

## BASE PROSPECTUS



# ALPHA BANK

## 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 (the **Luxembourg Act**) on prospectuses for securities to approve this document as a base prospectus (the **Base Prospectus**). Application has also been made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme to be admitted to trading on the Bourse de Luxembourg, which is the Luxembourg Stock Exchange's regulated market (the **Luxembourg Stock Exchange's regulated market**) for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**) and to be listed on the official list of the Luxembourg Stock Exchange (the **Official List**). This document comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended by Directive 2010/73/EU, 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 are intended to be admitted to trading on the Luxembourg Stock Exchange's regulated market and are intended to be listed on the official list of the Luxembourg Stock Exchange's regulated market.

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 ongoing basis (each a **Dealer** and together the **Dealers**). References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed by more than one Dealer, be to the lead manager of such issue and, in relation to an issue of Covered Bonds subscribed by one Dealer, be to such Dealer.

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

The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (the **CRA Regulation**) will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. The Covered Bonds issued under the Programme will have the ratings set out in the applicable Final Terms assigned by Moody's Investors Service Limited or its successor (**Moody's**) and by Fitch Ratings Limited or its successor (**Fitch**) (or other such ratings assigned by other Rating Agencies as specified in the applicable Final Terms). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.

**Investing in Covered Bonds issued under the Programme involves certain risks. The principal risk factors that may affect the 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 42 of this Base Prospectus carefully before you purchase any Covered Bonds.**

Arrangers

**Barclays Capital and Alpha Finance**

Dealer(s)

**Barclays Capital 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 28 July 2011

The Issuer accepts responsibility for the information contained in this Base Prospectus 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 amended and/or supplemented 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 single currency introduced at the start of the third stage of European Economic and Monetary Union (**EMU**) pursuant to the Treaty establishing the European Community.

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**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly any person, making or intending to make an offer in that Relevant Member State of Covered Bonds which are the subject of an offering or placement contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Covered Bonds, 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 Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Covered**

**Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation or over allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

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## 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 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

<b>Issuer</b>	Alpha Bank A.E. ( <b>Alpha</b> or the <b>Issuer</b> ).
<b>Arrangers</b>	Barclays Bank PLC, acting through its investment banking division – Barclays Capital ( <b>Barclays Bank PLC</b> ) and Alpha Finance A.E.P.E.Y. ( <b>Alpha Finance</b> ) (together the <b>Arrangers</b> and, each of them, an <b>Arranger</b> ).
<b>Dealer(s)</b>	Barclays Bank PLC and Alpha and/or any other dealers appointed from time to time in accordance with the Programme Agreement.
<b>Servicer</b>	<p>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 <b>Replacement Servicer</b>), the <b>Servicer</b>) will service the Loans and Related Security in the Cover Pool pursuant to the Servicing and Cash Management Deed.</p> <p>The Servicer shall also undertake certain notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Transaction Account and cash management activities (the <b>Servicing and Cash Management Services</b>) in accordance with the Servicing and Cash Management Deed and the Greek Covered Bond Legislation, including the calculation of the Statutory Tests and the Amortisation Test. See “<i>Servicing and Collection Procedures</i>” below.</p>
<b>Asset Monitor</b>	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 <b>Asset Monitor</b> ).
<b>Account Bank</b>	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 <b>Account Bank</b> ) 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 by Fitch and whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's or such other rating which is consistent with the published criteria of Fitch and Moody's from time to time.

**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 depository 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, supplement 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.

**Index Linked Interest Covered Bonds**

The applicable Final Terms may provide that payments of interest in respect of certain Covered Bonds (**Index Linked Interest Covered Bonds**) will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer(s) may agree (as set out in the applicable Final Terms).

**Credit Linked Interest Covered Bonds and Equity Linked Interest Covered Bonds**

The applicable Final Terms may provide that payments of interest in respect of certain Covered Bonds (**Credit Linked Interest Covered Bonds** or, as applicable, **Equity Linked Interest Covered Bonds**) will be calculated by reference to such price, value, performance or some other factor relating to one or more reference assets and/or the creditworthiness of, performance of obligations by or some other factor relating to one or more reference entities as the Issuer and the relevant Dealer(s) may agree (as set out in the applicable Final Terms).

**Dual Currency Interest Covered Bonds**

The applicable Final Terms may provide that payments of interest in respect of certain Covered Bonds may be made in more than one currency (**Dual Currency Interest Covered Bonds**) and that such payments, whether at maturity or otherwise, will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree (as set out in the applicable Final Terms).

<b>Variable Interest Covered Bonds</b>	Index Linked Interest Covered Bonds, Credit Linked Interest Covered Bonds, Equity Linked Interest Covered Bonds, Dual Currency Interest Covered Bonds and other Covered Bonds (excluding Floating Rate Covered Bonds) where the rate of interest is variable are referred to as <b>Variable Interest Covered Bonds</b> .
<b>Other provisions in relation to Floating Rate Covered Bonds and Variable Interest Covered Bonds</b>	Floating Rate Covered Bonds and Variable Interest 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 and Variable Interest 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).  <b>Interest Period</b> 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.  <b>Maximum Rate of Interest</b> means in respect of Floating Rate Covered Bonds or Variable Interest Covered Bonds, the percentage rate per annum (if any) specified in the applicable Final Terms.  <b>Minimum Rate of Interest</b> means in respect of Floating Rate Covered Bonds or Variable Interest Covered Bonds, the percentage rate per annum (if any) specified in the applicable Final Terms.
<b>Zero Coupon Covered Bonds</b>	The applicable Final Terms may provide that Covered Bonds, bearing no interest ( <b>Zero Coupon Covered Bonds</b> ), may be offered and sold at a discount to their nominal amount.
<b>Partly Paid Covered Bonds</b>	Covered Bonds may be issued on a partly-paid basis ( <b>Partly Paid Covered Bonds</b> ) in which case interest will accrue on the paid-up amount of such Covered Bonds or on such other basis as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
<b>Ranking of the Covered Bonds</b>	All Covered Bonds will rank <i>pari passu</i> and <i>pro rata</i> 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.
<b>Taxation</b>	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 ( <i>Taxation</i> ).

## **Status of the Covered Bonds**

The Covered Bonds are issued on an unconditional basis and in accordance with Article 91 of Greek Law 3601/2007 (published in the Government Gazette No 178/A/1-8-2007), as amended by Article 48 of Greek Law 3693/2008 (published in the Government Gazette No. 174/A/25-8-2008) and Article 69 of Greek Law 3746/2009 (published in the Government Gazette No. 27/A/16-2-2009) (**Article 91**) 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 91, 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 91 (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 91. 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 Receiptholders, 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 or partly-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.

**Early Redemption:**

The applicable Final Terms may specify that either the relevant 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). The applicable Final Terms may provide that Covered Bonds may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

**Final maturity and extendable obligations under the Covered Bonds:**

The final maturity date for each Series (the **Final Maturity Date**) will be specified in the relevant Final Terms as agreed between the Issuer and the relevant Dealer(s). Unless specified otherwise in the Final Terms or previously redeemed as provided in the Conditions, the Covered Bonds of each Series will be redeemed at their Principal Amount Outstanding on the relevant Final Maturity Date. If the Covered Bonds are not redeemed in full on the relevant Final Maturity Date or (as described below) where the Covered Bonds are subject to an Extended Final Maturity Date, on the Extended Final Maturity Date, then the Trustee shall serve a Notice of Default on the Issuer pursuant to Condition 10. 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 a regulated market for the purposes of the Markets in Financial Instruments Directive, as may be 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 regulated 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**);
- (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;
- (f) the Issuer is declared Bankrupt in accordance with the Greek Bankruptcy Code; or
- (g) a supervisor (Epitropos) of the Issuer is appointed in accordance with article 63 of Law 3601/2007 or Issuer is placed in liquidation in accordance with article 68 of Law 3601/2007.

**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 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, Receipts 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 illegality 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.

**Receipt** means a receipt for the payment of instalments of principal (other than the final instalment) attached on issue to Bearer Definitive Covered Bonds repayable in instalments, such receipt being substantially in the form set out in Schedule 2 to the Trust Deed or in such other form as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) or Lead Manager (in the case of syndicated issues) and includes any replacements for Receipts issued pursuant to Condition 12.

#### **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**

Prior to the occurrence of an Issuer Event, Alpha will deposit on a daily

## Collection Account

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 3601/2007 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, Receiptholders 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 and Receipts;

- (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, Receipts 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, Receiptholders 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 on 24 September 2010) 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, 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 (the **Agency Agreement**), the Agents have agreed to provide the Issuer with certain agency services and the Paying Agents have agreed, *inter alia*, to make available for inspection such documents as may be required from time to time by the rules of the Luxembourg Stock Exchange and to arrange for the publication of any notice to be given to the Covered Bondholders.

### **Bank Account Agreement**

Under the terms of the bank account agreement entered into on the Programme Closing Date between the Account Bank, the Servicer, the Issuer and the Trustee (the **Bank Account Agreement**), the Account Bank has agreed to operate the Transaction Account, 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 Receipts, 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](http://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

*The Issuer believes that the following factors may affect its ability to fulfil its obligations in respect of the Covered Bonds issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*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.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Covered Bonds issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Covered Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision as these risk factors cannot be deemed complete. If potential investors are in doubt about the contents of this Base Prospectus they should consult with an appropriate professional adviser to make their own legal, tax, accounting and financial evaluation of the merits and risk of investment in such Covered Bonds.*

*Prospective investors should read the entire Prospectus. Words and expressions defined in the "Terms and Conditions of the Covered Bonds" below or elsewhere in this Prospectus have the same meanings in this section. Investing in the Covered Bonds involves certain risks. Prospective investors should consider, among other things, the following:*

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

*The Covered Bonds will be obligations of the Issuer only*

The Covered Bonds will be solely obligations of the Issuer and will not be obligations of or guaranteed by the Trustee, the Asset Monitor, the Account Bank, the Agents, the Hedging Counterparties, the 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. 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.

#### *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.

*Deteriorating macro-economic conditions in Greece generally could adversely affect the Issuer*

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

Greece has activated the Eurozone Support Mechanism established by a European Summit Decision on 25 March 2010. The magnitude of the fiscal adjustment agreed under the Stabilization Programme is likely to have a significant effect on economic activity in Greece, adding to the possible negative impact arising from the sharp drop in consumer confidence resulting from the recent economic crisis and ongoing sizeable macroeconomic imbalances. If the Stabilization Programme is not implemented successfully, economic activity may decline further in the future.

Loans to businesses and households are expected to remain under considerable pressure in Greece as the sizeable downward pressure on 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 conditions are likely to impair further demand for loans. In addition, the Issuer's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Issuer's fee and commission income.

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

*Risks relating to disruptions in the global credit markets and economy*

Since the second half of 2007, disruption in the global credit markets, coupled with the repricing of credit risk, has created increasingly difficult conditions in the financial markets. Financial markets are subject to periods of historic volatility which may impact the Issuer's ability to raise debt in a similar manner, and at a similar cost, to the funding raised in the past. Challenging market conditions have resulted in greater volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Issuer. In addition, the financial performance of the Issuer could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

Concerns relating to the impact of the economic crisis may adversely affect the Issuer's credit risk profile, delay its return to the markets for funding, increase the cost of such funding and/or trigger additional collateral requirements in derivative contracts and other secured funding arrangements, including the ECB.

The severity of pressure experienced by the Hellenic Republic in its public finances has restricted the access of the Issuer to capital markets for funding, particularly unsecured funding and funding from the short-term inter-bank market because of concerns by counterparty banks. These markets are now effectively closed to all Greek banks. In addition, some deposit outflows during the first months of 2010 put pressure on the liquidity position of many Greek banks.

*The Issuer's wholesale borrowing costs and its access to the debt capital markets have been negatively affected by a series of recent credit rating downgrades of the Issuer and may be negatively affected by further downgrades*

Since October 2009, the Issuer has experienced a series of credit ratings downgrades principally reflecting the series of downgrades in the Hellenic Republic's credit rating and the Greek economic crisis. These downgrades may continue. Any further reduction in the Issuer's long-term credit ratings, could delay the Issuer's access to the markets for funding and/or increase its borrowing costs. Any further reductions may also trigger additional collateral requirements in derivative contracts and other secured funding arrangements and may result in counterparties no longer being willing to enter into hedging transactions with the Issuer. As a result, any reduction in the Issuer's credit ratings could adversely affect its access to liquidity and competitive position or have a negative impact on the Issuer's earnings and financial condition.

*The Issuer's borrowing costs and liquidity levels may be negatively affected by the sovereign rating*

The Hellenic Republic has recently undergone a series of credit rating downgrades. The rationale for these downgrades was that a deepening recession and rising debt service costs would make it harder for the Hellenic Republic to meet its deficit reduction targets. A downgrade of the Hellenic Republic's rating may occur again in the future in the event of a more drastic deterioration in public finances as a result of a poorer performance in economic activity or as a result of the measures proposed being perceived as insufficient. Accordingly, the cost of risk for the Hellenic Republic would increase further, with negative effects on the cost of risk for Greek banks and hence on their results. Historically, the Issuer's credit rating has been no higher than the rating for the Hellenic Republic. Further downgrades of the Hellenic Republic could result in a corresponding downgrade in the Issuer's credit rating.

Negative sentiment surrounding the Hellenic Republic, including a further downgrade of the sovereign rating, could also further increase the debt servicing cost of the Hellenic Republic. This could delay the country's economic improvement by raising the borrowing costs for the banks which is then passed on to the customers, as well as result in credit rationing. This will ultimately affect the Issuer's future business volumes and put additional strains on its liquidity, profitability and asset quality.

#### *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 as described below. 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 (not including those related to the Cover Pool) and counterparties or a general deterioration in the Greek, US or global economic conditions, or arising from systematic risks in the financial systems, could affect the recoverability and value of its assets and require an increase in the Issuer's provision for bad and doubtful debts and other provisions.

(b) *Market Risk*

Market risks which the Issuer faces include 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 and consequently the ability of the Issuer to make payments under the Covered Bonds.

(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. Any such operational risk could have an adverse effect on the ability of the Issuer to make payments as required on a timely basis under the Covered Bonds.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as the issuer of securities admitted to the Official List.

(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, including any amounts due under the Covered Bonds.

*Impact of Regulatory Changes*

The Issuer is subject to financial services laws, regulations, administrative actions and policies in each location that the Issuer operates. Changes in supervision and regulation, in particular in Greece, could materially affect the Issuer's business, the products and services offered or the value of its assets. Although the Issuer works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer. No assurance can be given generally that laws or regulations will be adopted, enforced or interpreted in a manner which will not have an adverse effect on the Issuer's business and/or its ability to make payments under the Covered Bonds.

*Government interventions aimed at alleviating the financial crisis are subject to uncertainty and carry additional risks*

In an attempt to restore stability in the financial system, the US, European and other governments have intervened on an unprecedented scale by making available funds and taking other measures designed to facilitate access to capital and support financial institutions and other industries that have been affected by

the market turmoil. On 9 December 2008, Greek Law 3723/2008 on “Liquidity Support of the Economy for mitigating consequences of the international financial and credit crisis and other provisions” was enacted (**Law 3723/2008**) by virtue of which the Hellenic Republic established a voluntary scheme for the capitalisation and liquidity support of credit institutions licensed by the Issuer of Greece (the **Support Scheme**), with the objective, among others, of strengthening Greek banks’ capital and liquidity positions.

The law has been further amended by laws 3844/2010, 3845/2010, 3872/2010 and 3965/2011 and Ministerial Decisions Nos. 132624/B.527, 29850/B.1465 and 59181/B.2585/24.12.2010. There is no assurance that these measures will improve liquidity conditions or otherwise achieve their intended effects, and a failure of these measures could prolong or exacerbate global and local adverse market conditions and materially harm the Issuer’s business, financial condition and results of operations. In addition, some of these measures could lead to increased ownership and control by the Hellenic Republic over financial institutions and further consolidation in the financial industry.

*As a result of the participation of the Issuer in the Support Scheme, the Hellenic Republic is in a position to exert influence over the dividend and remuneration policies of the Issuer.*

The Issuer has voluntarily accepted the Support Scheme. So long as a credit institution, which includes the Issuer, utilises certain facilities of the Support Scheme, the Hellenic Republic is entitled by force of Greek Law 3723/2008 to appoint (and has already appointed) a representative to the board of directors of such credit institution (the **Representative**). The Representative has the ability to veto actions relating to the distribution of dividends and the remuneration of certain of the Issuer’s directors and senior management. However, the Representative may only utilise its veto power if he considers that the relevant corporate decisions may jeopardise the interests of depositors or materially affect the solvency and effective operation of the Issuer or following a decision of the Minister of Economy and Finance. Consequently, so long as the Issuer utilises certain facilities of the Support Scheme, certain business decisions of management may be affected by the veto rights of the Representative appointed to the Issuer’s board. The scope of such veto powers has been extended by virtue of article 19 of law 3965/2011 (Governmental Gazette issue A No. 113/18.5.2011). For a detailed description of the veto right, see the section entitled “*Scheme for the Support of the Liquidity of the Greek Economy and the Hellenic Financial Stability Fund (HFSF)*” below.

*The Issuer faces significant competition from Greek and foreign banks*

The general scarcity of wholesale funding has led to a significant increase in competition for retail deposits. The Issuer also faces competition from foreign banks, some of which have resources significantly greater than the Issuer’s. The Issuer may not be able to continue to compete successfully with domestic and international banks in the future.

*The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility*

The Issuer maintains trading and investment positions in debt, currency, equity and other markets. These positions could be adversely affected by volatility in financial and other markets and the Greek sovereign debt crisis, creating a risk of substantial losses. Volatility can also lead to losses relating to a broad range of other trading and hedging products the Issuer uses, including swaps, futures, options and structured products.

*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.

*Regulation of the Greek banking industry may change*

The Issuer is subject to financial services laws, regulations, administrative actions and policies in each location where it operates. All of these are subject to changes, 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 regulatory frameworks, including those pertaining to capital adequacy and scope of banks' operations. As a result of these and other ongoing and possible future changes in the financial services regulatory landscape (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 expects to face greater regulation in Greece and south-eastern Europe. Compliance with such regulations may increase the Issuer's capital requirements and costs, heighten disclosure requirements, restrict certain types of transactions, affect its strategy and limit or require the modification of rates or fees that the Issuer charges on certain loan and other products, any of which could lower the return on its investments, assets and equity. The Issuer may also face increased compliance costs and limitations on its ability to pursue certain business opportunities. The new regulatory framework may have significant scope and may have unintended consequences for the global financial system, the Greek financial system or the Issuer's business, including reducing competition, increasing general uncertainty in the markets or favouring or disfavouring certain lines of business. The Issuer cannot predict the effect of any such changes on its business, financial condition, cash flow or future prospects.

Regulation of the banking industry in Greece has changed in recent years pursuant to changes in Greek law, largely to comply with applicable EU directives and in response to the economic crisis in the Hellenic Republic. In August 2007, the EU Directives regarding the adoption of the new Basel Capital Accord (Basel II) were incorporated into Greek law relating to the business of credit institutions and to the capital adequacy of investment firms and credit institutions. Following this, on August 20, 2007, the Bank of Greece issued ten Governor's Acts specifying the details for the implementation of Basel II, which took effect from January 1, 2008. In addition, a number of regulatory measures have recently been proposed by the Basel Committee and the CRD IV, which may have an adverse impact on the capital of the Group. Some uncertainty remains around the implementation of certain of the proposed legislative changes.

## **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, continuation of the servicing is ensured as follows:

- In the event of the Issuer's insolvency under Greek Law 3601/2007 (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.
- In the event of the Issuer's insolvency under the bankruptcy provisions of Greek Law 3588/2007, the servicing will be carried out (in accordance with the terms of the Servicing and Cash Management Deed) by a bankruptcy administrator appointed by the court, unless the Bank of Greece appoints a Servicer pursuant to Article 91 paragraph 9 of the Covered Bond Law. At the request of the bankruptcy administrator, the court may order the carrying out of the servicing by a third party provided that such third party is in a position to perform the servicing tasks and that the rights of the Covered Bondholders are not adversely affected.

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.

### *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 advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

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

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

#### *Covered Bonds subject to optional redemption by the Issuer*

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

#### *Index Linked Interest Covered Bonds, Dual Currency Interest Covered Bonds and other Variable Interest Covered Bonds*

The Issuer may issue Covered Bonds with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Covered Bonds with principal or

interest payable in one or more currencies which may be different from the currency in which the Covered Bonds are denominated. Potential investors should be aware that:

- (a) the market price of such Covered Bonds may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) they may lose all or a substantial portion of their principal;
- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if a Relevant Factor is applied to Covered Bonds in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will be magnified; and
- (g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Interest Covered Bonds, Dual Currency Interest Covered Bonds or other Variable Interest Covered Bonds (as the case may be). Accordingly, an investor should consult its own financial, tax and legal advisers about the risk entailed by an investment in any Index Linked Interest Covered Bonds, Dual Currency Interest Covered Bonds or other Variable Interest Covered Bonds (as the case may be) and the suitability of such Covered Bonds in light of their particular circumstances.

#### *Partly-paid Covered Bonds*

The Issuer may issue Covered Bonds where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

#### *Fixed/Floating Rate Covered Bonds*

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

#### *Covered Bonds issued at a substantial discount or premium*

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

## ***General risk factors***

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

### *Modification, waivers and substitution*

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 the Greek Workers Housing Association (the **OEK**) and/or certain other Greek State owned entities. The availability and amount of subsidy is determined by reference to the financial and social circumstances of a borrower. The State, the OEK and any other applicable State subsidised entity's 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 some of the Loans (the **Subsidised Loans**) from the OEK, the Greek State or any other applicable Greek State owned entity. The OEK will maintain 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, OEK remains liable to the Issuer for the relevant subsidy. If the OEK Savings Account balance for any given month has not been sufficiently replenished by the OEK in advance of the next month's automated deduction of the subsidy amounts, the remaining balance owing to 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 the OEK.

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, the OEK 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 the OEK 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.

The OEK pays subsidised interest amounts under the relevant Subsidised Loans on a monthly basis and up to two months in arrears and the Greek State pays subsidised interest amounts under the relevant Subsidised Loans every six months in arrears. Accordingly, the Issuer will not receive the portion of the interest that is subsidised by the OEK and the Greek State in respect of such Subsidised Loan at the same time as the unsubsidised portion of interest paid by the Borrower. In addition, a Greek State 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, the OEK 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, the OEK 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, the OEK 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, there is a period of mandatory suspension for all enforcement procedures between 1 and 31 August of each year, except for auctions, which cannot be conducted between 1 August and 15 September of each year. Finally, pursuant to Greek Law 3858/2010 (published in the Government Gazette issue No.102/10.7.2010) all auctions for claims of credit institutions, credit companies or their assignees not exceeding €200,000 are suspended until 31 December 2010. The above mentioned suspension has been extended until 31 December 2011 by virtue of Greek Law 3896/2011 published in the Governmental Gazette issue No. A' 152/14-71-2011.

### *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, taxes, state levies and social security contributions are excluded from the scope of the law.

The law provides for out-of-court and judicial settlement procedures aiming to enable such individuals to develop, in agreement with creditors holding the majority at a minimum of the overdue debts, a plan to repay their debts in the course of time. Should these procedures fail, their debts may readjusted by the competent Justice of Peace (on the basis of the family income and property and after taking into consideration the family needs) by way of payment in monthly instalments of an amount set by the court within a period of four years, such instalments to be paid directly to the creditors on a pro rata basis. Proper repayment of the amount adjudicated by the court shall release the debtor from its debts. In extreme circumstances, such as chronic unemployment, or serious health problems, an individual may be fully discharged from his or her debts, but in such a case the court would re-examine on a regular basis whether those circumstances continue to apply. The time for the filing of the application with the competent court starts from January 2011 onwards.

The law provides that from the time of notification to the creditors of a readjustment plan by the debtor until the final decision, any enforcement proceedings against such debtor may be suspended (following a relevant decision by the court) and interest stops accruing, except interest relating to secured debts that continues to accrue until the issuance of the court decision in respect of the application. Furthermore, until 31 December 2011, all auctions against the primary residence of the debtor are suspended, provided that the total area of such residence does not exceed the limit provided by law for the non-application of transfer tax, plus 50.0%. By virtue of article 46 of Greek Law 3896/2011, such suspensions are applicable to all individuals (including individuals who are merchants) regardless of whether they have the ability to be declared bankrupt pursuant to general bankruptcy provisions under Greek law. In addition, a liquidator may be appointed in order to liquidate any property assets and distribute the proceeds to the creditors or to monitor and assist the proper consummation of the readjustment plan. The debtor, under certain circumstances, may also apply for the exclusion of his or her primary residence from liquidation and, in this case, the court will readjust the debt in an amount not exceeding 85.0% of the residence's commercial value as adjudicated by the court. The rights of the creditors against co-debtor(s) or guarantors remain unaffected. It is noted that this law has yet to be tested in practice. Nevertheless, this law may have an adverse effect on the timing or the amount of collections under certain Loans concluded with borrowers that fall under its scope and make use of its provisions, which may in turn affect the Issuer's ability to meet its obligations in respect of the Covered Bonds.

### *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, 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 arising 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;
- (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 in the previous 24 months (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*

The Greek Covered Bond Legislation came into force over the period of approximately three years. Article 91 of the Greek Covered Bond Legislation came into force on 1 August 2007 and was amended on 25 August 2008 and on 16 February 2009, while the Secondary Covered Bond Legislation came into force on 21 November 2007 and was amended and restated on 29 August 2009. 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 English Court of Appeal has affirmed the decision of the English High Court that such a subordination provision is valid under English law. While the UK Supreme Court granted leave to appeal, portions of the appeal have been withdrawn as a result of the settlement of the U.S. aspects of the case. The remaining portion of the appeal was heard by the Supreme Court in early March 2011, although the judgment has not yet been published.

Contrary to the determination of the English Court of Appeal, the US Bankruptcy Court has held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. The implications of this conflicting judgment are not yet known, particularly as the US Bankruptcy Court approved, in December 2010, the settlement of the case to which the judgment relates and subsequently the appeal was dismissed.

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 EC Council Directive 2003/48/EC on the taxation of savings income the **EU Savings Directive**, each Member State of the European Union, including Belgium from 1 January 2010, is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-European Union countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State of the European Union 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. If a withholding tax is imposed on a payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive.

#### *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*

Pursuant to the Greek Code of Income Tax (Greek Law 2238/1994), payments of interest in respect of the Covered Bonds to Covered Bondholders residing in Greece shall be subject to withholding tax at a rate of 10% if payment is made by a paying agent in Greece. Save as discussed under “*Taxation—Greek Taxation*” below, individuals will have no further tax liability in respect of these payments.

## 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 2010 for the Issuer:
  - (a) consolidated balance sheet set out on page 28 of the 2010 annual financial report;
  - (b) non-consolidated balance sheet set out on page 118 of the 2010 annual financial report;
  - (c) consolidated profit and loss accounts set out on page 27 of the 2010 annual financial report;
  - (d) non-consolidated profit and loss accounts set out on page 117 of the 2010 annual financial report;
  - (e) consolidated cashflow statements set out on page 32 of the 2010 annual financial report;
  - (f) non-consolidated cashflow statements set out on page 122 of the 2010 annual financial report;
  - (g) consolidated notes set out on pages 33 to 114 of the 2010 annual financial report;
  - (h) non-consolidated notes set out on pages 123 to 195 of the 2010 annual financial report;
  - (i) consolidated audit reports set out on pages 25 to 26 of the 2010 annual financial report; and
  - (j) non-consolidated audit reports set out on pages 115 to 116 of the 2010 annual financial report.
  
2. Annual financial report (produced in accordance with Law 3556/2007) for the financial year ended 31 December 2009 for the Issuer:
  - (a) consolidated balance sheet set out on page 24 of the 2009 annual financial report;
  - (b) non-consolidated balance sheet set out on page 112 of the 2009 annual financial report;
  - (c) consolidated profit and loss accounts set out on page 23 of the 2009 annual financial report;
  - (d) non-consolidated profit and loss accounts set out on page 111 of the 2009 annual financial report;

(e)	consolidated cashflow statements	set out on page 28 of the 2009 annual financial report;
(f)	non-consolidated cashflow statements	set out on page 116 of the 2009 annual financial report;
(g)	consolidated notes	set out on pages 29 to 108 of the 2009 annual financial report;
(h)	non-consolidated notes	set out on pages 117 to 187 of the 2009 annual financial report;
(i)	consolidated audit reports	set out on pages 21 to 22 of the 2009 annual financial report; and
(j)	non-consolidated audit reports	set out on pages 109 to 110 of the 2009 annual financial report.

As of the financial year ended 31 December 2009, the Issuer's consolidated and non-consolidated annual financial statements prepared in accordance with IFRS are included in the annual financial reports produced in accordance with Law 3556/2007 for the Issuer.

Any information not listed in the cross reference tables above but included in the documents listed in paragraphs 1 to 2 above is given for information purposes only.

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](http://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 “Forms of the Covered Bonds” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Covered Bonds.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by 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, the Receipts (as defined below) 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, the Receipts (as defined below) 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**). References to the Calculation Agent are (except where the context otherwise requires) to the person appointed as calculation agent in relation to one

or more Series of Variable Interest Covered Bonds pursuant to the Agency Agreement and shall include any successor calculation agent.

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. Definitive Covered Bonds repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Covered Bonds do not have Receipts, Coupons or Talons attached on issue.

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 to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond.

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 **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

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

Copies of the applicable Final Terms and the other Transaction Documents are available for 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. Copies of the applicable Final Terms and the other Transaction Documents may be obtained during normal business hours from those offices save that, if this Covered Bond is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms and the other Transaction Documents will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Covered Bonds and identity. The Covered Bondholders, the Receiptholders 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 Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination and Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and *vice versa*.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Variable Interest Covered Bond, a Zero Coupon Covered Bond, an Index Linked Interest Covered Bond, a Credit Linked Interest Covered Bond, Equity Linked Interest Covered Bond, a Dual Currency Interest Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Covered Bond may be an Instalment Covered Bond, a Partly Paid Covered Bond or a combination of any of the foregoing, depending upon the Redemption/Payment 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. Bearer Definitive Covered Bonds are issued with Receipts, only in respect of Instalment Covered Bonds, and references to Receipts and Receiptholders in these Conditions are only applicable to such Bearer Covered Bonds.

Subject as set out below, title to the Bearer Covered Bonds, Receipts 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, Receipt 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 depository 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**

### **Status**

The Covered Bonds and any relative Receipts and 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, Receiptholders 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, Receipts 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, Receiptholders 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

### 5.1 *Interest on Fixed Rate Covered Bonds*

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable, 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 5.7 (*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 and Variable Interest Covered Bond*

#### (a) Interest Payment Dates

Each Floating Rate Covered Bond and Variable Interest Covered Bond bears interest on its Principal Amount Outstanding (subject to Condition 5.5 (*Interest on Partly-Paid Covered Bonds*)) 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 and Variable Interest 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 either (I) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro- zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i), (1) **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions and (2) **Euro-zone** means the region comprising the member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

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 which appears or appear, as the case may be, on the Relevant Screen Page 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.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

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

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

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

The Principal Paying Agent, in the case of Floating Rate Covered Bonds, and the Calculation Agent, in the case of Variable Interest Covered Bonds, 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. In the case of Variable Interest Covered Bonds, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

- (i) in the case of Floating Rate Covered Bonds or Variable Interest 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, if they are Partly Paid Covered Bonds, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Covered Bonds or Variable Interest Covered Bonds in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Covered Bond or a Variable Interest Covered Bond in definitive form comprises more than one Calculation Amount, the Interest Amount payable in

respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Covered Bonds or Variable Interest 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 5.7) thereafter and in the case of any notification to be given to the Luxembourg Stock Exchange on or before the first Business Day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Covered Bonds or Variable Interest Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to Covered Bondholders in accordance with Condition 17 (*Notices*).

(f) Determination or Calculation by the Trustee

If for any reason at any relevant time after the Issue Date, the Principal Paying Agent or, as the case may be, the Calculation 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 or as otherwise specified in the applicable Final Terms, 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 or the Calculation Agent, as the case may be.

(g) 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, Receiptholders and Couponholders and (in the absence of wilful default, negligence or fraud) no liability to the Issuer the Covered Bondholders, the Receiptholders 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 7.10 (*Late Payment*).

### 5.4 *Interest on Dual Currency Interest Covered Bonds*

In the case of Dual Currency Interest Covered Bonds where the rate or amount of interest fails to be determined by reference to an exchange rate, the rate or amount of interest shall be determined in the manner specified in the applicable Final Terms.

### 5.5 *Interest on Partly-Paid Covered Bonds*

In the case of Partly-Paid Covered Bonds (other than Partly-Paid Covered Bonds which are Zero Coupon Covered Bonds), interest will accrue on the paid up nominal amount of such Covered Bonds or as otherwise specified in the applicable Final Terms.

### 5.6 *Accrual of interest*

Interest (if any) will cease to accrue on each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest will continue to accrue as provided in Condition 7.10 (*Late Payment*).

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

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

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

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

- (i) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii), the **Floating Rate Convention**, such Interest Payment Date (1) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II)

below shall apply mutatis mutandis, or (2) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day, and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls within the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (ii) the **Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
  - (iii) the **Modified Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
  - (iv) the **Preceding Business Day Convention**, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.
- (c) **Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:
- (i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
    - (A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period (as defined in Condition 5.7(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:

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

where:

“Y<sup>1</sup>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sup>2</sup>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sup>1</sup>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sup>2</sup>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sup>1</sup>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sup>1</sup> will be 30; and

“D<sup>2</sup>” 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<sup>1</sup> is greater than 29, in which case D<sup>2</sup> will be 30;

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

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

where:

“Y<sup>1</sup>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sup>2</sup>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sup>1</sup>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sup>2</sup>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sup>1</sup>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sup>1</sup> will be 30; and

“D<sup>2</sup>” 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<sup>2</sup> will be 30;

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

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

where:

“Y<sup>1</sup>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sup>2</sup>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sup>1</sup>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sup>2</sup>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sup>1</sup>” 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<sup>1</sup> will be 30; and

“D<sup>2</sup>” 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<sup>2</sup> 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 and Variable Interest 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 in euro will be made 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 any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 8 (*Taxation*). References to Specified Currency will include any successor currency under applicable law.

### 6.2 *Presentation of Bearer Definitive Covered Bonds, Receipts and Coupons*

Payments of principal and interest (if any) (other than instalments of principal prior to the final instalment) 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, Receipts 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)).

Payments of instalments (if any) of principal other than the final instalment, will (subject as provided below) be made in accordance with Condition 6.1 (*Method of payment*) only against presentation and surrender (or, in the case of part of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in accordance with Condition 6.1 (*Method of payment*) only against presentation or surrender (or, in the case of part of any sum due, endorsement) of the Definitive Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Bearer Definitive Covered Bond to which it appertains. If any Bearer Definitive Covered Bond is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable in accordance with Condition 6.1 (*Method of payment*) only against presentation and surrender (or, in the case of part payment of any sum, endorsement) of such Bearer Definitive Covered Bond together with all unmatured Receipts appertaining thereto. Receipts presented without the Bearer Definitive Covered Bond to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer. On the date on which any Bearer Definitive Covered Bond becomes due and payable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect of them.

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

Payments of interest and payments of instalments of principal (other than the final instalment) 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 or an instalment of principal (other than the final instalment) 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) and instalments of principal (other than the final instalment) 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 and the final instalment of principal 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, Receipt 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(c));
- (f) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds;
- (g) in relation to any Dual Currency Interest Covered Bonds, the principal payable in any relevant Specified Currency;
- (h) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts.

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, the Receiptholders 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 and any Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond and Receipt equal to the nominal amount of that Covered Bond or Receipt 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, Receipts 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, Receipts and Coupons so issued will also become void on that date although those Covered Bonds, Receipts and Coupons will continue to constitute valid exchange obligations of the Issuer.

New euro-denominated Covered Bonds, Receipts and Coupons will be issued in exchange for Covered Bonds, Receipts and Coupons denominated in the Specified Currency in such manner as the Agents may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Covered Bonds;

- (e) after the Redenomination Date, all payments in respect of the Covered Bonds, the Receipts 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 or Variable Interest 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.

**Instalment Covered Bonds** means Covered Bonds which will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

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

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

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

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

**Rate of Interest** means the rate of interest payable from time to time in respect of Fixed Rate Covered Bonds, Floating Rate Covered Bonds and Variable Interest 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 Receiptholders, 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, or determined in the manner 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

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 a Variable Interest Covered Bond) or on any Interest Payment Date (if the relevant Covered Bond is a Floating Rate Covered Bond or a Variable Interest Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Trustee and, in accordance with Condition 17 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that on the occasion of the next date for payment of interest on the relevant Covered Bonds, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 8 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 7.2 (*Redemption for taxation reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7.6 (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If an issuer call is specified in the applicable Final Terms (**Issuer Call**), the Issuer may, having given not less than 15 nor more than 30 days' notice (or such other period of notice as may be 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 (the **Optional Redemption Date**)), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the **Optional Redemption Amount(s)** specified in, or determined in the manner specified in, the applicable Final Terms together, if

applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. 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 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 30 nor more than 60 days' (or such other notice period specified in the applicable Final Terms) notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice 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 subject to, and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part), such Covered Bond on the Optional Redemption Date and at the relevant Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.
- (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 5.7) 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, Receiptholders and Couponholders.

## 7.6 *Early Redemption Amounts*

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

- (a) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Covered Bond other than a Zero Coupon Covered Bond (but including an Instalment Covered Bond or a Partly Paid Covered Bond), with a Final Redemption Amount which is or may be less or greater than the Issuer Price or which is payable in a Specified Currency other than that in which the Covered Bond is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its Principal Amount Outstanding, together with interest accrued to (but excluding) the date fixed for redemption; and
- (c) in the case of a Zero Coupon Covered Bond, 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 *Instalments*

Instalment Covered Bonds will be redeemed in the instalment amount as specified in the Final Terms (the **Instalment Amount**) and on the date specified in the Final Terms (the **Instalment Date**). In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.6 (*Early Redemption Amounts*).

### 7.8 *Purchases*

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

### 7.9 *Cancellation*

All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, 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 7.8 (*Purchases*) and cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

### 7.10 *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 or a Variable Interest Covered Bond (but including an Instalment Covered Bond or a Partly Paid 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 and Variable Interest Covered Bond*), as the case may be;
- (b) in the case of a Zero Coupon Covered Bond, at a rate equal to the Accrual Yield; and
- (c) in the case of a Variable Interest Covered Bond, at a rate calculated by the Calculation Agent so as to compensate reasonably the holder of the Covered Bond for the cost of funding the delay in receiving the Late Payment,

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 7.10, 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.

#### 7.11 *Partly Paid Covered Bonds*

Partly Paid Covered Bonds will be redeemed at maturity in accordance with the provisions of the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.6 (*Early Redemption Amounts*).

### 8. **Taxation**

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

### 9. **Issuer Events**

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

- (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, Receipts 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 illegality 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;
- (f) the Issuer is declared bankrupt in accordance with the Greek Bankruptcy Code; or
- (g) a supervisor (Epitropos) of the Issuer is appointed in accordance with article 63 of Law 3601/2007 or Issuer is placed in liquidation in accordance with article 68 of Law 3601/2007.

**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, Receiptholder 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 Receipts, 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 despatched 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, Receipt 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, Receipts, Coupons and Talons

If any Covered Bond, Receipt, 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, Receipts 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, Receipts, 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, Receiptholders 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. 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 other Directive or law implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any change in any of the Agents or in their specified offices shall promptly be given to the Covered Bondholders 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 Receiptholders and 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, Receiptholders 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 Receipts and/or 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 Receipts and/or 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, Receipts 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, the related Receiptholders 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, the related Receiptholders 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, the Receiptholders 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](http://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, Receiptholder 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 18 (*Substitution of the Issuer*), with the substitution of references to the Former Residence with references to the New Residence;
  - (iv) the New Company and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the New Company of its obligations under the Transaction Documents;
  - (v) 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 Receipts, 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 Receipts, 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, Receiptholder 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, Receiptholder 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 all matters arising from or connected with the Covered Bonds are governed by, and shall be construed in accordance with, English law, save that the security under the Statutory Pledge referred to in Condition 3 (*Status of the Covered Bonds*) above, shall be governed by, and construed in accordance with Greek law.

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

**21. 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 receipts, interest coupons and/or talons attached or registered form, without receipts, interest coupons and/or talons attached. Bearer Covered Bonds will be issued outside the United States in reliance on Regulation S and Registered Covered Bonds may be issued outside the United States in reliance on Regulation S.

### **Bearer Covered Bonds**

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

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

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

If the Covered Bonds are stated in the applicable Final Terms to be issued in NGN form, they may be intended to be eligible collateral for Eurosystem monetary policy. Delivering the Covered Bonds to the Common Safekeeper 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 satisfaction of the Eurosystem eligibility criteria. 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 receipts and 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, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-U.S. beneficial ownership as described above unless such certification has already been given. Purchasers in the United States and certain United States persons will not be able to receive Bearer Definitive Covered Bonds or interests in the Permanent Global Covered Bond. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global

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

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

The following legend will appear on all Bearer Covered Bonds that have an original maturity of more than one year and on all receipts, talons and interest coupons relating to such Bearer Covered Bonds:

“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, receipts, talons or interest coupons and will not be entitled to capital gains treatment of any gain on any sale or other disposition in respect of such Bearer Covered Bonds, receipts, 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 deposited with the Common Depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms.

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 Receipts, 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, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which, subject to any necessary amendment, will be completed for each Tranche of Covered Bonds issued under the Programme. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for completing the Final Terms.*

[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

The Base Prospectus referred to below (as completed by this Final Terms) has been prepared on the basis that any offer of Covered Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (as amended by Directive 2010/73/EU, the **Prospectus Directive**) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.

## 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 [date] [and the supplement to the Base Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Base Prospectus. Copies of the Base Prospectus [and the supplement to the Base Prospectus] are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents.

*[The 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 [original date] [and the supplement to the Base Prospectus dated [date]]. 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 [current date] [and the supplement to the Base Prospectus dated [date]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Terms and Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the Group and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Base Prospectus dated [original date] and [current date] [and the supplement to the Base Prospectus dated [date]]. Copies of such Base Prospectuses are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents.]

[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.]

[When completing any final terms or adding any other final terms or information including final terms at items 9,10, 15,16, 17 or 28 of Part A or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer in Part B consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. Issuer: Alpha Bank A.E.
2. (a) Series Number: [●]  
 (b) Tranche Number: [●]  
*(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible).*
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount of Covered Bonds: [●]  
 (a) Series: [●]  
 (b) [Tranche: [●]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [●]  
*(in the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made)* *(N.B. Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: €100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000].)*  
*(N.B. If an issue of Covered Bonds is (i) NOT admitted to trading on a regulated market within the European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the [€100,000] minimum denomination is not required.)*

(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.)

7. (a) Issue Date: [●]

(b) Interest Commencement Date: [●]

8. (a) Final Maturity Date: *[Fixed rate - specify date/Floating rate - Interest Payment Date falling in or nearest to the relevant 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]]*

*[If an Extended Final Maturity Date is specified and the Final Redemption Amount is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date. See Condition 6 (Payments)]*

*N.B. Zero Coupon Covered Bonds are not to be issued with an Extended Final Maturity Date unless otherwise agreed with the Dealers and the Trustee*

9. Interest Basis: [[●]% Fixed Rate]

[[LIBOR/EURIBOR] [●]%

[Floating Rate]

[Zero Coupon]

[Index Linked Interest]

[Dual Currency Interest]

[Credit Linked Interest]

[Equity Linked Interest]

*[specify other](further particulars specified below)*

10. Redemption/Payment Basis: [Redemption at par]  
 [Partly Paid]  
 [Instalment]  
 [specify other]  
*[N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro-forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.]*
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Covered Bonds into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
13. (a) [Status of the Covered Bonds:] Senior  
 (b) [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)*
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **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 [annually/semi-annually/quarterly/monthly/other (specify)]] in arrear]
- (b) Interest Payment Date(s): [[●] in each year up to and including the Final Maturity Date, or the Extended Final Maturity Date, if applicable]/[specify other]
- (c) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (d) Business Day(s): [●]

- (e) Additional Business Centre(s): [●]
- (f) Fixed Coupon Amount[(s)]: [●] per Calculation Amount  
(Applicable to Covered Bonds in definitive form)
- (g) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]  
(Applicable to Covered Bonds in definitive form)
- (h) Day Count Fraction: [30/360/Actual/Actual [(ICMA/ISDA)]/[specify other]] [adjusted/not adjusted] (N.B. If interest is not payable on a regular basis (for example, if Broken Amounts are specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction)
- (i) Determination Date [●] in each year  
  
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon] (This will need to be amended in the case of regular interest payment dates which are not of equal durations)  
(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (j) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: [Not Applicable/Specify details]

16. **Floating Rate Covered Bond Provisions**

[Applicable/Not Applicable]

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

- (a) Interest Period(s): [●]
- (b) Specified Interest Payment Dates: [●]
- (c) First Interest Payment Date: [●]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (e) Business Day(s) [●]
- (f) Additional Business Centre(s): [●]
- (g) Manner in which the Rate(s) of Interest and Interest Amount is/are to be determined: [Screen Rate Determination / ISDA Determination / [specify other]]

- (h) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●]
- (i) Screen Rate Determination:
- Reference Rate: [●] *(Either LIBOR, EURIBOR or other. If other, provide additional information, including amendment to fallback provisions in the Agency Agreement)*
  - 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)*
  - Relevant Time: [For example, 11.00 a.m. London time/Brussels time]
  - Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
- (j) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (k) Margin(s): [ +/- ][●] per cent. per annum
- (l) Minimum Rate of Interest: [●] per cent. per annum
- (m) Maximum Rate of Interest: [●] per cent. per annum
- (n) Day Count Fraction: [Actual/ Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360]

30E/360 (ISDA)  
Other]  
(See Condition 5 for alternatives)  
[adjusted/not adjusted]

- (o) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions:

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

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

- (a) [Amortisation/Accrual] Yield:  per cent. per annum
- (b) Reference Price:
- (c) Any other formula/basis of determining amount payable: *(Consider applicable Day Count Fraction if not U.S. dollar denominated)*
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (e) Business Day(s):
- (f) Additional Business Centre(s):
- (g) Day Count Fraction in relation to Early Redemption Amounts and Late Payments: Conditions 7.6(c) and 7.10(b) apply/specify other]

18. **Variable Interest Covered Bond Provisions (other than Dual Currency Interest Covered Bonds)** [Applicable/Not Applicable]

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

- (a) Index/Formula/other variable: *[give or annex details]*
- (b) Calculation Agent responsible for calculating the interest due:
- (c) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:
- (d) Determination Date(s):

- (e) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:  *(Include a description of market disruption or settlement disruption events and adjustment provisions)*
- (i) Interest or Calculation Period(s)/ Specified Interest Payment Dates:
- (f) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]*
- (g) Business Day(s):   
Additional Business Centre(s):
- (h) Minimum Rate of Interest:  per cent. per annum
- (i) Maximum Rate of Interest:  per cent. per annum
- (j) Day Count Fraction:  [adjusted/not adjusted]

19. **Dual Currency Interest Covered Bond Provisions**  [Applicable/Not Applicable]

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

- (a) Rate of Exchange/method of calculating Rate of Exchange: *[give or annex details]*
- (b) Calculation Agent, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *(Include a description of market disruption or settlement disruption events and adjustment provisions)*
- (d) Person at whose option Specified Currency(ies) is/are payable:
- (e) Business Day(s):   
Additional Business Centre(s):

## PROVISIONS RELATING TO REDEMPTION

20. **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) of each Covered Bond and method, if any, of calculation of such 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 period (if other than as set out in the Terms and Conditions) [●]
- (N.B. If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent and the Trustee)*
21. **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) of each Covered Bond and method, if any, of calculation of such amount(s): [●] per Calculation Amount
  - (c) Notice period: [●]
- (N.B. If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as*

between the Issuer and the Principal Paying Agent and the Trustee)

22. **Final Redemption Amount of each Covered Bond** [●] per Calculation Amount/specify other/see Appendix

*(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This proforma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.)*

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (a) Index/Formula/variable: [give or annex details]
- (b) Party responsible for calculating the Final Redemption Amount (if not the Principal Paying Agent) [●]
- (c) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
- (d) Determination Date(s): [●]
- (e) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (f) Minimum Final Redemption Amount: [●] per Calculation Amount
- (g) Maximum Final Redemption Amount: [●] per Calculation Amount

23. **Early Redemption Amount**

Early Redemption Amount(s) per Calculation Amount of each Covered Bond payable on redemption for taxation reasons or on event of default or other early redemption, etc, and/or the method of calculating the same (if required or if

different from that set out in the Conditions):

## GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

24. 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 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
- [Registered Covered Bonds:
- Registered in the name of the common depository for Euroclear and Clearstream, Luxembourg]
25. New Global Covered Bond: [Yes/No]
26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details]. Note that this item relates to the date and place of payment, and not interest period end dates, to which items [15(b), 16(e) and 18(h)] relate]
27. Talons for future Coupons or Receipts to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: [Not Applicable/give details]
- (N.B. a new form of Temporary Global Covered Bond and/or Permanent Global Covered Bond may be required for Partly Paid issues)*
29. [Details relating to Instalment Covered Bonds:]

- |     |  |  |
|-----|--|--|
| (a) | Instalment Amount(s)   | [Not Applicable/ <i>give details</i> ]   |
| (b) | Instalment Date(s)   | [Not Applicable/ <i>give details</i> ]   |
| 30. | Redenomination, renominatisation and reconventioning provisions: | [Not Applicable/The provisions [in Condition 19 ( <i>Renominatisation and Reconventioning</i> )] apply]  |
| 31. | [Consolidation provisions:]                                      | [Not Applicable/The provisions [in Condition 16 ( <i>Further Issues</i> )] apply]  |
| 32. | Other terms or special conditions                                | [Not Applicable/ <i>give details</i> ]<br><br><i>(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)</i> |

## DISTRIBUTION

- |     |                                       |  |
|-----|---------------------------------------|--|
| 33. | (a) If syndicated, names of Managers: | [Not Applicable/ <i>give names, addresses and underwriting commitments</i> ] |
|     | (b) Date of Subscription Agreement:   | [●]  |
|     | (c) Stabilising Manager(s) (if any):  | [Not Applicable/ <i>give name</i> ]  |
| 34. | If non-syndicated, name of Dealer:    | [Not Applicable/ <i>give name</i> ]  |
| 35. | Total commission and concession       | [●]% of the Aggregate Nominal Amount   |
| 36. | U.S. Selling Restrictions:            | [Reg. S Compliance Category; TEFRA C/ TEFRA D/ TEFRA not applicable]         |
| 37. | Non-exempt Offer                      | [Not Applicable/ <i>give details</i> ]                                       |
| 38. | Additional selling restrictions:      | [Not Applicable/ <i>give details</i> ]                                       |

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the [*specify relevant regulated market*] of the Covered Bonds described herein pursuant to the €8 billion Direct Issuance Global Covered Bond Programme of Alpha Bank A.E.

## STABILISATION

In connection with this issue, [insert name of Stabilising Manager(s)] (the **Stabilising Manager(s)**) (or any person acting for the Stabilising Manager(s)) may over-allot 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 for a limited period. However, there may be no obligation on the Stabilising Manager(s) (or any agent of the Stabilising Manager(s)) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [*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.

## 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 the regulated market of the *[specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's Regulated Market or the Regulated Market of the Irish Stock Exchange) and if relevant, admission to an official list (for example, the Official List of the U.K. Listing Authority)]* with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the *[specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's Regulated Market or the Regulated Market of the Irish Stock Exchange) and if relevant, admission to an official list (for example, the Official List of the U.K. Listing Authority)]* with effect from [●].] [Not Applicable.]

*(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 rated:

[Moody's: [●]]

[[Fitch: [●]]

[[Other]: [●]]

[[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the European Union and registered under Regulation (EU) No 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not

issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (the **CRA Regulation**) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

*(Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*

*(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.)*

*N.B. Consult the relevant Rating Agencies in relation to Covered bonds which may have a Final Redemption Amount of less than 100% of the nominal value.*

**3. [INTEREST RATE SWAP/COVERED BOND SWAP]**

Interest Rate Swap Provider [Include name and address of Interest Rate Swap Provider]

Covered Bond Swap Provider [Include name and address of Covered Bond Swap Provider]

Nature of Covered Bond Swap [Forward Starting/Non-Forward Starting]

**4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.” – *Amend as appropriate if there are other interests*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

**5. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]**

(a) [Reasons for the offer: [●]]

*(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer differ from making profit and/or hedging certain risk, those reasons will need to be included here.)]*

(b) [Estimated net proceeds: [●]]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds*

*insufficient to fund all proposed uses state amount and sources of other funding.)]*

(c) [Estimated total expenses:

*(Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.)*

*(If the Covered Bonds are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (b) and (c) above where disclosure is included at (a) above.)]*

**6. YIELD (Fixed Rate Covered Bonds only)**

Indication of yield:

*[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

**7. HISTORIC INTEREST RATES: (Floating Rate Covered Bonds only).**

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

**8. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING: (Index-Linked or other Variable Linked Covered Bonds only)**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.] \**

*[(When completing this paragraph, 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.)]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

**9. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Covered Bonds only)**

*[Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*[(When completing this paragraph, 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.)]*

## 10. **TRADABLE AMOUNTS:**

So long as the Covered Bonds are represented by a Global Covered Bond and [specify relevant clearing system(s)] so permit, the Global Covered Bond shall be tradable in minimum principal amounts of [€100,000]/[specify equivalent to €100,000 if Global Covered Bond not denominated in Euro] and integral multiples of [●] (the Tradable Amount) in addition thereto.

[If item 24 of Part A indicates that the Global Covered Bond is exchangeable for Definitive Covered Bonds at the option of the Covered Bondholders, the Covered Bonds will be tradable only in principal amounts of at least the Specified Denomination.]

## 11. **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

*(insert here any other relevant codes such as CINS codes):* [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

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][No] [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 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.] [Include this text if “yes” selected in which case the Covered Bonds must be issued in NGCB form]\*

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\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

## 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 (in conjunction with certain provisions of Greek Law 3588/2007 on bankruptcy) 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 3601/2007, 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 63 or 68 respectively of Greek Law 3601/2007), 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.
- In the event of the Issuer's insolvency under the bankruptcy provisions of Greek Law 3588/2007, the servicing will be carried out (in accordance with the terms of the Servicing and Cash Management Deed) by a bankruptcy administrator appointed by the court, unless a Servicer is appointed by Bank of Greece in respect of the administration and servicing of the Cover Pool pursuant to Article 91 para 9 of the Covered Bond Law. At the request of the bankruptcy administrator, the court may order the carrying out of the servicing by a third party provided that such third party is in a position to perform the servicing tasks and that the rights of the Covered Bondholders are not adversely affected. It should also be noted that commencement of insolvency proceedings under Greek Law 3601/2007 will result in the postponement and/or cancellation of the insolvency proceedings under Greek Law 3588/2007, if such proceedings have already been commenced.

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 91 of Greek Law 3601/2007 (such law being published in the Government Gazette No. 178/A/1-8-2007 and dealing with, *inter alia*, the capital adequacy of investment firms and credit institutions, by implementation of Directive 2006/48/EC and Directive 2006/49/EC) as amended by Article 48 of Greek Law 3693/2008 (published in the Government Gazette No. 174/A/25-8-2008) and Article 69 of Greek Law 3746/2009 (published in the Government Gazette No. 27/A/16-2-2009) (defined elsewhere in this Base Prospectus as Article 91) 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 22(4) of Directive 85/611/EEC, 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 91**

Credit institutions may issue Covered Bonds pursuant to the provisions of Article 91 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 91 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 the aforementioned authorisation, 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; 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 91) 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 91, 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 91 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 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 91 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 91 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 91 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 91 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 91 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 91 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 91.

### **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 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

### Background

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 and real estate management and brokerage services. The Group is active in Greece, its principal market, and in most markets of south-eastern Europe (Romania, Cyprus, Serbia, Bulgaria, Former Yugoslav Republic of Macedonia (FYROM), Albania and, since April 2008, Ukraine). The Group also maintains a presence in London, the Channel Islands and New York. 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/treasury). The Group's client base comprises 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 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 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.

The Group had consolidated profit before tax from continuing operations of €216.4 million for the year ended 31 December 2010 as compared to €501.8 million for the year ended 31 December 2009. As at 31 December 2010, the Group had total assets of €66.8 billion, total deposits of €38.3 billion and total net loans of €49.3 billion.

As at 31 December 2010, the Bank's share capital was €3,451,067,345.60 divided into 734,269,648 shares, of which 534,269,648 are common, registered, voting, paperless shares of nominal value of €4.70 each and 200,000,000 are preferred, registered, without voting rights, paper, redeemable shares issued in accordance with the provisions of Law 3723/2008 of nominal value of €4.70 each. The Bank's share capital is all fully paid up.

As at 31 December 2009, the Issuer's equity was held by approximately 134,000 shareholders. On the same date, the shareholder base comprised:

- institutional shareholders representing approximately 44.3 per cent. of the shareholder base (of which approximately 33.7 per cent. are foreign institutional investors and 10.6 per cent. are Greek institutional investors);
- Mr Y.S. Costopoulos, chairman of Alpha Bank, who together with other members of the founding family represents 9 per cent. of the shareholder base;
- private shareholders who represent approximately 46.7 per cent of the shareholder base; and

- the Greek State, holding 200 million registered non-voting non-listed and redeemable preference shares issued under the Support Scheme (the **Greek State Preference Shares**).

In accordance with Law 3723/2008, the Extraordinary General Meeting of Shareholders of the Bank held on 12 January 2009 approved the increase of the share capital of the Bank in a maximum amount of €950,000,000 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, against the Greek State contributing Greek government bonds to the Bank in kind.

The Board of Directors of Alpha Bank, on 19 October 2009 resolved upon a €986 million rights issue for the purposes of strengthening the capital base of the Bank and providing the ability to finance the redemption of the Greek State Preference Shares. The rights issue was well received by the market and was oversubscribed 1.52 times, therefore it was successfully completed in late November 2009.

## 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 is incorporated and registered in the Hellenic Republic as a public company under Codified Law 2190/20, incorporated with limited liability (registered number 6066106/B/86105) for the period ending 2100. The Issuer is subject to regulation and supervision by the Bank of Greece and complies with the Greek banking and accounting law.

The objects of the Issuer as set out in Article 4 of the Issuer's articles of association are "to engage in, and to transact, in Greece and abroad, any and all banking operations, in conformity with whatever rules and regulations may be in force from time to 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 November 2010, 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 Bank 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, as well as Ukraine, which is considered to be a part of its South-eastern Europe unit internally and for purposes of its financial reporting and disclosure. 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 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**

### **Retail deposits**

Within the Issuer's retail banking business unit, deposits, customer repos and Alpha Bank retail bonds amounted on a consolidated basis to €38.3 billion as at 31 December 2010, €42.9 billion as at 31 December 2009, €42.5 billion as at 31 December 2008, €34.7 billion as at 31 December 2007 and €31.0 billion as at 31 December 2006.

The liquidity crisis faced by Greek banks as a result of the widespread financial crisis, forced the entire sector to make aggressive interest rate offerings. Deposits spread erosion continued in 2010, putting pressure on net interest margin.

### **Retail loans**

Total gross loans on a consolidated basis attributed to the Retail Banking business unit (before provisions for loan impairment) amounted to €21.3 billion as at 31 December 2010, compared to €21.6 billion as at 31 December 2009, a decrease of 1.4 per cent.

### **Mortgage loans**

The Group's mortgage lending grew by 3.2 per cent. in 2010 compared to 1.7 per cent. in 2009.

As at 31 December 2010, the Group's residential mortgage balances were €14.7 billion. As at 31 December 2009 residential mortgage balances stood at €14.3 billion.

### **Consumer loans**

In the consumer loans business, the Issuer's offers financial solutions through a consumer loans product mix that it has designed to respond to the needs of the Issuer's retail banking customers. Its consolidated consumer loan balances outstanding were €4,424 million as at 31 December 2010 and €4,703 million as at 31 December 2009.

### **Credit cards**

With approximately three million credit and debit cards in issue, the Issuer enjoys a leading position in the Greek market for both the issuance of credit cards, where its market share is approximately 17 per cent., and transaction clearing. It is the only bank in Greece offering products by each of Visa, American Express and MasterCard.

The Issuer also offers e-commerce solutions to merchants for Visa, MasterCard and American Express cards.

### **Loans to small businesses**

The Issuer offers financing to small businesses and professionals with an annual turnover of up to €2.5 million or credit limit up to €1.0 million. In 2010, the Bank's small business loans decreased by 4.7 per cent.,

while loans to very small businesses (those with credit limits up to €150,000) decreased by 1.3 per cent. compared to 31 December 2009.

### **Commercial & Corporate Banking (including Shipping)**

The Issuer provides a full range of corporate banking services to Greek companies, foreign corporations active in Greece and, to a lesser degree, public sector entities. Corporate clients serviced by its Corporate Banking division generally have annual turnover of at least €75 million. Its corporate loan portfolio at 31 December 2010 was balanced in terms of industry concentration, with exposure to the industrial and trade sectors standing at 20.4 per cent. and 21.8 per cent respectively, while the rest of the portfolio was spread among entities in construction and real estate, transportation, shipping, tourism and services.

With regards to shipping, the balance of loans to the sector as at 31 December 2010 amounted to €1.6 billion, remaining stable when compared to 31 December 2009. Of these balances, 32 per cent. were from underwriting and participations in syndicated loans. The allocation of the portfolio in terms of the types of vessels financed was 48 per cent. bulk carriers, 38 per cent. tankers, 7 per cent. container vessels and 1 per cent. yachts, with the remaining 6 per cent. representing loans to the largest Greek coastal shipping firms.

### **International Banking Activities**

The Group operates in Albania and Bulgaria, through branches of the Bank, and in Romania, Serbia, Cyprus, FYROM and Ukraine through its subsidiaries.

As at 31 December 2010, loans in the region decreased by 4.7 per cent. compared to 31 December 2009, amounting to €10.8 billion and corresponding to 20.9 per cent. of total loans of the Group on a consolidated basis. Deposits grew by 7.8 per cent. and amounted to €6.8 billion as at 31 December 2010, compared to 31 December 2009. Retail loans amounted to approximately €4.3 billion, while wholesale loans amounted to approximately €6.5 billion.

The Group also operates in England through a branch of the Issuer in London and through Alpha Bank London Limited, its English Subsidiary.

### **Investment Banking and Treasury**

#### Investment Banking

Through its Investment Banking operations the Issuer offers services relating to mergers and acquisitions, restructurings, privatisation projects and capital markets transactions. Investment banking services since 2008 concentrate mainly on the provision of advisory services to the Hellenic Republic related to privatisation projects, and to private sector companies involved in mergers and acquisitions.

#### Treasury

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

This business unit also supervises the Group's sales and trading activities. The Treasury's various units trade in a wide range of products, such as foreign exchange spot and forward contracts, foreign exchange swaps, money market securities, options, debt securities and other derivatives.

## **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. (**AAM**) and Alpha Investment Services A.E. (**AIS**). 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 €1.5 billion in assets under management as at 31 December 2010, AAM offers institutional asset management services through discretionary portfolio management and investment advice to a number of institutional clients and pension funds in Greece.

## **Distribution Network**

The Issuer's presence in Greece and the other countries in which it operates is supported by a network comprising 1,032 branches at 31 December 2010, which includes 434 retail branches in Greece, 10 commercial centres in Greece, 14 private banking customer service centres in Greece and 574 retail branches outside Greece.

## **Risk management**

The Issuer has adopted a systematic and rigorous framework for risk management, central to which is the reliable measurement of credit risk. The Issuer's efforts focus on ensuring the implementation and continuous improvement of this framework, in order to minimise the potential negative impact of credit risk on its financial results. Active risk management is its highest priority, particularly in light of the current conditions in the international economic environment. The Issuer's risk management framework and its effectiveness are reviewed regularly to ensure alignment with international best practices.

The Issuer's loan portfolio structure features low exposures to non-secured consumer lending balances, while the majority of the portfolio consists of loans to large and medium corporate clients and mortgages with low loan to collateral value ratios. This structure is consistent with its prudent risk management practice that places key emphasis on extending credit to quality clients with whom the Issuer maintains primary lender relationships, rather than more rapid portfolio growth that can be achieved through a more aggressive expansion into the non-secured consumer lending segment.

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 at 31 December 2010 provisions amounted to 1.69 per cent. of the Group's average loans and advances to customers, compared to 1.29 per cent. as at 31 December 2009. The resulting reserves amounted to coverage of 4.3 per cent. of the loan portfolio as at 31 December 2010, compared to 3.1 per cent. as at 31 December 2009. Loans in arrears as a percentage of total loans have increased over the same period from 5.7 per cent. as at 31 December 2009 to 8.5 per cent. as at 31 December 2010. As a result of the Issuer's prudent provisioning policy loans in arrears coverage stood at 51 per cent. as at 31 December 2010, increasing to 129 per cent. when collateral is taken into account.

## **Internal Audit**

The Issuer's audit committee (the **Audit Committee**) comprises three non-executive directors from the board of directors of the Bank. The current members of the Audit Committee, appointed by the General Meeting of Shareholders on 23 June 2009, are Paul G. Karakostas, chairman, George E. Agouridis and Evangelos J. Kaloussis. The Audit Committee convenes at least four times annually and reviews the

quarterly financial statements prior to their submission for approval. The Group Compliance Officer (as defined below) and the internal audit and inspection unit report to the Audit Committee. The Audit Committee comprises the required audit committee pursuant to Greek Law 3693/2008, article 37.

### **Asset and Liability Management**

The Issuer's asset and liability management policy is designed to structure its balance sheet in order to control exposure to liquidity, interest rate and exchange rate risks, as well as to enable the Issuer to take advantage of market opportunities which it believes may contribute to its profits. Overall responsibility resides with the general management of the Issuer to determine its general asset and liability policy. Day-to-day asset and liability management is delegated to the treasury division. The positions that could be taken by each operating unit are, however, limited by specific guidelines established by the general management relating to interest rate, exchange rate and liquidity exposure.

*Capital Adequacy:* The ratios measure capital adequacy by comparing the Group's regulatory own funds with the risks that it undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves, minority interest, hybrid debt) and Tier II capital (subordinated debt and fixed assets revaluation reserves). The risk weighted assets arise from the credit risk of the investment portfolio and the market risk of the trading portfolio.

From 1 January 2008, capital adequacy is calculated under the new regulatory framework (Basel II) which has been transposed into Greek law by Law 3601/2007. The new regulatory framework significantly amends the measurement of credit risk and introduces capital requirements for operational risk. There are no significant changes for market risk. The Issuer is currently applying the Standardised Approach for the measurement of the credit risk of the investment portfolio and operational 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.

*Treasury:* The Treasury Division is responsible for managing the Issuer's assets and liabilities. 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 Bank at least annually. Internal procedures are in place to ensure adherence to the limits and processes. The Risk Management unit of the Bank 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 Bank and runs monthly stress testing scenarios. It produces management review reports and presents them to the Executive General Management and the Treasury Division.

The assets and liabilities management committee (**ALCO**) is an executive committee responsible for managing the assets and liabilities of the Group. ALCO meets on a monthly basis and examines interest rate and foreign exchange risk affecting the banking book and determines hedging strategies. It also manages the liquidity position of the Group.

## DIRECTORS AND MANAGEMENT OF THE ISSUER

The Issuer is managed by a board of directors (the **Board**, and its members **Directors**) consisting of no less than nine and no more than sixteen Executive and Non-Executive Members which manage the Bank's corporate affairs, in accordance with the provisions of Codified Law 2190/1920 and Law 3016/2002.

The Members of the Board of Directors are elected by the General Meeting following a secret ballot; they may be re-elected and they may be removed or replaced at any time. The term of office of the Members of the Board of Directors is quadrennial, begins as soon as the Board is elected and ends upon election of a new Board of Directors by the Ordinary General Meeting in the year their term of office expires. The term of office cannot exceed a period of five years. By exception, the term of office of the Board of Directors may be extended until the termination of the deadline for the convocation of the next Ordinary General Meeting. The current Board's term ends at the 2014 Ordinary General Meeting.

The Board of Directors is deemed to be in quorum when no less than one-half plus one of its Members are present or are duly represented. However, the number of Directors present in person may in no case be less than six. The quorum is determined using absolute numbers.

A Member of the Board of Directors, which is absent from a meeting for any reason whatsoever, may be represented by another Member that the absentee has appointed via a letter, a telex, a cable, a telefax or an e-mail addressed to the Board of Directors. A Member of the Board of Directors may not represent, under any circumstances, more than one Member.

Failure on the part of a Member to attend meetings of the Board for six consecutive months, without a good and valid reason, is construed as resignation therefrom and such resignation is finalised by resolution of the Board of Directors ascertaining the Member's failure to attend Board meetings as above

The Chairman and Vice Chairman of the Board of Directors are elected by absolute majority among the present or duly represented Members of the Board following a secret ballot.

Unless otherwise stipulated by law or the Articles of Incorporation, the resolutions of the Board of Directors are passed by absolute majority of the Members present or duly represented and, in the event of halved votes, the Chairman's vote shall overcome.

A Board Member may not vote on, or be counted in the quorum in relation to, any resolution concerning any contract or arrangement in which he, or certain of his relatives, is or are interested, directly or indirectly.

The Board of Directors is responsible for the general administration and management of corporate affairs, as well as for the representation of the Bank in all its relations, in Greece and abroad, with all kinds of institutions. The Board of Directors may resolve on all issues concerning the Bank and performs any action for which the relevant authority is bestowed upon it in accordance with the provisions of the law or the Articles of Incorporation, apart from those actions for which the General Meeting of Shareholders is the sole, competent authority in accordance with the provisions of the law or the Articles of Incorporation.

The Board of Directors may delegate its powers, in part or in whole, unless otherwise stipulated by law, to the Chairman or to any other Member or Members of the Board, who shall then assume, as the case may be, the title of Managing Director or Executive Director. The Board of Directors may likewise entrust the General Management of the Bank to one or more Members of the Board, as well as to managers of the Bank or to any third party, who shall assume, as the case may be, the title of General Manager or any title the Board of Directors may wish to grant according to the business needs of the Bank.

The Extraordinary General Meeting of Shareholders held on 12 January 2009, approved the election of the Greek State, duly represented, as a new Member of the Board of Directors of the Bank in accordance with

Law 3723/2008 "On the enhancement of the economy's liquidity in response to the impact of the international financial crisis". The representative of the Greek State has a statutory veto right on actions relating to the distribution of dividends and remuneration of the Bank's senior management, while his participation in the Board of the Bank is obligatory so long as the Bank participates in the first (recapitalisation) and second (liquidity by way of issuance of government guaranteed notes) pillars of the Support Scheme. The scope of such veto right is expected to be extended by virtue of legislative amendment currently underway.

The current Board was elected by the General Meeting of Shareholders held on 22 June 2010. The Board of Directors elected at its meeting on 22 March 2011, Mr. George C. Aronis, Retail Banking General Manager of the Bank, to fill a vacated position of Executive Member of the Board of Directors for the remainder of this Board's tenure.

The business address of the Board of Directors is: Alpha Bank, 40 Stadiou Street, 102 52 Athens, Greece.

### **Board of Directors**

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

<b>Position</b>	<b>Name</b>
<b>Executive Directors:</b>	
Chairman	Yannis S. Costopoulos
Managing Director – Chief Executive Officer	Demetrios P. Mantzounis
General Manager – Chief Operating Officer	Spyros N. Filaretos
General Manager	Artemis Ch. Theodoridis
General Manager	George C. Aronis
<b>Non-Executive Directors:</b>	
Member	Sophia G. Eleftheroudaki
Member	Paul G. Karakostas
Member	Nicholaos I. Manassis
Member	Ioanna E. Papadopoulou
<b>Non-Executive Independent Directors:</b>	
Vice Chairman	Minas G. Tanes
Member	George E. Agouridis
Member	Pavlos A. Apostolides
Member	Evangelos J. Kaloussis
Member	Ioannis K. Lyras
Member	Thanos M. Veremis
<b>Non-Executive Director in accordance with Law 3723/2008:</b>	
Member	THE GREEK STATE, via its appointed representative, Mr. Sarantis-Evangelos G. Lolos

### **Biographical Information**

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

## ***Executive Directors***

### *Yannis S. Costopoulos, Chairman*

Mr. Costopoulos was born in Athens in 1938. He received his B.Sc. in Naval Architecture at King's College, Durham University, England. He joined the Commercial Credit Bank (as Alpha Bank was then called) in 1963. From 1973 to 1984 he served as Managing Director and General Manager and Chairman of the Board of Directors and General Manager from 1984 to 1996. From 1996 to 2005 he served as Chairman of the Board of Directors and Managing Director of Alpha Bank. On 23 February 2005 he was appointed Executive Chairman.

### *Demetrios P. Mantzounis, Managing Director*

Mr. Mantzounis was born in Athens in 1947. He studied political science at the University of Aix-Marseille. He joined the Bank in 1973 and he was appointed General Manager in 2002. On 23 February 2005, he was appointed Managing Director.

### *Spyros N. Filaretos, General Manager*

Mr. Filaretos was born in Athens in 1958. He studied economics at the University of Manchester and the University of Sussex. He joined the Bank in 1985. He was Executive General Manager since 1997, and on 23 February 2005 he was appointed General Manager.

### *Artemis Ch. Theodoridis, General Manager*

Mr. Theodoridis was born in Athens in 1959. He studied economics and has an MBA from the University of Chicago. He joined the Bank as Executive General Manager in 2002 and on 23 February 2005 was appointed General Manager. He is a member of the Board of Directors of Hellenic Exchanges S.A. since 2006.

### *George C. Aronis, General Manager*

Mr. Aronis was born in Athens in 1957. He has studied Finance and holds a MBA from the Athens Laboratory of Business Administration. He joined Alpha Bank in February 2004, as Retail Banking Manager. On 17 May 2006 was appointed Executive General Manager and on 31 October 2008 General Manager. He has worked in ABN AMRO BANK in Greece and abroad and has served for five years as General Manager Consumer Banking. In 1999 he joined the National Bank of Greece Group and served in managerial positions and in 2002 was appointed General Manager Retail Banking. He is also member of the Board of Directors of the Duty Free Shops.

## ***Non-Executive Directors***

### *Sophia G. Eleftheroudaki, Director*

Ms. Eleftheroudaki was born in 1954 and is the Managing Director of the bookstore and publishing company, G.C. ELEFThEROUdakIS S.A. since 1983. She joined the Bank's Board in 2005.

### *Paul G. Karakostas, Director*

Mr. Karakostas was born in 1945 and is Chairman and Managing Director of GENKA COMMERCIAL S.A. He joined the Bank's Board in 2000. He has been Chairman of the British Hellenic Chamber of Commerce and Chairman of the Greek Wine Association.

*Nicholaos I. Manassis, Director*

Mr. Manassis was born in 1949 and is Chairman of the Board of Directors of HELLENIC HALYVOURGIA S.A. Since 2005 he is also a Member of the Bank's Board.

*Ioanna E. Papadopoulou, Director*

Mrs. Papadopoulou was born in 1952 and is President and Managing Director of the E.J. PAPADOPOULOS S.A. BISCUIT AND FOODWARE INDUSTRY. Since 2008, she is also a Member of the Bank's Board.

***Non-executive Independent Directors***

*Minas G. Tanes, Vice Chairman*

Mr. Tanes was born in 1940 and is Chairman of Ericsson Hellas S.A. He has been at the helm of Athenian Brewery S.A from 1976 to 2008 and he joined the Bank's Board of Directors in 2003.

*George E. Agouridis, Director*

Mr. Agouridis was born in 1952 and is a lawyer and Chairman of the Greek Advisory Committee of the "Stavros S. Niarchos" Foundation. He joined the Board in 2000.

*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 Bank's Board 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.

*Evangelos J. Kaloussis, Director*

Mr. Kaloussis was born in 1943. And is Chairman of NESTLE HELLAS S.A. He is also Chairman of the Federation of Hellenic Food Industries as of 2006, whereas he has been a member of the Federation since 2002. He joined the Board of Directors of the Bank in 2007.

*Ioannis K. Lyras, Director*

Mr. Lyras was born in 1951 and is President of PARALOS MARITIME CORPORATION S.A. He joined the Bank's Board in 2005. He was Chairman of the Union of Greek Shipowners from 1997 to 2003. He represents the Union of Greek Shipowners to the Board of Directors of the Union of European Shipowners.

*Thanos M. Veremis, Director*

Mr. Veremis was born in 1943 and is Professor of Political Science at Athens University since 1987. He joined the Bank's Board in 2000. He is also a Director of the Hellenic Foundation for European and Foreign Policy (ELIAMEP) since 1988, having served as its President from 1995 to 2000.

### ***Non-Executive Member in accordance with Greek Law 3723/2008***

*THE GREEK STATE, via its appointed representative:*

*Sarantis-Evangelos G. Lolos*

He 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 B.Sc. degree in Engineering and a B.A. degree in Economics. In 1981 he obtained his Ph.D. in Economics from CNAA in collaboration with Imperial College, London. He has been among the staff 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 scientific and published work focuses mainly on issues of economic growth, macroeconomic and structural policies and financial economics.

### **Board Practices**

The Board and the Bank comply with all applicable provisions of Greek law on corporate governance. There are no Members' service contracts with the Bank, or between any subsidiaries and their directors, providing for benefits upon termination of service.

Other than as disclosed above, no Member or Senior Manager of the Bank has any activities outside the Bank which are significant with respect to the Bank. There are no potential conflicts of interest between the duties to the Bank of the persons listed above and their private interests.

### **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.

#### ***Committees composed by Members of the Board***

**Audit Committee:** The Audit Committee comprises three Non Executive Members of whom at least one is a Non Executive Independent Member with sufficient knowledge of accounting and auditing. One of the three 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 Bank and the Group, as well as the internal and external audits of the Bank. 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 Bank and the Group Companies.

**Risk Management Committee:** The Risk Management Committee comprises one Executive Member and two Non Executive Members. One of the three Members is appointed Chairman of the Committee and the remainder are appointed Members of the Committee. The composition of the Risk Committee is designated by the Board of Directors.

The Risk Management Committee recommends to the Board of Directors the risk assumption and capital management strategy and defines the principles of managing risk with regard to identifying, forecasting, measuring, monitoring and managing, in line with the adequacy of the available resources. Ensures the development of an in-house risk management system and evaluates reports submitted by the Risk Division. Provides for the conduct of at least annual stress tests and is informed of the sections relating to risk management of the report by the External Auditors.

**Remuneration Committee:** The Remuneration Committee comprises three Non Executive Members who are appointed by the Board of Directors, one of whom is appointed Chairman and the remainder are appointed Members of the Committee.

The Committee proposes to the Board of Directors the policy for remuneration, bonuses and financial incentives as well as the overall remuneration of the Members of the Executive Committee and expresses its opinion on the level of emoluments paid to the Members of the Board of Directors and its Committees.

## **OVERVIEW OF THE 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 2009 and 31 December 2010, 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 Bank extracted from the audited consolidated financial statements of the Bank as at, and for the years ended, 31 December 2009 and 31 December 2010.

### Consolidated Balance Sheet

	<b>31.12.2010</b>	<b>31.12.2009</b>
	<i>(Thousands of Euro)</i>	
<b>ASSETS</b>		
Cash and balances with Central Banks	4,124,283	3,814,673
Due from banks	2,397,664	5,108,146
Securities held for trading	41,268	70,600
Derivative financial assets	441,082	347,178
Loans and advances to customers	49,304,745	51,399,939
Investment securities		
– Available for sale	2,375,964	1,418,162
– Held to maturity	5,282,498	4,868,493
Investment in associates	49,617	50,715
Investment property	71,729	72,668
Property, plant and equipment	1,240,658	1,258,451
Goodwill and other intangible assets	193,191	178,109
Deferred tax assets	427,554	293,289
Other assets	666,984	599,984
Non-current assets held for sale	181,078	115,640
<b>Total Assets</b>	<b>66,798,315</b>	<b>69,596,047</b>
<b>LIABILITIES</b>		
Due to banks	16,461,381	13,235,439
Derivative financial liabilities	1,105,433	603,932
Due to customers (including debt securities in issue)	38,292,501	42,915,694
Debt securities in issue held by institutional investors and other borrowed funds	3,561,188	5,148,875
Liabilities for current income tax and other taxes	136,520	108,487
Deferred tax liabilities	263,510	202,492
Employee defined benefit obligations	52,592	47,850
Other liabilities	1,058,511	1,304,862
Provisions	82,745	55,057
<b>Total liabilities</b>	<b>61,014,381</b>	<b>63,622,688</b>
<b>EQUITY</b>		
<b>Equity attributable to equity owners of the bank</b>	<b>5,210,871</b>	<b>5,372,148</b>
Minority interests	13,413	17,424
Hybrid securities	559,650	583,787
<b>Total Equity</b>	<b>5,783,934</b>	<b>5,973,359</b>
<b>Total Liabilities and Equity</b>	<b>66,798,315</b>	<b>69,596,047</b>

Set out below are consolidated income statement figures for the Issuer extracted from the audited consolidated financial statements of the Issuer for the years ended 31 December 2009 and 31 December 2010.

### Consolidated Income Statement

	<b>31.12.2010</b>	<b>31.12.2009</b>
	<i>(Thousands of Euro)</i>	
Interest and similar income	3,543,386	3,874,672
Interest expense and similar charges	(1,724,756)	(2,112,073)
Net interest income	1,818,630	1,762,599
Fee and commission income	383,475	425,194
Commission expense	(50,938)	(46,371)
Net fee and commission income	332,537	378,823
Dividend income	2,678	2,646
Gains less losses from financial transactions	35,139	171,522
Other income	60,427	67,430
<b>Total income</b>	<b>2,249,411</b>	<b>2,383,020</b>
Staff costs	(548,839)	(565,466)
General administrative expenses	(497,396)	(540,184)
Depreciation and amortisation expenses	(93,286)	(91,765)
Impairment losses and provisions to cover credit risk	(884,754)	(676,343)
Other expenses	(8,937)	(4,482)
<b>Total expenses</b>	<b>(2,033,212)</b>	<b>(1,878,240)</b>
Share of profit/(loss) of associates	172	(2,963)
<b>Profit before income tax</b>	<b>216,371</b>	<b>501,817</b>
Income tax	(68,531)	(110,337)
Extraordinary Tax (Law. 3808/2009)	(61,801)	(42,403)
<b>Profit after tax from continuing operations</b>	<b>86,039</b>	<b>349,077</b>
Profit after tax from discontinued operations	-	-
<b>Profit after income and extraordinary tax</b>	<b>86,039</b>	<b>349,077</b>
<b>Attributable to equity holders of the Issuer</b>	<b>85,649</b>	<b>349,814</b>
Minority interests	390	(737)
<b>Earnings per share:</b>		
<i>From continuing and discontinued operations</i>		
Basic (€ per share)	0.02	0.64
Diluted (€ per share)	0.02	0.64
<i>From continuing operations</i>		
Basic (€ per share)	0.02	0.64
Diluted (€ per share)	0.02	0.64

Set out below are consolidated cash flow statement figures for the Issuer extracted from the audited consolidated financial statements of the Issuer for the years ended 31 December 2009 and 31 December 2010.

### Consolidated Cash Flow Statement

	31.12.2010	31.12.2009
	<i>(Thousands of Euro)</i>	
<b>Cash flows from operating activities</b>		
Profit before income tax	216,371	501,817
<i>Adjustments for:</i>		
Depreciation on fixed assets	64,156	65,423
Amortisation on intangible assets	29,130	26,342
Impairment losses from loans and provisions	921,594	781,516
Other adjustments	-	2,349
(Gains)/ losses from investing activities	30,607	(174,282)
(Gains)/ losses from financing activities	98,141	39,461
Share of (profit)/loss from associates	(172)	2,963
	<b>1,359,827</b>	<b>1,245,589</b>
<i>Net (increase)/decrease in assets relating to operating activities:</i>		
Due from banks	(636,002)	531,864
Securities held for trading and derivative financial assets	(64,573)	148,383
Loans and advances to customers	1,074,073	(1,485,689)
Other assets	(23,122)	(52,282)
<i>Net increase/(decrease) in liabilities relating to operating activities:</i>		
Due to banks	3,225,942	4,271,643
Derivative financial liabilities	464,147	(202,264)
Due to customers	(6,226,365)	(1,571,057)
Other liabilities	(160,431)	(65,578)
<b>Net cash flows from operating activities before taxes</b>	<b>(986,504)</b>	<b>2,820,609</b>
Income taxes paid and other taxes	(143,915)	(136,200)
<b>Net cash flows from operating activities</b>	<b>(1,130,419)</b>	<b>2,684,409</b>
<b>Cash flows from investing activities</b>		
Acquisitions of subsidiaries and associates	(14,499)	(21,265)
Proceeds from sale of investments in subsidiaries and associates	-	-
Dividends received	2,678	2,646
Purchases of property, plant and equipment	(106,382)	(200,135)
Disposal of property, plant and equipment	11,209	16,440
Net (increase)/decrease in investment securities	(1,539,679)	143,152
<b>Net cash flows from continuing investing activities</b>	<b>(1,646,673)</b>	<b>(59,162)</b>
<b>Cash flows from financing activities</b>		
Share capital increase	-	986,344
Expenses relating to the share capital increase	(799)	(53,240)
Dividends paid	(59,217)	(982)
(Purchases)/sales of treasury shares	-	71,495
Proceeds from the issue of debt securities and other borrowed funds	-	1,024,832
Repayment of debt securities and other borrowed funds	(135,739)	(1,156,000)
Expenses of debt issuance	-	(12,630)
Proceeds from the issue / (purchase) of hybrid securities	(14,309)	(234,387)
Dividends paid to hybrid securities holders	(28,173)	(53,887)
<b>Net cash flows from continuing financing operations</b>	<b>(238,237)</b>	<b>571,545</b>
Effect of exchange rate fluctuations on cash and cash	(20,566)	(23,245)

equivalents		
<b>Net increase/(decrease) in cash flows from continuing operations</b>	<b>(3,035,895)</b>	<b>3,173,547</b>
Net cash flows from discontinued operating activities	-	-
Net cash flows from discontinued investing activities	-	-
Net cash flows from discontinued financing activities	-	-
<b>Net increase/(decrease) in cash flows from discontinued activities</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,187,183</b>	<b>3,013,636</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,151,288</b>	<b>6,187,183</b>

## OVERVIEW OF THE BANKING SERVICES SECTOR IN GREECE

Bank lending to the private sector (corporations and households) has grown by 17.5% on average annually in the period 2000-2009, with average annual nominal GDP growth of 6.5% over the same period. In December 2010, the outstanding amount of bank credit to the private sector remained unchanged year-on-year, though nominal GDP fell by 2.1% in the same year. However, credit expansion to the private sector fell further to -0.5% at end-April 2011. In particular, the annual rate of change of mortgage and consumer lending stood at -1.6% and -4.9% respectively at end April 2011, from -0.4% and -4.2% respectively at end-December 2010. According to ECB data, household indebtedness in Greece reached 50.7% of GDP at end-April 2011, compared to 51.3% of GDP in the Eurozone. On the contrary, lending growth to businesses reached 1.2% at end-April 2011, from 1.1% at end-December 2010. Overall, the annual rate of change of credit to the private sector is expected to decelerate further to around -3.0% by year-end 2011, from -0.1% at year-end 2010. For 2012, a recovery of up to 1.0% credit expansion is contemplated.

The assets of Greek commercial banking groups rose in 2010 to 223.6% of GDP, primarily as a result of the recession. The banking sector plays a dominant role in the financial sector, amounting to approximately 95% of total financial sector assets.

Today 62 banks operate in Greece, of which 18 are commercial banks, 16 are cooperative banks, 27 are branches of foreign banks, and one is a special credit institution that has been transformed into a retail bank. Banks and their subsidiaries represent one third 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.

As of December 2010, the five largest banks controlled 70.4% (2009: 68.0%) of banking system loans, which is higher than the 45.0% average in the Eurozone. The market share of loans of the National Bank of Greece stood at 19.5%, followed by EFG Eurobank and Alpha Bank with about 15% market share, Piraeus and Emporiki Bank with 12% and 8.5% market share respectively.

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 considerable increase in the non-performing loans ratio (NPL ratio) (December 2010: 10.4%, December 2009: 7.7%). The upward trend of the NPL ratio is expected to continue into 2011.

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

By contrast, supporting capital adequacy of banks and banking groups had a positive effect on financial stability in 2010. At end-December 2010, the Capital Adequacy Ratio (CAR) and the Tier I ratio for banks as a whole stood at 13.8% and 12.2%, respectively, and for banking groups as a whole at 12.2% and 10.9%, respectively.

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. Today, Greek banks are active in 16 countries through 49 subsidiaries and sub-branches have developed a network of 3,198 branches, 5,500 ATM's and employ about 43,500 people. Greek banks' assets in these countries amounted to a total of € 63 billion at the end of 2010. They also control a market share of 27.2% in Albania, 25.1% in Bulgaria, 16.3% in FYROM, 15.8% in Romania, 4.6% in Serbia and 5.1% in Turkey. 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 2010, the five largest lenders in the Greek residential mortgage market were the National Bank of Greece, the Issuer, EFG Eurobank Ergasias, Emporiki Bank and Piraeus Bank, together accounting for around 71% 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 EURIBOR, ECB refinance rates, or base rates set by the lending institution but which must be linked to current financial market rates; 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 they 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 decline in interest rates has lowered the average age of buyers from their early forties to their mid-thirties, with the result that there is a tendency to move away from home at a younger age than previously.

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 will need to be heard within at least two (2) years after its filing and another 6 to 8 months are required for a decision to be issued by the court, upon which either the enforcement procedures are continued due to the decision rejecting the 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 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.

The actual auction process is started 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 have 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 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.

## **SCHEME FOR THE SUPPORT OF THE LIQUIDITY OF THE GREEK ECONOMY AND THE HELLENIC FINANCIAL STABILITY FUND (HFSF)**

In November 2008, the Greek Parliament passed Greek Law 3723/2008 setting forth a €28 billion support scheme for the liquidity of the Greek economy, referred to as the **Support Scheme** in this Prospectus, as amended by laws 3844/2010, 3845/2010, 3872/2010 and 3965/2011 and Ministerial Decisions Nos. 132624/B.527, 29850/B.1465 and 59181/B.2585/24.12.2010 and as currently in force.

The Support Scheme is comprised of the following three pillars:

- (a) Up to €5 billion in non-dilutive capital designed to increase Tier 1 ratios. The capital will take the form of non-transferable voting redeemable preference shares with a 10 per cent. fixed return, which must be redeemed at the issue price five years after their issuance or, at the election of a participating bank, earlier with the approval of the Bank of Greece. Pursuant to decision No 54201/B2884 of the Minister of Economy and Finance, the banks will be required to convert the preference shares into common shares or another class of shares at the end of the five-year period if the redemption of the preference shares is impossible, because the Tier 1 capital of those banks after such redemption would be less than the level set by the Bank of Greece.
- (b) Up to €85 billion in Hellenic Republic guarantees for new borrowings (excluding interbank deposits) concluded until 31 December 2011 (whether in the form of debt instruments or otherwise) and with a maturity of three months to three years.
- (c) Up to €8 billion in debt instruments (the maturity of which may not exceed three years) issued by the Public Debt Management Agency until 31 June 2011 to participating banks meeting the minimum capital adequacy requirements set by the Bank of Greece. The debt instruments bear no interest, are issued at their nominal value in denominations of €1 million and are listed on the ATHEX. They are issued by virtue of a bilateral agreement executed between the participating bank and the Hellenic Republic. 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 a bank, the debt instruments must be returned to the Public Debt Management Agency. The participating banks must use the debt instruments received only as collateral for refinancing, in connection with fixed facilities from the ECB or for purposes of interbank financing. The proceeds of liquidation of such instruments must be used to finance mortgage loans and loans to SMEs at competitive terms.

Participating banks that utilise either the capital or guarantee facility will have to accept a government appointed director (the **Representative**). Such Representative will have veto power on corporate decisions both at board and shareholder assembly level. More particularly, the Representative may utilise its veto power on the resolutions of a strategic nature or the resolutions by virtue of which the legal and financial situation of the credit institution is materially affected and for the approval of which a Shareholders General Meeting decision is required, or on the resolution on the senior management compensation and dividend policy, if he considers that the relevant corporate decisions may jeopardise the interests of depositors or materially affect the solvency and effective operation of the credit institution. Additionally the Representative has full access to the books and records, to the restructuring and sustainability reports, to the schemes for the medium term funding of the credit institution as well as to the records that refer to the provision of credits to the actual economy.

In addition, those banks will be required to limit maximum executive pay to that of the Governor of the Bank of Greece, and must not pay bonuses to senior management as long as they participate in the Support Scheme. Also, during that period, dividend payouts in cash for those banks, in respect of the year 2008, are disallowed, and, in respect of the financial year 2009 and any following years of participation in the Support Scheme, will be limited to up to 35 per cent. of distributable profits of the participating bank (at the parent company level). Pursuant to law 3271/2010, as amended, for the financial years 2008 and 2009, the

distribution of dividends should occur by distribution of common shares, which should not derive from the repurchase of own shares.

In case of distribution of dividends for the financial year 2010, whilst the bank is subject to law 3723/2008, the dividends' distribution is restricted to the distribution of shares, which should not derive from the repurchase of own shares.

According to Greek Law 3756/2009, participating banks are prohibited from purchasing their own shares. These provisions do not apply to the payment of dividends in respect of preference shares issued by credit institutions and traded on foreign organised markets.

Participating banks are obliged to avoid expanding their activities or pursuing other aims, in such a way that would lead to unjustifiable distortions of competition. To this end, the participating banks must ensure that the mean growth rate of their assets on a yearly basis will not exceed the highest of the following ratios:

- (a) the growth rate of the nominal GDP of the Hellenic Republic of the previous year; or
- (b) the mean annual asset growth rate of the banking sector of the period 1987-2007; or
- (c) the mean annual asset growth rate of the EU banking sector of the past six months.

#### **The Hellenic Financial Stability Fund (HFSF)**

The HFSF was established by Greek law 3864/2010 and operates as an independent legal entity (it is currently scheduled to be dissolved on 30 June 2017). The HFSF is managed by a Board of Directors, comprising three executive members (a chairman and two vice-chairmen) and four non-executive members. Board membership is for a duration of 5 years and can be renewed until 30 June 2017.

The HFSF is fully funded by the Greek government (up to an amount of €10 billion) under the resources available under the EU-IMF program in accordance with Greek law 3845/2010. Following the dissolution of the HFSF at the end of its tenure, its remaining capital and assets will belong *ipso jure* to the Greek State.

The purpose of the HFSF is to maintain stability within the Greek banking system, by providing equity capital to credit institutions (including subsidiaries of foreign credit institutions that are authorized to operate in Greece) in case of a significant decline in their capital buffers. The equity will be provided in the form of preference shares, which can be converted into ordinary shares of the relevant credit institution at a later stage, subject to the conditions specified under Greek law 3864/2010. The conversion price of such preference shares will be determined by applying the principles of EU legislation on state aid and fair competition.

Any preference shares issued to the HFSF grants the HFSF voting rights and certain privileges with respect to the relevant credit institution, including, the power to appoint a board member to act as its representative. Such appointed representative is entitled to: (i) call a general shareholders' meeting; (ii) veto key decisions (for example, dividends distribution, remuneration of Directors; the business strategy, salary caps, liquidity and asset-liability management); and (iii) request the postponement of board meetings for three days until further instructions from the HFSF.

Pursuant to Greek law 3864/2010, any credit institution's application to the HFSF for credit enhancement should be accompanied by a business plan and timetable for the repurchase of the shares in order for the HFSF to provide liquidity. In addition, the HFSF and the relevant credit institution are required under EU rules on state aid to prepare a restructuring plan, approved by the European Commission, for such credit institution to be provided with credit enhancement at the end of the restructuring period.

## 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  $\times$  (1+ Negative Carry Factor  $\times$  (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 7.8 (*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**

##### 1. Greek tax residents

Interest on the Covered Bonds earned by Greek resident holders or holders with a permanent establishment in Greece will be subject to withholding tax at 10% performed by the paying agent in Greece. According to Law 3943/31.03.2011 in the case of corporate bonds the withholding is calculated on the total interest amount of coupon and is imposed on the coupon maturity day.

In the case of holders who are individuals, partnerships, joint ventures or not-for-profit entities, such withholding extinguishes their income tax liability in respect of this income.

In the case of holders (mainly companies limited by shares (*anonimi eteria*) limited liability companies (*eteria periorismenis efthinis*) and branches of foreign entities operating in Greece, interest on the Covered Bonds will be reported as part of their taxable base of the year in which such interest arose and will be subject to tax at the applicable corporate income tax rate (currently 20%) while the 10% tax withheld at source will be offset against the income tax liability of the year or, if the tax due is not sufficient to absorb tax withheld, the entity has a right for refund.

In the case of banks and insurance companies interest is effectively fully taxable at the applicable corporate income tax rate (20%) however special rules apply as to the time of taxation.

Institutional investors (mutual funds, portfolio investment companies and real estate investment companies) are exempt from the 10% withholding tax on condition that the holder acquires the interest coupon at least 30 days prior to maturity.

Pursuant to Article 14 of Greek Law 3156/2003, capital gains from the sale of Covered Bonds are not subject to withholding tax.

The listing of the Covered Bonds on the Luxembourg Stock Exchange is not expected to alter the income tax implications in respect of Greek residents, as analysed above.

The corporate income tax rate applying to Greek companies limited by shares (*anonimi eteria*) and Greek limited liability companies (*eteria periorismenis efthinis*) is currently 20%.

##### 2. Foreign tax residents

Foreign tax residents (individuals or legal entities) are exempt from any withholding on the total interest amount of coupon on the coupon maturity day, according to par. 1 and 3 of art. 31 of Law 2682/1999 in

combination with par. 8 of art. 26 of Law 2789/2000. Similar tax exemption is provided for foreign tax residents by par. 9 art. 69 of Law 3746/2009.

### ***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 EC Council Directive 2003/48/EC on the taxation of savings income (which has been implemented by Greek Law 3312/2005), Member States, including Belgium from 1 January 2010, are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being 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).

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### **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 (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 the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments 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, as defined by the Laws, which is a resident of, 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 fiscal authorities of his/her/its 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. Where withholding tax is applied, it has been levied at a rate of 20 per cent. during the three-year period starting 1 July 2008, and it will be levied at a rate of 35 per cent. thereafter. Responsibility for the withholding of the tax will be assumed by the paying agents. Payments of interest under the Covered Bonds coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

(b) Resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (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 to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the paying agents. Payments of interest under the Covered Bonds coming within the scope of the Law would be subject to withholding tax 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 (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 date of the relevant Subscription Agreement will be set out in item 33(i) of the Final Terms. 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 may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it has not offered and sold, and will not offer or sell Covered Bonds (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer(s) (or, in the case of an issue of Covered Bonds on a syndicated basis, the relevant lead manager, of all Covered Bonds of the Tranche of which such Covered Bonds are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree that it will send to each dealer to which it sells Covered Bonds of such Tranche during the distribution compliance period (other than pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of such Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons.

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 of such Covered Bonds) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Each issuance of Index Linked Interest Covered Bonds or Dual Currency Covered Bonds shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the

issuance and purchase of such Covered Bonds, which additional selling restrictions shall be set out in the applicable Final Terms.

### **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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 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 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

### **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 FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA 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; and (iii) all applicable provisions of Greek Law 876/1979 as currently in force, with respect to anything done in relation to any offering of any Covered Bonds in, from or otherwise involving the Hellenic Republic.

## 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 will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## 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 the offering of the Covered Bonds has not been registered pursuant to Italian securities legislation and, accordingly, the Covered Bonds may not be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

- (a) to professional investors ("operatori 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 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; and
- (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 it has only made and will only make an offer of Covered Bonds to the public in France in the period beginning (i) when a prospectus in relation to those Covered Bonds has been approved by the *Autorité des marchés financiers (AMF)*, on the date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive No. 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Prospectus, 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.

## 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 (to the best of its knowledge and belief) comply with 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 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.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

## 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 a resolution of the Board of Directors of the Issuer dated 16 March 2010.

### **Post-issuance information**

The Issuer provides quarterly Investor Reports detailing, among other things, compliance with the Statutory Tests. This information will be available on Bloomberg and on the Issuer's website [www.alphabank.gr](http://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 the recent past, significant effects on the Issuer's or the Group's financial position or profitability.

### **No significant or material change**

Save as disclosed in this Base Prospectus (including any document deemed to be incorporated by reference (herein), since 31 December 2009, there has been no material adverse change, or any development reasonably likely to involve material adverse change, in the prospects of the Issuer nor any significant change in the financial or trading position of the Issuer or the Group

### **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 2009 and 31 December 2010 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (with an English translation thereof), together with any audit or review reports prepared in connection therewith;

- (d) the Programme Agreement, the Trust Deed, the Agency Agreement, and the forms of the Global Covered Bonds, the Covered Bonds in definitive form, the Receipts, 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](http://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.

### **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 2009 and 31 December 2010 (incorporated by reference in this Base Prospectus) have been prepared in accordance with IFRS as adopted by the European Union and have been audited by KPMG Certified Auditors A.E.

The auditors of the Issuer have no material interest in the Issuer.

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