bank lending was also a factor exerting pressure on the stability of the domestic banking system. The significant deterioration of the financial condition of corporations and households, owing to the adverse macroeconomic environment, was accompanied by a huge increase in the non-performing loans ratio (the **NPL ratio**). The NPL ratio stood at 31.9% at the end of December 2013, up from 24.5% at the end of December 2012. This deterioration was comparatively smaller in housing loans (2013: 26.1%, 2012: 21.4%) and more pronounced in corporate loans (2013: 31.8%, 2012: 23.4%) and consumer credit (2013: 47.3%, 2012; 38.8%). The coverage ratio (accumulated provisions to NPL ratios) remained broadly unchanged (2013: 49.3%, 2012: 49.1%).

After the results of the stress test in March 2014, the four systemic banks carried out sizeable capital increases attracting private investors, while two of these banks were able to regain access to global bond markets through the issue of senior debt.

Adverse macroeconomic conditions also affected the banks' profitability. Losses were attributable to lower operating income and higher impairment charges.

Greek banks have established their international presence, particularly in Emerging European countries (Albania, Bulgaria, Ukraine, FYROM, Poland, Romania, Serbia and Turkey) in view of the European perspective of most of these countries. As of December 2013, according to the Hellenic Bank Association, the Greek banks were active in 13 countries, through 29 subsidiaries, of which 15 in EU countries and 14 in non-EU countries, and 9 sub-branches, while employ 42,423 people in total. The Greek banks have developed a network of 2,629 branches; of which 47.3% of them were in EU countries (UK, Bulgaria, Luxembourg, Malta, Romania and Cyprus) and 52.7% in non-EU countries (Egypt, Turkey, South Africa, FYROM, Ukraine, Serbia and Albania). Moreover, banks seek more efficient use of limited resources while maintaining a strong presence in the countries of the region.

THE MORTGAGE AND HOUSING MARKET IN GREECE

The size of the Greek mortgage market has grown rapidly from a relatively low percentage of GDP, partly due to the process of convergence of the Greek economy to achieve integration into the European Monetary Union. The residential mortgage market grew by on average annual growth rate of 22.5% from 2000 to 2010. At the end of 2013, the four largest lenders in the Greek residential mortgage market were the National Bank of Greece, the Issuer, Eurobank Ergasias and Piraeus Bank, together accounting for almost 100% of the total market.

Mortgage Products

Currently, all banks offer the following mortgage products:

- fixed rate mortgages (which account for a small percentage of the market);
- floating rate mortgages, based on the EURIBOR; and
- mortgages with a fixed rate for an initial period (for example 3, 5, 10 or 15 years) converting to a floating rate thereafter. At the expiry of the initial period, most banks also offer customers the option to choose one of the then applicable fixed rates.

Typically, mortgage loans have a term of 15 to 30 years, with a maximum term of 40 years.

The Greek Housing Market

Traditionally, real estate has been the primary savings vehicle for Greek households, representing by now a large share of household wealth. This implies a relatively low turnover in the market, which is enhanced due to culturally strong family ties, which makes a virtue of children remaining in their parents' house until they get married and purchase a house of their own, as well as because there is virtually no buy-to-let market in Greece. As a result, owner occupancy is one of the highest in the EU although it tends to be overstated due to many people owning family houses in villages in which their family used to live before migrating to the cities. Within Greece, home ownership is highest in the regions and lowest in Athens, as would be expected. Second home ownership is also very high.

The average age of new borrowers is in the late 30s, indicating that young people prefer to reach a state of financial stability before investing in their own house.

Apartments are the most common type of residential property available, with townhouses and detached houses being prevalent to the more affluent city areas.

Security for Housing Loans

In Greece, security for housing loans is created by establishing a mortgage. A mortgage can be established usually by a notarial deed, which is, however, quite costly and 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 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 Registry of Transcription or the Land Registry, where applicable, along with a written request for the issuance (by the Registry of Transcription and/or the Land Registry) of certificates confirming:

(a) the ownership by the borrower of the mortgaged property;

(b) the registration and class of the mortgage;

(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 effects a search in the Registry of Transcription and/or the Land Registry, where applicable, 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 Registry of Transcription and/or the Land Registry, where applicable, 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

Once a loan agreement is in default and terminated, a letter is served on the borrower and on the guarantors (the **Debtors**), if any, informing them of this fact and requesting the persons indebted to pay 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 Debtor, after being served the order for payment, is granted 15 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 632-633 Annulment Petition before the Court of First Instance. At the same time, the borrower can file an Article 632 Suspension Petition for the suspension of the enforcement

proceedings as a provisional measure. At the time of filing the Article 632 Suspension Petition, 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 632-633 Annulment Petition are correct and reasonable, the suspension of enforcement will be granted to the petitioner until the issue of the decision on the Article 632-633 Annulment Petition. If the judge decides that the Article 632-633 Annulment Petition has no grounds and rejects this, the suspended enforcement procedures can continue. If the Debtor has not filed an Article 632-633 Annulment Petition and subsequent suspension in the first 15 working days, then the bank may again serve the order for payment whereby a second period of ten working days is granted to the borrower to contest the procedure. Failure to contest the order for payment will result in the bank acquiring a final deed of enforcement and then the pre-notation is converted to a mortgage.

The Article 632-633 Annulment Petition is obligatory heard within sixty (60) days after its filing (or ninety (90) days in case one party resides abroad or its residence is not known) and a few more months are required for a decision to be issued by the court (depending on the backlog of the competent courts), upon which either the enforcement procedures are continued due to the decision rejecting the Article 632-633 Annulment Petition, or the legal process before the Court of Appeal is continued by the bank until a final decision is reached regarding the contested order of payment. The defeated Debtor may also continue the legal process but, in the experience of the Issuer, 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 Debtor may also file with the relevant Court of First Instance an Article 933 Petition for Annulment 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 Article 632-633 and Article 933 Annulment Petitions may be filed either concurrently or consecutively, but it should be noted that the Article 933 Annulment Petition 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 an Article 933 Annulment Petition varies depending on the foreclosure action that is being contested.

The filing of an Article 933 Annulment Petition entitles the Debtor to file an Article 938 Suspension Petition 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 Suspension Petition, which, in a normal case where the Debtor seeks the suspension of the auction, takes place five days prior to the auction and the relevant decision is issued at 12.00 p.m. of a Monday preceding the auction date. 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 starts with seizure of the property, which takes places three 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) and place and the notary public who will act as the auction clerk. At this point all mortgagees (including those holding a pre-notation of mortgage) are informed of the upcoming auction.

The minimum auction price is at property value set by the Tax authorities criteria, determined within the statement of the bailiff 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 6 months from the initial auction date and for a new reserve price, both as determined by the judge. Pursuant to Greek Law 3714/2008, the public auctions occur at the district court within whose territorial jurisdiction the enforcement has taken place. The auctions take place in two stages. At first instance, the bids are submitted in closed envelopes and the amount of the bid has to be guaranteed either by a letter of credit of monthly duration or by a bank's cheque. At the second stage, the bids are oral.

In the auction, the property is sold to the highest bidder who then has 15 days to pay. Once the price of the property is paid, the notary public prepares a special deed listing all the creditors and allocating the proceeds of the auction. Each creditor must announce its claim to the notary public within 15 days of the auction.

Once the allocation of proceeds amongst the creditors of the Debtor has been determined pursuant to a deed issued by a notary public, the creditors of the Debtor 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.

Any overdue Value Added Tax (VAT) claims of the Greek State along with any kind of surcharges, any claims arising from 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, are ranked before any other creditor (but after deduction of the enforcement expenses). After deducting such claims, one-third of the remaining proceeds is allocated to claims of the public sector and other preferential claims listed in Article 975 of the Greek Civil Procedure Code and the remaining two-thirds to the secured creditors, i.e. mortgagees, with any excess being available to satisfy the claims of unsecured creditors. Once the list of creditors is confirmed and adjudicated, the proceeds are distributed according to the ranking order.

REGULATION AND SUPERVISION OF BANKS IN GREECE

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 organizations 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 will fully assume 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 authorizations 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 securitization, 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 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 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 2595/2007. 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 the risk management policy;

- Provide the Bank of Greece and ECB with such further information as it may require;

- In connection with certain operations or activities, notify or request the prior approval of the Bank of Greece and ECB; and

- Permit the Bank of Greece and 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 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 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 preemptive 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 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 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 destabilize the Greek financial system, taking into account any prevailing bank and interbank market conditions; and

- if necessary for the stabilization 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 6, 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 minimize 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 reorganize 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 to 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 recapitalization framework (see *"—The Hellenic Financial Stability Fund—The Greek Recapitalization Framework"*).

The Hellenic Financial Stability Fund—The Greek Recapitalization 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 capitalization 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 the 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 extension following a decision 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.

Organizational issues: Following the amendment of Greek Law 3864/2010 by Greek law 4254/2014, the administrative structure of the HFSF was amended such that 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 an observer. 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 the personnel to 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 not to exceed the duration of the HFSF as described above.

Provision of Capital Support by the HFSF under the Amended Recapitalization 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 securitization; 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 credit institution may apply for advance payment of the capital support. More specifically, the HFSF, following a decision by the Bank of Greece, shall grant to a bank which has submitted a request for recapitalization 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. 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, 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 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 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 the share capital increase 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. See "*—Recapitalization Procedures before HFSF Participation*".

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 recapitalization 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 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.

(i) 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

(ii) 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 to 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 to 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, 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 to 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 stated aid. In the latter case each subordinated instrument is converted on the basis of its fair value.

The decreases of the nominal value of shares in cases (a) and (b) 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 recapitalization 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 reorganization and winding up of credit institutions, that was transposed into Greek law with 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 characterized 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 recapitalization 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 favorable 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 securities 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 recapitalization 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 recapitalization framework, where the minimum private sector participation condition had been met, the HFSF shall continue to exercise its voting rights with 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 authorization 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 up to two members to the board of directors of a bank having received capital from the HFSF according to Greek Law 3864/2010, as its representatives. 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 authorized 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.

Disposal of Shares

Subject to the limitations on the disposal of shares already held by the HFSF in the recapitalized 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.

Warrants Issued by the HFSF

The terms of issuance of the Warrants are governed by Greek law 3864/2010 and the Cabinet Act 38/9.11.2012. Given that the private sector participation in the recapitalization share capital increase of the Bank, which was completed in June 2013, was higher than 10% of the total amount of the increase, the HFSF issued and delivered to the private sector investors having participated in the increase, for no additional charge, one warrant for each new share acquired in the share capital increase of the Bank (the "Warrant").

The Warrants are registered, freely transferable securities and admitted to trading on ATHEX. Their ISIN number is GRR000000028 with code ALPHAW. The Warrants are trading in Euros.

According to Cabinet Act 38/2012, each warrant incorporates the right of its holder to purchase a certain number of shares (the "Call Option Right") calculated using the following formula: x=a/b, where (x) is the total number of the shares that the warrant holder is entitled to purchase, (a) is the total number of the ordinary shares that the HFSF acquires in the capital increase and (b) is the total number of ordinary shares that the private sector acquires in the capital increase.

The Warrants can be exercised by their holders every six months, starting from the date which falls six 6 months from the warrants issue date (i.e. December 10th, 2013) until the date which falls 54 months from the warrants issue date. Warrants not exercised within the aforementioned period shall *ipso iure* lapse and shall be cancelled by the HFSF. Warrants may also be exercised at the date of extraordinary exercise, i.e., when the HFSF exercises its right to transfer the underlying ordinary shares after the thirty-six-month period and not in the regular every- six-month date.

For a period of thirty-six months from the warrants issue date, the HFSF is not allowed to transfer the shares underlying the warrants, unless such transfer occurs due to the exercise of a Warrant. After this period and until the expiration of the warrants, the HFSF shall be entitled to transfer the underlying ordinary shares that it wishes to transfer (the "Shares to Be Transferred") without being obliged to indemnify the warrant holders that have chosen not to acquire such shares, provided that the HFSF will have invited the Warrants holders at least thirty days in advance to:

(a) acquire the Shares to be Transferred at a price equal or lower than (aa) the exercise price of each Call Option Right and (bb) the average market price of the common share of the Bank during a fifty-day trading period prior to the date of the HFSF's notification or/and

(b) exercise the Call Option Right in relation to the remaining shares that are entitled to acquire at a date which can be different than the ordinary dates of exercise of the Call Option Right.

Following the disposal from the HFSF of the Shares to be Transferred in accordance with the aforementioned procedures, the number of new shares corresponding to each Warrant and Call Option Right will be adjusted accordingly and the HFSF shall not be obliged to indemnify the relevant Warrant holders.

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. 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 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 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 September 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 organization 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 fulfill 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 fulfill 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 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 authorized 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 analyzed 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 analyzed 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.

In July 2010 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 Individuals

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, 4019/2011 and 4161/2013. The law allows the settlement of amounts, due to credit institutions by individuals evidencing 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 already subject to mercantile law.

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 installment.

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 installments 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 installments 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 fair market value of the primary residence at a floating or fixed interest rate and with a potential settlement period of up to 35 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 organization 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" which have been incorporated into the so-called Banks' Code of Conduct for the management of non-performing debts (see "*—Restrictions on Enforcement of Granted Collateral*")

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 the above-mentioned Banks' Code of Conduct for the management of non-performing debts.

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 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 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 of individuals are suspended and to be declared as such in their last income tax return provided that their assessed market value does not exceed the amount of €200,000, under the condition that the following criteria are cumulatively met; (a) the debtor's family annual declared net income 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 of which the total value of the debtor's deposits 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 new law are no longer protected from foreclosure and auction proceedings. During the aforementioned suspensions, debtors are obliged to pay monthly installments. Nevertheless, in exceptional cases (e.g., debtors with no income), there is an option of zero amount payments.

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 28, 2014 a Code of Conduct for the management of non-performing debts.

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 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 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 systematically 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 will assume 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 finalization, 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 securitization framework which may be accepted and implemented in due course.

Solvency II

The directive on the undertaking 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 will, beginning in November 2014, give 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 will also have the right to impose pecuniary sanctions and set binding regulatory standards.

Prior to November 2014, the EBA will conduct a series of tests on the financial and liquidity condition of selected banks, including stress tests and asset quality tests, and will ensure that, once the ECB begins exercising its supervisory powers in November 2014, regular stress-tests will continue to be carried out to assess the resilience of European banks.

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, securitization 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 ECB and 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 laundering, 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) authorize and withdraw authorization 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 finalized.

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 harmonization 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. These two reports provide specific recommendations to the European Commission for the purpose of the forthcoming delegated act in June 2014. There is therefore some uncertainty as to the final form of these delegated acts. 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.

Since 2012, no major changes were introduced in the legislation governing Money Laundering and Terrorist Financing. With regard to the regulatory framework, the following improvements occurred:

- 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, codifies the 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, 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 issuance price of these preference shares will be the nominal value of the common shares of the last issuance of each bank.

On April 17, 2014, the Issuer fully redeemed to the Hellenic Republic the total amount of preference shares (200,000,000) of Euro 940 million, issued to the latter by the Bank.

- ***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, 2014 (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, 2014, 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 repaid at the applicable termination 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 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 utilize his veto power following a decision of the Minister of Finance or if he considers that the relevant corporate decisions may jeopardize 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.

Also, credit institutions cannot engage in buybacks of their shares to enhance liquidity during their period of participation in the plan, in accordance with Greek Law 3723/2008.

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 plan was revised by Greek Laws 3844/2010, 3845/2010, 3872/2010, 3965/2011, 4021/2011, 4063/2012 and 4093/2012, 4144/2013 and ministerial decisions no. 132624/B.527/2010, 29850/B.1465/2010, 59181/B.2585/24.12.2010, 29264/B.1377/2011, 57376/B.2355/29.12.2011, 57863/B.2535/29.12.2011, 5209/B.237/2012, 32252/B.1132/2012 57126/B.2421/28.12.2012, 30089/B.1785/8.7.2013 and ministerial decisions of 24.1.2014 (Government Gazette B' 116/24.1.2014) and of 3.7.2014 (Government Gazette B΄ 1821/03.07.2014) which rendered the Greek State Preference Shares not mandatorily redeemable, increased the return on the Greek State Preference Shares, amended the payment of the dividends prohibition, increased the total amount that can be provided by the Hellenic Republic under Pillar II referred to above, extended the veto power of the government-appointed representative on the decisions of the Board of Directors, extended the duration of the period for participation in the Hellenic Republic Bank Support Plan until December 31, 2013 for Pillar I and December 31, 2014 for Pillars II and III, and increased the commission paid to the Hellenic Republic for Hellenic Republic guarantees provided for under Pillar II from July 1, 2010 onwards.

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 and Servicer'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 have the option to sell in whole or in part the Loan Assets until one year prior to the Extended Final Maturity Date of the Earliest Maturing Covered Bonds, and thereafter 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**):

- 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 3 Athens Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Trustee requiring the same to be remedied;

- 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 Athens 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;

- the occurrence of an Insolvency Event in relation to the Servicer; or

- the occurrence of an Issuer Event (where the Issuer and the Servicer are the same entity),

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 substitute servicer (the **Replacement Servicer**); 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.

In the event that Trustee does not, appoint the Investment Bank or the Investment Bank does not select a Replacement Servicer or the Trustee does not appoint the entity selected by the Investment Bank to act as Replacement Servicer within a reasonable period of time, the Bank of Greece may appoint a Replacement Servicer or a special administrator or liquidator in respect of the Cover Pool Assets pursuant to Article 91.

In relation to any of the Servicer Termination Events listed above, any reference to the Servicer being "aware" of any matter, event or circumstance shall be satisfied if such matter, event or circumstance is actually known or ought to have been known to any member of the department of the Servicer with responsibility in respect of the obligations of the Servicer under the Servicing and Cash Management Deed.

Insolvency Event means in respect of the Servicer: (a) an order is made or an effective resolution passed for the winding up of the relevant entity; or (b) the relevant entity stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business; or (c) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any substantial part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or against the whole or any substantial part of the chattels or property of the relevant entity and, in the case of any of the

foregoing events, is not discharged within 30 days; or (d) the relevant entity is unable to pay its debts as they fall due, other than where the Issuer or the Servicer is Alpha and any of the events set out in (a) to (c) above occurs in connection with a substitution in accordance with Condition 18; or (e) a creditors' collective enforcement procedure is commenced against the Servicer (including such procedure under Greek Bankruptcy Code (law 3588/2007), Greek law 3601/2007 and Greek law 3458/2006.)

The Trustee will not be obliged to act as servicer in any circumstances.

The Cover Pool

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 Bonds provided that with respect to any Cover Pool Assets allocated after the Issue Date for the first Series of Covered Bonds which are New Asset Types, 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 Fitch has been notified in writing of such allocation; and

(b) prior to the occurrence of an Issuer Event and provided that no breach of any Statutory Test would occur as a result of such removal or substitution (i) remove Cover Pool Assets from the Cover Pool or (ii) substitute Cover Pool Assets with Additional Cover Pool Assets, provided that for any substitution of Additional Cover Pool Assets which are New Asset Types, 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 Fitch has been notified in writing of such removal or substitution (as the case may be).

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.

Sale of Selected Loans and their Related Security following an Issuer Event

Following the occurrence of an Issuer Event (but prior to the service of a Notice of Default) which is continuing and/or following a Final Maturity Date in relation to any Series of Covered Bonds on which such Covered Bonds (a) are subject to an Extended Final Maturity Date and (b) are not redeemed in full, the Servicer will have the option to sell Loan Assets and their Related Security in the Cover Pool having the Required Outstanding Principal Balance Amount (the **Selected Loans**) in accordance with the Servicing and Cash Management Deed until one year prior to the Extended Final Maturity Date of the Earliest Maturing Covered Bonds, and thereafter will be obliged to sell 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.

Prior to the Servicer making any offer to sell Selected Loans and their Related Security to third parties and provided that no Issuer Insolvency Event has occurred and is continuing, 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 the Selected Loans to third parties, by removing 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 all 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 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 within 10 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**).

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 (i) promptly sign and return a duplicate copy of the Selected Loan Removal Notice, (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 Selected Loans (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. Completion of the removal of the Selected Loans by the Issuer will take place on the Calculation Date next occurring after receipt by the Issuer of the Selected Loan Removal Notice or such other date as the Servicer may direct in the Selected Loan Removal Notice (provided that such date is not later than the earlier to occur of the date which is (a) 10 Athens Business Days after receipt by the Servicer of the returned Selected Loan Removal Notice and (b) the Final Maturity Date of the Earliest Maturing Covered Bonds) when the Issuer shall 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 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 the Selected Loans and their Related Security in accordance with above or the sale of 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 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).

Method of Sale of Selected Loans

If the Servicer opts to or is required to sell Selected Loans and their Related Security to third-party purchasers following an Issuer Event which is continuing, the Servicer will be required to ensure that before offering Selected Loans for sale:

(a) the Selected Loans have been selected from the Cover Pool on a random basis; and

(b) the Selected Loans have an aggregate Outstanding Principal Balance in an amount (the **Required Outstanding Principal Balance Amount**) which is as close as possible to the amount calculated as follows:

$$N \times \frac{\text{Outstanding Principal Balance of all Loans in the Cover Pool}}{\text{the Euro Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where N is an amount equal to the Euro Equivalent of the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the Transaction Account (other than amounts standing to the credit of the Commingling 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 Commingling Reserve Ledger) (excluding all amounts to be applied on the next following Programme Payment Date to 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).

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 maturity of the relevant Series of Covered Bonds/365))

Where **Negative Carry Factor** is a percentage calculated by reference to the weighted average margin of the Covered Bonds and will, in any event, not be less than 0.50 per cent.

Euro Equivalent means, in relation to a Series of Covered Bonds which is denominated in (a) a currency other than Euro, the Euro equivalent of such amount ascertained using the relevant Covered Bond Swap Rate relating to such Series of Covered Bonds and (b) Euro, the applicable amount in Euro.

The Servicer will offer the Selected Loans for sale to third parties for the best price reasonably available but in any event, for an amount not less than the Adjusted Required Redemption Amount.

The **Adjusted Required Redemption Amount** means the Euro Equivalent of the Required Redemption Amount, plus or minus

(a) 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 Programme Payment Date to pay or repay higher ranking amounts in the Pre Event of Default Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds); and plus or minus;

(b) 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.

Following the occurrence of an Issuer Event which is continuing and/or following a Final Maturity Date in relation to any Series of Covered Bonds on which such Covered Bonds (a) are subject to an Extended Final Maturity Date and (b) are not redeemed in full, if the Selected Loans have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to, as applicable, if the Earliest Maturing Covered Bonds are not subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Final Maturity Date of the Earliest Maturing Covered Bonds or, if the Earliest Maturing Covered Bonds are subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Extended Final Maturity Date in respect of the Earliest Maturing Covered Bonds, then the Servicer will offer the Selected Loans for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

Following the occurrence of an Issuer Event which is continuing and/or following a Final Maturity Date in relation to any Series of Covered Bonds on which such Covered Bonds (a) are subject to an Extended Final Maturity Date and (b) are not redeemed in full, in addition to offering Selected Loans for sale to third-party purchasers in respect of the Earliest Maturing Covered Bonds, the Servicer (subject to the rights of pre-emption enjoyed by the Issuer) is permitted to offer for sale a portfolio of Selected Loans, in accordance with the provisions summarised above, in respect of other Series of Covered Bonds.

The Servicer will appoint through a tender process a portfolio manager of recognised standing on a basis intended to incentivise the portfolio manager to achieve the best price for the sale of the Selected Loans (if such terms are commercially available in the market) and to advise it in relation to the sale of the Selected Loans to third-party purchasers (except where the Issuer exercises its right of pre-emption).

In respect of any sale of Selected Loans and their Related Security following the occurrence of an Issuer Event which is continuing and/or following a Final Maturity Date in relation to any Series of Covered Bonds on which such Covered Bonds (a) are subject to an Extended Final Maturity Date and (b) are not redeemed in full, the Servicer will instruct the portfolio manager to use all reasonable endeavours to procure that Selected Loans are sold as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager) taking into account the market conditions at that time and, where relevant, the scheduled repayment dates of the Covered Bonds and the terms of the Servicing and Cash Management Deed.

The Trustee, or its authorised attorney, will not be required to release the Selected Loans and their Related Security from the Registration Statement unless the conditions for Security release under applicable law (other than the Statutory Pledge) are satisfied.

Following the occurrence of an Issuer Event which is continuing and/or following a Final Maturity Date in relation to any Series of Covered Bonds on which such Covered Bonds (a) are subject to an Extended Final Maturity Date and (b) are not redeemed in full, if third parties accept the offer or offers from the Servicer so that some or all of the Selected Loans shall be sold prior to the Final Maturity Date of the Earliest Maturing Covered Bonds or, if the Earliest Maturing Covered Bonds are subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Extended Final Maturity Date in respect of the Earliest Maturing Covered Bonds, then the Servicer will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant third-party purchasers which will require, *inter alia*, a cash payment from the relevant third party purchasers. Any such sale will not include any representations and warranties from the Servicer or the Issuer in respect of the Loans and their Related Security unless expressly agreed by the Servicer.

Amendment to definitions

Under the Servicing and Cash Management Deed, the parties have agreed that the definitions of Cover Pool, Cover Pool Asset, Eligibility Criteria, Statutory Test and Amortisation Test may be amended by the Issuer from time to time without the consent of the Trustee as a consequence of, *inter alia*, including in the Cover Pool, Additional Cover Pool Assets which are New Asset Types and/or changes to the hedging policies or servicing and collection procedures of Alpha.

Any such amendment may be effected provided that each of the Rating Agencies confirm 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.

Commingling Reserve Ledger

The Servicer will establish a ledger on the Transaction Account to be called the **Commingling Reserve Ledger**.

On the First Issue Date and at any time the Issuer's short term debt rating falls below (i) P-1 as determined by Moody's or (ii) its long term debt rating falls below A or its short term debt rating falls below F1, in each case as determined by Fitch (the **Issuer Rating Downgrade**) then as soon as reasonably practicable but in any event within 10 calendar days, and on each Calculation Date after an Issuer Rating Downgrade up until the occurrence of an Issuer Rating Upgrade, the Issuer will be required to make a Commingling Reserve Advance in an amount equal to the difference between amounts standing to the credit of the Commingling Reserve Ledger and the Commingling Required Amount. Such amount paid pursuant to the Commingling Reserve Advance will be paid to the Transaction Account and credited to the Commingling Reserve Ledger.

Commingling Required Amount means on each Calculation Date, from and including the Calculation Date immediately succeeding the occurrence of an Issuer Rating Downgrade, to (but excluding) the Calculation Date immediately following the occurrence of an Issuer Rating Upgrade, an amount equal to the sum of the two highest monthly collections received during the twelve consecutive full calendar months immediately preceding each such Calculation Date, and at all other times shall be equal to zero.

Commingling Reserve Advance means the advance made by the Issuer on each Calculation Date following the occurrence of an Issuer Rating Downgrade until the occurrence of an Issuer Rating Upgrade in an amount equal to the difference between the Commingling Required Amount and amounts standing to the credit of the Commingling Reserve Ledger.

Following the occurrence of the Issuer Rating Downgrade, and whilst an Issuer Event is continuing, the Servicer shall, on each Programme Payment Date, debit an amount equal to the Commingling Withdrawal Amount from the Commingling Reserve Ledger and apply such funds as Covered Bond Available Funds.

Commingling Withdrawal Amount means on each Programme Payment Date following an Issuer Event, a drawing from the Commingling Reserve Ledger to be applied as Covered Bonds Available Funds in accordance with the Pre Event of Default Priority of Payments, if and to the extent the Servicer has during the immediately preceding Programme Payment Period failed to transfer to the Issuer any collections received by the Servicer during or with respect to such Programme Payment Period and such amounts represent amounts other than principal or, as applicable, principal paid by the Borrowers.

On any Programme Payment Date whether or not an Issuer Event has occurred, if and to the extent that amounts standing to the credit of the Commingling Reserve Ledger (taking into account any amounts applied as Covered Bonds Available Funds) would exceed the Commingling Required Amount, such excess amounts will be paid directly to the Issuer (and shall not form part of the Covered Bond Available Funds).

In the event that the Issuer's (i) short term debt rating increases to P-1 as determined by Moody's and (ii) its long term debt rating increases to A and its short term debt rating increases to F1, in each case as determined by Fitch (the **Issuer Rating Upgrade**) or in the event that there are no outstanding liabilities under the Covered Bonds, all amounts standing to the credit of the Commingling Reserve Ledger will be paid directly to the Issuer (and shall not form part of the Covered Bond Available Funds).

Whilst the Issuer Rating Downgrade is continuing the Issuer (or the Servicer on its behalf) will on the day falling two Athens/London Business Days prior to each Programme Payment Date pay the proceeds of each Commingling Reserve Advance to the Transaction Account and credit the same to the Commingling Reserve Ledger.

The Servicer shall, prior to the occurrence of an Event of Default, invest all amounts standing to the credit of the Commingling Reserve Ledger in Authorised Investments.

Law and Jurisdiction

The Servicing and Cash Management Deed and any non-contractual obligations arising out of or in connection with any of them 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 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 Calculation Date. If and for so long as the long-term ratings of the Issuer or the Servicer are below Baa3/BBB- (by Moody's or Fitch, respectively) 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 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 Calculation Date (where the Servicer had recorded it as being satisfied), or the Nominal Value or the Net Present Value is mis-stated by an amount exceeding two per cent. of the reported Nominal Value or the reported Net Present Value (as at the date of the relevant Nominal Value Test or the relevant Net Present Value Test), the Asset Monitor will be required to conduct such tests following each 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.

In addition to determining the presence of any errors in the arithmetical accuracy of the calculations performed by the Servicer in respect of the Statutory Tests as set out above, the Asset Monitor has also agreed to determine:

(a) the appropriateness of the Cover Pool Assets included in the calculations in respect of the Statutory Tests; and

(b) the compatibility of the Cover Pool Assets with the provisions of paragraph 2, Chapter 1 of the Bank of Greece Governor's Act No. 2620/28.8.2009;

In addition, the Asset Monitor has agreed to carry out the determinations and procedures provided for in paragraphs I-8 and IV-1(a) of the Secondary Covered Bond Legislation and shall include the result of such determinations and procedures in the Asset Monitor Report.

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 the minimum once per annum.

As at 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 Greek 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 trustee for the Covered Bondholders and the other Secured Creditors 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 and any non-contractual obligations arising out of or in connection with it 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**) (the **Agency Agreement**), the Transfer Agent and the Registrar, 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), 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 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 and any non-contractual obligations arising out of or in connection with it 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 Charged Document;

(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) (to the extent not subject to the Statutory Pledge) 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 Bank Accounts and the Collection Account (the **Issuer Accounts**).

Charged Documents means the Transaction Documents (other than the Deed of Charge and the Trust Deed) to which the Issuer is, or may become, a party and which are assigned (by way of security) to the Trustee pursuant to the Deed of Charge, and each a **Charged Document**.

In addition, to secure its obligations under the Covered Bonds, the Issuer has, pursuant to paragraph 10 of Article 91, created a pledge (the **Statutory 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 either the Deed of Charge or paragraph 10 of Article 91. The proceeds of any such enforcement of the Deed of Charge and paragraph 10 of Article 91 will be required to be applied in accordance with the order of priority set out in the Post Event of Default Priority of Payments.

The Trustee shall at all times be a credit institution (or an affiliated company of a credit institution) that is entitled to provide services in the European Economic Area in accordance with paragraph 2 of Article 91 (an **EEA Credit Institution**). If at any time the Trustee ceases to be an EEA Credit Institution it will notify the Issuer immediately.

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 Asset (to the extent governed by English law) will be released from the Deed of Charge Security.

At such time that all of the obligations owing by the Issuer to the Secured Creditors have been discharged in full, the Trustee will, at the cost of the Issuer, take whatever action is necessary to release the Charged Property from the Deed of Charge Security to, or to the order of, the Issuer.

Enforcement

If a Notice of Default is served on the Issuer, the Trustee shall be entitled to appoint a Receiver, and/or enforce the Deed of Charge Security constituted by the Deed of Charge, and/or take such steps as it shall deem necessary, subject in each case to being indemnified and/or secured to its satisfaction. All proceeds received by the Trustee from the enforcement of the Deed of Charge Security will be applied in accordance with the Post Event of Default Priority of Payments.

Law and Jurisdiction

The Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Interest Rate Swap Agreement

Some of the Loan Assets in the Cover Pool will pay from time to time a variable rate of interest for a period of time that may either be linked to the standard variable rate of the Issuer (the **Issuer Standard Variable Rate**) or linked to an interest rate other than the Issuer Standard Variable Rate, such as EURIBOR or a rate that tracks the ECB base rate. Other Loan Assets will pay a fixed rate of interest for a period of time. However, the Euro payments to be made by the Issuer under 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) the payments to be made by the Issuer under the Covered Bond Swaps,

the Issuer, the provider of 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 (in accordance with the requirements of the Rating Agencies), the Interest Rate Swap Provider will, in accordance with the Interest Rate Swap Agreement, be required to take certain remedial measures which may include providing collateral for its obligations under the Interest Rate Swaps, arranging for its obligations under the Interest Rate Swaps to be transferred to an entity with ratings required by the 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 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 will, 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 each of 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, the Issuer may:

(a) require that the Interest Rate Swaps in connection with such Selected Loans partially terminate to the extent that such Selected Loans and any breakage costs payable by or to the Issuer in connection with such termination will, following the occurrence of an Issuer Event, be taken into account in calculating the Adjusted Required Redemption Amount for the sale of the Selected Loans; or

(b) request that the Interest Rate Swaps in connection with such Selected Loans be partially novated to the purchaser of such Selected 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

The Interest Rate Swap Agreement (and each Interest Rate Swap thereunder) and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Covered Bond Swap Agreements

Where the Covered Bonds in a Series or Tranche are issued in a currency and/or on an interest rate basis different to the payments received by the Issuer under the Interest Rate Swap for such Series or Tranche, the Issuer will enter into a covered bond swap transaction with a Covered Bond Swap Provider and the Trustee in respect of such Series or Tranche 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 a transaction under a **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 under the Loans and any relevant Interest Rate Swaps (if any) 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 under the Loans and any relevant Interest Rate Swaps (if any) 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 will 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.

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 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 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 will, 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 will, 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 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 will be taken into account in calculating:

(a) the Adjusted Required Redemption Amount for the sale of Selected Loans; and

(b) the purchase price to be paid for any Covered Bonds purchased by the Issuer in accordance with Condition 7.7 (*Purchases*).

Law and Jurisdiction

The Covered Bond Swap Agreement (and each Covered Bond Swap thereunder) and any non-contractual obligations arising out of or in connection with it 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 long-term or short-term issuer default ratings of the Account Bank cease to be A and F1 respectively by Fitch and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank cease to be rated P-1 by Moody's (or such other ratings that may be agreed between the parties to the Bank Account Agreement and the relevant Rating Agency from time to time), then unless the Account Bank within 30 calendar days of such occurrence obtains an unconditional and unlimited guarantee (in a form

acceptable to Moody's) of its obligations under the Bank Account Agreement from a financial institution whose long-term and short-term issuer default ratings are A and F1 respectively by Fitch and whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated P-1 by Moody's and provided that Fitch has been notified in writing of such guarantee and Moody's has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected thereby, then:

- the Bank Account Agreement will be terminated in respect of the Account Bank; and

- the Bank Accounts will be closed and all amounts standing to the credit thereof shall be transferred to accounts held with a bank whose long-term and short-term issuer default ratings are at least A and F1 respectively by Fitch and 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 long-term or short-term issuer default ratings ceasing to be at least A and F1 respectively by Fitch and 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. For the avoidance of doubt, the Issuer will be responsible for any costs associated with the replacement of the Account Bank.

The Bank Account Agreement and any non-contractual obligations arising out of or in connection with it 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 and any non-contractual obligations arising out of or in connection with it 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

Greece has recently adopted a new Income Tax Code, i.e. Greek law 4172/2013, as amended and in force, which applies to income acquired and expenses made from 1st of January 2014 onwards.

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 directly 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 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 a Covered Bondholders is a tax resident; and

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 directly 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 natural persons (individuals), while it may not for other types of Covered Bondholders.

Capital gains realized from the transfer of Covered Bonds

Pursuant to article 14 of Greek law 3156/2003, which is applicable to Covered Bonds by virtue of article 152 of Greek law 4261/2014, capital gains realized by holders of Covered Bonds from the transfer of Covered Bonds are exempted from taxation in Greece.

However, in the absence of guidelines of the new Income Tax Code, it remains unclear whether the new Income Tax Code abolished article 14 of Greek law 3156/2003. If this is the case, the capital gains realized by holders of Covered Bonds from the transfer of Covered Bonds will fall under the scope of application of the new Income Tax Code and will be subject to the following taxation:

(a) Non-Resident Covered Bondholders who are natural persons (individuals) and tax residents in a jurisdiction with which Greece has entered into a DTT will not be subject to Greek income tax, provided they furnish to the Greek tax authorities appropriate documents evidencing that they are tax residents in such jurisdiction;

(b) Non-Resident Covered Bondholders who are natural persons (individuals) but they are not tax residents in a jurisdiction with which Greece has entered into a DTT, will be subject to Greek income tax at a flat rate of 15%; In the event such transfer is treated as deriving from business activity, income tax will be imposed according to the applicable tax rate scale (26% - 33%);

(c) Non-Resident Covered Bondholders who are legal persons or other entities will be subject to Greek corporate tax either at the rate of 26% (if retaining double entry books) or according to the tax rate scale of 26% - 33% (if retaining single entry books), subject to the provisions of any applicable DTT;

(d) Resident Covered Bondholders who are natural persons (namely individuals) will be subject to Greek income tax at a flat rate of 15%; In the event such transfer is treated as deriving from business activity, income tax will be imposed according to the applicable tax rate scale (26% - 33%); and

(e) Resident Covered Bondholders who are legal persons or other entities will be subject to Greek corporate tax either at the rate of 26% (if keeping double entry books) or according to the tax rate scale of 26% - 33% (if keeping single entry books).

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 a resident of Greece or 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 announced their intention to negotiate 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 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 or any paying agent, 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

The European Commission has published a proposal for a Directive for a 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.

A joint statement issued in May 2014 by ten of the participating Member States indicated an intention to implement the FTT progressively such that the initial stage would be implemented by 1 January 2016 in relation to shares and certain derivatives only. The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. 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 summary is of a general nature 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. 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.

Withholding Tax

(a) Non-resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 as amended (the **Laws**) mentioned below, 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.

Under the Laws 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**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, (within the meaning of the Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agents. Payments of interest under the Covered Bonds coming within the scope of the Laws will be subject to a withholding tax at a rate of 35 per cent.

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.

(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) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Covered Bonds coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent.

SUBSCRIPTION AND SALE

Covered Bonds may be issued from time to time by the Issuer to any one or more of the Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers are set out in a Programme Agreement dated 20 May 2010 (such Programme Agreement as amended and/or supplemented and/or restated from time to time, the **Programme Agreement**) and made between the Issuer and the Dealers. 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 Dealers 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. The Issuer may pay the Dealers commissions from time to time in connection with the sale of any Covered Bonds. In the Programme Agreement, the Issuer has agreed to reimburse and indemnify the Dealers for certain of their expenses and liabilities in connection with the establishment and any future updates of the Programme and the issue of Covered Bonds under the Programme. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to purchase Covered Bonds under the Programme Agreement in certain circumstances prior to payment to the Issuer.

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 in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under 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, 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 the Series of Covered Bonds of which such Covered Bonds are a part, as determined and certified by the relevant Dealer(s), in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Covered Bond during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Covered Bond 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) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement 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 the Relevant Member State

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) 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; (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, any 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, any 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.

Republic of Italy

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that offering of the Covered Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Covered Bonds may not be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

(a) to qualified investors ("investitori qualificati"), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter*, first paragraph, letter (b) of CONSOB (the Italian Securities Exchange Commissions) Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Furthermore, each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer, sale or delivery of the Covered Bonds or distribution of copies of this Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; or

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Republic of France

Each Dealer and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has only made and will only make an offer of Covered Bonds to the public in France following the notification of the approval of this Base Prospectus to the *Autorité des marchés financiers* (**AMF**) by the CSSF, and in the period beginning on the date of the publication of the Final Terms relating to the offer of Covered Bonds and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus by the CSSF, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(ii) it has not offered or sold and will not offer or sell, directly or indirectly, Covered Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Covered Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (investisseurs qualifiés), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Code monétaire et financier.

The Grand Duchy of Luxembourg

In addition to the cases described in the European Economic Area selling restrictions in which the Dealers can make an offer of Covered Bonds to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the Dealers 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

Approval, 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. 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 resolutions of the Board of Directors of the Issuer dated 16 March 2010 and 27 March 2014.

Post-issuance information

The Issuer provides quarterly Investor Reports detailing, among other things, compliance with the Statutory Tests. This information will be available on the Issuer's website www.alphabank.gr.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the twelve months preceding the date of this Base Prospectus which may have, or have had in such period, significant effects on the Issuer's or the Group's financial position or profitability.

No significant or material change

Save as disclosed in the Base Prospectus on page 149 under "*The Issuer and the Group – Recent Developments*", there has been no material adverse change, or any development reasonably likely to involve material adverse change, in the prospects of the Issuer since 31 December 2013 nor any significant change in the financial or trading position of the Issuer or the Group since 30 June 2014.

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 audited consolidated and non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2012 and 31 December 2013 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith;

(c) the semi-annual unaudited annual financial statements of the Issuer for the period from 1 January to 30 June 2014 for 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, information memoranda, supplements and 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) 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 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.

YieldIn 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 statutory auditors of the Issuer are KPMG Certified Auditors A.E., of 3 Stratigou Tombra Street, Aghia Paraskevi GR-15342, Athens (**KPMG, Athens**). KPMG, Athens were appointed for the first time on 2 April 2002. KPMG, Athens is a member of the Institute of Certified Auditors and Accountants of Greece.

The consolidated and non-consolidated financial statements of the Issuer for the financial years ended 31 December 2012 and 31 December 2013 (incorporated by reference in this Base Prospectus) have been prepared in accordance with IFRS as adopted by the European Union and have been audited without qualification by KPMG Certified Auditors A.E.

The auditors of the Issuer have no material interest in the Issuer.

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