NATIONAL BANK OF GREECE S.A.

(incorporated with limited liability in the Hellenic Republic)

€10 billion Global Covered Bond Programme

Under this €10 billion global covered bond programme (the "**Programme**"), National Bank of Greece S.A. (the "**Issuer**", "**NBG**" or the "**Bank**") may from time to time issue bonds (the "**Covered Bonds**") denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below).

Application has been made to the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (as amended) (the "**Luxembourg Act**") on prospectuses for securities to approve this document as a base prospectus (the "**Base Prospectus**"). By approving this base prospectus, the CSSF does not give any undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Act. 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 2014/65/EU (as amended, "**MiFID II**"") and to be listed on the official list of the Luxembourg Stock Exchange. This document comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended or superseded (the "**Prospectus Directive**") but is not a base prospectus for the purposes of Section 12(a)(2) or any other provision of or rule under the Securities Act.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 with the Issuer.

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed €10 billion (or its equivalent in other currencies calculated as described herein). The payment of all amounts due in respect of the Covered Bonds will constitute direct and unconditional obligations of the Issuer, having recourse to assets forming part of the cover pool (the "**Cover Pool**").

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

Amounts payable on Floating Rate Covered Bonds may be calculated by reference to certain reference rates which may constitute benchmarks for the purposes of Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**"), including one of LIBOR or EURIBOR as specified in the relevant Final Terms. As at the date of this Base Prospectus, the ICE Benchmark Administration (as administrator of LIBOR) is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") under Article 36 of the Benchmarks Regulation. As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is not included in the ESMA's register of administrators and benchmarks maintained by ESMA under Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the European Money Markets Institute (as administrator of EURIBOR) is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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 rating set out in the applicable Final Terms by Moody's Investors Service Limited or its successor ("**Moody's**") and by DBRS Ratings Limited or its successor ("**DBRS**") (or such other ratings that may be agreed by the Rating Agencies from time to time) which are established in the European Union and registered under CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.

Investing in Covered Bonds issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations in respect of the Covered Bonds are discussed under "*Risk Factors*" below. Investors should review and consider these risk factors carefully before purchasing any Covered Bonds.

Arranger and Dealer

National Bank of Greece S.A.

The date of this Base Prospectus is 9 April 2019.

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

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

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

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

The Issuer confirmed to each Dealer 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 Arranger nor any Dealer nor the Trustee 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, any document incorporated herein by reference 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 Dealer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds, see "*Subscription and Sale*". In particular, Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States or to U.S. persons. Covered Bonds may be offered and sold outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**").

IMPORTANT – EEA RETAIL INVESTORS: If the Final Terms in respect of any Covered Bonds includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC on insurance mediation (as amended or superseded, "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MiFID II PRODUCT GOVERNANCE/TARGET MARKET - The Final Terms in respect of any Covered Bonds will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "Distributor") should take into consideration the target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Neither this Base Prospectus, any supplement thereto, nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Covered Bonds and should not be considered as a recommendation by the Issuer, the Arranger, any Dealer, the Trustee 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 €10 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 and 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 Arranger or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer, the Arranger 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 Arranger or any Dealer to publish or supplement a prospectus for such offer.

ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus contains references to certain performance measures which, although not recognized as financial measures under International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), are used by the management of the Issuer to monitor the Group's financial and operating performance. In particular:

(i). **Adjusted loans**. For the years ended 31 December 2017 and 2016, the Group defines "adjusted loans" or "adjusted loans and advances to customers", as loans and advances to customers excluding the amortizing 30 year loan to the Hellenic Republic with a carrying amount of €5,873 million as at 31 December 2017 (31 December 2016: €6,174 million) expiring in September 2037 (the "**Hellenic Republic Loan**"). The Group defines "adjusted loans after allowance for impairment" as loans and advances to customers after allowance for impairment on loans and advances to customers and excluding the Hellenic Republic Loan. Adjusted loans amounted to €32,068 million and €35,470 million as at 31 December 2017 and 2016, respectively. Adjusted loans before allowance for impairment amounted to €42,307 million and €46,927 million as at 31 December 2017 and 2016, respectively. However, upon adoption of IFRS 9 on 1 January 2018, the entire agreement with the Hellenic Republic (the "**Entire Agreement**"), which includes the Hellenic Republic Loan, did not pass the "SPPI" (*solely payments of principal and interest*) test and was mandatorily classified at "FVTPL" (*fair value through profit and loss*) within "financial assets at FVTPL" and therefore the Hellenic Republic Loan is not recognised separately within loans and advances to customers as at that date. Subsequently on the 4th and 5th of February 2019 the Bank settled with the Hellenic Republic the Entire Agreement for three Greek Government Bonds maturing in 2023, 2025 and 2026 with a total nominal value of EUR 3,314 million and fair value of EUR 3,282 million.

(ii). **Common Equity Tier 1 (“CET1”) ratio**. The Group defines CET1 ratio as CET1 capital, as defined by Regulation No. 575/2013, and based on the transitional rules over Risk Weighted Assets (“**RWAs**”);

(iii). **Loans-to-Deposits Ratio**. The Group defines Loans-to-Deposits Ratio as net adjusted loans and advances to customers over due to customers, at the end of the period;

(iv). **Non-Performing Exposures (“NPE”)**. The Group defines NPEs, according to EBA ITS Technical Standards on Forbearance and Non-Performing Exposures, as exposures that satisfy either or both of the following criteria:

a) material exposures which are more than 90 days past due; and

b) the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or of the number of days past due;

(v). **NPE ratio**. The Group defines NPE ratio as NPEs divided by adjusted loans before allowance for impairment at the end of the period;

(vi). **Non-Performing Loans (“NPLs”)**. The Group defines NPLs as loans and advances to customers that are in arrears for 90 days or more;

(vii). **90 Days Past Due Ratio**. The Group defines 90 Days Past Due Ratio as Adjusted loans more than 90 days past due divided by adjusted loans before allowance for impairment at the end of the period.

Investors should be aware that:

- these financial measures are not recognised as a measure of performance under IFRS;
- they should not be recognised as an alternative to operating income or net income or any other performance measures recognised as being in accordance with IFRS or any other generally accepted accounting principles; and
- they are used by management to monitor the underlying performance of the business and operations but are not indicative of the historical operating results of the Issuer, nor are they meant to be predictive of future results.

The Issuer believes that these alternative performance measures are important aids to understanding the Group's performance, the quality of its assets, operations and capital position.

Furthermore, since companies do not all calculate these measures in an identical manner, the Issuer’s presentation may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on any such data.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of any Series or Tranche 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 such Series or Tranche of 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 Series or Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Series or Tranche of Covered Bonds. Any stabilisation or over allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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RISK FACTORS

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. It is not possible to identify all risks or to determine which risks are most likely to occur, as the Issuer may not be aware of all relevant risks and certain risks which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control.

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

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

The Covered Bonds will be obligations of the Issuer only

The Covered Bonds will be solely obligations of the Issuer and will not be obligations of or guaranteed by the Trustee, the Asset Monitor, the Account Bank, the Agents, the Hedging Counterparties, the Arranger, the Dealer or the Listing Agent (as defined below). No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Covered Bonds shall be accepted by any of the Arranger, the Dealer, 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 prompt remedial action to cure any breach of these tests will result in the Issuer not being able to issue further Covered Bonds and any failure to satisfy the Statutory Tests may have an adverse affect on the ability of the Issuer to meet its payment obligations in respect of the Covered Bonds.

Pursuant to the Servicing and Cash Management Deed after the occurrence of an Issuer Event the Cover Pool is subject to an Amortisation Test. The Amortisation Test is intended to ensure that the

Cover Pool Assets are sufficient to meet the obligations under all Covered Bonds outstanding together with senior expenses that rank in priority 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 change in a manner that affects the creditworthiness of the Loans, that may lead to increased defaults by Borrowers and may affect the realisable value of the Cover Pool, or part thereof, and the ability of the Issuer to make payments under the Covered Bonds.

Risks relating to Subsidised Loans

In the Hellenic Republic subsidies are available to borrowers in respect of interest payments made under residential mortgage loans. The availability and amount of subsidy is determined by reference to the financial and social circumstances of a borrower and are made available from the Greek State and/or the OEK. For the avoidance of doubt, any Subsidised Loans included in the Cover Pool are only euro denominated.

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

The Greek State will make payments of the subsidised interest amounts to NBG into the NBG 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 according to the terms of the Servicing and Cash Management Deed. The Servicer will notify the Greek State of the subsidised interest amounts that are payable by them and will undertake to take action necessary to ensure that the Greek State make payment of the subsidised interest amounts that are payable by them.

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

Although the Greek State, the OEK or the relevant Greek State subsidised entity, as appropriate, is required to pay the Subsidised Interest Amounts, the relevant borrowers remain liable to repay the full amount of interest due under their Subsidised Loan. If the Greek State and/or the OEK fails to pay any Subsidised Interest Amounts then the Borrower may be unable to meet payments due under the relevant Subsidised Loan. If the Borrower fails to pay the full amount under the Subsidised Loan, 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 subsidised entity may not pay the subsidy at the same time as unsubsidised amounts are paid by the Borrower.

By virtue of the terms and conditions stated in article 55 of Greek law 4305/2014, it has been allowed for Borrowers to file a petition for the extension of the term of their OEK Subsidised Loans, provided that at the date of such petition the amount of any due payments that remain unpaid does not exceed the aggregate of six monthly instalments. Such petition should also have been filed within six months from the aforementioned Greek law’s publication (the Greek law was published in the Government

Gazette 237/A/31.10.2014) (such deadline was extended initially until 31 December 2015 by virtue of Decision no. 19068/819/4.5.2015 of the Minister of Finance (Government Gazette 878/B/19.5.2015), and subsequently until 31 December 2016 by virtue of Decision no. 21559/732/25.5.2016 of the Minister of Finance (Government Gazette 1478/B/25.5.2016).

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

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

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

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

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

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

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

Reliance on Hedging Counterparties

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

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

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

If the Issuer is obliged to pay a termination payment under any Hedging Agreement, such termination payment will rank 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 Swap Agreement to terminate.

Conflicts of Interest

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

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

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

Change of counterparties

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

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

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

Risks Relating to the Hellenic Republic Economic Crisis

The impact of multi-year recession, asset devaluation and uncertainty resulting from the Hellenic Republic's economic crisis have had and will continue to have an adverse impact on the Issuer's business, results of operations and financial condition.

For the six-month period ended 30 June 2018, 92.7% of the Issuer's net interest income from continuing operations and 94.7% of the Issuer's loans and advances to customers before allowance for impairment, were derived from its operations in the Hellenic Republic. In addition, the Issuer's holdings of €2.9 billion of Greek government bonds and Greek treasury bills represented, as at 30 June 2018, 5.0% of its total assets excluding non-current assets held for sale and 60.4% of its trading and investment debt securities. Accordingly, the Issuer's financial condition and its results of operations are heavily dependent on macroeconomic and political conditions prevailing in Greece.

Following almost eight years of recession in Greece in the period 2008 to 2016 which led to a cumulative shrinkage in economic activity – as measured by the Gross Domestic Product ("**GDP**") – of 26.4%, GDP growth entered positive territory in 2017 (increasing by 1.4% year-over-year) and gained additional traction in 2018 increasing by 1.9% year-over-year. This recovery has been achieved despite the tighter-than-initially expected fiscal conditions, reflected at the significant over performance against the Third Program's fiscal targets (as defined below). In fact, the primary surplus in general government budget in 2017 reached 4.1% of GDP against a Programme target of 1.75% of GDP, whereas the State Budget surplus in 2018 exceeded the respective surplus in 2017 by 0.6% of GDP, presaging a new overperformance at a general government level in 2018 against an Enhanced Surveillance target of 3.5% of GDP for this year (Sources: The Hellenic Statistical Authority ("**EL.STAT**"), Quarterly National Accounts Press Release, Fourth Quarter, March 2019, EL.STAT, Fiscal data for the years 2014-2017, Second Notification, October 2018 and Medium Term Fiscal Strategy ("**MTFS**") 2019-2022, June 2018, in Greek and Ministry of Finance, Budget 2019, November 2018). A broad-based recovery in indicators of business sentiment and activity has been recorded in 2018, whereas labor market improved further supporting private consumption, which increased by a solid 1.0% year-over-year in 2018. Despite the aforementioned developments and the successful completion of the Third Programme of economic support, the economic and business environment in Greece continues to impose significant challenges for the Group, while a very sluggish improvement in the financial position of a large number of private sector entities (households and enterprises) along with the risk of imposition of additional fiscal measures in the event of slippages from the medium term fiscal targets are likely to maintain the pressure on private sector

income and liquidity conditions. See also "*Existing and prospective fiscal effort required to meet the agreed targets under the Post-Programme Surveillance framework may impose further constraints on economic activity and debt servicing capacity in Greece*" below.

The Third Programme was activated in August 2015 against a backdrop of severe economic uncertainty, intensifying liquidity tensions and capital flight that appeared to threaten the membership of the Hellenic Republic in the European Monetary Union and the European Union ("**EU**") and gave rise to a new recessionary spiral, following a cumulative contraction in economic activity of 25.9% year-over-year between 2008 and 2014 (Source: EL.STAT, Quarterly National Accounts Press Release, Fourth Quarter, March 2019). In this environment the Greek government officially requested financial assistance from the EU on 10 July 2015 (Source: European Commission's proposal for a council implementation decision on granting short term European Union financial assistance to Greece under a new programme from the European Stability Mechanism ("**ESM**")). On 19 August 2015 the Hellenic Republic entered into a Memorandum of Understanding ("**MoU**") with the European Commission ("**EC**") and the ESM for the provision of further stability support accompanied by a third economic adjustment programme (the "**Third Program**").

The Third Programme was successfully completed on 20 August 2018, with the European Commission, the ESM and the European Central Bank (the "**European Institutions**") acknowledging the significant progress made by the Hellenic Republic in restoring fiscal credibility, implementing the agreed reforms and restoring an upward trend in the economic activity and the labour market (Source: ESM, Press Release, 20 August 2018). The successful completion of the Third Programme has been accompanied by a new agreement on the provision of additional debt relief, aimed at lowering Greece's gross financing needs ("**GFNs**") in the medium to long-term and the build-up of a sizeable cash buffer by the Hellenic Republic financed by Third Programme funding, accumulated fiscal surpluses and new debt issuance. Moreover, for the long-term, the Eurogroup of 21 June 2018 has recalled the agreement, that had been reached in the Eurogroup of May 2016, on a contingency mechanism on debt that could be activated in the case of an unexpectedly more adverse macroeconomic scenario, adjusting debt servicing costs to more sustainable levels if required and decided by the Eurogroup (Sources: Eurogroup Statements, 25 May 2016, 24 May 2018 and 22 June 2018). An enhanced surveillance framework (the "**Enhanced Surveillance Framework"**), under the existing mechanisms of fiscal coordination in the EU, supervised by the EC has been agreed and the Hellenic Republic has also committed to ensure the continuity and completion of reforms adopted under the Third Program. These decisions aim to support the credibility and sustainability of the adjustment process in the post-Third Programme era and support the improvement in market sentiment and therefore permit the Hellenic Republic to access market financing at competitive terms (Source: European Commission, Commission Implementing Decision of 11 July 2018 on the activation of enhanced surveillance for Greece). Moreover, the official European lenders have committed to reassess the sustainability of Greek debt by 2032, or earlier if deemed necessary, after taking into account Greece's compliance with the targets of the Enhanced Surveillance Framework and the potential role of adverse factors beyond the control of the Hellenic Republic's economic policy. However, potential delays in the completion of remaining reforms adopted under the Third Programme or the inability to safeguard the objectives of the adopted reforms and/or the sustainability of the fiscal performance in the medium and longer term, due to endogenous or exogenous factors, could defer a potential implementation of contingent measures of debt relief for the medium and long-term, could weigh on the markets' assessment of the risks surrounding the creditworthiness of the Hellenic Republic and, therefore, create uncertainty regarding its capacity to maintain a continuous access to market financing. Such a development could, in turn, have a material adverse impact on the Bank's liquidity position, business, results of operations, financial condition or prospects.

Moreover, economic activity remains subject to downside risks in view of the very gradual improvement in household disposable income and the still vulnerable financial position of a significant number of business entities, tight liquidity conditions and the need to meet on a sustainable basis the demanding fiscal targets agreed for the post-Third Programme period for a primary surplus

in general government budget of 3.5% of GDP until 2022 and 2.2% of GDP, on average, for the longer term (2023-2060).

In this respect, despite the improvement of several indicators related to economic activity over the course of the period 2017-2018 and to date, and the return to positive GDP growth, economic and financial conditions in Greece remain susceptible to downside risks such as:

- the persistent effects of the recession on borrowers' debt servicing capacity maintain the stress on banks' portfolio quality and inhibit a recovery in demand for loans, as well as constrain the supply of loans in the Greek banking sector, leading to a continued reduction of lending activities;

- despite improving macroeconomic conditions in 2017-2018 and positive prospects for economic activity in 2019 to 2020, as noted by the respective forecasts of official institutions (such as the EC and International Monetary Fund ("**IMF**")), Greece's economic performance remains sensitive to the confluence of a number of internal factors (such as the sustainability of the fiscal adjustment progress, financial market and liquidity conditions, the pace of improvement of the private sector's income and debt-servicing capacity and the significant effort required to lower the still very high levels of non-performing loans, enabling the banking system to play a more active role in the economic recovery), as well as to external factors (as indicated below) and there can be no assurance that the positive macroeconomic developments expected by the EC, the IMF and the private sector will be realized. In this respect, despite the healthy macroeconomic performance, the actual GDP growth in 2018 (+1.9% year-over-year) has also been slightly lower than the initial projections by the official sector for an annual growth of 2.3% year-over-year in 2018 (average estimate by the European Commission and the IMF, Sources: European Commission, Enhanced Surveillance Report - Greece, February 2019 and IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019).

- additional pressures on economic activity and the private sector's financial position could emerge in the event of implementation of new fiscal measures in order to ensure a sustainable achievement of the medium term fiscal targets. In this respect, a permanent reduction in the tax-free bracket has been pre-legislated in May 2017 and planned to take effect in 2020, in the context of medium-term fiscal strategy. Albeit this measure has been initially scheduled to be fiscally neutral – through the implementation of offsetting expansionary measures that involved an additional reduction in corporate taxation along with a decline in the high progressiveness of the personal income tax structure – the final impact to the economy could become recessionary in the event of a weakening in fiscal performance in 2019, which could lead to a partial cancelation of some of the offsetting expansionary measures. This risk of an increase in the fiscal effort if there is a slippage from the fiscal targets, could impose additional pressure on economic activity and ultimately slow or interrupt the economic recovery. In this event, there would be a negative impact on the private sector's saving capacity and propensity to consume and invest. These effects could adversely affect financial conditions and credit demand, and may also weaken economic growth in the near to medium term (See also "*Existing and prospective fiscal effort required to meet the agreed targets under the Post-Programme Surveillance framework may impose further constraints on economic activity and debt servicing capacity in Greece*" below);

- macroeconomic risks from the implementation of new fiscal measures could also emerge in the event that pending court rulings on past government legislation on public sector wages, as well as on the 2012, 2015, and 2016 pension system reforms, create significant fiscal costs through a partial or complete reversal of related spending cuts in previous years in the form of sizeable one-off retroactive payments and/or permanent fiscal obligations. In this event, new fiscal measures should be implemented to ensure compliance with the medium term fiscal targets, with adverse implications on confidence, liquidity and economic performance;

- a potential reversal of some reforms in the labor or product markets could reduce market flexibility and lead to rising wage or other costs pressures, threatening to reverse competitiveness gains achieved in previous years;

- house prices in Greece increased by 1.5% year-over-year in 2018 for the first time in ten years, responding, gradually, to improving macroeconomic conditions, following a cumulative drop of 42.0%, between 2008 and 2017 (Sources: Bank of Greece, Bulletin of Conjuctural Indicators, November-December 2018 and Bank of Greece, Real Estate database). The observed pick up in valuations is a positive development that translates into a direct improvement in collateral values posted by borrowers, whereas it supports domestic spending through positive wealth effects. However, the remaining high backlog of unsold houses, in conjunction with a gradual acceleration in foreclosures by banks, following the full operation of a specialised e-auction platform in the first quarter of 2018, (related, inter alia, to legislative changes made in 2016) and increased confiscation by the State of unpaid tax obligations, will continue to feed into the supply side of the market. Moreover, the relatively high tax pressure on real estate property – despite the legislation of a mild reduction in the effective tax burden on property through a weighted average reduction in the single property tax of 10% in 2019 – along with potential risks for market activity from reassessments of zonal values in the following years, agreed under the Enhanced Surveillance Framework, will continue to impose challenges to the recovery of the real estate market;

- despite the considerable progress that has taken place in 2017 and over the course of 2018, regarding the provision of additional debt relief to Greece through the implementation of additional measures that lower public debt servicing costs in the near and medium term, there are some implementation risks for the medium term, which are becoming higher in the longer-term. The new set of medium-term measures decided in the Eurogroup of 21 June 2018 includes two measures that are conditioned on Greece's progress in achieving its fiscal targets and implementing the reforms agreed with the European Institutions under the Enhanced Surveillance Framework. These conditional measures comprise the abolition of the step-up interest rate margin related to the debt buy-back tranche of the Second Programme as of 2018 and the refund to the Hellenic Republic of the 2014 Securities Market Programme ("**SMP**") profits from the ESM segregated account along with a restoration of the transfer of Agreement on Net Financial Assets ("**ANFA**") and SMP income equivalent amounts to Greece (as of budget year 2017), which are planned to be refunded in the form of semi-annual instalments in the period 2019 to 2022. Any deferral in the implementation of these conditional debt relief measures could adversely affect market sentiment and weigh on Greek government bond valuations, as well as on the valuation of other financial asset prices in Greece. Moreover, the long-term sustainability of the Greek debt remains sensitive to the macroeconomic assumptions, whereas the need for an activation of additional debt relief measures for the medium and long term will be accessed by the Eurogroup, after taking into consideration Greece's performance under the post-programme surveillance record, particularly in the areas of fiscal policy and economic reforms (Source: Eurogroup Statement, 22 June 2018 and ESM, Remarks by Klaus Regling, Press conference after Eurogroup meeting, 22 June 2018);

- Greece's macroeconomic and financial prospects remain very sensitive to international conditions (see "*The Group is vulnerable to disruptions and volatility in the global financial markets*" below). A protracted deterioration in risk assessment internationally and/or in macroeconomic or liquidity conditions in the euro area or globally and/or the emerging geopolitical risks globally, could have a negative impact on the risk assessment of the Hellenic Republic and the Greek private sector, as well as affect economic conditions and Greek assets valuations. Accordingly, the aforementioned factors, could weaken the capacity of the Hellenic Republic to access the markets in competitive terms and deteriorate the liquidity conditions of the private sector in general.

Overall, in light of the above factors, there are still risks relating, *inter alia*, to Greece's short and longer term potential growth prospects, the sustainability of fiscal performance over a longer time horizon, as well as developments in global financial markets.

The above described set of risks will also continue to exert pressures on private sector consumption and could lead to delayed investments and capital spending decisions. The Group's business activities are dependent on the level of banking, finance and financial products and services it offers, as well as customers' capacity to repay their liabilities. In particular, the levels of savings and credit demand are heavily dependent on customer confidence, disposable income trends and the availability and cost of funding, each of which factors continues to show a relatively slow improvement in Greece. Moreover, the Issuer's customers may further decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would continue to adversely affect the Issuer's fee and commission income. For related information, see "*The successful completion of the Third Programme and the effort to restore conditions of economic normalcy in the Hellenic Republic may not lead to the intended return of the economy to sustainable growth and the issue of the Hellenic Republic's debt sustainability may not be fully resolved, which could have a material adverse impact on the Group's business, results of operations, financial condition or prospects.*" below. These risks are compounded by a significant tightening in liquidity conditions and the impact of capital controls on the banking system, as described under "*The continued imposition of capital controls in Greece has had, and may continue to have, a material adverse impact on the economy and the banking sector, including the Group's business and prospects*" and "*Domestic political uncertainty has weighed on financial and economic conditions generally, and there can be no assurances that additional developments will not further exacerbate political uncertainty which could have a material adverse impact on the Group's business, results of operations, financial condition or prospects*", respectively below.

Existing and prospective fiscal efforts required to meet the agreed targets under the post-programme Enhanced Surveillance Framework may impose further constraints on economic activity and debt servicing capacity in Greece

Existing and prospective additional government revenue generating measures, following a sizeable increase in the effective burden in previous years (from personal, corporate, indirect and consumption taxes) – which has not been evenly distributed among tax payers during the period of intensive fiscal adjustment – could impose further constraints on economic activity and could result in weaker-than-initially expected GDP growth outcomes in future years, as well as lower-than-expected liquidity generation and credit demand. For example, reforms implemented as part of the Third Programme have been associated with lower investment and consumer spending and have had and continue to have a negative impact on economic activity, collateral valuations and general financial conditions in the economy. Furthermore, a negative impact on activity could occur in the event of the activation of the contingency adjustment mechanism, legislated in May 2016 (pursuant to Greek Law 4389/2016), which is designed to impose automatic spending cuts or tax increases if there is objective evidence of a failure to meet the annual primary surplus targets of the Third Programme (3.5% of GDP between 2018 and 2022, Sources: Eurogroup Statement, 25 May 2016 and European Commission, Compliance Report ESM Stability Support Programme for Greece, Fourth Review, June 2018).

The existing fiscal framework and/or other fiscal measures, such as those legislated in the context of an omnibus bill, including the medium term fiscal strategy for 2019-2022, which was approved by the Greek parliament in June 2018, with a view to further codifying specific reforms in personal income taxation (including a lowering of the tax-free annual income threshold to take effect in 2020), could exert additional fiscal pressures on private sector spending and liquidity in the event of slippages from policy targets. In the latter case, the implementation of this measure could not be offset by expansionary measures of the same magnitude, as was originally planned, and would exert an additional fiscal impact on economic activity.

Potential downside risks for economic activity from continuing fiscal pressure on the private sector's financial position and asset valuations could have an adverse effect on the Group and the financial

sector as a whole. For further information, see "The successful completion of the Third Programme and the effort to restore conditions of economic normalcy in the Hellenic Republic may not lead to the intended return of the economy to sustainable growth and the issue of the Hellenic Republic's debt sustainability may not be fully resolved, which could have a material adverse impact on the Group's business, results of operations, financial condition or prospects" below.

***The successful completion of the Third Programme and the effort to restore conditions of economic normalcy in the Hellenic Republic may not lead to the intended return of the economy to sustainable growth and the issue of the Hellenic Republic's debt sustainability may not be fully resolved, which could have a material adverse impact on the Group's business, results of operations, financial condition or prospects*.**

Over the past eight years, the Hellenic Republic has undertaken significant structural measures intended to restore competitiveness and promote economic growth in Greece through the financial support programmes agreed with the IMF, the ECB, the ESM and the European Commission (the "**Institutions**"). A programme was initially agreed in May 2010 (the "**First Programme**") and was renewed by way of a second economic adjustment programme in March 2012 and further amended pursuant to Eurogroup decisions of November 2012 (the "**Second Programme**"). The First Programme and the Second Programme established, through related financial facility agreements signed between the Hellenic Republic, the participating Eurozone countries, the European Financial Stability Facility ("**EFSF**") and the IMF, financing intended to fully cover the Hellenic Republic's external financing needs until the end of 2014, conditioned on the implementation of a number of fiscal adjustment policies and growth enhancing structural reforms. On 8 December 2014, the Eurogroup announced a "technical extension" of the EU side of the Second Programme to the end of February 2015. On 20 February 2015, the Eurogroup agreed to a four month extension of the Master Financial Assistance Facility Agreement ("**MFFA**") underpinning the Second Programme.

The First Programme and the Second Programme were conditional on the adoption by the Hellenic Republic of fiscal austerity measures designed to significantly reduce public spending, that were widely perceived as leading to rising social and political opposition, while failing to achieve the long-term sustainability of Greece's debt burden. The success of these measures has been questioned, as government debt as a percentage of GDP was projected to remain very high (approaching 179.0% of GDP in 2015 and 185.0% of GDP in 2016, Source: European Commission, Winter Forecast, February 2016). Indeed, government debt increased in 2016 compared to 2015, although to lower levels than those projected (178.5% of GDP in 2016 from 175.9% of GDP in 2015, Source: EL.STAT, Fiscal data for the years 2014-2017, Second Notification, October 2018). Pressures arising from the fiscal effort to achieve an even higher primary budget surplus in the Greek government budget, accumulated policy fatigue and underlying social tensions, in conjunction with the election of a new coalition Government in January 2015 (which attempted to renegotiate the conditions and financing terms underlying the Second Programme), led to an escalation of economic and financial pressures. In this vein, delays and inefficiencies in the implementation of the structural reform agenda of the Second Programme by the Greek Government, combined with delays from the side of the official creditors as regards the provision of additional concessions to ensure public debt sustainability (such as lower interest rate and longer maturities of EFSF and bilateral loans from other Eurozone member states to Greece) and elevated uncertainty regarding the Hellenic Republic's access to sufficient medium to long-term financing, had an increasingly adverse effect on economic and financial conditions in Greece in the seven years leading up to the latest incidence of severe economic and political stress in the summer of 2015.

The lengthy and inconclusive negotiations between the Greek government and the Institutions, in order to agree on a modified version of economic conditions with less austerity and the provision of additional financing under a revised version of the Second Programme, culminated in the expiry of the Second Programme on 30 June 2015, without a replacement financial assistance programme in place to secure necessary funding for the Hellenic Republic to be able to meet its imminent external payment obligations in July and August 2015. On 30 June 2015, the Hellenic Republic defaulted on

its payment obligations to the IMF in respect of a EUR 1.5 billion repayment, which has since been paid.

In response to the fear of an outright bank run, following the decision of the European Central Bank ("**ECB**") to cap Greek bank access to the Eurosystem to the level reached in 26 June 2015 and circulation of scenarios for an imminent bank run and potential suspension of Greece's status as a Eurozone member, the Greek government imposed a "bank holiday" on 28 June 2015 that lasted until 19 July 2015 and applied specific restrictions on banking and other financial transactions (jointly referred to as "capital controls", Source: Bank of Greece, Act of Legislation, 28 June 2015), with a view to protecting financial and macroeconomic stability. On 19 August 2015, the Hellenic Republic entered into a MoU with the European Commission and the ESM for the provision of further stability support accompanied by the Third Programme.

The Third Programme was designed to support a sustainable fiscal consolidation and promote key structural reforms. On 21 June 2018, the Eurogroup confirmed the successful conclusion of the fourth review and, therefore, the effective completion of the Third Programme, and also welcomed the commitment of the Greek authorities to continue with and complete all key reforms adopted under the Third Programme (Source: Eurogroup Statement, 22 June 2018). On 11 July 2018, following the preceding Eurogroup agreement, the EC adopted the decision on the activation of Enhanced Surveillance Framework for Greece, under Article 2(1) of the EU Regulation 472/2013, for a renewable period of six months. The Hellenic Republic officially concluded its three-year ESM financial assistance programme on 20 August 2018 (Source: ESM, Press Release, 20 August 2018).

Subsequently, an Enhanced Surveillance Framework entered into force, following the Third Programme completion on 20 August 2018, and has been designed to support the completion, delivery and continuity of reforms Greece has committed to implement under the Third Programme, ensure a smooth transition of the economy to normalcy and maintain a high degree of credibility (Source: European Commission, Commission Implementing Decision of 11 July 2018 on the activation of enhanced surveillance for Greece).

These remaining reforms are mainly related to the areas of fiscal efficiency, structural reforms, social welfare, financial stability, labour and product markets efficiency, privatisations and public administration and could impose further constraints on economic activity and result in weaker than-initially-expected GDP growth outcomes in future years. For example, the Greek government has committed to adjust the real estate property taxation, in order to be aligned with updated market valuations, and to undertake, by mid-2019 and mid-2020, nationwide valuation exercises of property tax value based on market values, as well as to update property tax values for ENFIA and other taxes with a view to bringing them in line with market values by mid-2020. Despite the completion of the Third Programme, the stabilisation of economic activity and the improvement in economic sentiment in 2017 and 2018, the financial position of the private sector has been severely impaired by the multi-year recession and is expected to continue to have an adverse impact on economic conditions in the Hellenic Republic. A new increase in uncertainty, in the event that the regular progress reporting under the Enhanced Surveillance Framework indicates diversion from the agreed reforms, and/or further potential downside risks for economic activity from continuing fiscal pressure on the private sector's financial position and/or re-emergence of political risk and/or transmission of uncertainty from exogenous sources of risk in the euro area (e.g. Italy) or globally (e.g. recessionary impact from the introduction of measures that restrict global trade) and a concomitant further decline in asset valuations, could have a material adverse impact on the Bank's business, results of operations, financial condition or prospects. With respect to liquidity, by the end of the Third Program, the Hellenic Republic created a sizeable cash buffer – which was initially planned to cover around two years of funding needs – while increasing its liquidity through the issuance of government bonds (Source: ESM, Press Release, 6 August 2018). In fact, following the continued fiscal overperformance in 2018 – since the primary surplus is expected to exceed against the annual target of 3.5 per cent of GDP (Sources: European Commission, Enhanced Surveillance Report - Greece, February 2019 and IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019) –

and the issuances of a 5-year and a 10-year Greek Government bond ("**GGB**") in the first quarter of 2019, that raised EUR 5.0 billion cumulatively, the Hellenic Republic's cash buffer is estimated at above EUR 30.0 billion in early-2019, which is sufficient to cover, if necessary, sovereign financing needs until 2022, assuming the achievement of the medium-term fiscal targets, even without additional issuance of GGBs (Sources: ESM, Conclusion of ESM programme for Greece: an overview, 20 August 2018, European Commission, Enhanced Surveillance Report - Greece, February 2019, Public Debt Management Agency, Announcement on the issuance of 5-year bond, 1 February 2019 and Announcement on the issuance of 10-year bond, 5 March 2019 and NBG Economic Analysis estimates). According to the IMF, the Hellenic Republic's cash buffer is estimated at about EUR 30 billion (16 per cent of GDP) as of end-2018, being "substantially higher than in other euro area countries upon program exit". This buffer is considered to provide additional flexibility as to the timing of additional market issuance of Greek government bonds (Source: IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019).

However, an adverse impact could materialise in the case of uncertainty regarding the Hellenic Republic's capacity to refinance its debt in the markets. Moreover, the size of the cash buffer could be lowered, if government resources are required to finance fiscal costs of potential court rulings and/or support the process of clearance of non-performing exposures by Greek banks through the provision of guarantees (contingent liabilities) in securitization schemes and/or an outright recapitalization of a number of Greek banks. In this respect, the IMF estimates a downside scenario, in which the primary balance in general government (in cash terms) is assumed to deteriorate by about 1.3 per cent of GDP, on average, over 2019-2024 compared to the baseline scenario, due to a combined materialization of fiscal risks related to court decisions that reverse part of pension and public-sector compensation cuts in previous years, along with secondary fiscal costs related to payments of government guarantees. Under the downside scenario the additional costs are estimated to be moderated by the use of contingency reserve and some spending cut totaling up to EUR 1.0 billion.

In this downside scenario, materialization of the above risks is estimated by the IMF to weaken investor confidence, limit the Hellenic Republic's and private sector's access to financing, and force a drawdown of the State government's cash buffer. Under the above conditions and assuming that the government (a) reduces sovereign debt issuance over 2019–2021 by 50% (to EUR 5.5 billion), (b) restraints its rollover of T-bills in half and (c) does not receive any refunds of ANFA/SMP profits and misses the waiver of the step-up interest rate margin for part of the EFSF loans, the repayment capacity of the Greek State is significantly constrained. In this scenario, the IMF estimates that cash buffer will be exhausted by end-2021, and from 2022, the Hellenic Republic would face a financing gap, eventually facing difficulties in servicing its debt. This gap could increase further if potential risks related to NPE reduction and/or negative growth effects are taken into account (Source: IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019).

Moreover, if the benefits from the significant economic adjustment and structural reforms to Greece's economic performance are smaller than-initially-expected, they could weaken Greece's fiscal position, weigh on sovereign risk premia and on banking system performance, including the performance of the Group, and create uncertainties, bringing forward the need for additional interventions for public debt.

Domestic political uncertainty has weighed on financial and economic conditions generally and there can be no assurances that additional developments will not further exacerbate political uncertainty which could have a material adverse impact on the Group's business, results of operations financial condition or prospects.

Economic and financial conditions in Greece remain very sensitive to political uncertainty and/or the impact of the electoral cycle in Greece.

The experience from the period 2010 to 2015 suggests that the political cycle and periods of political uncertainty and related tensions tend to weigh heavily on the implementation of each of the

Programmes and, consequently, economic prospects. In this context, after a presidential election held by the Greek parliament on 29 December 2014, in which no presidential candidate was able to secure the majority vote required to be elected, the parliament was dissolved and an early parliamentary election was held on 25 January 2015. This election resulted in the formation of a new coalition government led by Syriza. The newly-elected Greek government attempted to renegotiate Greece's relationship with its official creditors, agree a more gradual fiscal adjustment with fewer austerity measures, and secure additional debt relief from the official sector. The lengthy and inconclusive negotiations delayed the implementation of remaining structural reforms under the Second Programme and the disbursement of related official financing and contributed to an increase of uncertainty.

In June 2015, the Greek Government announced that a public referendum would be held on 5 July 2015, on a provisional draft financial assistance plan proposed by the Eurogroup. In combination with a standstill in the negotiations with lenders and the Hellenic Republic being in arrears on its indebtedness held by the IMF from the end of June 2015, the Institutions decided to let the Second Programme expire on 30 June 2015, while the ECB imposed a freeze on the Greek banking system's level of access to the Eurosystem liquidity provision mechanisms, including the ELA. Capital controls were imposed on 28 June 2015, in conjunction with a bank holiday that lasted until 19 July 2015, while a final round of negotiations with official lenders ultimately led to the agreement on, and signing of, the Third Programme. In September 2015, a new snap election—the second in 2015—led again to a coalition Government led by Syriza.

The above developments translated into downward pressure on economic activity, as evidenced by GDP trends in the second half of 2015 and in 2016, which led to a GDP contraction of 0.5%, year over year and 0.3% year-over-year, in 2015 and 2016, respectively (Source: EL.STAT, Quarterly National Accounts Press Release, Third Quarter 2018, March 2019).

The political environment remained relatively stable in the run-up to the completion of the Third Programme in August 2018, but political risks could increase again in 2019, as a series of elections are planned to take place in the first nine months of the year (elections for local governments, domestic parliamentary elections and elections for the European parliament). Additional risks could emerge from the increasing power of revisionist parties in a number of EU countries, which could exert further pressures for changes in the economic and structural policies in the EU and the Eurozone and could potentially complicate the decision making process for the activation of additional debt relief measures for Greece or exert pressures for changes in EU's structural policies, potentially limiting financial resources provided to Greece.

In addition, there is a risk of a turbulent electoral cycle, which could endanger fiscal targets or jeopardise Greece's compliance with other aspects of the agreement underlying the post-Third Programme framework, and Greece's risk assessment by the rating agencies and the markets remains highly sensitive, as do the conditions for accessing market financing. If the above conditions were to arise, new tensions may rise in the relationship between the Greek government and the official lenders, which would in turn have a material adverse impact on economic and financial stability in Greece, and therefore on economic growth in Greece. Another possible impact of the electoral cycle could be a weakening of the willingness to implement the remaining institutional reforms and, therefore, a weakening of Greece's economic performance and/or the deterioration of the country's risk assessment. Moreover, increased political uncertainty could lead to a deferral of private spending decisions, especially in more sensitive demand components, such as investment spending. Finally, political uncertainty has been typically related to a deterioration in debt servicing behaviour in the private sector, increasing the tendency of strategic or tactical defaults on private loans. This, in turn, could continue to exert pressures on the liquidity position of the Greek banking system, as well as on Greek banks' portfolio quality, having a potentially material adverse effect on the Bank and other financial institutions whose profits are derived from the country's banking sector.

The continued imposition of capital controls in Greece has had, and may continue to have, a material adverse impact on the economy and the banking sector, including the Group's business and prospects.

The Greek government imposed numerous extraordinary restrictions on financial transactions from 28 June 2015 until 19 July 2015, during which time a bank holiday was declared for all credit institutions, and after this period some of which (referred to as capital controls) continue to apply. The currently applicable capital controls involve, among other limitations, continued prohibitions on the transfer of capital and cash outside of Greece above a specific amount of money, and restrictions on the unwinding of certain financial arrangements. See "*Regulation and Supervision of Banks in Greece—Capital Controls applying to banks operating in Greece*" below. The imposition of such controls had a negative impact on the health and the perceived health of the banking system and the continuation, and eventual lifting, of the remaining restrictions pose risks (notably in terms of increased capital outflows) to Greek banks, including the Bank, and to the Greek banking sector.

Capital controls and constraints on cash withdrawals in Greece have created downward pressures on economic activity, although less severe than initially expected, and contributed to an increase of cashless transactions (higher use of credit cards, debit cards and electronic money transfers which collectively registered an increase of 63.7% year-over-year in 2016 and of 21.7% year-over-year in 2017), according to the ECB (Source: ECB, Statistical Data Warehouse, Payment Statistics Report, September 2018), and stabilized bank deposits (Source: Bank of Greece, Monetary and Banking Statistics). The imposition of capital controls and the bank holiday also led to increased economic and business uncertainty, which has reduced business activity in Greece as firms have been restricted in their ability to import, receive loans from banks, conduct other commercial activities and maintain their creditworthiness and business activities abroad. In addition, consumers and businesses have been and continue to be reluctant to make large purchases or investments, which has contributed to a further devaluation of financial and real estate assets. These events have had and could continue to have a material adverse effect on the Group's financial condition, results of operations or prospects, as its results are dependent upon levels of stability in the Greek economy, a return to growth of the Greek banking sector and increased levels of lending, in particular business lending.

While there has been considerable progress in loosening restrictions related to capital controls between 2016 and 2018 (such as the lifting of capital controls on cash withdrawals and the movement of capital within the country, in October 2018), limits in capital transfers abroad still remain, despite their gradual lowering, and there are still sources of risk, which could impact on the economy and the banking system. Capital controls are considered to negatively weigh on private sector decisions regarding the repatriation of their liquidity from abroad especially, as regards exporting services (such as shipping), and create some obstacles in the external trade financing of smaller firms.

The continued imposition of capital controls may continue to weigh on the Group's prospects, as such controls restrict the ability of its customers to produce and accumulate savings and/or reduce further their debt servicing capacity, weaken demand for credit and discourage private capital inflows to the economy—including the repatriation of profits from Greek business activity abroad. Some households are likely to continue deferring spending and hoarding cash for precautionary purposes, which has created further pressure on domestically oriented industries, especially in discretionary categories of goods and services. The consequences of a very protracted application of capital controls could have an additional adverse effect on the Group 's business, financial conditions or results of operations, could result in the Group 's customers being unable to service their debts, and/or further reduce liquidity in the market and increase the Group 's level of loans past due by more than 90 days.

However, an early, complete lifting of capital controls may increase the risk of a new round of deposit outflows from the Greek banking system, if uncertainty increases, or provide an incentive for a resurgence of tax evasion. There is still a considerable risk that an increase in euro note circulation could potentially finance shadow economy transactions, having a negative impact on the banking system, as well as the fiscal adjustment effort. Hence, there can be no assurance that the Group and

other Greek banks would not experience a new round of outflows of funds from depositors and businesses in the event of an early lifting of capital controls.

If additional ECB or ELA funding is needed in the future it will be subject to ECB rules relating to the eligibility and valuation of collateral used for funding such as Greek government bonds.

The economic crisis in Greece has adversely affected the Group's credit risk profile, which has from time to time prevented the Group from obtaining funding in the capital markets, and increased the cost of such funding and the need for additional collateral requirements in repo contracts and other secured funding arrangements, including those with the ECB. Although the Group's access to capital markets has gradually been reinstated over the last two years, concerns relating to the ongoing impact of current economic conditions and potential delays in the completion by the Greek government of key structural reforms initiated under the Third Programme and subjected to the post-programme Enhanced Surveillance Framework may restrict the Group's ability to obtain funding in the capital markets in the near and medium term.

The Bank's principal sources of liquidity are (i) its deposit base, (ii) Eurosystem funding via the Main Refinancing Operations ("**MROs**") and the Targeted Longer term Refinancing Operations ("**TLTROs**") with the ECB and (iii) repurchase securities agreements (repos) with major foreign financial institutions. ECB funding and repos with financial institutions are collateralized by high quality liquid assets, such as EFSF bonds, EU sovereign bonds, Greek government bonds and Treasury Bills ("**T Bills**"), as well as by other assets, such as highly rated corporate loans, covered bonds and asset backed securities issued by the Bank. On 30 June 2018, Eurosystem funding was EUR 2.75 billion, a decrease of EUR 9.6 billion when compared to the respective figure as of 31 December 2016. ECB funding, via the TLTROs, was EUR 2.75 billion, while ELA was nil, a decrease of about EUR 4.0 billion and EUR 5.6 billion, respectively.

Although the Issuer's Eurosystem funding has decreased significantly, with zero dependence on ELA as of 31 December 2017, there can be no assurance that the Issuer's funding needs will continue to be met by, or that it will continue to have access to, Eurosystem funding in the future. In addition, if the Greek government decides to lift the capital controls, deposit outflows could have a material adverse impact on its deposit base and on the amount of the Issuer's ECB and ELA eligible collateral, which could have a material adverse impact on the Group's liquidity and the Group's needs and its ability to access Eurosystem funding in the future, which may in turn threaten the Issuer's ability to continue as a going concern.

Furthermore, the liquidity the Issuer is able to access from the ECB or ELA may be adversely affected by changes in ECB and Bank of Greece rules relating to collateral. If the ECB or the Bank of Greece were to revise their respective collateral standards, remove asset classes from being accepted, or increase the rating requirements for collateral securities such that certain instruments were not eligible to serve as collateral with the ECB or the Bank of Greece, the Issuer's access to these facilities could be diminished and the cost of obtaining such funds could increase. More specifically, the lifting of the ECB's waiver on Greek assets following the completion of the Third Programme (Source: ECB, Legal Act, "Decision (EU) 2018/1148 of the ECB of 10 August 2018 on the eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic and repealing Decision (EU) 2016/1041 (ECB/2018/21)") could constrain the access of the Bank to the ECB's low cost main refinancing operations on the basis of non-investment grade collateral leading to a substitution with higher cost sources of financing.

In addition, the amount of funding available from the ECB or the Bank of Greece is tied to the value of the collateral the Issuer has provided, which may decline. If the value of the Issuer's assets declines, then the amount of funding it can obtain from the ECB or the Bank of Greece will be proportionally limited. Increases in past due loans will also negatively affect the available collateral used for funding purposes (see also below "*Deteriorating asset valuations may adversely affect the*

Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes").

Deteriorating asset valuations may adversely affect the Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes.

The Group is a large provider of loans in Greece and it has significant exposure to the financial performance and creditworthiness of companies and individuals mainly in Greece and in South East Europe ("**SEE**") and the mixed global economic recovery, the economic crisis in Greece and the relatively weak recovery of economies in SEE in recent years have resulted in an increase in the Group's past due loans and significant changes in the fair values of its financial assets.

A substantial portion of the Group's loans and advances to corporate and individual borrowers are secured by collateral such as real estate, securities, vessels, term deposits and receivables. In particular, as mortgage loans are one of the Group's principal assets, the Group is currently highly exposed to developments in real estate markets, especially in Greece. Significant adjustment in residential valuations started in 2009 and continued at a rapid pace from 2010 to the end of 2017 (with prices having fallen by 42.2% by the end of 2017 compared to their peak in 2008, Sources: Bank of Greece, Bulletin of Conjuctural Indicators, November-December 2018 and Bank of Greece, Real Estate database). House prices in Greece increased by 1.5% year-over-year in 2018, for the first time in almost eleven years, responding, gradually, to improving macroeconomic conditions and improved economic sentiment. However, downside risks remain considerable against a relatively high effective tax burden and a still sizeable backlog of unsold houses (Sources: Bank of Greece, Bulletin of Conjuctural Indicators, November-December 2018 and Bank of Greece, Real Estate database). Nonetheless, household disposable income, a significant driver of households' spending decisions, showed a notable improvement in the first nine months of 2018 (3.4% year-over-year) supported by the increase in employment of 2.0%, year-over-year, in 2018 (Sources: EL.STAT., Quarterly Non-Financial Sector Accounts, Third Quarter 2018, January 2019 and EL.STAT., Labor Force Survey, Monthly data, Press Releases, January 2017 until December 2018). Conditions in the Greek real estate are likely to show a further improvement in 2019, given that a significant number of coincident and forward looking indicators of economic activity followed an upward trend in late-2018 and early-2019. Household spending is expected to be supported by increasing households' disposable income, on the back of healthy employment growth (an estimated 1.7% year-over-year in 2018 and an estimated 1.3% year-over-year in 2019, according to NBG Economic Analysis estimates) and a pick-up in hourly wages (0.7% year-over-year in 2018, according to NBG Economic Analysis estimates), along with the reactivation of the sectoral wage bargaining in specific sectors of the economy in the second semester of 2018 (e.g. a number of tourism and transportation services). The legislation of an increase in the national minimum wage of 11% by February 2019 (Source: Ministry of Labour, Social Insurance and Social Solidarity, Press Release, 29 January 2019, in Greek), would translate into a boost in average hourly compensation, supporting consumer spending and households' investment decisions.

However, the still sizeable stock of unsold properties maintained by banks and related to non-performing loans, relatively high effective tax burden on property – and especially the high progressiveness of the property tax system – weak credit flows, the still high oversupply of low quality properties in low demand areas and a still high unemployment rate of 18.0% in December 2018 (EL.STAT., Labor Force Survey, Monthly data, Press Release, December 2018) are likely to weigh on the recovery process and may weigh on the prospective pace of improvement in mortgage delinquencies in the following years. Moreover, a weaker-than-expected increase in disposable income or a slowing in the improvement of liquidity conditions could be translated into declining market activity and new pressures on real estate valuations. These negative factors could translate into a further adjustment in prices in the near-term by hitting consumer confidence and discouraging or deferring investors' decisions despite the attractive valuations. According to Bank of Greece data (Sources: Bank of Greece, Monetary Policy - Interim Report, December 2018, in Greek, Report on Operational Targets for Non-Performing Exposures, March 2018 and Report on Operational Targets

for Non-Performing Exposures, September 2017), the non performing exposures ("**NPE**")[1] ratio of mortgage portfolios at a banking system level (as defined according to EBA Implementing Technical Standards ("**ITS**") on Forbearance and Non-Performing Exposures as exposures that satisfy either or both of the following criteria: a) material exposures which are more than 90 days past due and b) the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or of the number of days past due) increased to 44.7% in September 2018 compared to 43.5% in December 2017 and 41.5% in December 2016.

A further decline in economic activity, or a deterioration of economic conditions in any industry in which the Group's borrowers operate or in the market of the collateral, may result in the value of collateral falling below the outstanding principal balance for some loans, particularly those disbursed in the years prior to the crisis. A decline in the value of collateral, or the Group's inability to obtain additional collateral, may require the Group to establish additional allowance for loan losses. The ongoing pressures on financial and real estate asset valuations means that the value of assets collateralising the Group's secured loans, including residential and other real estate, is likely to decline further. Such a decline could result in further impairment of the value of the Group's loan assets or an increase in the level of its past due loans, either of which will limit the Group's ability to post collateral to obtain ELA and ECB funding. Furthermore, a protracted period of poor economic conditions will materially and adversely affect the liquidity, business activity and financial condition of the Group's borrowers, which in turn will lead to further increases in its past due loan ratios, impairment charges on loans and other financial assets, and decreased demand for borrowings in general and additional pressure on financial and real estate asset valuations could translate into a further deterioration of the economy. The Group's domestic adjusted past due loans (more than 90 days past due) ratio has decreased from 33.8% at 31 December 2016 to 32.3% at 31 December 2017. As at 30 June 2018, the Group's domestic past due ratio further decreased to 30.4%. See "*The increase in loans that are more than 90 days past due has had and may continue to have a negative impact on the Group's operations in the future*." If the financial performance and creditworthiness of the Group's borrowers worsens or does not improve, the quality of its loan portfolio will continue to deteriorate, which will have a material adverse impact on the Group's financial condition and results of operations.

In addition, any failure to recover the expected value of collateral in the case of foreclosure, or the Group's inability to initiate foreclosure proceedings due to national legislation, may expose the Group to losses which could have a material adverse effect on its business, results of operations and financial condition. While the Greek suspension of every enforcement action due to capital controls was lifted by the 29 October 2015 official announcement of the Ministry of Justice, Transparency and Human Rights on 2 November 2015 a prolonged abstention by lawyers', bailiffs' and notaries' that commenced in January 2016 and ended in November 2017 for all parties, restrained the Group from proceeding to enforcement, seizures and auctions of any real estate during that period. Further to the above, online auctions of foreclosed properties have already commenced, though there are still actions taken by various social groups to prevent their performance.

An increase in financial market volatility or adverse changes in the marketability of the Group's assets could impair the Group's ability to value certain of its assets and exposures. The value the Group ultimately realizes will depend on the fair value determined at that time and may be materially different from current value. Any decrease in the value of such assets and exposures could require the Group to realize additional impairment charges, which could adversely affect its financial condition and results of operations, as well as its capital adequacy.

High outflows of funds from customer deposits could cause an increase in the Group's costs of funding and if such outflows were to continue it could have a material adverse effect on the Group's operating results, financial condition and liquidity prospects.

[1] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

Historically, the Group's principal source of funds has been customer deposits, the majority of which are from the Group's Greek depositor base. However, during the first half of 2015, the Bank suffered significant deposit outflows, which were stopped by the imposition of the bank holiday and the capital controls as from 28 June 2015. Since the Group relies on customer deposits for the majority of its funding, if the Group 's depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Group is unable to obtain the necessary liquidity by other means, the Group may be unable to maintain its current levels of funding without incurring significantly higher funding costs or having to liquidate certain of its assets, or without increasing access to the ECB and the Bank of Greece under their exceptional terms. Although the Group's domestic deposits stabilised in 2016 and increased in 2017 and in the first half of 2018, there can be no assurance that outflows will not increase upon any lifting of the capital controls. Furthermore, future deposit levels in Greece may be adversely affected as a result of the transposition of Directive 2014/59/EU ("**BRRD**") in Greece, which, *inter alia*, requires the participation of a financial institution's unsecured depositors (of any amounts exceeding insured limits) in case of resolution proceedings of such institution. For information about resolution proceedings and tools available, see "*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*" below.

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

There can be no assurance that the Bank's capital will be sufficient, in particular if economic conditions in Greece do not improve or if they deteriorate further.

There can be no assurance that the Group will not require further capital in future periods in order to continue to meet the Group 's capital adequacy requirements (see "*Regulation and Supervision of Banks in Greece – EU-wide stress test 2018*" below).

This would be the case particularly if economic business conditions in Greece do not improve or if they deteriorate further. Further deterioration of market conditions in Greece may continue to adversely affect the quality of the Group 's loan and investment portfolio, which comprises primarily Greek loans following the completion of the sale of Finansbank in June 2016 and the disposal of UBB, Interlease E.A.D in June 2017, Vojvodjanska, NBG Leasing d.o.o. Belgrade and NBG Services d.o.o. Belgrade in December 2017, NBG Albania Sh.A. ("**NBG Albania**") in July 2018 and South African Bank of Athens Ltd ("**S.A.B.A.**") in October 2018. The potential deterioration in the credit quality of the Group's assets may exceed current expectations, lead to additional impairments in the future or result in requirements by the Group 's regulators to reduce its NPEs monitored as a prudential measure by applying more aggressive measures than those currently expected, which may result in higher losses than currently anticipated, or the regulators may increase their Supervisory Review and Evaluation Process ("**SREP**") requirements for the Group. Any of these consequences may in turn generate the need for the Group to raise additional capital.

The Group is also required by the Single Supervisory Mechanism ("**SSM**") to reduce the Group's levels of NPEs by EUR 10 billion by 2021 from the end of June 2018. In line with the Group's NPE reduction plan, it intends to write off in the near term significant amounts of loans for which the Group assesses that there is no reasonable expectation of recovery.

In this context, in the first six months of 2018 the Issuer managed to further reduce its NPEs, exceeding the target agreed with the SSM by EUR 1.3 billion. More specifically, in July 2018, the Issuer successfully completed the disposal of a portfolio of non-performing unsecured retail and small business loans in Greece, with an outstanding principal amount of EUR 2.0 billion, which had a positive effect on profitability and capital. The Issuer has incorporated in its imminent NPE reduction targets two more portfolio disposals which are expected to be completed in 2019. The first portfolio disposal involves a granular portfolio of secured small business lending ("**SBL**") and small and medium enterprises ("**SMEs**") exposures with an outstanding principal amount of approximately EUR 1.0 billion. The transaction has been launched and is expected to be completed by the end of the first half 2019. The second portfolio disposal, currently in the structuring stage, shall involve a portfolio of unsecured retail exposures which is expected to be completed in the first half of 2019.

Further to the above, the four systemic Banks in Greece (Alpha Bank, the Bank, Eurobank and Piraeus Bank) on 31 July 2018 entered into a servicing agreement with a credit institution specialised on servicing of non-performing loans, doBank S.p.A ("**doBank**"). This agreement is part of the strategic framework of the Greek systemic banks to reduce their NPEs by protecting the viability of SMEs and supporting the recovery of the Greek economy.

To the extent that part of the NPE decrease is achieved through sales of loans at prices below their net carrying amount, the Group may recognize additional charges in such periods. If the levels of additional charges are significant, the Group could be required to raise additional capital to absorb any losses.

Furthermore, the Group anticipates that new stress tests analysing the strength and resilience of the European banking sector will continue to be carried out by national and supranational supervisory authorities in future periods. (See also "*Regulation and Supervision of Banks in Greece – EU-wide stress test 2018*" below).

Loss of confidence in the European banking sector following the announcement of any future stress tests, a market perception that any such tests are not sufficiently rigorous or capital shortfalls identified by such stress tests in respect of the Group or the Greek banking sector as a whole, could also have a negative effect on the Group's results of operations and financial condition. Furthermore, the results of any future stress tests may result in a requirement for the Group to raise additional capital.

The Group may need additional capital and liquidity as a result of regulatory changes.

The Issuer and the Group are required by the SSM and the regulators in the Hellenic Republic and other countries in which they undertake regulated activities to maintain minimum levels of capital and liquidity. The Group's regulated activities elsewhere in the European Economic Area ("**EEA**") will remain subject to the minimum capital requirements prescribed by the regulatory authority in the Hellenic Republic, except in jurisdictions where it has regulated subsidiaries, which will be subject to the capital requirements prescribed by local regulatory authorities. In jurisdictions in which it has branches, including within the EEA, the Bank is also subject to the regulatory capital and liquidity requirements of such jurisdictions. The Bank, its regulated subsidiaries and its branches may be subject to the risk of having insufficient capital resources to meet the minimum regulatory capital and/or liquidity requirements. In addition, those minimum regulatory capital requirements may increase in the future, or the methods of calculating capital resources may change. Likewise, liquidity requirements are under heightened scrutiny, and may place additional stress on the Group's liquidity demands in the jurisdictions in which it operates. Changes in regulatory requirements may require the Group to raise additional capital. Directive 2013/36/EU (the "**CRD IV Directive**") and the EU Regulation 575/2013 (the **Capital Requirements Regulation** or **CRR** and together with the CRD IV Directive, the "**CRD IV**") which incorporate the key amendments that have been adopted by the Basel Committee on Banking Supervision (known as "**Basel III**") have been directly applicable in all EU member states (the "**EU Member States**") since 1 January 2014, with particular elements being

phased in over a period of time (the requirements are now largely fully effective as of 1 January 2019 and some minor transitional provisions provide for phase-in until 2024) but it is possible that in practice implementation under national laws may be delayed. Additionally, it is possible that EU member states may introduce certain provisions at an earlier date than that set out in the CRD IV. In addition, on 23 November 2016, the European Commission published legislative proposals for amendments to the CRR, CRD IV Directive, the BRRD and the SRM Regulation (together, the "**EC Proposals**").

Moreover, Directive (EU) 2017/2399 amended the BRRD, inter alia, with regards to the ranking of unsecured debt instruments in insolvency hierarchy in the context of ensuring sufficient loss-absorbing and recapitalisation capacity of institutions. Directive (EU) 2017/2399 requires, inter alia, EU member states to create a new class of 'non-preferred' senior debt under the terms provided therein. While institutions will have the discretion to issue both traditional senior debt and the new 'non-preferred' senior debt, if they issue the latter, they need to explicitly state this in the relevant contractual documentation and, where applicable, the prospectus related to the issuance. Directive (EU) 2017/2399 was transposed into Greek law by articles 103-104 of Greek Law 4583/2018.

The Capital Requirements Regulation defines the minimum capital requirements (Pillar 1 requirements) and the CRD IV defines the combined buffer requirements for EU institutions. In addition, the CRD IV provides (Articles. 97 *et seq.*) that Competent Authorities regularly carry out the SREP, to assess and measure risks not covered, or not fully covered, under Pillar 1 and determine additional capital and liquidity requirements (Pillar 2 requirements). SREP is conducted under the lead of the ECB. The SREP decision is tailored to each bank's individual profile. As at 30 June 2018, the Group's CET1 Ratio exceeded the minimum requirement of CRR and SREP. Implementing regulations in Greece under the CRD IV or higher SREP requirements may impose higher capital requirements, such as higher prudential buffers, which may require the Group to raise further capital. The Group may also be requested by the SSM to address shortcomings identified by the Targeted Review of Internal Models ("**TRIM**"), which may result in increased capital requirements (see "*Regulation and Supervision of Banks in Greece — Single Supervisory Mechanism (SSM)*").

Furthermore, on 20 March 2017, the ECB published its final "Guidance to banks on non-performing loans", setting out expectations in relation to strategy, governance, and operations. On 15 March 2018, the ECB launched the final addendum to the aforementioned ECB guidance on non-performing loans. The addendum sets out supervisory expectations for minimum levels of prudential provisioning for new NPLs[2] and reinforces the guidance with regards to fostering timely provisioning and write-off practices, and may be amended from time to time.

On 14 March 2018, the European Commission presented a package of measures to tackle high NPL ratios in Europe. This package sets out a comprehensive approach with a mix of complementary policy actions that target four key areas:

- ensuring that banks set aside funds to cover the risks associated with loans issued in the future that may become non-performing;
- encouraging the development of secondary markets where banks can sell their NPLs to credit servicers and investors;
- facilitating debt recovery, as a complement to the insolvency and business restructuring proposal put forward in November 2016; and
- assisting Member States that so wish in the restructuring of banks, by providing non-binding guidance (a blueprint) for establishing Asset Management Companies ("**AMCs**") or other measures dealing with NPLs.

[2] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

On 31 October 2018, the European Banking Authority published its final guidelines on management of non-performing and forborne exposures (the "**EBA Guidelines**"). The EBA Guidelines will apply from 30 June 2019. They are developed in accordance with the European Council Action Plan, aim to ensure that credit institutions have adequate prudential tools and frameworks in place to manage effectively their NPEs and to achieve a sustainable reduction on their balance sheets. To this end, the EBA Guidelines require institutions to establish NPE reduction strategies and introduce governance and operational requirements to support them. The EBA Guidelines specify sound risk management practices for credit institutions in their management of NPEs and forborne exposures ("**FBEs**"), including requirements on NPE reduction strategies, governance and operations of NPE workout framework, internal control framework and monitoring. The EBA Guidelines also set out requirements for processes to recognise NPEs and FBEs, as well as a forbearance granting process with a focus on the viability of forbearance measures. In particular, the EBA Guidelines specify that institutions should grant forbearance measures only with the view to return the borrower to a sustainable performing repayment status and are thus in the borrower's interest. The EBA Guidelines introduce a threshold of 5% of gross NPL ratio as a trigger for developing NPE strategies and applying associated governance and operational arrangements. Finally, the EBA Guidelines outline requirements for competent authorities' assessment of credit institutions' NPE management activity as part of the SREP.

On 14 March 2018, the European Commission presented a package of measures to tackle high NPL ratios. In particular, the package includes a proposal for a directive on credit services, credit purchasers and the recovery of collateral, a proposal for a regulation amending the capital requirements regulation and a blueprint on the set–up of national asset management companies ("**AMCs**"). The proposed measures are intended to speed up the progress already made in reducing the NPLs and prevent their renewed build–up. On 18 December 2018 the European Commission announced the political agreement reached by the European Parliament and the Council on prudential measures to further address NPLs in Europe. The deal will now be submitted for endorsement by EU ambassadors. The political agreement referred to the proposal, initially put forward by the European Commission in March 2018, providing for requirements to set aside sufficient own resources when new loans become non-performing and creates appropriate incentives to address NPLs at an early stage.

A systemic proposal for the management of NPEs was published in the Bank of Greece's Overview of the Greek Financial System in November 2018. In particular, the proposed scheme envisages the transfer of a significant part of NPEs along with part of the deferred tax credits (DTCs), which are booked on bank balance sheets, to a Special Purpose Vehicle (SPV). Loans will be transferred at net book value (net of loan loss provisions). The amount of the deferred tax asset to be transferred will match additional losses, so that the valuations of these loans will approach market prices. Subsequently, legislation will be introduced enabling the transferred deferred tax credit to be converted into an irrevocable claim of the Special Purpose Vehicle (SPV) on the Greek State with a predetermined repayment schedule (according to the maturity of the transaction). To finance the transfer, the SPV will proceed with a securitization issue, comprising (indicatively) three classes of notes (senior, mezzanine, junior/equity). The lower class of notes (equity) will be subscribed by banks (each participating by no more than 20%) and the Greek State. The valuation of the loans to be transferred will be carried out by independent third parties, and the final structure of the transaction (including the tranches of the three classes of notes) will be determined by the arrangers subject to market conditions. The Bank of Greece anticipates that private investors will absorb part of the senior-ranked securities and a large portion of the mezzanine securities. The ability to absorb additional losses arising from the participation of the Greek State (through the transformation of deferred tax credits into an irrevocable claim of the SPV) significantly enhances the probability of repayment of the senior and mezzanine bonds. At the same time, by participating in the lower class of notes (junior/equity), the Greek State and banks will be entitled to claim any excess value. The scheme will be managed exclusively by private investors (servicing companies for loans and credits), and apparently there will be an asset class separation for each transaction and management operation depending on the category (business, mortgage, consumer loans, etc.). It is understood that managers

will be appointed following a competitive process and the management framework will be in line with best international transparency and supervisory practices. It should be noted that, before completion of the transaction, banks are expected to proceed, in consultation with the supervisory arm of the European Central Bank, to a restatement of targets for NPE reduction, with the ultimate goal of achieving a single-digit ratio within three years.

The above measures and guidelines will have an impact on the Group's risk management, governance or control systems as these relate to its management of NPEs and FBEs, as well as on how the SSM assesses the Group's capital requirements for NPEs and FBEs.

If the Bank or the Group does not satisfy the minimum capital requirements (taking into account relevant combined buffer requirements) in the future, it may be subject to the measures that the SSM can take pursuant to Article 131 of Greek law 4261/2014 which transposed into Greek Law the CRD IV Directive (the "**CRD Law**") and Regulation 1024/2013, including appointment of a commissioner to the Bank (see "*Regulation and Supervision of Banks in Greece—Bank Recovery and Resolution Directive*").

If the Bank is required to raise further capital but is unable to do so on acceptable terms, the Group may be required to further reduce the amount of the Bank's risk-weighted assets and thus engage in further disposal of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to the Bank. Any failure to maintain minimum regulatory capital ratios could result in administrative actions or other sanctions, which in turn may have a material adverse effect on the Bank's operating results, financial condition and prospects. If the Bank is required to strengthen its capital position, it may not be possible for the Bank to raise additional capital from the financial markets or to dispose of marketable assets. That could potentially lead to further requests for State Aid pursuant to the provisions of Greek Law 3864/2010, as amended and in force, (the "**HFSF Law**") in the circumstances permitted under the Greek Law 4335/2015 (the "**BRR Law**") and the HFSF Law, which could result in the application of Burden Sharing Measures (as described in "*The Issuer –History and Development of the Group–2015 Recapitalisation– Burden Sharing Measures*" below) .

The Bank's wholesale borrowing costs and access to liquidity and capital may be negatively affected by, and there may be further material adverse consequences to the Group of, any future downgrades of the Hellenic Republic's credit rating.

The successful accumulation by the Hellenic Republic of a cash buffer, which is sufficient to cover, if necessary, sovereign financing needs until at least 2022, assuming achievement of the medium-term fiscal targets (Source: ESM, Press Release, 6 August 2018, European Commission, Enhanced Surveillance Report - Greece, February 2019 and NBG Economic Analysis estimates) has increased further following the issuances of a 5-year government bond in January 2019 and a 10-year government bond in March 2019, through which the Hellenic Republic raised €5.0 billion, cumulatively (Source: Public Debt Management Agency, Announcement on the issuance of 5-year bond, 1 February 2019 and Announcement on the issuance of 10-year bond, 5 March 2019) and the estimated fiscal overperformance in 2018, along with the completion of the Third Program, improving macroeconomic trends and the agreement on the implementation of the Enhanced Surveillance Framework for Greece's post-programme monitoring, led major rating agencies to upgrade and/or maintain a positive outlook as regards the Hellenic Republic's sovereign rating since mid-2018 until early-2019. In this context, on 25 June 2018, S&P Ratings further upgraded Greece's sovereign bond rating to "B+" from "B", revising its outlook from positive to stable, on the back of the 21 June 2018 Eurogroup's decision on debt, which is estimated, by S&P, to minimize sovereign debt servicing risks over the next two years. Moreover, on 20 July 2018, S&P reset its outlook on the Hellenic Republic's rating to positive. Furthermore, on 10 August 2018, Fitch Global Ratings upgraded Greece's sovereign bond rating by two notches, to "BB-" from "B", bringing the country's long-term sovereign rating three notches away from an investment grade rating, with a stable outlook. The successful build-up of a sovereign liquidity buffer, in order to pre-finance future government debt repayments upon the

country’s exit from the Third Program, has been referred to as an additional factor which has been taken into account in assessing Greece’s creditworthiness. On 18 January 2019 S&P affirmed its rating on Greece of “B+” with a stable outlook, while on 8 February 2019 Fitch Global Ratings also affirmed its rating of “BB-”, with stable outlook, as well. On 1 March 2019, Moody’s upgraded Greece's sovereign bond rating by two notches to “B1” from “B3”, changing the outlook to stable from positive (Source: S&P Ratings, Fitch Global Ratings and Moody’s press releases on Greek Sovereign outlook).

Moreover, all major rating agencies referred to a potential for additional rating upgrades in 2019, if the improvement in macroeconomic trends continues and the credibility of the fiscal adjustment is maintained in the post-programme era and the process of reducing the still sizeable stock of non-performing exposures meets the ambitious medium-term targets (Source: S&P Ratings, Fitch Global Ratings and Moody’s press releases on Greek Sovereign outlook).

The capacity of the Hellenic Republic to maintain continuous access to market financing at competitive costs is an important element of Greece’s economic and financial recovery and will be closely related to the financial conditions of the private sector in the coming years. The terms of this access remain also dependent on international economic conditions and sources of financial risk internationally, as well as on the prospective path of domestic disposable income and Greek assets valuations. In this respect, there are still considerable uncertainties surrounding the prospective pace of improvement in the country’s sovereign rating, which is also closely related to the private sector’s creditworthiness.

The rating agencies also note that the probability of new downgrades of the Hellenic Republic’s rating could re-appear in the event of an emergence of doubts about the country’s commitment to maintaining a sound fiscal position as well as focus on completing all important reforms, initiated under the Third Programme and subjected to the post-programme Enhanced Surveillance Framework, or meet other obligations of the post-programme monitoring. Macroeconomic risks from the implementation of new fiscal measures could also emerge in the event that pending court rulings (on past government legislation), regarding public sector wages, as well as, regarding the 2012, 2015 and 2016 pension system reforms, create significant fiscal costs through a partial or complete reversal of related spending cuts in previous years. In this event, new fiscal measures should be implemented to ensure compliance with the medium-term fiscal targets. A stabilisation of the Hellenic Republic’s rating or even a downgrade may also occur if official sector lenders waive from their commitment to conditionally provide further relief to Greece’s debt servicing costs, if needed, in the future, as the activation or not of this package is conditional to the debt sustainability assessment planned at the end of the extended grace period on the specific part of the EFSF loans in 2032 (Source: Eurogroup Statement, 24 May 2018). Should any downgrades occur, or rating outlooks turn negative, the financing costs of the Hellenic Republic would increase and its access to market financing could be disrupted, with negative effects on the cost of capital for Greek banks (including the Bank) and the Bank’s business, financial condition and results of operations. Downgrades of the Hellenic Republic’s credit rating could also result in a corresponding downgrade in the Bank’s credit rating and, as a result, increase wholesale borrowing costs and the Bank’s access to liquidity.

It should be noted that improvements in Greece’s sovereign rating have started to be gradually transmitted to the risk assessment of other high quality financial and real assets in Greece, but valuations remain highly sensitive and subject to downside risks.

A resurgence of default risks for the Hellenic Republic would have a material adverse effect on the Group’s business and could lead to a higher cost of funding or the inability of the Issuer to raise capital.

The ability of the Hellenic Republic to service its outstanding debt depends on a variety of factors, including the overall health of the Greek economy, the growth rate that can be achieved in future years, the maintenance of sound fiscal and current account positions, and the provision by the official

lenders of additional concessions for lowering debt servicing costs. In the event of the re-emergence of the need for an additional restructuring of the Hellenic Republic's debt due to adverse conditions arising from the foregoing or other influences, the Issuer's regulatory capital would be severely affected due to its direct exposure to Hellenic Republic debt, as well as due to the indirect effects of the credit event on the Issuer's borrowers (and thus asset quality) and on investor confidence, requiring the Bank to raise additional capital. In addition, if the Hellenic Republic were to default on its debt obligations to the Issuer, the Issuer could suffer losses and require further capital. Furthermore, there can be no assurance that the Issuer could raise all or any of the required additional capital on acceptable terms.

Failure to implement a credible programme of reforms which meets any conditions imposed by the official lenders to lower the Hellenic Republic's debt servicing costs and/or measures to restore long-term debt sustainability and cover possible additional needs (even due to factors outside the control of the Hellenic Republic) of Greece in upcoming years may also result in a credit event with respect to Hellenic Republic debt or lead to a default by the Hellenic Republic on its domestic and/or external debt, which could include marketable instruments, official sector loans from the Eurozone countries and/or the IMF and other obligations of the Hellenic Republic.

Moreover, if the effort of the Hellenic Republic to restore a viable economic course without the protection of an economic support programme (following the successful completion of the Third Programme), does not achieve the intended results or the Hellenic Republic and the European Institutions are not otherwise able to continue to agree on the underpinnings of a sustainable fiscal path for Greece in the post-Third Programme period, it is possible that investors may again fear the exit of Greece from the Eurozone and the common currency of the euro (so-called "**Grexit**"), or be forced to repay its domestic and/or external indebtedness with a parallel or alternative currency. In the extreme case of a re-emergence of the Grexit risk there could be materially adverse consequences on the Group's business, financial condition and results of operations, including a higher cost of funding and a devaluation or redenomination of significant portions of its assets. It would also result in any future payments of dividends being made in a currency other than the euro.

The Group may not be allowed to continue to recognize the main part of deferred tax assets as regulatory capital or as an asset, which may have an adverse effect on its operating results and financial condition.

The Group currently includes deferred tax assets ("**DTAs**") in calculating the Group's capital and capital adequacy ratios. As at 30 June 2018, the Group's DTAs, excluding the amount of the DTA that was classified as non-current assets held for sale, were EUR 4.9 billion (31 December 2017: EUR 4.9 billion).

The Issuer reviews the carrying amount of its DTAs at each reporting date, and such review may lead to a reduction in the value of the DTAs on the Bank's statement of financial position, and therefore reduce the value of the DTAs as included in the Group' s regulatory capital.

The EU Capital Requirements Regulation provides that DTAs recognized for IFRS purposes that rely on future profitability and arise from temporary differences of a credit institution and exceed certain thresholds must be deducted from its CET1[3] capital. This deduction is implemented gradually until 2019.

The deduction would have a significant impact on Greek credit institutions, including the Bank. However, as a measure to mitigate the effects of the deduction, article 27A of Greek Law 4172/2013 (the "**DTC Law**"), as currently in force, allows credit institutions, under certain conditions, and from 2017 onwards to convert DTAs arising from (a) private sector initiative ("**PSI**") losses, (b) accumulated provisions for credit losses recognized as at 30 June 2015, (c) losses from final write-off

[3] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

or the disposal of loans and (d) accounting write-offs, which will ultimately lead to final write-offs and losses from disposals, to a receivable ("**Tax Credit**") from the Greek State. Items (c) and (d) above were added with Greek Law 4465/2017 enacted on 29 March 2017. The same Greek Law 4465/2017 provided that Tax Credit cannot exceed the tax corresponding to accumulated provisions recorded up to 30 June 2015, less (a) any definitive and cleared Tax Credit, which arose in the case of accounting loss for a year according to the provisions of par.2 of article 27A, which relate to the above accumulated provisions, (b) the amount of tax corresponding to any subsequent specific tax provisions, which relate to the above accumulated provisions and (c) the amount of the tax corresponding to the annual amortization of the debit difference that corresponds to the above provisions and other losses in general arising due to credit risk.

Furthermore, Greek Law 4465/2017 amended article 27 "Carry forward losses" by introducing an amortization period of 20 years for losses due to loan write offs as part of a settlement or restructuring and losses that crystallize as a result of a disposal of loans.

As at 30 June 2018, the Group's Eligible DTAs (as defined below) amounted to EUR 4.7 billion (31 December 2017: EUR 4.7 billion). The main condition for the conversion of DTAs to a Tax Credit (such DTAs, "**Eligible DTAs**") is the existence of an accounting loss on a solo basis of a respective year, starting from accounting year 2016 and onwards. The Tax Credits will be calculated as a ratio of IFRS accounting losses to net equity (excluding the year's losses) on a solo basis and such ratio will be applied to the remaining Eligible DTAs in a given year to calculate the Tax Credit that will be converted in that year, in respect of the prior tax year. The Tax Credit may be offset against income taxes payable. The non-offset part of the Tax Credit is immediately recognized as a receivable from the Greek State. The Bank will issue conversion rights to the Greek State for an amount of 100% of the Tax Credit in favour of the Greek State that was not offset against income taxes payable and will create a specific reserve for an equal amount. Common shareholders have pre-emption rights on these conversion rights. The reserve will be capitalized with the issuance of common shares in favour of the Greek State This legislation allows credit institutions, to treat such DTAs as not "relying on future profitability" according to CRD IV, and as a result such DTAs are not deducted from CET1[4], hence improving a credit institution's capital position.

On 7 November 2014 the Bank convened an extraordinary General Shareholders Meeting which resolved to include the Bank in the DTC Law. An exit by the Bank from the provisions of the DTC Law requires regulatory approval and a General Shareholders meeting resolution.

If the regulations governing the use of DTCs as part of the Group's regulatory capital change, this may affect the Group's capital base and consequently its capital ratios. As at 30 June 2018, 79.8% of the Group's CET1 capital was comprised of DTCs. Additionally, there can be no assurance that any final interpretation of the amendments described above will not change or that the European Commission will not rule the treatment of the DTCs under Greek law illegal and, as a result, Greek credit institutions will ultimately not be allowed to maintain certain DTCs as regulatory capital. If any of these risks materialize, this could have a material adverse effect on the Group's ability to maintain sufficient regulatory capital, which may in turn require the Group to issue additional instruments qualifying as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group's operating results and financial condition and prospects.

There is uncertainty about the Issuer's ability to continue as a "going concern"

A slow progress in improving the internal liquidity generation capacity of the economy, along with a poor performance in attracting private funds, could maintain reliance on Eurosystem funding at a relatively elevated level in the medium to longer term, may delay the anticipated recovery of the Greek economy and create uncertainty about the Bank's ability to continue as a going concern.

[4] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

Although Eurosystem funding was significantly reduced to EUR 2.75 billion as at 30 June 2018 and 31 December 2017 compared to EUR 12.3 billion at 31 December 2016, of which EUR 2.75 billion was from the ECB as at 30 June 2018 and 31 December 2017, (compared to EUR 6.7 billion as at 31 December 2016) and nil from the ELA (compared to EUR 5.6 billion as at 31 December 2016), the need for additional ECB or ELA funding may arise if adverse developments in the Greek economy occur. The going concern basis of the Bank is dependent on access to the Eurosystem facilities, the Bank's and the Group's CET1 ratio of 30 June 2018 (which exceeded SREP requirements even after the adoption of IFRS 9) and the recent developments regarding the Greek economy and the latest estimates regarding macroeconomic indicators.

In addition, Management concluded that the Bank is a going concern after considering (a) the nil ELA funding, the ECB funding solely through TLTRO and the current access to the Eurosystem facilities with significant collateral buffer, (b) the Bank's and the Group's CET1 ratio[5] of 30 June 2018 which exceeded SREP requirements even after the adoption of IFRS 9, (c) the results of the 2018 Stress Test exercise, based on which no capital plan was deemed necessary (see "*Regulation and Supervision of Banks in Greece – EU-wide stress test 2018*" below) and (d) the recent developments regarding the Greek economy and the latest estimates regarding macroeconomic indicators.

Risks Relating to the Issuer's Recapitalization and Receipt of State Aid

As a recipient of State Aid, the Issuer's operational autonomy is constrained.

As a result of recapitalisations in 2013 and 2015, each of which included State Aid within the meaning of applicable EU legislation, and in order for the HFSF to fulfill its objectives under the HFSF Law, exercise its rights and obligations and comply with the commitments undertaken through the Financial Assistance Facility Agreement ("FFA") signed on 19 August 2015 by and between the ESM, the Hellenic Republic, the Bank of Greece and the HFSF and the MoU signed on 19 August 2015 between the ESM, on behalf of the European Commission, the Hellenic Republic and the Bank of Greece, the HFSF and the Bank entered to a revised Relationship Framework Agreement dated 3 December 2015 (the "Amended Relationship Framework Agreement"), which amended the initial Relationship Framework Agreement dated 10 July 2013 between the Issuer and the HFSF (the "Relationship Framework Agreement") (See "Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework–Amended Relationship Framework Agreement" below). The total amount of State Aid the Issuer received in forms other than guarantees and liquidity assistance was approximately EUR 10.7 billion as at 30 June 2018, following the repayment of the contingent convertible bonds ("CoCos") in December 2016.

Under European State Aid rules, the Issuer has undertaken certain commitments (the "Commitments") and has submitted a Revised Restructuring Plan (as defined below under "The Issuer – History and Development of the Group - Revised Restructuring Plan approved by the Directorate General for Competition on 4 December 2015 (the "Revised Restructuring Plan")). In line with the Commitments undertaken, among others, the Issuer is not permitted to acquire any stake in any undertaking unless the purchase price is below certain thresholds or the acquisition takes place in the ordinary course of business or following relevant approval by the European Commission, according to the particular provisions of the Commitments. The Commitments also provide for certain procedures, that the Issuer has to follow with respect to lending towards connected borrowers and risk monitoring requirements that the Issuer must fulfill. Finally, in the event that the Issuer is placed under liquidation, according to the legal framework concerning the HFSF, the HFSF (as shareholder) is satisfied in priority before the common shareholders.

[5] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

On 4 December 2015, the Directorate General for Competition of the European Commission approved the Bank's Revised Restructuring Plan. (See "The Issuer - History and Development of the Group—Revised Restructuring Plan approved by the Directorate General for Competition on 4 December 2015 (the Revised Restructuring Plan)").

The implementation of the Revised Restructuring Plan by the Issuer has had and will continue to have a significant impact on its business activity, operating results and financial position. Specifically, as part of the Revised Restructuring Plan and under European State Aid rules, the Issuer has undertaken a number of Commitments, both structural (such as the disposal of certain assets and subsidiaries) and behavioural, towards the Directorate General of the European Commission. Among other Commitments, as part of its Revised Restructuring Plan the Issuer in June 2016, completed the sale of 100.00% of its shareholding in Finansbank. Following the closing, on 15 December 2016, the Bank proceeded with the full repayment of the CoCos. Furthermore, in June 2017, the Issuer completed the sale of its 99.91% shareholding in UBB and its 100.00% shareholding in Interlease E.A.D. In December 2017, the Issuer completed the sale of its 100.00% Serbian subsidiaries Vojvodjanska and NBG Leasing d.o.o. Belgrade. Moreover, in July 2018 and in October 2018, the Bank completed the sale of its 100.00% shareholding in NBG Albania and its entire stake in in S.A.B.A., respectively.

Lastly, although the Issuer in July 2017, entered into a sale and purchase agreement ("SPA") for the sale of 99.28% of its Romanian subsidiary Banca Romaneasca S.A. ("Romaneasca"), on 19 March 2018, the Bank announced that the NBR rejected OTPR's application to acquire 99.28% of Romaneasca as NBR's approval of OTPR, as the new shareholder of Romaneasca, was a condition precedent for the closing of the transaction. Moreover, although the Issuer in June 2017 entered into an agreement with EXIN to sell a 75.00% stake in Ethniki Insurance, on 28 March 2018, which was the Longstop Date for EXIN to fulfil certain condition precedents specified in the SPA entered into between NBG and EXIN, the Bank took note that such condition precedents were not fulfilled and henceforth decided to terminate the SPA. Therefore, the Issuer is considering various strategic options in relation to its investment in Ethniki Insurance in line with the expected prolongation of its Revised Restructuring Plan. The Issuer is also in the process of divesting from its remaining foreign operations in Cyprus, Romania and Egypt.

The above disposals contemplated by the Revised Restructuring Plan, which have not yet taken place, may be undertaken by the Issuer at unattractive valuations or during unfavourable market conditions. The Issuer has not succeeded in complying with all the Commitments given by the Hellenic Republic within the deadline (31 December 2018) set in the Revised Restructuring Plan for the Issuer. Nevertheless, the Issuer has initiated a dialogue with the DG Comp (as defined below) aiming to receive additional time to fulfil its commitments, but a final decision has not been received yet. However, the European Commission could open an in-depth investigation (so called "misuse of aid proceedings") at the end of which it may find that additional restructuring measures are required in order to find the State Aid received compatible with the internal market. In addition, it may result in the HFSF exercising full voting rights in respect of its shares in the Bank, for which the relevant rights are currently restricted (see "— The HFSF, as shareholder, has certain rights in relation to the operation of the Issuer and has and will continue to have the ability to exercise significant influence over the Group's operations" below).

Furthermore, the Commitments of the Hellenic Republic towards the European Commission also provide for the appointment of a monitoring trustee (the "Monitoring Trustee") for each bank under restructuring, including the Issuer. The Monitoring Trustee acts on behalf of the European Commission and aims to ensure the compliance of the Issuer with such Commitments, and oversees the implementation of restructuring plans and the Bank's compliance with the applicable State Aid rules. See "Regulation and Supervision of Banks in Greece—Monitoring Trustee". Grant Thornton was appointed as the Bank's Monitoring Trustee on 16 January 2013. The Monitoring Trustee's powers affect management's discretion by imposing further supervision on the Issuer, which may affect business decisions and development strategies and limit the operational flexibility of the Group.

The HFSF, as shareholder, has certain rights in relation to the operation of the Issuer and has and will continue to have the ability to exercise significant influence over the Group's operations.

Under the Amended Relationship Framework Agreement governing the relationship between the Issuer and the HFSF, the HFSF, as shareholder, has certain rights in relation to the operation of the Issuer. See "*Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework—Provision of Capital Support by HFSF—Powers of the HFSF*". Although the Amended Relationship Framework Agreement provides that the Issuer's decision making bodies will continue to determine independently, among other things, the Issuer's commercial strategy and policy, the monitoring and veto powers held by the HFSF representative appointed to the Board of Directors (appointed since June 2012 under Greek law 3864/2010) restrict the discretion of the Issuer's management. Accordingly, as a result of the Issuer's participation in recapitalization programmes, the HFSF is able to exercise significant influence over the operations of the Issuer. These restrictions arise from, among others, the Amended Relationship Framework Agreement with the HFSF entered into by the Issuer in December 2015 in connection with its receipt of State Aid as part of its recapitalization in December 2015 (similar restrictions applied prior to December 2015 in accordance with the initial Relationship Framework Agreement of July 2013 between the Issuer and the Hellenic Republic) (see "*Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework—Provision of Capital Support by HFSF— Amended Relationship Framework Agreement*").

Pursuant to the provisions of the HFSF Law, the HFSF's appointed representative has enumerated powers to veto key corporate decisions of the Issuer and exercise other powers relating to corporate governance, as set out in "*Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund-The Greek Recapitalisation Framework—Provision of Capital Support by HFSF—Powers of the HFSF.*" Additionally, in accordance with the provisions of the HFSF Law and the provisions of the Amended Relationship Framework Agreement, HFSF, among others, has performed and may in the future perform its own evaluation of the corporate governance and of the Board of Directors and its Committees, through independent consultants of international reputation and established experience and expertise. If a review or evaluation undertaken in compliance with these provisions determines that the subject of the review does not meet the relevant criteria, HFSF is required to advise the Board of Directors or the General Meeting of Shareholders as the case may be, of its findings, and may recommend replacement of members of the Board of Directors or Board Committee. In 2017 the HFSF performed its own evaluation of the Board of Directors, in collaboration with independent consultants and in accordance with Article 10 of Greek Law 3864/2010 as amended and currently in force. The results of the HFSF's evaluation of the Board of Directors have been reviewed and discussed at the level of the Board of Directors by the competent Board Committee, being the Corporate Governance and Nominations Committee of the Board, and the Bank has proceeded to corrective action which has been closely monitored.

In addition to the provisions of the HFSF Law, and pursuant to the Amended Relationship Framework Agreement, the HFSF has a series of information rights with respect to matters pertaining to the Bank. Additionally, as prescribed by the Amended Relationship Framework Agreement, the HFSF representative shall be appointed as member in all Board Committees, while the HFSF observer (participates in the Board without voting rights) will also be appointed in all Committees. Finally, the Bank is obliged to obtain the prior approval of the HFSF on a number of material matters, determined in detail within the Amended Relationship Framework Agreement.

Consequently, there is a risk that the HFSF may exercise the rights it has to exert influence over the Issuer and may disagree with certain of the Issuer's decisions relating to Board of Directors or other management appointments, dividend distributions, benefits policies and other commercial and management decisions which will ultimately limit the Group's operational flexibility.

Additionally, following its participation in the Issuer's share capital increase completed in December 2015, the HFSF acquired 225,486,916 shares of the Issuer and as part of the recapitalisation, Greek

State Preference Shares previously held by the Hellenic Republic were converted into common shares and acquired by the HFSF by operation of law. By resolution of the Bank's Annual General Meeting of 26 July 2018, it was decided to simultaneously (i) increase the share capital by EUR 0.90, due to capitalisation of an equal part of the Bank's special reserve of Article 4.4a of Codified Law 2190/1920, and (ii) increase the nominal value of each common registered voting share of the Bank from EUR 0.30 to EUR 3.00 and reduce the aggregate number of the Bank's old common registered shares from 9,147,151,527 to 914,715,153 new common registered shares with voting rights by means of a reverse split at a rate of ten (10) old common shares of the Bank to one (1) new common share of the Bank. Accordingly, as at 12 February 2019, the HFSF holds 355,986,916 common shares having full voting rights, representing 38.92% of the Issuer's share capital, while it also holds 13,481,859, representing 1.47% of the Issuer's share capital consisting of common shares with restrictions on the exercise of the voting rights as per Article 7a of the HFSF Law as in force, which could be lifted upon certain conditions, for example if the HFSF General Council concludes that there is a breach of material obligations which are included in the restructuring plan or which promote its implementation or which are described in the Amended Relationship Framework Agreement. See "*The Issuer – Major Shareholders – Common Shares*" below.

Furthermore, the HFSF also has interests in other Greek financial institutions and an interest in the health of the Greek banking industry and other industries generally, and those interests may not always be aligned with the commercial interests of the Group or those of its shareholders.

Risks Relating to the Issuer's Business

The increase in loans that are more than 90 days past due has had and may continue to have a negative impact on the Group's operations in the future.

Loans that are more than 90 days past due represented 30.5% of the Group's loans[6] as at 30 June 2018 (compared to 32.4% as at 31 December 2017 and 32.9% as at 31 December 2016), while the same ratio for its domestic operations was 30.4%, 32.3% and 33.8% as at 30 June 2018, 31 December 2017 and 31 December 2016, respectively. The effect of the economic crisis in Greece and adverse macroeconomic conditions in the countries in which the Group operates may result in further adverse effects on the credit quality of the Group's borrowers, with increasing delinquencies and defaults. In accordance with Greek law 3869/2010, as amended and in force, individuals who are in a state of permanent inability to pay their debts not attributable to willful misconduct, have the ability to adjust their debts and may be released from a portion of such debts through filing of an application to the competent court (see "*Regulation and Supervision of Banks in Greece*"). As at 31 December 2017 and 30 June 2018, 79,320 and 79,494 customers, respectively, had applied to the court under the provisions of Greek Law 3869/2010, with combined outstanding balances of EUR 3,470 million and EUR 3,593 million, respectively. In addition, the Group may not be able to enforce certain collateral in enforcement proceedings for real estate used as the main residence of the debtors, subject to certain conditions as described in "*Regulation and Supervision of Banks in Greece—Restrictions on Enforcement of Granted Collateral*". Future provisions for non-performing loans could have a materially adverse effect on the Group's profitability.

The Group's loan portfolio may continue to contract.

Since 31 December 2013 the Group's domestic adjusted loans less allowance for impairment portfolio has declined from EUR 39.3 billion to EUR 30.3 billion as at 31 December 2017, whereas as at 30 June 2018, loans less allowance for impairment portfolio further declined to €28.6 billion. As the Greek economy has remained in recession, in the current economic environment, the Group's domestic loan portfolio may continue to decline, and its foreign loan portfolio may also decline. More

[6] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

specifically, since 31 December 2013 the Group's foreign adjusted loans less allowance for impairment portfolio has declined from EUR 21.9 billion to EUR 1.7 billion as at 30 June 2018, mainly due to the Finansbank, UBB, Interlease E.A.D., Vojvodjanska, NBG Leasing d.o.o. Belgrade and NBG Services d.o.o. Belgrade disposals and to the transfer of S.A.B.A., Romaneasca and NBG Albania to non-current assets held for sale, as a result of the Bank's commitment to reduce its international activities in the context of the Revised Restructuring Plan. Furthermore, there are a limited number of high credit quality customers in Greece to whom banking services may be provided in the Group's target markets. Developments in the Group's loan portfolio will be affected by, among other factors, the health of the Greek economy in light of the economic crisis, the lifting of the capital controls imposed on Greek banks and the post-programme surveillance following the completion of the Third Programme. The continuing decline in the Group's loan portfolio, in combination with past due loans, could further reduce the Group's net interest income, and this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's regulatory capital may be adversely affected by the implementation of IFRS 9, as endorsed by the EU.

The Group calculates its regulatory capital position on the basis of its IFRS financial statements and thus changes in IFRS that impact the financial metrics used to calculate its regulatory capital could result in changes that require the Group to raise additional capital to comply with its regulatory capital requirements.

The comprehensive reform of financial instruments accounting, IFRS 9 "Financial Instruments" ("**IFRS 9**"), has been applicable to the Group in relation to the preparation of its IFRS financial statements since 1 January 2018. IFRS 9 introduced, among other things, a new impairment model based on expected loss rather than incurred loss and new requirements for the classification and measurement of financial instruments and hedge accounting. The implementation of the new standard requires the application of more complex credit risk models of greater predictive abilities which require a significantly broader set of source data than the currently applied models. Since the allowance for credit losses of financial instruments is based on forward looking information, IFRS 9 will most probably lead to an increase in subjectivity.

On 12 December 2017, the European Parliament and the Council of the European Union adopted Regulation (EU) 2017/2395, allowing credit institutions to gradually apply the impact of the application of IFRS 9 to own funds in calculating regulatory capital. Upon adoption of IFRS 9, credit institutions are allowed to include in the CET1 capital, a portion of the increased expected credit losses provisions over a five year transitional period starting in 2018 and through 2022. The portion of expected credit losses provisions that can be included in CET1 should decrease over time down to zero to ensure the full implementation of IFRS 9 after the end of the transitional period. In addition, in accordance with paragraph (4) of Regulation (EU) 2017/2395, if expected credit losses provisions for financial assets classified as stage 1 or stage 2 under IFRS 9 requirements after the first adoption of IFRS 9 are increased, credit institutions are allowed to include the increase in the transitional arrangements. The Group has decided to apply the transitional arrangements set out in Article 1 of Regulation (EU) 2017/2395, including the provisions of paragraph (4), during the transitional period.

The adoption of IFRS 9 on 1 January 2018 decreased the Group's and the Bank's shareholders' equity by EUR 1.5 billion, of which EUR 1.3 billion is due to changes in impairment requirements and EUR 0.2 billion is due to classification and measurement. A deferred tax asset of EUR 6 million and nil was recognised by the Group and the Bank respectively, in accordance with the Group's accounting policy for recognition of deferred tax assets. The estimated impact of the regulatory transitional arrangements for 2018 on the Group's and the Bank's CET1 ratios as at 31 December 2017 are set out, together with such ratios on a fully loaded basis, in Note 21.3 to the June 2018 Interim Financial Statements (which are incorporated by reference in this Base Prospectus). However, these IFRS 9 impact estimates are based on the accounting policies, assumptions and judgments of the Bank, as determined to date, which will be finalized during the preparation of the financial statements for the

year ending 31 December 2018. Consequently, the aforementioned estimates remain subject to change in 2018. If these estimates change significantly, this could have a material adverse effect on the Bank's financial condition and on the Group's regulatory capital.

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

The global economic recovery remained strong in 2018, albeit growth appears less balanced among countries and may have passed its peak in some major economies. In the euro area, the economic recovery continues to be resilient, mainly supported by healthy consumer spending and steady employment gains, alongside favourable financing conditions due to the accommodative monetary policy of the ECB. Euro area real GDP advanced by 1.9% (annualized rate) in the first half of 2018, easing from a particularly high level of 2.7% in the second half of 2017. Real GDP growth decelerated further in the third quarter of 2018, while leading indicators of business confidence pointed to softer growth momentum entering the fourth quarter. Overall, real GDP growth is expected at 2.0% for 2018 (IMF World Economic Outlook, October 2018), from 2.5% in 2017.

The distribution of risks for the euro area economy appears broadly balanced. On the one hand, the economic upswing may persist as prospects for private consumption appear healthy (lower unemployment rates and higher wages) and business investment remains relatively strong. On the other hand, a weakening external environment amid escalating trade tensions and more pronounced risks to global growth, abrupt upward moves in the euro exchange rate, volatility of European politics (in particular the political uncertainty in Italy resulting from the March 2018 elections, and the uncertainty surrounding the outcome of Brexit negotiations and the consequences of Brexit itself) and the lack of significant progress regarding structural reforms may hinder the positive momentum. Specifically, a number of European economies continue to face significant economic headwinds stemming from high levels of private or public debt and elevated unemployment rates. In addition, the lack of willingness from Italy to adhere to EU fiscal rules, and the resulting heightened tensions between European policymakers and the Italian authorities, may erode investors' confidence further, leading to higher government bond spreads and negatively affecting, *inter alia*, Italian banks' capital levels. These factors, among other things, may restrict the European economic recovery, with a corresponding adverse effect on the Group's business, results of operations and financial condition.

Overall, financial market volatility could edge further higher due to a more aggressive reassessment of the US Federal Reserve's interest rate tightening cycle amid inflationary pressures and renewed euro area political turmoil amid overstretched asset valuations, with a corresponding material adverse effect on the Group's business, results of operations and financial condition, including the Group's ability to fund its operations.

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

Adverse developments could also be triggered by significant deterioration of global economic conditions amid escalating trade tensions a sharper-than-expected slowdown of the Chinese economy due to excessive corporate leverage, a recurrence of Eurozone sovereign debt and banking stress triggered, *inter alia*, by political and fiscal uncertainty, the challenging low/negative interest rate operating environment, as well as a weaker-than-expected performance of the Greek economy.

These developments could:

- further directly impact the carrying amount of the Group's portfolio of Greek government debt;
- further directly impact the impairment losses for receivables relating to the Hellenic Republic;
- severely affect the Group's ability to raise capital and meet minimum regulatory capital requirements; and
- severely limit the Group's ability to access liquidity.

Brexit

Prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the "**Withdrawal Agreement**"). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of European Union law, and provide for continuing access to the European Union single market, until the end of 2020.

As at the date of this Base Prospectus, it is uncertain whether the Withdrawal Agreement will be finalised and ratified by the UK and the European Union prior to the deadline for leaving. Such deadline has recently been extended from 29 March 2019 to 12 April 2019. If the Withdrawal Agreement is not ratified and the deadline is not further extended, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply to the UK from that date. Whilst continuing to negotiate the Withdrawal Agreement, the UK Government has therefore commenced preparations for a "no-deal" Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018.

Due to the ongoing political uncertainty as regards the terms of the UK's withdrawal from the European Union and the structure of the future relationship, it is not possible to determine the precise impact on general economic conditions in the UK or the remaining 27 member states of the EU, including Greece or on the European Union integration process, the relationship between the United Kingdom and the European Union, and the impact on European and UK economies and businesses (including the parties to the Transaction Documents). Such uncertainty and consequential market disruption may also cause investment decisions to be delayed, reduce job security and damage consumer confidence. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Covered Bonds and/or the market value and/or the liquidity of the Covered Bonds in the secondary market.

The Issuer is exposed to counterparty risk

The Issuer routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Sovereign credit pressures may weigh on Greek financial institutions, limiting their funding operations and weakening their capital adequacy by reducing the market value of their sovereign and other fixed income holdings. These liquidity concerns have negatively impacted, and may continue to negatively impact, inter-institutional financial transactions, in general. Many of the routine transactions the Issuer enters into expose the Issuer to significant credit risk in the event of default by one of its significant counterparties. Given the high level of interdependence between financial institutions, the Issuer is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. In addition, the Issuer's credit risk may be exacerbated when the collateral the Issuer hold cannot be realised upon

or is liquidated at prices not sufficient for the Issuer to recover the full amount of the collateralized loan or derivative exposure. A default by a significant financial counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Issuer's business, results of operations, financial condition and capital position.

The Issuer has incurred and may continue to 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 continuing volatility in financial and other markets and the Greek sovereign debt crisis, creating a risk of substantial losses. Significant decline in perceived or actual values of the Group's assets has resulted from previous market events.

Continuing volatility and further dislocation affecting certain financial markets and asset classes could further impact the Group's results of operations, financial condition and prospects. In the future these factors could have an impact on the mark-to-market valuations of assets in the Group's Hold to Collect and Sell ("**HTCS**") measured at fair value through other comprehensive income ("**FVTOCI**") bond portfolios, trading portfolios and financial assets and liabilities for which the fair value option has been elected. In addition, any further deterioration in the performance of the assets in the Group's investment securities portfolios could lead to additional impairment losses, including the Issuer's holdings of Greek government bonds. The investment securities portfolios accounted for 5.8% of the Group's total assets excluding non-current assets held for sale as at 30 June 2018. Volatility can also lead to losses relating to a broad range of other trading securities and derivatives held, including swaps, futures, options and structured products.

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

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies, domestic and international economic and political conditions, as well as other factors. There can be no assurance that further events will not alter the interest rate environment in Greece and the other markets in which the Issuer operates. Cost of funding is especially at risk for the Bank. However, the Bank's funding cost remained almost unchanged, when compared to the respective level as of 31 December 2016 and stood at 0.50% as of 31 December 2017 and at 0.48% as of 30 June 2018.

In the current interest rate climate, central banks of the major developed economies (including the US Federal Reserve, the ECB, the Bank of England and the Bank of Japan, among others) are widely perceived to have a significant influence on the volatility and direction of short term rates. The method and rate at which central banks adjust their target rates cannot be predicted, nor can the effects that changes in such rates will have, be anticipated.

There are risks involved in both an increase of rates and a prolonged period of low or negative interest rates. Variations in short-term interest rates could affect the Group's net interest income, reducing its growth rate and potentially resulting in losses. When interest rates rise, the Group may be required to pay higher interest on floating-rate borrowings while interest earned on fixed-rate assets does not rise as quickly, which could cause profits to grow at a reduced rate or decline.

Conversely, increases in interest rates may reduce the volume of loans the Group originates. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may also reduce the propensity of the Group's customers to prepay or refinance fixed-rate loans, reduce the value of its financial assets and reduce gains or require it to record losses on sales of loans or securities.

If interest rates decrease, although this is likely to reduce the Group's funding costs, it is likely to compress the Group's interest margin, as well as adversely impact income from investments in securities and loans with similar maturities, which could have a negative effect on the Group's operating results, financial condition and prospects.

Changes in market interest rates may affect the interest rates the Group charges on its interest-earning assets differently from the interest rates it pays on its interest-bearing liabilities. This difference could reduce the Group's net interest income. Since the majority of the Group's loan portfolio effectively re-prices within a year, rising interest rates may also result in an increase in the Group's allowance for loan losses if customers cannot refinance in a higher interest rate environment. Further, an increase in interest rates may reduce the Group's clients' capacity to repay in the current economic circumstances.

The Issuer faces significant competition from Greek and foreign banks.

The general scarcity of wholesale funding since the onset of the economic crisis, as well as the imposition of capital controls in 2015, may lead to a significant increase in competition for retail deposits in Greece among the four largest banks (including the Issuer) and other smaller banks, which means that the Issuer may have to pay higher rates to attract equivalent levels of deposits. The Issuer faces competition from foreign banks in the Issuer's banking operations outside of Greece, some of which may have resources greater than that of the Issuer. The Issuer may not be able to continue to compete successfully with domestic and international banks in the future. These competitive pressures may have a material adverse effect on its business, financial condition and results of operations. The Group's relative exposure to Greece increased significantly as a result of the completion of the sale of Finansbank, UBB, Interlease E.A.D., Vojvodjanska, NBG Leasing d.o.o. Belgrade and NBG Services d.o.o. Belgrade, NBG Albania and S.A.B.A. and will further increase as a result of the sale of Romaneasca.

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

The Group's current senior management team includes a number of experienced executives the Group believes contribute significant experience and expertise to its management in the banking sectors in which the Issuer operates. The continued performance of the Group's business and its ability to execute its business strategy will depend, in large part, on the efforts of the senior management of the Group. Furthermore, a potential change in share ownership percentages and shareholders rights or a situation of effective control by the HFSF could lead to the departure of certain senior managers. If a substantial number of the Group's senior management team leave the Group, its business may be materially adversely affected.

In addition, as described under *"The HFSF, as shareholder, has certain rights in relation to the operation of the Issuer and has and will continue to have the ability to exercise significant influence over the Group's operations"* above, the Bank's Board of Directors composition changed in 2016 following an evaluation undertaken on the Group's corporate governance, pursuant to the HFSF Law and the Amended Relationship Framework Agreement and a new Board of Directors was elected on 26 July 2018 by the Annual General Meeting of the Bank with a term of three years, up until the Annual General Meeting of 2021. The election of the members of the Board of Directors of credit institutions is subject to constant review of their suitability (*fit & proper*) and final approval by the SSM of the ECB. The Bank's corporate governance system or the composition of its Board of Directors may be subject to future evaluations. Depending on the outcome of any future evaluation, there may be further changes to the composition of the Bank's Board of Directors.

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

The Group's competitive position depends, in part, on its ability to continue to attract, retain and motivate qualified and experienced banking and management personnel. Competition in the Greek

and South-eastern European banking industries for personnel with relevant expertise is intense due to the relatively limited availability of qualified individuals. To recruit qualified and experienced employees and to minimize the possibility of their departure, the Group provides compensation packages consistent with evolving standards in the relevant labour markets. Under the terms of the HFSF Law, the Amended Relationship Framework Agreement and the Revised Restructuring Plan, the Bank was prohibited from paying bonuses to the members of the Board of Directors, the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officer and any General Managers or Assistant General Managers or their deputies until the end of the Restructuring Plan period (namely 31 December 2018).

Additionally, the Revised Restructuring Plan prescribed that, the Bank was not permitted to pay to any employee or manager a total annual remuneration (wage, pension contribution, bonus) higher than the total annual remuneration of the Governor of the Bank of Greece (cap on overall payment). A 2-year extension of the Restructuring period is currently being negotiated with DGComp and the Hellenic Republic. It is not yet known if the limitations regarding bonus payments will continue to apply during the extended restructuring period.

The HFSF representative has the right to veto any decision of the Board of Directors regarding the distribution of dividends and the benefits and bonus policy concerning the Chairman, the Chief Executive Officer and the other members of the Board of Directors, as well as whoever exercises the general manager's powers and their deputies, while consent of the HFSF must be sought regarding the abovementioned decisions. Moreover, consent of the HFSF must also be sought regarding the remuneration of the Group and benefits policies and any amendment, extension, revision or deviation thereof, or decisions/policies affecting the above policies, including any voluntary retirement/separation schemes.

Additionally, restrictions on variable remuneration under CRD IV have been implemented into Greek Law.

Furthermore, as a result of the economic crisis and regulatory restrictions on bonus payments, the Group is limiting or restricting the bonuses it pays to personnel, which may inhibit the retention and recruitment of qualified and experienced personnel. The inability to recruit and retain qualified and experienced personnel in the Hellenic Republic and SEE, or manage the Group's current personnel successfully, could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Issuer, like any other credit institution, is exposed to the risk of fraud and illegal activities of any form, which, if not dealt with in a timely manner and successfully, could have negative effects on the Issuer's business, financial condition, results of operations and prospects.

The Group is subject to rules and regulations related to combating money laundering and terrorism financing in the jurisdictions where it operates. Compliance with anti-money laundering and anti-terrorist financing rules entails significant cost and effort. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences. Although the Group believes that its current anti-money laundering and anti-terrorism financing policies and procedures are adequate to ensure compliance with applicable legislation, it cannot guarantee that they will comply at all times with all rules applicable to money laundering and terrorism financing as extended to the entire Group and applied to its staff in all circumstances. A possible violation, or even any suspicion of a violation of these rules, may have serious adverse legal and financial impacts, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The employees of the Issuer and certain of its subsidiaries participate in employee-managed pension schemes and retirement benefit plans. The Issuer and certain of the Issuer's subsidiaries make significant defined contributions to these schemes. In addition, the Issuer and several of its subsidiaries offer other post-employment benefit plans, including medical benefit plans. The Group's consolidated retirement benefit obligations under these plans as at 30 June 2018 was EUR 250 million, determined by reference to a number of critical assumptions. These include assumptions about movements in interest rates which may not be realized. Potential variations may cause the Group to incur significantly increased liability in respect of these obligations.

Furthermore, the Issuer, up to October 2017, provided financial assistance to its Auxiliary Pension Plan ("**LEPETE**"), in order for the LEPETE to cover cash shortfalls. Subsequently, the Board of Directors decided that the Issuer will not provide any additional assistance to LEPETE from October 2017 onwards. Since December 2017, LEPETE has ceased making payments to the pensioners. There are pending legal actions against the Issuer from LEPETE and former employees who are disputing the defined contribution status of the plan, claiming that the Issuer has an obligation to cover any deficit arising. Up to 18 March 2019, nine applications for preliminary injunctions were rejected, 21 temporary injunctive measures were ruled in favour of the Issuer, whereas five injunction orders were ruled in favour of former employees. For these decisions against the Issuer, the Issuer recognises the relevant expense as incurred. The Issuer has paid in total €541 thousand until 18 March 2019. There have been 105 legal claims of which 90 have been heard in court and 25 decisions have been issued. Seven first instance court decisions were not in favour of the Issuer, and the Issuer has filed 7 appeals while 18 decisions were in favour of the Issuer for which 14 appeals have been filed until now. The Issuer has not made any payment yet with respect to any of the decisions against it. The Group has not recorded any provisions for these pending legal actions, because management has assessed that the likelihood of the final outcome of the outstanding legal claims being negative is remote.

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

In establishing the fair value of certain financial instruments, the Issuer relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilize observable financial market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in financial market conditions. In such circumstances, the Issuer's internal valuation models require the Issuer to make assumptions, judgments and estimates to establish fair value. In common with other financial institutions, these internal valuation models are

complex, and the assumptions, judgments and estimates the Issuer is often required to make relate to matters that are inherently uncertain, such as expected cash flows. Such assumptions, judgments and estimates may need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Issuer's earnings and financial condition. Also, market volatility can challenge the factual bases of certain underlying assumptions and has made it difficult to value certain of the Group's instruments. Valuations in future periods, reflecting prevailing market conditions, may result in changes in the fair values of these instruments, which could have a material adverse effect on the Issuer's results, financial condition and prospects.

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

As a result of the Issuer's activities, the Issuer is exposed to a variety of risks. Among the most significant of these risks are credit risk, market risk, liquidity risk, operational risk and insurance risk. Failure to control these risks could have a material adverse effect on the Group's results of operations, financial condition, prospects and reputation.

- *Credit Risk.* Credit risk is the risk of financial loss relating to the failure of a borrower to honor its contractual obligations. It arises in lending activities as well as in various other activities where the Issuer is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. The risk of counterparty default is the largest single risk the Issuer faces. See *"Risk Factors – Risks Relating to the Issuer's Business —The Issuer is exposed to counterparty risk*".

- *Market Risk.* Market risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, and their levels of volatility. Changes in interest rate levels, yield curves and spreads may affect the Issuer's net interest margin. Changes in currency exchange 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 or financial conditions generally 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 its portfolios are also exposed. 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. See "*Volatility in interest rates may negatively affect the Issuer's net interest income and have other adverse consequences" and "The Group is vulnerable to disruptions and volatility in the global financial markets*".

- *Liquidity Risk.* Liquidity risk is defined as the current or prospective risk to earnings and capital arising from an entity's inability to meet its liabilities when they come due without incurring significant losses. It reflects the potential mismatch of payment obligations to incoming payments, taking into account unexpected delays in repayments (term liquidity risk) or unexpectedly high payment outflows (withdrawal/call risk). Liquidity risk involves both the risk of unexpected increases in the cost of funding a portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner on reasonable terms. The severity of pressure experienced by the Hellenic Republic in its public finances and credit downgrades has restricted the access to markets for the Bank *(see "If additional ECB or ELA funding is needed in the future it will be subject to ECB rules relating to the eligibility and valuation of collateral used for funding such as Greek government bonds*").

- *Operational Risk.* Operational risk corresponds to the risk of loss due to inadequate or failed internal processes/systems, or due to external events, whether deliberate, accidental or natural occurrences. Internal events include, but are not limited to, fraud by employees, clerical and record keeping errors and information systems malfunctions or manipulations. External events include floods, fires, earthquakes, riots or terrorist attacks, fraud by outsiders and equipment failures. Finally, the Issuer may also fail to comply with regulatory requirements or conduct of business rules.

- *Insurance Risk.* The principal risk that the Issuer may face is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This could occur because the frequency or severity of claims is greater than estimated. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events such as earthquakes, industrial disasters, fires, riots or terrorism.

Although management believes that its risk management and risk mitigation policies are adequate, the Issuer's risk management processes may not prevent all instances of fraud or otherwise allow the Issuer to mitigate or fully manage the above risks. In addition, the weak Greek economy as well as continuing volatility as a result of market forces out of its control could cause the Issuer's liquidity position to deteriorate. Such deterioration would increase funding costs and limit the Issuer's capacity to increase its credit portfolio and the total amount of its assets, which could have a material adverse effect on the Issuer's business, results of operations and financial condition.

The Group's economic hedging may not prevent losses.

If any of the variety of instruments and strategies that the Group uses to economically hedge its exposure to market risk is not effective, the Group may incur losses. Many of the Group's hedging strategies are based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of the Group's hedging strategies. Moreover, the Group does not economically hedge all of its risk exposure in all market environments or against all types of risk. In the Group's view, the principal market risk to which it is exposed, which is not fully economically hedged, is the sovereign credit risk of the Hellenic Republic, in respect of which the Group does not maintain any hedging positions (such as, for example, credit default swaps).

The Issuer's operational systems and networks have been, and will continue to be, exposed and vulnerable to an increasing risk of continually evolving cyber-security or other technological risks which could result in the unavailability of IT services or in the disclosure of confidential client or customer information, damage to its reputation, additional costs to the Issuer, regulatory penalties and financial losses.

A significant portion of the Issuer's operations rely heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a minute-by-minute basis. The Issuer stores an extensive amount of personal and client-specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. These activities have been, and will continue to be, subject to an increasing risk of cyber attacks, the nature of which is continually evolving.

Although the Issuer endeavours to safeguard its systems and processes and strive to continuously monitor and develop them to protect its technology infrastructure and data from misappropriation, its computer systems, software and networks have been and will continue to be exposed and possibly vulnerable to unauthorized access, loss or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber attacks and other external attacks or events, as well as internal breaches. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Issuer's reputation with its clients and the market, additional costs to the Issuer (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses to both the Issuer and its clients. Such events could also cause interruptions or malfunctions in the Issuer's operations (such as the lack of availability of its online banking systems) or otherwise hinder its operational effectiveness, as well as the operations of its clients, customers or other third parties. Given the volume of the Issuer's transactions, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Issuer does business may also be sources of cyber security or other technological risks. The Issuer outsources a limited number of supporting functions, such as printing of customer credit card statements, which results in the storage and processing of customer information. Although the Issuer adopts a range of actions to eliminate the exposure resulting from outsourcing, such as not allowing third-party access to the production systems and operating a highly controlled IT environment, unauthorized access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Issuer as those discussed above.

The EU General Data Protection Regulation is directly applicable in Greece as of 25 May 2018 and the penalties in case of personal data leakage could impact the Issuer and the Group.

While the Issuer maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

The Group conducts international activities in South East Europe and Cyprus, which are subject to certain political, governmental or macroeconomic risks.

Apart from the Group's continuing operations in the Hellenic Republic, it has operations in, amongst others, Romania and the Former Yugoslav Republic of Macedonia ("**North Macedonia**") and in Cyprus, which includes banking operations. The Group's operations in SEE and Cyprus accounted for 5.3% of its gross loans as at 30 June 2018 and 7.3% of its net interest income before provisions for loan losses from continuing operations as at and for the period ended 30 June 2018. The Group's operations in SEE and Cyprus are exposed to the risk of adverse political, governmental or economic developments in the countries in which it operates. In addition, most of the countries outside the Hellenic Republic in which the Group operates are emerging markets in which it faces particular operating risks. These factors could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's SEE operations also expose it to foreign currency risk. A decline in the value of the currencies in which its SEE subsidiaries receive their income or value their assets relative to the value of the Euro may have an adverse effect on its results of operations and financial condition.

In addition, the economic crisis in Greece may:

- materially adversely affect the operations of the Group's SEE and in Cyprus subsidiaries;
- increase depositors' concerns in these countries regarding the creditworthiness of the Hellenic Republic and the Bank, which may, in turn, affect their willingness to continue to do business with its international subsidiaries; and
- result in local governmental intervention.

The materialization of any of the above factors, individually or in combination, may have a material adverse effect on the Group's business, results of operations and financial condition or prospects.

Legal, Regulatory and Compliance Risks

The Group's business is subject to increasingly complex regulation which may increase its compliance costs and capital requirements

The Group is subject to financial services laws, regulations, administrative actions and policies in each jurisdiction in which it operates. All of these regulatory requirements have changed, are continuing to change, and are subject to further change following the unprecedented levels of government intervention and changes to the regulations governing financial institutions, as a result of

the financial crisis. In response to the global financial crisis, national governments as well as supranational groups, such as the EU, have implemented significant changes to the existing regulatory frameworks for financial institutions, including those pertaining to supervision, capital adequacy, liquidity, resolution and the scope of banks' operations and those pertaining to investors' protection and financial products' governance requirements.

Since 4 November 2014, the Group has been a significant entity in the Eurozone supervised by SSM and is subject to continuous evaluation of its capital adequacy by the SSM, and could be requested to operate with higher than minimum regulatory capital and/or liquidity ratios. The supervisory regime applicable to European banks is undergoing a period of change since the SSM took responsibility for the prudential supervision of banks in the Eurozone in November 2014. Competent Authorities will continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks, besides supporting ECB in day to day supervision. In light of the new supervision legal framework the ECB and the competent national authorities shall carry out a SREP at least on an annual basis. In this view the EBA published on 19 December 2014 the final guidelines for common procedures and methodologies in respect of the SREP ("**EBA Guidelines**"). Such EBA Guidelines draw a common approach to determining the amount and composition of additional Pillar 2 own funds requirement implemented since 1 January 2016. On 31 October 2017, the EBA launched a public consultation to review, among others, the EBA 2014 Guidelines with the aim to further enhance an institution's risk management and the convergence among national regulators of their supervisory role in the SREP. The latest revised SREP guidelines were issued on 19 July 2018. They reflect the on-going policy initiatives related to Pillar 2/SREP, which include, among other things, the introduction of Pillar 2 capital guidance ("**P2G**"), the integration of supervisory stress testing requirements and supervisory assessment of banks' stress testing from the EBA Consultation Paper on Guidelines on stress testing and supervisory stress testing 2, clarification of certain aspects of scoring, further details on the articulation of total SREP capital requirements ("**TSCR**") and overall capital requirements ("**OCR**"), and various consistency checks with relevant EBA standards and guidelines that came into force after the publication of the original SREP Guidelines in 2014.

The SSM might impose new compliance, governance or system and control mandates that will increase compliance costs for the Bank. As a result of these and other ongoing and possible future changes in the financial services regulatory framework (including requirements imposed by virtue of the Group's participation in any Greek government or regulator-led initiatives, such as the Hellenic Republic's Bank Support Plan), the Group may face greater regulation in the Hellenic Republic and SEE. Current and future regulatory requirements may be different across each of these locations and even requirements with EEA-wide application may be implemented or applied differently in different jurisdictions.

Compliance with these new requirements will increase the Group's regulatory capital and liquidity requirements and may increase its compliance costs and disclosure requirements, restrict certain types of transactions, affect its strategy and limit or require the modification of rates or fees that it charges on certain loans and other products, any of which could lower the return on the Group's investments, assets and equity. The Group may also face increased compliance costs and limitations on its ability to pursue certain business opportunities. In addition, changes in law to address tax compliance issues such as compliance with provisions of U.S. law under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (commonly known as the Foreign Account Tax Compliance Act or "**FATCA**") may increase the Group's compliance costs. The Group cannot predict the effect of any such changes on its business, financial condition, cash flows or future prospects.

The Group is subject to the European resolution framework which has been implemented and may result in additional compliance or capital requirements and will dictate the procedure for the resolution of the Group

The BRRD provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The BRRD is designed to provide authorities with a credible set of resolution tools and powers to intervene sufficiently early and quickly to avoid a significant adverse effect on the financial system, to prevent threats to market infrastructures, to protect depositors and investors and to minimize reliance on public financial support. On 23 November 2016, the European Commission published the Proposals (see "*The Group may need additional capital and liquidity as a result of regulatory changes*" above).

See also below "*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*".

The BRRD (as applicable before the entry into force of Directive (EU) 2017/2399) was transposed into Greek law by Greek Law 4335/2015 (the "**BRR Law**"). The BRRD's broad range of resolution tools and powers may be used alone or in combination where the relevant Resolution Authority considers that certain required conditions are met and include the following:

- *Sale of business tool*: transfer to a purchaser who is not a bridge institution, of shares or other instruments of ownership and/or some or all of the assets of the institution under resolution, namely rights, obligations and contractual relationships, without the consent of the shareholders of the institution under resolution or of any third party other than the acquirer.

- *Bridge institution tool*: establishment of a bridge institution to which shares or other instruments of ownership and/or some or all of the assets of the institution under resolution, namely rights, obligations and contractual relationships, are transferred without the consent of the shareholders of the institution under resolution or of any third party.

- *Asset separation tool*: transfer of assets, namely rights, obligations and contractual relationships, of an institution under resolution or of a bridge institution to one or more asset management companies, without the consent of the shareholders of the institutions under resolution or of any third party other than the bridge institution. The asset management companies are legal persons owned in total or partially or controlled by one or more authorities, including the Fund or the National Resolution Authority.

- *Bail in tool*: write down or conversion of any obligations of an institution that meets the resolution conditions, except for the cases prescribed by BRRD.

For further information, see "*Regulation and Supervision of Banks in Greece – Bank Recovery and Resolution Directive*" below.

In addition to the bail in tool which is available for an institution in resolution, the BRRD provides for resolution authorities with pre resolution powers to permanently write down or convert into equity capital instruments of the financial institution, including "CET1 instruments", "Additional Tier 1 instruments" and "Tier 2 instruments" (each as defined under the CRD IV)[7] at the point of non viability of the institution and before any other resolution action is taken ("**Non Viability Loss Absorption**"), as further described under "*Regulation and Supervision of Banks in Greece — Bank Recovery and Resolution Directive*".

The capital instruments write down and conversion power may be exercised independently of, or in combination with, the exercise of a resolution tool. These measures could be applied to certain of the

[7] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

Group’s instruments; the occurrence of circumstances in which write down or conversion powers would need to be exercised (or any perceived risk of such powers being exercised) would be likely to have a material adverse impact on the Group’s business, financial condition and results of operations. Furthermore, in circumstances where capital instruments are converted into equity securities by application of the mandatory conversion tool, those equity securities may be subjected to the bail in powers in resolution, resulting in their cancellation, significant dilution or transfer away from the investors therein.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts or other liabilities as they fall due; or it requires extraordinary public financial support (except in limited circumstances). Although there are proposed pre-conditions for the exercise of the bail-in power, there remains uncertainty regarding the specific factors which the relevant Resolution Authority would consider in deciding whether to exercise the bail-in power with respect to the relevant financial institution and/or securities issued by that institution.

Given the final discretion provided to the Resolution Authority, it may be difficult to predict when, if at all, the exercise of any bail in power by the relevant Resolution Authority, may occur which would result in a principal write off or conversion to equity. Accordingly, the threat of bail in or exercise of the write down or conversion power may affect trading behaviour, including prices and volatility, of the securities of any institution which the market perceives to be potentially considered as failing or likely to fail by the relevant Resolution Authority.

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

According to the same BRRD resolution authorities have the further power to write down permanently instruments such as ordinary shares at the point of non-viability and before any other resolution action is taken with losses taken in accordance with the priority of claims under normal insolvency proceedings (“**Non Viability-Loss Absorption**”).

For the purposes of the application of any Non-Viability Loss Absorption measure, the point of non viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or, in certain circumstances, its group, will no longer be viable unless the relevant capital instruments are written down/converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution and/or, as appropriate, its group, would no longer be viable.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As such, it is too early to anticipate the full impact of the BRRD, and there can be no assurance that Covered Bondholders and potential investors will not be adversely affected by actions taken under it. In addition, there can be no assurance that its application will not have a significant impact on the Group’s results of operations, business, assets, cash flows and financial condition, as well as on its funding activities and the products and services offered.

In addition, Regulation 806/2014 establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (“**SRM**”) and a Single Resolution Fund (the “**SRM Regulation**”).

The SRM Regulation, which will complement the SSM (as discussed under *"The Group may need additional capital and liquidity as a result of regulatory changes*" above), applies to all banks supervised by the SSM, including the Bank. These uniform rules and uniform procedures established under the SRM Regulation will be applied by a single resolution board (the "**Single Resolution Board**" or the "**SRB**") together with the EU Council and the European Commission and the national resolution authorities within the framework of the SRM. The Single Resolution Board shall have available the same range of tools as are available under the BRRD as described above. The SRM will be supported by a single resolution fund (the "**Fund**").

In the Banking Union (as defined by the European Commission), the national resolution funds set up under the BRRD were superseded by the Fund as at 1 January 2016 and those funds will be pooled together gradually. Therefore, as at 2016, the Single Resolution Board, calculates the annual contributions of all institutions authorized in the Member States participating in the SSM and the SRM. The Fund is financed by the European banking sector. The manner for calculating contributions of banks under the SRM compared to the BRRD results in significant variations and can result in abrupt changes in the banks' expected contributions. In order to prevent such abrupt changes, the Council Implementing Regulation (EU) 2015/81 provides for an adjustment mechanism to remedy these distortions during the transitional period by way of a gradual phasing in of the SRM methodology. On 15 May 2017, European Commission Delegated Regulation (EU) 2017/747 of 17 December 2015 entered into force, providing for criteria relating to the calculation of ex ante contributions, and the circumstances and conditions under which the payment of extraordinary *ex post* contributions to the Fund may be partially or entirely deferred. This regulation clarifies circumstances which could require the National Bank of Greece to contribute to the Fund.

On 11 October 2017, the European Commission urged the European Parliament and Council to progress quickly in the adoption of additional measures to tackle the remaining risks in the banking sector and suggested new actions to reduce non-performing loans and to help banks diversify their investment in sovereign bonds. The Group could be subject to any such additional measures or actions adopted which may result in additional compliance or capital requirements, and such measures or actions could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Application of the Minimum Requirements for Own Funds and Eligible Liabilities under the BRRD may affect the Group's profitability.

Since 2016, European banks have had to comply with the rules under the BRRD, which, inter alia, introduced the Minimum Requirement for Own Funds and Eligible Liabilities ("**MREL**"). MREL aims to facilitate the orderly resolution of financial institutions by requiring them to hold at all times sufficient loss absorbing instruments to ensure that shareholders, subordinated creditors and senior unsecured creditors primarily bear losses in the event of resolution. MREL includes own funds (including, for the avoidance of doubt, ordinary shares) as well as eligible liabilities (as defined in the BRRD) and is expressed as a percentage of the total liabilities and own funds of the institution. The BRRD does not mandate a minimum threshold for MREL, but instead provides for a case by case assessment of the MREL for each institution or group, against a minimum set of criteria prescribed by the rules made under the BRRD and applied by the Single Resolution Board in the case of financial institutions which are located in the Banking Union, such as the Group. Commission Delegated Regulation 2016/1450 further defines the way in which resolution authorities, including the SRB, are to determine MREL.

The Single Resolution Board's approach for determination of MREL targets has been crystallized to a significant extent, but significant elements still remain open. At the end of 2017, the Single Resolution Board communicated binding MREL targets to some of the banking groups under its remit providing them also with a transition period of up to four years. The Single Resolution Board aims to set binding MREL targets (at consolidated level) for the remaining banking groups, including the Bank (as applicable to its resolution group), within 2019. However, there is no indication yet on the

transitional period that the Single Resolution Board will provide to the Bank so as to comply with a target, when this becomes available.

Should the Single Resolution Board not provide an adequate transition period, issuance of MREL eligible liabilities in a short timeframe could be very costly having thus a material adverse effect on Group's financial condition and results of operations.

The outcome of the discussions relating to the BRRD Reforms is not expected to amend significally the framework governing the determination of the MREL in relation to the Bank. The most notable amendment refers to the deadline for banks to meet the MREL (1 January 2024) with the possibility for resolution authorities to set a longer transitional period (beyond 1 January 2024) for banks meeting specific criteria. Furthermore, the BRRD Reforms provides, among others, that in case a bank does not have sufficient eligible liabilities to comply with its MREL, the resultant shortfall is automatically filled up with CET1 capital that would otherwise be counted towards meeting the combined capital buffer requirement.

Laws governing the bankruptcy of individuals and regulations governing creditors' rights in Greece and various SEE countries may limit the Issuer's ability to receive payments on past due loans, and anticipated changes to such laws may not have the desired effect

Laws governing the bankruptcy of individuals with the exception of individuals already subject to mercantile law (including Greek Law 3869/2010, regarding the debt arrangement of debts for over-indebted individuals) and other laws and regulations governing creditors' rights generally vary significantly within the region in which the Issuer operates. In some countries, the laws offer significantly less protection for creditors than the bankruptcy regimes in Western Europe. In Greece, foreclosures and auctions of all properties were prohibited until 31 October 2015. Although the Greek suspension of every enforcement action due to capital controls was lifted by the 29 October 2015 official announcement of Ministry of Justice, Transparency and Human Rights on 2 November 2015, a prolonged abstention by lawyers, bailiffs and notaries that commenced in January 2016 and ended in November 2017 for all parties, restrained the Issuer from proceeding to enforcement, seizures and auctions of any real estate during that period. Further to the above, there are certain interest groups organizing demonstrations previously at physical auctions and currently at electronic auctions which hinder their execution and sometimes result in violence. Consequently, the pace at which auctions of residential properties occur is often delayed.

Although measures undertaken in the context of the Third Programme are in principle designed to address certain of the foregoing concerns in respect of creditors' rights in Greece, and reduce legal impediments to, and the tax consequences of, the enforcement of such rights, these measures may not be enacted as proposed or may not provide any of the protections to creditors that are hoped for. As a consequence, the Issuer may continue to encounter difficulties recovering or enforcing collateral on past due loans, which could have a material adverse effect on its financial condition and results of operations.

If the current economic conditions persist or worsen, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change to limit the impact of the recession on corporate and retail borrowers. Such changes may have an adverse effect on the Issuer's business, results of operations and financial condition.

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

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

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

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

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

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

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

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

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

Risks related to the Covered Bonds

Extension of the Covered Bonds' maturity under the Conditions

Unless previously redeemed as provided in the Conditions, the Covered Bonds of each Series will be redeemed by the Issuer at the relevant amount due on the Final Maturity Date as set out in the Final Terms (the "**Final Redemption Amount**"). If the Issuer fails to pay the Final Redemption Amount in respect of a Series of Covered Bonds on the applicable Final Maturity Date (as specified in the relevant Final Terms) then payment of any unpaid Final Redemption Amount by the Issuer shall be deferred automatically until the Extended Final Maturity Date (as specified in the Final Terms, such date the "**Extended Final Maturity Date**") and the relevant Series of Covered Bonds shall become Pass-Through Covered Bonds, provided that, any amount representing the Final Redemption Amount due and remaining unpaid on such Series of Pass-Through Covered Bonds after the Final Maturity Date shall be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date. Interest will continue to accrue and be payable on any unpaid amounts on each Interest Payment Date up to the Extended Final Maturity Date in accordance with the Conditions and the Issuer (or the Servicer on its behalf) will make payments on each relevant Interest Payment Date and Extended Final Maturity Date. If, on the Extended Final Maturity Date in respect of any Series of Pass-Through Covered Bonds there is a failure to pay any amount of principal due on such Pass-Through Covered Bonds on such date and such default is not remedied within a period of 7 (seven) Athens Business Days from the date thereof then the Trustee shall serve a Notice

of Default on the Issuer pursuant to the Conditions. Following the service of a Notice of Default the Covered Bonds of all Series shall become immediately due and payable. Furthermore, following the occurrence of an Issuer Event and breach of the Amortisation Test all Series of Covered Bonds shall automatically become Pass-Through Covered Bonds and the Issuer shall redeem all Series of Pass Through Covered Bonds pro rata and *pari passu* on each Interest Payment Date, in accordance with and subject to the relevant Priority of Payments.

The circumstances described above under "Risks relating to the Covered Bonds – *Extension of the Covered Bonds' maturity under the Conditions*" may result in Covered Bondholders receiving principal repayments sooner, or (as applicable) later, than they might otherwise have expected. If, as a result of the relevant circumstances described above Covered Bonds of any outstanding Series become Pass Through Covered Bonds (and therefore become required to be redeemed (subject to funds being available for such purpose) prior to their Final Maturity Date (or, as applicable, Extended Final Maturity Date)) this may cause the relevant Covered Bondholders to receive repayment of their Covered Bonds sooner than they might otherwise have expected, and this may result in a lower yield on such Covered Bondholders' investment (particularly given that no premium or other compensation will be paid in such circumstances).

Where such circumstances result in all outstanding Series becoming required to be so redeemed, the overall speed of repayment is likely to be reduced because the available funds for repayment will be divided pro rata between all outstanding Covered Bonds and not only those that have become Pass Through Covered Bonds due to the relevant Final Maturity Date having passed without full repayment of the relevant Series having occurred. In such case, it is likely that the repayment of the Covered Bonds will take longer than would be the case if only one Series were being redeemed in such way.

Any such circumstances are also likely to result in Covered Bondholders receiving irregular, infrequent and/or uncertain amounts as and when funds become available to make the required repayments, and this will create a materially different repayment profile for the relevant Covered Bonds than the one anticipated by the relevant Final Terms.

Appointment of a Replacement Servicer

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

In the event that no Replacement Servicer is appointed pursuant to the Transaction Documents and in the event of the Issuer's insolvency under Greek law 4261/2014 (special liquidation), the Bank of Greece may appoint a servicer, if the Trustee fails to do so. Any such person appointed shall be obliged to service the Cover Pool in accordance with the terms of the Servicing and Cash Management Deed. Such replacement might not be made immediately upon the Issuer's insolvency.

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

Limited description of the Cover Pool

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

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

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

There is no assurance that the characteristics of the Loan Assets assigned to the Cover Pool will be the same as those Loan Assets in the Cover Pool as at that date. However, each Loan Asset will be required to meet the Individual Eligibility Criteria and be subject to the representations and warranties set out in the Servicing and Cash Management Deed. In addition, the Nominal Value Test is intended to ensure that the Principal Amount Outstanding of all Series of Covered Bonds, together with all accrued interest thereon, is not greater than 81%. of the Nominal Value of the Cover Pool for so long as Covered Bonds remain outstanding (although there is no assurance that it will do so) and the Asset Monitor will provide annual agreed upon procedures report on the required tests by the Bank of Greece (including Nominal Value Test) where exceptions, if any, will be noted.

Ratings of the Covered Bonds

One or more independent Rating Agencies may assign credit ratings to the Covered Bonds. The credit ratings assigned to the Covered Bonds may address the probability of default, loss given default and credit risk. 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.

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

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

Rating Agency Confirmation in respect of Covered Bonds

The terms of certain of the Transaction Documents provide that, in certain circumstances (including, *inter alia*, amendments to the Transaction Documents), the Issuer must, and the Trustee may, obtain confirmation from one or more of the Rating Agencies (to the extent they are rating any Covered Bonds at that time) that any particular action proposed to be taken by the Issuer, the Servicer or the

Trustee will not adversely affect or cause to be withdrawn the then current ratings of the Covered Bonds (a "**Rating Agency Confirmation**").

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

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

Covered Bonds issued under the Programme

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

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

Further Issues

The Issuer may from time to time, without the consent of the Covered Bondholders or the Couponholders, create and issue further Covered Bonds, provided that, *inter alia*:

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

(ii) on or prior to the date of issue of any further Covered Bonds, the Rating Agencies have been notified of such issuance.

Obligations under the Covered Bonds

The Covered Bonds will not represent an obligation or be the responsibility of any of the Arranger, the Dealer, 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 Post-Issuer Event Priority of Payments, the Post-Cover Pool Event of Default Priority of Payments, the Conditions, the Individual Eligibility Criteria or the Servicing and Cash Management Deed), concur with the Issuer and any other party in making any modification (other than a Series Reserved Matter) to the Transaction Documents and the Terms and Conditions of the Covered Bonds:

(i) provided that the Trustee is of the sole opinion that such modification will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series; or

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

and Moody's (to the extent it is rating any Covered Bonds at that time) has confirmed in writing to the Issuer that such modification will not adversely affect the then current ratings of the Covered Bonds (and in the case of any other Rating Agency (to the extent it is rating any Covered Bonds at that time), such Rating Agency has been notified of such modification).

Certain decisions of Covered Bondholders taken at Programme level

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

Absence of secondary market

There is not, at present, an active and liquid secondary market for the Covered Bonds, and no assurance is provided that a secondary market for the Covered Bonds will re-emerge. The Arranger is not obliged to and do not intend to make a market for the Covered Bonds. None of the Covered Bonds has been, or will be, registered under the Securities Act or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set forth under Subscription and Sale and Transfer and Selling Restrictions. If a secondary market does re-emerge, it may not continue for the life of the Covered Bonds or it may not provide Covered Bondholders with liquidity of investment with the result that a Covered Bondholder may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the Covered Bondholder to realise a desired yield.
In addition, Covered Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Covered Bonds. As a result of the current liquidity crisis, there exist significant additional risks to the Issuer and the investors which may affect the returns on the Covered Bonds to investors.

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

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

General legal investment considerations

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

Changes in reference rates

Reference rates and indices, including interest rate benchmarks such as the London Interbank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**"), which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**") have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated under the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**") which applied in general from 1 January 2018, with the exception of certain provisions, mainly on critical Benchmarks that applied from 30 June 2016.

Under the Benchmarks Regulation, new requirements will apply with respect to the provision of a wide range of benchmarks (including LIBOR and EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmarks Regulation will, among other things: (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

In addition, the sustainability of LIBOR has been questioned by the UK Financial Conduct Authority ("**FCA**") as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. Additionally, in March 2017, the European Money Markets Institute (formerly Euribor-EBF) (the "**EMMI**") published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path". It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR. In July 2017, the chief executive of the FCA announced that the FCA does not intend to continue to encourage, or use its power to compel, panel banks to provide rate submissions for the calculation of the LIBOR benchmark to be set beyond the end of 2021 and that, as a result, there can be no guarantee that LIBOR will be determined after 2021 on the same basis at present, if at all.

The Programme provides for the issuance of Covered Bonds with a floating rate of interest determined on the basis of Benchmarks including LIBOR and EURIBOR. The reforms outlined above and other pressures may cause one or more Benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market

participants to continue to administer or participate in certain Benchmarks or have other consequences which cannot be predicted.

Based on the foregoing, prospective investors should in particular be aware that:

a) any of these reforms or pressures described above or any other changes to a Benchmark (including LIBOR and EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

b) if LIBOR or EURIBOR or any other relevant Benchmark is discontinued or is otherwise unavailable, then the rate of interest on the Floating Rate Covered Bonds (in relation to which Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined) will be determined for a period by the fall-back provisions provided for under Condition 4.2(h)(i) (*Floating Rate Covered Bond and Variable Interest Rate Covered Bond Provisions*), although such provisions, being dependent in part upon the provision by the principal Relevant Financial Centre office of the reference banks of offered quotations for the relevant Benchmark to prime banks in the Relevant Financial Centre interbank market, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous Interest Period when LIBOR or EURIBOR was available;

c) if LIBOR or EURIBOR or any other relevant Benchmark is discontinued, there can be no assurance that the applicable fall-back provisions under the Hedging Agreements would operate to allow the transactions under the Hedging Agreements to effectively mitigate interest rate risk in respect of the Floating Rate Covered Bonds; and

d) if LIBOR, EURIBOR or any other relevant Benchmark is discontinued, there can be no assurance that the operation of the applicable fall-back provisions would not have an indirect impact on the ability of the Issuer to meet its obligations under the Covered Bonds.

The Benchmarks Regulation could also have a material impact on any Covered Bonds linked to LIBOR, EURIBOR or any other relevant Benchmark, including any of the following circumstances: (i) an index which is a benchmark may not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular Benchmark and the applicable terms of the Covered Bonds, the Covered Bonds could be delisted (if listed), adjusted, redeemed or otherwise impacted; (ii) the methodology or other terms of the Benchmarks related to a series of Covered Bonds could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the Benchmarks or affecting the volatility of the published rate or level.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Floating Rate Covered Bonds and/or the Hedging Agreements due to applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Floating Rate Covered Bonds.

Moreover, any of the above matters or any other significant change to the setting or existence of LIBOR, EURIBOR or any other relevant Benchmark could affect the ability of the Issuer to meet its obligations under the Floating Rate Covered Bonds or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Covered Bonds. No assurance may be provided that relevant changes will not occur with respect to LIBOR, EURIBOR or any other relevant Benchmark and/or that such Benchmarks will continue to exist.

If the Issuer determines that that the relevant Reference Rate specified in the relevant Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be

calculated or administered when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Reference Rate (as further described in Condition 4(h) (*Benchmark Replacement*) and, if applicable, an Adjustment Spread (as defined in the Conditions). If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the Relevant Interest Determination Date (as defined in the Conditions), the Issuer may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate.

The use of a Successor Rate or an Alternative Reference Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate or an Adjustment Spread, if applicable, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Benchmark Rate or Adjustment Spread, if applicable in a situation in which it is presented with a conflict of interest.

Investors should consider these matters and consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Floating Rate Covered Bonds.

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.

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 description of risks relating to the Covered Bonds that have not been indicated in the previous paragraphs:

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.

Suspension of Enforcement Proceedings

There are various provisions of Greek law which could result in enforcement proceedings against a Borrower being delayed or suspended. Without prejudice to the procedures required under the Banks' Code of Conduct introduced by virtue of decision number 116/25.8.2014 of the Credit and Insurance Committee of the Bank of Greece, as revised by decision number 195/29.7.2016 (published in Government Gazette 2376/B/2.8.2016) (the "**Code of Conduct**") (see for further details "*Code of Conduct for the management of non-accruing loans and loans in arrears*" below), enforcement proceedings are usually commenced against a Borrower in respect of a non- restructured Loan once it becomes 270 days in arrears and in respect of a restructured 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 (i.e. the Single-Member Court of First Instance or the Magistrate's Court, as the case may be, 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 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. Following the amendment of Greek Civil Procedure Code by virtue of Greek law 4335/2015 (published in Government Gazette 87/A/23.7.2015), the following apply in relation to enforcement proceedings commencing from 1 January 2016 onwards and in respect of demands for immediate payment served to the Borrower after 1 January 2016:

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 Competent Court of First Instance or Magistrate's Court within 15 business days (or within 30 business days if the Borrower is of an unknown address or resides abroad) 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 15 business days are available to the Borrower to file an Article 632-633 Annulment Petition. The order for payment will be final either if both terms of 15 business days elapse or if the Court of Appeal rejects the Article 632-633 Annulment Petition.

The filing of an Article 632-633 Annulment Petition entitles the Borrower to file a petition for suspension of the enforcement against the relevant property pursuant to Article 632 of the Greek Civil Procedure Code (an "**Article 632 Suspension Petition**"). Upon filing an Article 632 Suspension Petition, enforcement procedures may be suspended until the hearing of the Article 632 Suspension Petition. Following the issue of a decision in relation to the hearing of the Article 632 Suspension Petition enforcement may be suspended until the Competent Court of First Instance has issued a final decision in respect of the Article 632-633 Annulment Petition. In some cases suspension of enforcement may be granted until the Court of Appeal (or the Single-Member Court of First Instance acting as a Court of Appeal, as the case may be) reaches a final decision which means an additional delay in enforcement.

The Borrower may also file with the Competent Court of First Instance a petition for the annulment of certain actions of the foreclosure proceedings based on reasons pertaining to the validity of the order of payment, to the relevant claim and/or to procedural irregularities (an "**Article 933 Annulment Petition**") pursuant to Article 933 of the Greek Civil Procedure Code, as recently amended by Greek law 4512/2018. Both Annulment Petitions may be filed either concurrently or consecutively, but it should be noted that the Article 933 Annulment Petitions may not be based on reasons pertaining to the validity of the order for payment or the relevant claim, 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. In particular, the Article 933 Annulment Petition should be filed within 45 days as from the date of attachment of the Borrower's property, except for an Article 933 Annulment Petition contesting the auction which should be filed within 60 days as from registration with the competent land registry or cadastre of the relevant auction deed. The hearing of the Article 933 Annulment Petition is scheduled within 60 days from the date of the filing of such petition and the relevant decision must be issued within 60 days from the hearing before the court.

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 Competent Court of First Instance on the annulment motion is issued pursuant to Article 937 of the Greek Civil Procedure Code (an "**Article 937 Suspension Petition**"). Again, foreclosure proceedings may be suspended until the hearing of the Article 937 Suspension, 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 by 12.00 pm on the Monday prior to the auction. It should nevertheless be noted that such suspension is more difficult

to obtain if the Competent Court of First Instance has already rejected a suspension requested for similar reasons under Article 632.

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. Pursuant to Article 954 of the Greek Civil Procedure Code, the minimum auction price is determined within the statement of the court bailiff and can be contested by the Borrower or any other lender or anyone having a legal interest by filing an annulment petition against such court bailiff statement at the latest fifteen days before the auction date. The relevant court's decision should be published by 12.00 p.m. eight days before the auction date. However, as regards the movable property, it is to be noted that the initial auction price cannot be less than 2/3 of the estimated value of the property (in accordance with Article 993 par. 2 of the Greek Civil Procedure Code, in conjunction with Article 954 par. 2 of the Greek Civil Procedure Code, as amended and in force) and as regards the immovable property, the initial auction price cannot be less than the seized immovable property's "commercial value". The evaluation of the immovable property is calculated in accordance with presidential decree 59/2016 (published in Government Gazette 95/A/27.5.2016). In particular, pursuant to such presidential decree the property's "commercial value" is determined by the relevant bailiff who is obliged to appoint a certified appraiser for this purpose, namely an individual or legal person that shall be included in the Certified Appraisers Registry held at the General Directorate for Financial Policy of the Ministry of Finance and published on the Ministry of Finance's website. The latter submits to the bailiff an appraisal report in accordance with European or international recognised appraising standards and in accordance with the Code of Conduct issued by the Bank of Greece on the management of non-performing loans. Appraisal fees are borne by the creditor who ordered the enforcement against the relevant property, but ultimately burden the Borrower. Furthermore, pursuant to Article 1000 of the Greek Civil Procedure Code, the suspension of auction for up to six (6) 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, provided that there is no risk of damage of the creditor who ordered the enforcement and that the borrower pays at least one quarter of the claimed capital and the enforcement expenses.

Auctions may not take place between 1-31 August and the weeks before and after the date of any national, municipal or European elections (pursuant to Article 998 para. 2 of the GCCP, as replaced by Article 207 para. 15 of Law 4512/2018).

Following the amendment of the GCCP by Greek Law 4512/2018 (published in Government Gazette 5/A/17.1.2018), as from 21 February 2018 onwards, the auction takes place exclusively through the use of electronic means, in particular through the use of the electronic auction platform (e-auctions.gr), under the responsibility of a certified notary public (acting as auction clerk) of the district of seized property (or if not available for any reason, of the district of the district of the place of execution place or, if again not available for any reason, before an Athens notary public) under the responsibility of a competent notary public acting as auction clerk. The relevant process is detailed in Article 959 of the GCCP (as replaced by para. 6 of Article 207 of Greek Law 4512/2018), as further specified by Decision no. 41756/26.5.2017 of the Minister of Justice, Transparency and Human Rights (published in Government Gazette 1884/B/30.5.2017). It is noted that the very first e-auction in Greece, was conducted on 27 April 2018.

Each bidder must submit a bank guarantee or banker's draft for an amount equal to 30 per cent. of the starting price of the auctioned property and declare his/her attendance in the auction by 15.00 2 business days prior to the auction date. By 17.00 on the date preceding the auction date, the auction clerk registers with the electronic auction platform a list of the bidders entitled to participate in the auction.

In the auction, the property is sold to the highest bidder who then has 10 business days to pay the auction price along with the fees for the use of the electronic auctioning platform which burden the highest bidder. 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 by no later than 15 days after the auction and submit all documents proving such claims, otherwise the notary public will not take his claim into account. 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 are invited by the notary public to be informed respectively and may dispute the allocation by filing a petition contesting the deed within 12 business days as from the service of such invitation. The competent Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal (or the Single Member Court of First Instance acting as a Court of Appeal, as the case may be). The hearing date of the petition contesting such deed must be obligatory set within 60 days from its filing (or within 120 days in case of the creditor residing abroad). This procedure may delay the collection of proceeds. This can further delay the time at which the Bank finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a creditor is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that such creditor provides a letter of guarantee securing repayment of the money in the event that such challenge is upheld.

Pursuant to Article 954 of the Greek Civil Code, the minimum auction price is determined within the statement of the court bailiff and can be contested by the Borrower or any other lender or anyone having a legal interest by filing an annulment petition against such court bailiff statement at the latest fifteen working days before the auction date. The relevant court's decision should be published at the latest by 12.00 p.m. eight days before the auction date. However, as regards the movable property, it is to be noted that the initial auction price cannot be less than 2/3 of the estimated value of the seized movable property (in accordance with par. 2 of Article 993, in conjunction with par. 2 of Article 954 of the Greek Civil Procedure Code, as amended and in force) and as regards the immovable property, the initial auction price cannot be less than the seized property's "commercial value". The evaluation of the immovable property is calculated in accordance with presidential decree 59/2016 (published in Government Gazette 95/A/27.5.2016). In particular, pursuant to such presidential decree, the immovable property's "commercial value" is determined by the relevant bailiff who is obliged to appoint a certified appraiser for this purpose, namely an individual or legal person that shall be included in the Certified Appraisers Registry held at the General Directorate for Financial Policy of the Ministry of Finance and published on the Ministry of Finance's website. The latter submits to the bailiff an appraisal report in accordance with the European or international recognised appraising standards and in accordance with the Code of Conduct issued by the Bank of Greece on the management of non-performing loans. Appraisal's fees are borne by the creditor who ordered the enforcement proceedings, but ultimately burden the Borrower.

Once the list of creditors is confirmed and adjudicated, the proceeds are distributed according to the deed setting out the allocation of proceeds (see for further details "*Auction Proceeds*" above) in accordance with Article 975 (as recently replaced by Article 1 Article eighth par. 2 of Greek Law 4335/2015 with respect to enforcement proceedings initiated from 1 January 2016 onwards), Article 976, Article 977 (as recently replaced by Article 1 Article eighth par. 2 of Greek Law 4335/2015 with respect to enforcement proceedings initiated from 1 January 2016 onwards) and Article 977A (added through Article 176 para. 1 of Greek Law 4512/2018) of the GCCP.

Pursuant to Article 966 of the Greek Civil Procedure Code, if no bidders appear at the auction, the immovable property is awarded at the minimum auction price to the person in favour of whom the enforcement proceedings were initiated, upon the latter's request. The hearing of such request shall mandatorily be scheduled as a matter of priority within eight (8) working days from the date of filing and it shall be served at least three (3) working days before the hearing date. A recent evaluation

report of the auction property, dated after the date of the last auction shall be submitted on the hearing date before the competent Court. The relevant decision must be issued within eight (8) working days from the hearing. If no such request is submitted, a repetitive auction takes place within forty (40) days. If such repetitive auction is unsuccessful, the competent court, upon request of persons having legal interest, may order the conduct of another auction within thirty (30) days, at the same or a reduced auction price or allow the sale of the property to the person in favour of whom the enforcement proceedings were initiated or to third persons at a price determined by the court, which may also provide that part of the consideration may be paid in instalments. Following two unsuccessful auctions, a petition may be filed by any interested part for a new auction date to be set, with the same or a lower fixed first price, or for a permission for a direct sale of the property at a price to be determined by the court (in accordance with para. 2 of Article 966 as amended by Article 23 of Greek law 4549/2018).

The reforms of the Greek Civil Procedure Code by virtue of Greek law 4335/2015, as in force, aim at speeding up the pace of enforcement proceedings. Therefore, the length, complexity and uncertainty of success of enforcement procedures in Greece may lead to a substantial delay in recovering any amounts due under any defaulted or delinquent Loan which may adversely affect the Issuer's ability to meet its obligations under the Covered Bonds.

Rescheduling of debts of distressed debtors

On 3 August 2010, Greek Law 3869/2010 (see also "*Restrictions on Enforcement of Granted Collateral*") was put in force with respect to the "settlement of amounts due by indebted individuals" and amended thereafter by various laws. The Greek Law 3869/2010 allows the settlement of amounts due by individuals evidencing permanent and general inability to repay their debts by submitting an application for a three-year settlement of their debts and writing off the remainder of their debts in accordance with the terms of the settlement agreed. All individuals, consumers and professionals are subject to the provisions of Greek Law 3869/2010, with the exception of individuals already subject to mercantile law.

All the debts of the abovementioned to private individuals fall within the law, including all debts to banks (consumer, mortgage, business loans), except for debts due to an offense committed by the borrower with intention or gross negligence, administrative fines, monetary sanctions and debts related to the obligation for child or spousal support. By virtue of Greek Law 4336/2015, as in force, Greek Law 3869/2010 was amended and its scope was also expanded to the settlement of debts owed to the Hellenic Republic, tax authorities, local authorities of grade A' and B' and to social security funds. In addition, the debtor may opt to include debts which at the date of filing of the petition are subject to an administrative, judicial or legal suspension or have been included in a restructuring or facilitation of partial payment which is still valid at the time of filing of the petition. Debts must have been contracted more than one year before the application date and relief may be used only once.

The amendments effected by Greek Law 4346/2015, among others, lay out the conditions for: (a) the protection of the primary residence of a debtor from forced sale, and (b) the partial funding by the Hellenic Republic of the amount of monthly payments set by court decision. In addition, it is provided that the debtor's obligation to act as a cooperating borrower also applies throughout the settlement plan period. These amendments became effective as from 1 January 2016.

Greek Law 3869/2010 was also amended by Greek Law 4549/2018, which introduced some changes that provide, among others, (a) that the acceptance of the inherited indebted property does not constitute, without the existence of other factors, ground for the rejection of the application, (b) a waiver of the banking secrecy against the debtor has to be given by the latter, (c) the formalities for the partial funding by the Hellenic Republic of the amount of monthly payments set by court decision and the enforcement procedure on the debtor's assets, (d) the consequences of the debtor's death and (e) a recourse right for co-borrowers and guarantors.

Before the submission of the application, the parties may have recourse to the preliminary settlement procedure. After the submission of the application, the hearing date of the application (compulsory within six-months from the completion of submission of the application) and the day of validation (within two months from the completion of the submission of the application) are set. On the day of validation, the court either validates any preliminary settlement or issues a preliminary injunction by virtue of which the court may order, inter alia, the suspension of prosecuting measures against the borrower and determines the amount of the monthly installments which the borrower has to pay to its creditors until the issuance of the decision. Following the day of validation and until the hearing date of the application, the parties may reach to a settlement at any stage of the procedure.

During the hearing date of the application, if the creditors do not accept the debtors' settlement plan, or if objections are submitted by some creditors and not substituted according to the above, the court confirms the existence of the disputed claims, the fulfillment of the conditions for settlement of debts and the borrower's relief. If the borrower's real estate property is not sufficient, after deducting the required amount for the coverage of the reasonable living expenses of the borrower and the members protected by the latter, including social security expenses borne by the borrower, the court orders the monthly payment of the remaining amount for the satisfaction of creditors' claims, pro rata distributed and for a period of three (3) years, pursuant to the borrowers' income and its real estate property.

Greek Law 4336/2015, as in force, introduced an accelerated settlement process regarding minor debts of particular indebted individuals. Indebted individuals, if certain conditions apply, are given a temporary relief for their debts and an eighteen-month period of supervision is granted, after the expiration of which, and only if the real estate property or income situation of the borrower remain unchanged, the borrower is discharged from the remainder of its debts.

If there are assets that can be liquidated and their liquidation is deemed necessary, a liquidator is appointed by the court. Special provisions are set for the protection of the main residence of the debtor, for applications that have submitted until 31 December 2018. The Act of Legislative Content dated 31 December 2018 extends to 28 February 2019 the protection of primary residence from being auctioned off. In case that the debtor does not fulfill the obligations under the settlement plan or intentionally delays four consecutive monthly payments on a yearly basis or payments so that the due amount cumulatively exceeds the value of four (4) monthly installments annually, the court allows the creditor to commence liquidation procedures against the debtor and his only residence.

Due performance by the debtor of the obligations under the settlement plan releases the debtor from any remaining unpaid balance of the claims, including claims of creditors who had not announced their claims. In case of delayed repayment of the aggregate amount equal to three monthly installments (consecutive or not) set out by the temporary order of the competent court or a debt settlement, debtor’s protection is rejected following a creditor’s out-of-court notice to the obligor and the other creditors, and the relevant information of the competent court.

The rights of creditors against co-borrowers or guarantors are not affected, unless such co-borrowers or guarantors are also subject to the same insolvency proceedings. Co-borrowers and guarantors have rights of recourse against the debtor for any amount paid by them. The rights of secured creditors are not affected.

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.

Special Procedures for Over-Indebted Business Undertakings and Professionals

Greek Law 4307/2014, as amended by Greek Laws 4374/2016, 4380/2016 (article 2), as well as 4403/2016 (article 56) and in force, among others, provides for urgent interim measures for the relief

of private debt (including, inter alia, relief and settlement of debts or provision of extraordinary debt business regulation process or extraordinary special management process), especially debt of viable small businesses and professionals towards financial institutions (namely credit institutions, leasing and factoring companies, provided they are under the supervision of the Bank of Greece), the Hellenic Republic and Social Security Institutions, as well as for emergency procedures for the reorganization or liquidation of operating indebted but viable businesses, provided that the aforementioned persons are considered as "eligible debtors" under the relevant provisions, namely, they have submitted the relevant application at the latest by 30 September 2016 and cumulatively meet the following criteria:

1) they have not submitted an application to be subject to the provisions of Greek Law 3869/2010 or have validly resigned from such application;

2) they have not stopped their operations or dissolved and (if applicable) they have not submitted an application to be declared bankrupt or have validly resigned from such application

3) they have not been convicted in any capacity for fraud against the Hellenic Republic of State Pension Funds or for smuggling; and

their turnover of the fiscal year 2013 must not exceed the limit of EUR 2,500,000

Out-of-court Mechanism for Settlement of Business Debts

Greek Law 4469/2017, as amended by Greek Laws 4472/2017, 4549/2018 and 4587/2018, provides for an extrajudicial procedure for settling debts towards any creditor, which derive from the debtor's business activity or other cause, provided that the settlement of those debts is considered vital by the participants in order to secure the debtor's business viability.

Any individual who can declare bankruptcy and any legal entity with income from business activity may apply for inclusion in the extrajudicial debt settlement mechanism, provided their tax residence is in Greece and specific criteria provided for by law are met. The extrajudicial debt settlement mechanism does not apply to debts generated after 31 December 2017.

Each debtor's application may be submitted electronically to the Special Private Debt Management Secretariat ("**EGDICH**") by 31 December 2019 on the dedicated electronic platform in EGDICH's website. Financial institutions may, as creditors, initiate the procedure by communicating a written invitation to the debtor to enter the procedure. If the debtor fails to respond, he/she loses the right to initiate the procedure at a later stage.

Submitting an application for inclusion in the extrajudicial debt settlement procedure does not constitute a significant reason for terminating long-term contracts.

The approval of the debt restructuring proposal requires the debtor's consent and the formation of a majority of 3/5 of participating creditors, which includes 2/5 of participating creditors with special privilege.

The extrajudicial procedure is concluded by the execution of a debt restructuring agreement between the debtor and consenting creditors, otherwise the procedure is deemed unsuccessful. The debtor or a participating creditor may submit an application for ratification of the debt restructuring agreement to the Multi-Member Court of First Instance of the debtor's registered seat.

The ratification decision covers the total of the debtor's claims governed by the restructuring agreement and binds the debtor and all the creditors, irrespective of their participation in the negotiation procedure or in the debt restructuring agreement.

In case the debtor fails to pay any amount due to any of the creditors in accordance with the terms of the debt restructuring agreement for more than ninety (90) days, the creditor has the right to request cancellation of the agreement towards all parties.

It is noted that, when more financial institutions or firms under Greek Law 4354/2015 have acquired or manage overdue receivables of the same debtor, provided there is sufficient evidence of the debtor's inability to fulfil his financial obligations, they may cooperate to submit a common proposal to the debtor, in order to reach a sustainable solution.

Finally, the said law explicitly sets out the cases of suspension of injunction and enforcement procedures against the debtor.

Lastly, Joint Ministerial Decision 130060 (Government Gazette Issue B 4258/29.11.2017) in the abovementioned extra-judicial mechanism context provides for a simplified extrajudicial procedure for settling business not exceeding in total EUR 50,000. According to the provisions of article 45 of Greek Law 4587/2019, a ministerial decision shall provide for a simplified extrajudicial procedure for settling business not exceeding in total EUR 300.000. So far, such decision has not yet been published.

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Insolvency Procedures

The bankruptcy code was enacted by Greek law 3588/2007 (the "**Bankruptcy Code**"), amending and replacing older provisions on insolvency (both in connection with winding up and rehabilitation). The Bankruptcy Code has been amended several times and most recently by virtue of Greek laws 4446/2016 (effective as of 22 December 2016) 4472/2017 (effective as of 19 May 2017) and 4512/2018 (effective as of 17 January 2018). The latest amendments modified and replaced several provisions of the Bankruptcy Code, with respect to restructuring and insolvency proceedings. The Bankruptcy Code only applies to business undertakings, which include sole traders, partnerships, companies and unincorporated legal entities that pursue a financial purpose and have the place of their main interests in Greece, but excluding certain regulated entities (such as credit institutions and insurance companies).

Under the Bankruptcy Code, as amended and in force, the following insolvency proceedings are currently available:

(a) bankruptcy, which is regulated by Articles 1-98 of the Bankruptcy Code (except for the simplified bankruptcy proceedings in respect of small debtors (where the value of the bankruptcy estate does not exceed €100,000), which are regulated by Articles 162-163 of the Bankruptcy Code as replaced by article 62 of Greek law 4472/2017, and Articles 163a – 163c of the Bankruptcy Code, added through article 62 of Greek law 4472/2017);
(b) a rehabilitation agreement under the Bankruptcy Code (Articles 99-106) between a debtor and a qualifying majority of its creditors;
(c) a restructuring plan under the Bankruptcy Code (Articles 107-131, as amended by article 7 of Greek law 4446/2016) following its approval by the court and the creditors; and
(d) special liquidation under Article 106(ia) of the Bankruptcy Code.

The Bankruptcy Code includes detailed provisions on each of the above insolvency proceedings and the requirements that need to be met in respect of each proceeding, including the rights of creditors thereunder. The latest amendments of the Bankruptcy Code include provisions intended to make these proceedings more expedient and efficient, including by setting stricter timeframes for completion of various stages of these proceedings and by strengthening documentary and expert evidence requirements in connection with the rehabilitation prospects.
In addition, the recent Greek law 4512/2018 introduced significant amendments in respect of creditors' ranking in case of insolvency. According to Greek law 4512/2018, in the event of insolvency, the claims shall be satisfied in the following order:

a) claims of general privilege under article 154, case a;
b) claims of special privilege under article 155, par. 1, cases a and b;
c) rest of the claims of general privilege under article 154 and claims of special privilege under article 155, par. 1 case c;
d) unsecured claims.

As regards the other provisions of claims' ranking order, article 977A of Greek law 4512/2018 shall apply *mutatis-mutandis* (see "*Auction Proceeds*").

Auction Proceeds

The proceeds of an auction following enforcement against a property securing a Loan must be allocated in accordance with Articles 975, 976 and 977 of the Greek Civil Procedure Code as amended by Greek law 4335/2015 and most recently by Greek Law 4512/2018. The new Greek law

4512/2018 introduced significant amendments to the Greek Civil Procedure Code in respect of the allocation of proceeds to the creditors of the Borrower.

After the entry into force of article 977A of the Greek Civil Procedures Code and in respect of the new claims arising as of 17 January 2018 and onwards, if such claims are secured through a first ranking pledge, the auction proceeds are allocated, after deduction of the enforcement expenses, to the extent applicable, in the following order:

(i) creditors granted special privileges under cases 1 and 2 of article 976 of the Greek Civil Procedure Code, as in force, (which include secured creditors through a mortgage or a mortgage pre-notation over the property or a pledge);

(ii) creditors granted privileges under articles 975 and case 3 of article 976 of the Greek Civil Procedure Code, as in force;
unsecured creditors.

In addition, proceeds raised prior to the date of the first auction which relate to unpaid wages of up to six (6) months on the basis of dependent employment up to a monthly amount equal to the statutory minimum wage for an employee aged over twenty five (25) years of age, multiplied by 275% are allocated before any other claim (super privilege) and after deduction of the costs of execution.

In case that a pre-notation or mortgage is registered over more than one asset of the Borrower, the abovementioned claims related to unpaid wages, if announced, are satisfied by auction proceeds allocated to the creditors as following: (i) *pari passu,* if the auctions took place simultaneously; or (ii) according to the chronological order of the auctions until to payment in full, if the auctions took place successively. In the case of (ii) above, the creditors who enjoy special privileges which not satisfied are granted a right to the auction proceeds from the remaining auctioned assets of the Borrower. After the satisfaction of privileged creditors, the non-privileged creditors are satisfied *pari passu* by the remaining amount of the auction proceeds.

In respect of the claims arising as of 1 January 2016 until 16 January 2018 and in respect of orders of execution served to the debtor after 1 January 2016, auction proceeds continue to be allocated, after deduction of the enforcement expenses reasonably determined by the auction clerk, to the following creditors of the Borrower, to the extent applicable, in the following order, pursuant to the Greek law 4335/2015, as it previously stood:

(a) creditors enjoying general privileges under Article 975 of the Greek Civil Procedure Code, namely (in the following ranking order):

(i) claims for hospitalisation and funeral costs of the Borrower and his family arising in the 12 months prior to the day of the public auction or the declaration of bankruptcy and compensation claims (except claims for moral damages) due to disability exceeding eighty per cent (80%) or more that arose until the day of the public auction or the declaration of bankruptcy;

(ii) costs for the nourishment of the Borrower and his family arising in the previous six months before the day of the public auction or the declaration of bankruptcy;

(iii) claims based on employees' salaries and claims for fees, expenses and compensation of lawyers paid under fixed regular remuneration that arose during the last 2 years prior to the day of the public auction or the declaration of bankruptcy. However, such time limit does not apply on any compensation claims raised by employees or in-house lawyers arising by reason of termination of their agreements. The same rank also includes claims of the State arising out of the Value Added Tax ("**VAT**") and any attributable or withholding taxes together with any

increments and interests imposed on such claims, as well as claims of social security organisations, alimony claims in case of death of the person owing such alimony and compensation claims due to disability exceeding sixty seven per cent (67%) which arose up to the day of the public auction or the declaration of bankruptcy;

(iv) claims by farmers or farming partnerships arising from the sale of agricultural goods arising within the last year prior to the day that the public auction was first set to occur or the declaration of bankruptcy;

(v) claims of the Greek state and municipal authorities arising out of any cause, together with any increments and interest imposed on such claims; and

(vi) claims by the Athens Stock Exchange Members' Guarantee Fund (if the borrower is or was an investment services company) arising in the previous 24 months prior to the day of the public auction or the declaration of bankruptcy (this should not be relevant for any Borrower).

(b) creditors enjoying special privileges under Article 976 of the Greek Civil Procedure Code (which include secured creditors through a mortgage or a mortgage pre-notation over the property or a pledge); and

(c) unsecured creditors.

In case of concurrence of general privileges (as mentioned above) and special privileges (as mentioned above), the percentage of satisfaction of the creditors with general privileges is limited to up to one-third of the auction proceeds whereas the percentage of satisfaction of creditors with special privileges is up to two-thirds. In case of concurrence of general privileges (as mentioned above) and special privileges (which include claims secured by pledge or mortgage) and non-privileged claims, the percentage of satisfaction of the creditors with general privileges is limited to up to 25%, whereas the percentage of satisfaction of creditors with special privileges is up to 66%. The remaining amount of 10% of the auction proceeds is allocated to the non-privileged creditors. In case of concurrence of creditors with special privileges and non-privileged creditors, an amount of 90% is allocated to creditors with special privileges, while an amount of 10% of the auction proceeds is allocated to the non-privileged creditors. In case of concurrence of claims with general privileges and non-privileged claims, the percentage of satisfaction of the former is 70%.

Accordingly, the Issuer, as owner of a first ranking pre-notation could be limited to receiving approximately two-thirds or 66% (as applicable) 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 in 2007 by virtue of article 91 of Greek law 3601/2007, which has been abolished by Greek law 4261/2014. Article 152 of the Greek Covered

Bond Legislation, which constitutes a repetition of article 91 of Greek law 3601/2007, came into force on 5 May 2014, while the Secondary Covered Bond Legislation came into force on 21 November 2007 and was amended and restated on 29 September 2009. Finally, the legislative framework is supplemented by Greek law 3156/2013 to the extend Greek Covered Bond Legislation cross refers to it. The transactions contemplated in this Base Prospectus are based, in part, on the provisions of the Greek Covered Bond Legislation. So far as the Issuer is aware, as at the date of this Base Prospectus there have been several similar issues of securities based upon the Greek Covered Bond Legislation and there has been no judicial authority as to the interpretation of any of the provisions of the Greek Covered Bond Legislation. For further information on the Greek Covered Bond Legislation, see "*Overview of the Greek Covered Bond Legislation*". There are a number of aspects of Greek law which are referred to in this Base Prospectus with which potential Covered Bondholders are likely to be unfamiliar. Particular attention should be paid to the sections of this Base Prospectus containing such references.

Changes of law

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

Covered Bonds where denominations involve integral multiples: definitive Covered Bonds

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

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

Exchange rate risks and exchange controls

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

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

Greek Withholding Tax

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

In particular, investors should note that the Greek income taxation framework is regulated by virtue of Greek law 4172/2013, as it currently stands. Accordingly, though a number of interpretative circulars were issued, very little (if any) precedent exists as to the application of this income tax code. See "*Taxation"* below for further details.

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

Issuer	National Bank of Greece S.A. ("**NBG**" or the "**Issuer**").
Arranger	NBG (the "**Arranger**").
Dealer	NBG or any other dealers appointed from time to time in accordance with the Programme Agreement.
Servicer	NBG (in its capacity as the servicer and, together with any replacement servicer appointed pursuant to the Servicing and Cash Management Deed from time to time, the "**Servicer**") will service, the Loans and Related Security in the Cover Pool pursuant to the Servicing and Cash Management Deed. The Servicer shall also undertake certain notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Transaction Account and cash management activities (the "**Servicing and Cash Management Activities**") in accordance with the Servicing and Cash Management Deed and the Greek Covered Bond Legislation, including the calculation of the Statutory Tests and the Amortisation Test. See *"Servicing and Collection Procedure"* below.
Asset Monitor	A reputable independent institution of auditors and accountants, not being the auditors of the Issuer for the time being, appointed pursuant to the Asset Monitor Agreement as an independent monitor to perform tests in respect of (i) the Statutory Tests when required in accordance with the requirements of the Bank of Greece and (ii) the Amortisation Test when required in accordance with the Servicing and Cash Management Deed. The initial Asset Monitor will be Ernst & Young (Hellas) Certified Auditors-Accountants S.A., acting through its office at 8B Chimarras str., Maroussi 151 25 Athens, Greece (the "**Asset Monitor**").
Account Bank	Citibank, N.A., London Branch acting through its office at Citigroup Centre, Canada Square, Canary Wharf London E14

5LB has agreed to act as account bank (the "**Account Bank**") pursuant to the Bank Account Agreement.

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

Eligible Institution

means any bank whose short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's, the DBRS Account Bank Required Ratings and whose long-term issuer default rating is rated at least A- by S&P (or such other ratings that may be agreed by the Rating Agencies 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.

Trustee

Citibank, N.A., London Branch 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.

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) 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.

Custodian

A custodian (the "**Custodian**") to be appointed at such time as a custody agreement is entered into.

Listing Agent

Banque Internationale à Luxembourg acting through its offices at 69, route d'Esch, L-2953 Luxembourg (the "**Luxembourg Listing Agent**").

Rating Agencies

Fitch Ratings Limited (Fitch), Moody's Investors Service Limited and DBRS Ratings Limited (Moody's, DBRS and, together with Fitch, the "**Rating Agencies**").

PROGRAMME DESCRIPTION

Description	NBG €10 billion Global Covered Bond Programme.
Programme Amount	Up to €10 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 15 (*Further Issues*). See "*Conditions Precedent to the Issuance of a new series of Covered Bonds*" below. As used herein, "**Tranche**" means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and Series means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.
Final Terms	Final terms (the "**Final Terms**") will be issued and published in accordance with the terms and conditions set out herein under "*Terms and Conditions of the Covered Bonds*" (the "**Conditions**") prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series only, complete the Conditions and the Base Prospectus and must be read in conjunction with the Conditions and the Base Prospectus. The terms and conditions applicable to any particular Series are the Conditions as completed by the relevant Final Terms.
Conditions Precedent to the Issuance of a new Series or Tranche of Covered Bonds	It is a condition precedent to the issuance of a new Series or Tranche of Covered Bonds that (i) there is no Issuer Event outstanding and that such issuance would not cause an Issuer Event, (ii) such issuance would not result in a breach of any of the Statutory Tests, (iii) the Rating Agencies, to the extent they are rating any Covered Bonds at that time, have been notified of such issuance, (iv) such issuance has been notified to 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	The gross proceeds from each issue of Covered Bonds will be

used by the Issuer to fund its general corporate purposes.

Form of Covered Bonds

The Covered Bonds will be issued in bearer form, see "*Form of the Covered Bonds*".

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, except in certain limited circumstances, 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); or

(d) by an Independent Adviser or the Issuer in accordance with Condition 4.2(h),

as set out in the applicable Final Terms.

Other Provisions in relation to Floating Rate Covered Bonds

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

Zero Coupon Covered Bonds

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

Ranking of the Covered Bonds

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

Taxation

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

Status of the Covered Bonds

The Covered Bonds are issued on an unconditional basis and in accordance with Article 152 of Greek law 4261/2014 (published in the Government Gazette No 107/A/5-5-2014 which constitutes a repetition of Article 91 of Greek law 3601/2007 that has been abolished by Greek law 4261/2014) ("**Article 152**") and the Act of the Governor of the Bank of Greece No. 2598/2007, as amended and restated by the codifying Act of the Governor of the Bank of Greece No. 2620/2009 (the "**Secondary Covered Bond Legislation**" and, together with Article 152 the "**Greek Covered Bond Legislation**"). The Covered Bonds are backed by assets forming the Cover Pool of the Issuer and to the extent such assets are governed by Greek law, have the benefit of a statutory pledge established pursuant to paragraph 4 of Article 152 (the "**Statutory Pledge**") by virtue of registration statement(s) filed with the Athens Pledge Registry (each a

"**Registration Statement**") pursuant to paragraph 5 of Article 152. The form of the Registration Statement is defined in Ministerial Decree No 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. See also "*Overview of 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 Cover Pool Payment Date the Issuer will apply any funds available to it (including, but not limited to, funds arising in relation to the assets comprised in the Cover Pool) to pay all items which are listed in the Post Issuer Event Priority of Payments. After the occurrence of an Issuer Event on each Cover Pool Payment Date, the Servicer will apply the Covered Bonds Available Funds in accordance with the relevant Priority of Payments.

Following the occurrence of a Cover Pool Event of Default and the delivery of a Notice of Default, on any Athens Business Day, all funds deriving from the Cover Pool Assets and the Transaction Documents will be applied in accordance with the Post-Cover Pool Event of Default Priority of Payments.

Security for the Covered Bonds

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

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

"**Secured Creditors**" means the Covered Bondholders, the 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 (provided that where NBG performs any of the above roles, NBG will not be a Secured Creditor).

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

"**Charged Property**" means the property, assets and undertakings charged by the Issuer pursuant to Clause 3 of the

Deed of Charge together, where applicable, the property pledged pursuant to the Statutory Pledge.

Cross-collateralisation and Recourse

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

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

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

Issue Price

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

Interest Payment Dates

In relation to any Series of Covered Bonds, the meaning given in the applicable Final Terms (as the case may be).

Cover Pool Payment Date

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

"**Athens Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Athens.

Final maturity and extendable obligations under the Covered Bonds

The final maturity date for each Series (the "**Final Maturity Date**") will be specified in the relevant Final Terms as agreed between the Issuer and the relevant Dealer(s). Unless specified otherwise in the Final Terms or previously redeemed as provided in the Conditions, the Covered Bonds of each Series will be redeemed at the Final Redemption Amount on the relevant Final Maturity Date.

If the **Issuer** has failed to pay the Final Redemption Amount in respect of a Series of Covered Bonds on the applicable Final Maturity Date specified in the Final Terms, then (subject as provided below) payment of any unpaid Final Redemption Amount by the Issuer shall be automatically deferred until the Extended Final Maturity Date and the relevant Series of

Covered Bonds shall become Pass-Through Covered Bonds, provided that any amount representing the Final Redemption Amount due and remaining unpaid on such Series of Pass-Through Covered Bonds after the Final Maturity Date shall be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date.

Following the occurrence of an Issuer Event and breach of the Amortisation Test all Series of Covered Bonds become Pass-Through Covered Bonds and the Issuer shall redeem all Series of Covered Bonds on each Interest Payment Date, in accordance with and subject to the relevant Priority of Payments.

Failure to pay by the Issuer of the Final Redemption Amount on any Series of Covered Bonds on the Final Maturity Date shall not constitute a Cover Pool Event of Default for the purposes of Condition (a) (but, for the avoidance of doubt, such failure to pay shall be deemed to be a payment default and, accordingly, constitute an Issuer Event).

Following service of a Notice of Default, any amount outstanding shall bear interest in accordance with Condition 6.8 (*Late Payment*).

Ratings

Each Series issued under the Programme will be assigned a rating by each of the Rating Agencies.

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 and will be made to the Luxembourg Stock Exchange for Covered Bonds issued under the Programme after the date hereof to be admitted to trading on the official list of 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 relevant Final Terms.

Selling Restrictions

There are restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the European Economic

Area (including the United Kingdom, the Hellenic Republic and Luxembourg) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered bonds. See "*Subscription and Sale*" below.

Greek Covered Bond Legislation

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

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

Governing law

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

The Covered Bonds are governed by and construed in accordance with English law. The Statutory Pledge referred to in Condition 2 (*Status of the Covered Bonds*), is 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 Cover Pool Payment Date the Issuer will apply any funds available to it (including, but not limited to, funds arising in relation to the assets comprised in the Cover Pool) to pay all items in the Post Issuer Event of Default Priority of Payments.

After the occurrence of an Issuer Event on each Cover Pool Payment Date, the Servicer will apply the Covered Bonds Available Funds in accordance with the relevant Priority of Payments.

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", 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, and other moneys, all additional loan advances under such loans and credit facilities due or owing with respect to such loan and/or credit facilities

provided that such loans and credit facilities are secured by residential real estate (the "**Loans**") together with any mortgages, mortgage pre-notations, guarantees or indemnity payments which may be granted or due, as the case may be, in connection therewith (the "**Related Security**", and together with the Loans the "**Loan Assets**"); following the entry into force of Regulation 575/2013 on 1 January 2014, the reference to paragraph 8(b) should be read as a reference to article 129 of Regulation 575/2013;

(b) derivative financial instruments including but not limited to the Hedging Agreements satisfying the requirements of paragraph I. 2(b) of the Secondary Covered Bond Legislation;

(c) deposits with credit institutions (including any cash flows deriving therefrom) provided that such deposits comply with paragraph 8(b) of Section B of the Bank of Greece Act No. 2588/20-8-2007, as amended and in force, (including the Transaction Accounts, to the extent that they comply with the relevant regulations but excluding the Collection Account); and

(d) Marketable Assets (as defined below).

(each a "**Cover Pool Asset**" and collectively the "C**over 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.

CHANGES TO THE COVER POOL

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 rating(s) assigned to the Covered Bonds provided that, in respect of any New Asset Type (A) Moody's (to the extent it is rating any Covered Bonds at that time) 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 addition of the New Asset Type to the Cover Pool (and in the case of any other Rating Agency (to the extent it is rating any Covered Bonds at that time), such Rating Agency has

been notified of such addition); and (B) the risk weighting of the Covered Bonds will not be negatively affected; 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 has occurred or 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 (to the extent it is rating any Covered Bonds at that time) 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 substitution (and in the case of any other Rating Agency (to the extent it is rating any Covered Bonds at that time), such Rating Agency has been notified of such addition) .

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

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

"**New Asset Type**" means a new type of mortgage loan originated by the Issuer, which the Issuer intends to assign to the Cover Pool as an Additional Cover Pool Asset, the terms and conditions of which are materially different (in the opinion of the Issuer acting reasonably) from any of the Cover Pool Assets in the Cover Pool. For the avoidance of doubt, a mortgage loan will not constitute a New Asset Type if it differs from any of the Cover Pool Assets in the Cover Pool solely due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate, capped rate or any other interest rate or the benefit of any discounts, cash-backs and/or rate guarantees.

"**Minimum Credit Rating**" means at least Baa3 by Moody's and BB(L) by DBRS.

Disposal of the Loan Assets

Following the occurrence of an Issuer Event, which is continuing, the Servicer shall be obliged to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed. The proceeds from any such sale will be credited to the Transaction Account and applied in accordance with the relevant 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 the Transaction Documents – The Servicing and Cash Management Deed*".

Following the occurrence of an Event of Default, the Trustee shall be entitled to direct the Servicer to dispose of the Cover Pool.

Undertakings of the Issuer in respect of the Cover Pool

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

Representations and Warranties of the Issuer

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

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

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

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

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

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

Individual Eligibility Criteria

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

(i) it is an existing Loan, denominated in euro and is owed by Borrowers who are individuals;

(ii) it is governed by Greek law and the terms and conditions of such Loan do not provide for the jurisdiction of any court outside Greece;

(iii) its nominal value remains a debt, which has not been paid or discharged;

(iv) it is secured by a valid and enforceable first ranking Mortgage and/or Pre-Notation over property located in Greece that may be used for residential purposes;

(v) notwithstanding (iv) above, if the Mortgage and/or Pre-Notation is of lower ranking, the Loans that rank higher have also been originated by the Issuer and are included in the Cover Pool;

(vi) only completed properties secure the Loan;

(vii) (a) in the case of Loans originated by the relevant Originators, all lending criteria and preconditions applied by the relevant Originator'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 such Loan, and (b) in the case of Loans acquired by the Issuer, each loan has been administered by the Issuer from the date of acquisition according to a level of skill, care and diligence of a reasonable, prudent mortgage lender;

(viii) the purpose of such Loan is either to buy, construct or renovate a property or refinance a loan granted by another bank for one of these purposes;

(ix) it is either a fixed or floating rate Loan or a combination of both;

(x) it is not an interest only Loan;

(xi) it is a Loan that is fully disbursed and in relation to which there is no obligation or possibility to make additional disbursements;

(xii) on the date on which such Loan is added in the Cover Pool it has a maturity of no longer than the day falling 8 years before the Extended Final Maturity Date of the Earliest Maturing Covered Bonds then outstanding.

"**Mortgage**" means the legal charge, standard security, mortgage or charge securing a Loan.

Pre-Notation means a judicial mortgage pre-notation under Articles 1274 et seq. of the Greek Civil Code granted in respect of a Property.

"**OEK**" means the Greek Worker Housing Association.

"**Subsidised Interest Amounts**" means the interest subsidy amounts, which for the avoidance of doubt shall only be denominated in euro, due and payable from the Greek State in

respect of the State Subsidised Loans and/or from the OEK in respect of the OEK Subsidised Loans and/or from any other Greek State subsidised entity in respect of any other Subsidised Loan (as the case may be).

"**Subsidised Loan**" means either the OEK Subsidised Loans, the State Subsidised Loans or the State/OEK Subsidised Loan or loans subsidised by any additional Greek State subsidised or owned entity, which for the avoidance of doubt are only denominated in euro.

"**OEK Subsidised Loans**" means those Loans, which for the avoidance of doubt are only denominated in euro, 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/OEK Subsidised Loans**" means those Loans, which for the avoidance of doubt are only denominated in euro, which are both State Subsidised Loans and OEK Subsidised Loans.

"**State Subsidised Loans**" means those Loans, which for the avoidance of doubt are only denominated in euro, in respect of which the Hellenic Republic makes payment of Subsidised Interest Amounts pursuant to all applicable laws.

Monitoring of the Cover Pool

Prior to an Issuer Event, the Servicer shall verify that the Cover Pool satisfies the following aggregate criteria:

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

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

(iii) the Cover Pool satisfies the Interest Cover Test, (collectively, the "**Statutory Tests**" and each a "**Statutory Test**").

The Servicer shall provide such verifications on each Applicable Calculation Date.

"**Applicable Calculation Date**" means:

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

(b) in respect of the Net Present Value Test and the Interest Cover test, each Calculation Date which falls in March, June, September and December of each year.

Statutory Tests

Pursuant to the Greek Covered Bond Legislation, the Cover Pool is subject to the Statutory Tests as set out in the Secondary Covered Bond Legislation. Failure of the Issuer to cure a breach of any one of the Statutory Tests within two

Athens Business Days will result in 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 which is continuing the Issuer must ensure that on each Calculation Date, the Principal Amount Outstanding of all Series of Covered Bonds, together with all accrued interest thereon, is not greater than 81 per cent. (or any such percentage which the Issuer may determine in accordance with any alternative methodologies of the relevant Rating Agencies rating any Covered Bonds at that time) of the nominal value of the Cover Pool (as determined in accordance with the Servicing and Cash Management Deed). In order to assess compliance with this test, all of the assets comprising the Cover Pool shall be evaluated at their Nominal Value but not including the Interest Rate Swap and the Covered Bond Swaps.

"**Nominal Value**" has the meaning ascribed to it in the Servicing and Cash Management Deed.

"**Marketable Assets**" has the meaning given to that term in the Act of the Monetary Policy Council of the Bank of Greece No. 96/22.4.2015 (which replaced the Act of the Monetary Policy Council of the Bank of Greece No. 54/27-2-2004), as in force and amended from time to time, 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.

(b) *The Net Present Value Test*: Prior to an Issuer Event, which is continuing, the Issuer must ensure that on each Calculation Date falling in March, June, September and December of each year the Net Present Value of liabilities under the Covered Bonds then outstanding is less than or equal to the Net Present Value of the Cover Pool, including the Interest Rate Swap and the Covered Bond Swaps.

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, the Net Present Value of the Interest Rate Swap, the Covered Bond Swaps and the Transaction Account (if not held with the Issuer) are in

aggregate less than or equal to 15% of the nominal value (being principal) of the Covered Bonds plus accrued interest thereon.

(c) *The Interest Cover Test:* Prior to the occurrence of an Issuer Event, which is continuing, the Issuer must ensure that on each Calculation Date falling in March, June, September and December of each year the amount of interest due on all Series of Covered Bonds does not exceed the amount of interest expected to be received (including, in respect of Subsidised Loan, for these purposes any Subsidised Interest Amounts that are expected to be received during such period but excluding any amounts from Borrowers which represent the cost to the Issuer of the Levy in respect of such Loan) in respect of the assets comprised in the Cover Pool (including the Interest Rate Swap and the Covered Bond Swaps) 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 and the Hedging Agreements (if included, at the discretion of the Issuer) must be included for assessing compliance with this test.

"**Calculation Date**" means five Athens Business Days prior to each Cover Pool Payment Date.

"**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 Cover Pool Payment Date;

(b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and

(c) (i) 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:

(A) A2 and P-1 by Moody's or AAA and R-1 (high) by DBRS and AA- and A-1 by S&P, with regards to investments having a maturity of up to 365 days where such investments are given both

a short-term and a long-term rating by the relevant Rating Agency; or

(B) P-1 by Moody's or R-1 (middle) by DBRS and A-1 by S&P with regards to investments having a maturity of up to 365 days where such investments are given a short-term rating but not a long-term rating by the relevant Rating Agency,

provided that if the then outstanding Covered Bonds are rated Ba1 or lower by Moody's or BB(H) or lower by DBRS and BB or lower by S&P:

(1) A or R-1 (low) by DBRS or A2 or P-1 by Moody's or BBB and A2 by S&P with regards to investments having a maturity of up to 365 days where such investments carry both short term and long term ratings; and

(2) P-1 by Moody's or R-1 (low) by DBRS and A2 by S&P with regards to investments having a maturity of up to 365 days where such investment, are given a short-term rating but not a long-term rating by the relevant Rating Agency; or

(ii) each of the debt securities or other debt instruments is issued by a money market fund or variable net asset value fund, in each case having a money market fund rating from Moody's or DBRS and S&P in each case that would comply with the requirement in (c)(i) above;

For the purposes of calculating the Interest Cover Test set out above, each Loan will be deemed to have an outstanding principal balance of and bear interest on an amount equal to the lower of:

(a) the Euro Equivalent of the actual Outstanding Principal Balance of the relevant Loan in the Cover Pool as calculated on each Application Calculation Date; and

(b) the Euro Equivalent of the latest of either the physical valuation or the Prop Index Valuation relating to that

Loan multiplied by 0.80, less the Outstanding Principal Balance of any first-ranking Loan if such Loan is a second-ranking Loan, provided that such Loan can never be given a value of less than zero;

(c) if the relevant Loan is in arrear of more than 90 days, zero; and

(d) and each Loan shall be deemed to bear interest on the lower of the amounts calculated in (i), (ii) and (iii) above.

In addition, in calculating such tests, all Loans that do not comply with the representations and warranties during the immediately preceding calculation period, shall be given a zero value.

"**Prop Index Valuation**" means the index of movements in house prices issued by Prop Index SA in relation to residential properties in Greece.

Breach of Statutory Tests

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

The Servicer or (where NBG is not the Servicer) the Issuer, as the case may be will immediately notify in writing 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, following an Issuer Event, which is continuing, 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 the occurrence of an Issuer Event. A breach of the Amortisation Test will constitute an Event of Default, which will entitle the Trustee to serve a Notice of Default declaring the Covered Bonds immediately due and repayable and the Trustee may enforce the Security over the Charged Property.

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

Amendment to definitions

The Servicing and Cash Management Deed will provide that the definitions of Cover Pool, Cover Pool Asset, Statutory Test and Amortisation Test may be amended by the Issuer from time to time as a consequence of, *inter alia*, the inclusion in the Cover Pool, of a New Asset Type without the consent of the Trustee provided that each of the Rating Agencies has provided confirmation in writing that the rating on the Covered Bonds would not be adversely affected by, or withdrawn as a result of such amendment. The Servicing and Cash Management Deed shall set forth the conditions for any such amendment to be effected.

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

Issuer Events

Prior to the occurrence of a Cover Pool Event of Default, if any of the following events (each, an Issuer Event) occurs and is continuing:

(a) an Issuer Insolvency Event;

(b) the Issuer fails to pay any principal or interest in respect of any series of Covered Bonds within a period of seven Athens Business Days from the due date thereof;

(c) the Issuer fails to pay the Final Redemption Amount in respect of any Series of Covered Bonds on the Final Maturity Date (notwithstanding that the relevant Series of Covered Bonds has an Extended Final Maturity Date);

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

(e) any present or future Indebtedness in respect of moneys borrowed or raised in an amount of €10,000,000 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

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

then (i) no further Covered Bonds will be issued, (ii) the Servicer will procure that any and all payments due under the Cover Pool Assets effected on the Collection Account are transferred henceforth directly to the Transaction Account pursuant to the provision of 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 Post-Issuer Event Priority of Payments and (iv) if NBG is the Servicer, its appointment as Servicer will be terminated and a new servicer will be appointed pursuant to the terms of the Servicing and Cash Management Deed and the Secondary Covered Bond Legislation.

However, for the avoidance of doubt, an Issuer Event shall not be deemed to have occurred where there has been a failure to pay the Principal Amount Outstanding on the Covered Bonds on the Final Maturity Date where the Extended Final Maturity Date is applicable.

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

Authorised Investments

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

In accordance with the terms of the Servicing and Cash Management Deed, prior to an Issuer Event, the Servicer may, in its discretion, invest sums in Authorised Investments.

Authorised Investments means each of:

a) Euro denominated demand or time deposits, certificates of deposit, long-term debt obligations and short-term debt obligations (including commercial paper) provided that in all cases such investments are rated at least, the DBRS Minimum Rating by DBRS, at least P-1 by Moody's and at least BBB or A2 by S&P (or such other ratings that may be agreed by the Rating Agencies from time to time), have a remaining period

to maturity of 30 days or less and mature on or before the next following Cover Pool Payment Date and (i) the long-term and short-term issuer default rating of the issuing or guaranteeing entity or the entity with which the demand or the deposits are made are rated at least the DBRS Minimum Rating by DBRS, (ii) the long-term or short-term issuer default rating of the issuing or guaranteeing entity or the entity with which the demand or the deposits are made are rated at least BBB or A2 respectively by S&P and (iii) the short-term, unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made are rated at least P-1 by Moody's (or such other ratings that may be agreed by the Rating Agencies from time to time);

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 Cover Pool Payment Date and which are rated Aaa by Moody's, the DBRS Minimum Rating by DBRS and BBB or A2 by S&P (or such other ratings that may be agreed by the Rating Agencies from time to time); and

c) Euro denominated residential mortgage backed securities provided that such investments have a remaining period to maturity of 30 days or less and mature on or before the next following Cover Pool Payment Date, are actively traded in a continuous, liquid market on a recognised stock exchange, are held widely across the financial system, are available in an adequate supply and which are rated at least Aaa by Moody's, and AA by S&P (or such other ratings that may be agreed by the Rating Agencies from time to time) and the DBRS Minimum Rating by DBRS,

provided that such Authorised Investments (i) shall provide a fixed principal amount due at its maturity (such amount not being lower than the initially invested amount) and shall not include any embedded options (i.e. it shall not be callable, putable, or convertible), unless full payment of principal is paid in cash upon the exercise of the embedded option and (ii) 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, upon request of the Issuer, the Trustee or the Rating Agencies, of monthly reports (to be delivered to the Issuer, the Trustee and the Rating Agencies (in each case if requested) on the amounts due by debtors, and on the collections and recoveries made in respect of the Loan Assets and Hedging Agreements; and

(f) carrying out the reconciliation of the amounts due and the amounts effectively paid by the debtors under the Loans on the relevant Cover Pool Payment Date.

ACCOUNTS AND CASH FLOW STRUCTURE:

Collection Account

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

To the extent not otherwise pre-funded by the Servicer, prior to the occurrence of an Issuer Event which is continuing, 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 three Athens Business Days 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 NBG pursuant to paragraph 9 of Article 152 and by virtue of an analogous application of paragraphs 14 through 16 of Article 10 of Greek law 3156/2003 or other than as created under or permitted pursuant to the Deed of Charge.

"**Subsidy Bank Account**" means the OEK Savings Account, the NBG 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, NBG, 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 the Servicing and Cash Management Deed, as applicable;

"**Subsidy Payments**" means the aggregate of all amounts, which for the avoidance of doubt shall only be denominated in euro, actually received from the OEK, the Greek State and any other Greek State subsidised entity representing the Subsidised Interest Amounts in respect of the Subsidised Loans comprised in the Cover Pool.

"**OEK Savings Account**" means the savings bank account in the name of the OEK maintained in respect of the OEK Subsidised Loans with NBG, 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.

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

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

"**Replacement Servicer**" means any entity appointed as a substitute servicer in accordance with Clause 22 of the Servicing and Cash Management Deed.

Transaction Account

On or about the Programme Closing Date, a segregated Euro denominated account will be established with the Account Bank (the "**Transaction Account**").

Following the occurrence of an Issuer Event (as defined above), the Servicer shall (i) procure that within two days after the occurrence of such Issuer Event, all collections of principal and interest on deposit in the Collection Account be transferred to the Transaction Account. Following the occurrence of an Issuer Event, the Transaction Account will be used for the crediting of the following amounts:

(a) any amounts standing to the credit of the Collection Account;

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

(c) all amounts received by the Issuer for effecting payments on the Covered Bonds;

(d) all amounts received by the Issuer to effect an optional substitution of Cover Pool Assets (including any amount deposited by the Issuer to prevent a sale of the Loan Assets to a third party);

(e) all amounts received in connection with the sale of a Cover Pool Asset;

(f) all amounts received by the Issuer pursuant to the Interest Rate Swap and the Covered Bond Swaps (other than Swap Collateral Excluded Amounts (if any);

(g) all amounts deriving from the maturity or liquidation of Authorised Investments; and

(h) any Subsidy Payments received from the OEK and/or the Greek State and/or any other Greek State subsidised or owned entity.

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

Covered Bonds Available Funds

Following the occurrence of an Issuer Event, the Issuer shall transfer any amounts it receives in respect of any Cover Pool Assets to the Transaction Account within two Athens Business Days of receipt.

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

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 relevant Priority of Payments.

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

(a) all amounts standing to the credit of the Transaction Account at the immediately preceding Calculation Date (other than amounts standing to the credit of the General Reserve Ledger);

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

(c) all amounts of interest paid on the Transaction Account during the Interest Period immediately preceding such Cover Pool Payment Date;

(d) the General Reserve Withdrawal Amount; and

(e) all amounts deriving from repayment at maturity of any Authorised Investment on or prior to such Cover Pool 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 any asset (including, without limitation, cash or securities) which is paid or transferred by any Hedging Counterparty to the Issuer as collateral to secure the performance by such Hedging Counterparty of its obligations under a Hedging Agreement together with any income or distributions received in respect of such asset and any equivalent or replacement of such asset into which such asset is transferred but which may not be applied at such time in satisfaction of the obligations of the relevant Hedging Counterparty under the terms of such Hedging Agreement.

"**Swap Collateral**" means, at any time, any asset (including, without limitation, cash and/or securities) which is paid or transferred by a Swap Provider to the Issuer as collateral in respect of the performance by such Swap Provider 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.

Cover Pool Event of Default

If, following an Issuer Event, any of the following events occurs (a "**Cover Pool Event of Default**"):

(a) on the Extended Final Maturity Date in respect of any Series of Pass-Trough Covered Bonds there is a failure to pay any amount of principal due on such Pass-Trough 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 Pass-Trough Covered Bonds and any other Series Covered Bonds occurs and such default is not remedied within a period of 14 Athens Business Days from the due date thereof;

then the Trustee shall, upon receiving notice from the Principal Paying Agent, or the Servicer, of the occurrence of such Cover Pool Event of Default, serve a notice (a "**Notice of Default**") on the Issuer.

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

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

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

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 Cover Pool Payment Date in making the following payments and provisions in the following order of priority (the "**Post Issuer Event Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

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

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

(iii) *third*, to pay all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments), to any Secured Creditors other than the Covered Bondholders with the exception of any amount due to be paid, or that will become due and payable prior to the next Cover Pool Payment Date, to the Hedging Counterparties under the Hedging Agreements;

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

(v) *fifth*, to pay *pari passu* and pro rata, according to the respective amounts thereof all amounts of principal due and payable in respect of any Series of Pass-Through Covered Bonds and any other Series of Covered Bonds

then outstanding on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (if any) on any Series of Pass-Through Covered Bonds or any other Series of Covered Bonds;

(vi) *sixth*, 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;

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

(viii) *eighth*, to pay any excess to the Issuer.

"**Subordinated Termination Payment**" means 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) 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.

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

(i) *first*, to pay any Indemnity to which the Trustee is entitled pursuant to the Trust Deed and any costs and expenses incurred by or on behalf of the Trustee (a) following the occurrence of a Potential Cover Pool Event of Default in connection with or as a result of serving on the Issuer a Notice of Default (to the extent that any such amounts have not yet been paid out of the Covered Bonds

Available Funds before the delivery of a Notice of Default) and (b) following the delivery of a Notice of Default in connection with or as a result of the enforcement 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;

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

(iii) *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

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

"**Indemnity**" means any indemnity amounts due to the Trustee under Clause 14 of the Trust Deed.

Servicing and Cash Management Deed

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

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

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

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

"**Programme Closing Date**" means 26 November 2008.

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

Asset Monitor Agreement

Under the terms of the asset monitor agreement entered into on the Programme Closing Date between the Asset Monitor, the Servicer, the Issuer and the Trustee (as amended and restated, 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 (as amended and restated) between the Issuer and the Trustee, the Trustee will be appointed to act as the Covered Bondholders' representative in accordance with paragraph 2 of Article 152.

Deed of Charge

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

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

The Trustee has been authorised, in accordance with the Servicing and Cash Management Deed, subject to a Notice of Default being delivered to the Issuer following the occurrence of an Event of Default 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 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 (as amended and restated) (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 (as amended and restated) (the "**Bank Account Agreement**"), the Account Bank has agreed to operate the Transaction Account and any Swap Collateral Accounts (together with the Transaction Account, the "**Bank Accounts**") in accordance with the instructions given by the Servicer.

Custody Agreement

The Issuer may enter into any custody agreement, after the Programme Closing Date, between, *inter alios*, the Custodian and the Issuer (the "**Custody Agreement**") (as any of the same may be amended, restated, supplemented, replaced or novated from time to time).

Hedging Agreements

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

The Hedging Agreements shall be governed by English Law.

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

Transaction Documents

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

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

Investor Report

On the day which falls two Athens Business Days prior to the Cover Pool Payment Date falling in March, June, September and December of each year (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, including statistics relating to the financial performance of the Cover Pool Assets. Such report will be available to the prospective investors in the Covered Bonds and to Covered Bondholders at the offices of Citibank, N.A., London Branch, on Bloomberg and on the website www.nbg.gr.

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) Group and Bank 2018 Annual Financial Report, which includes the Certification of the Board of Directors, the Board of Directors' Report, the Independent Auditor's Report and the Audited Separate and Consolidated Financial Statements for the Bank and the Group as at and for the year ended 31 December 2017, which have been prepared in accordance with IFRS as endorsed by the EU (the "**2018 Annual Financial Statements**");

(b) Unaudited interim condensed consolidated financial statements of National Bank of Greece S.A. as at and for the nine month period ended 30 September 2018 (the "**Nine Months 2018 Financial Statements**") which have been prepared in accordance with IFRS;

(c) Unaudited interim condensed consolidated financial statements of National Bank of Greece S.A. as at and for the six month period ended 30 June 2018 (the "**Six Months 2018 Financial Statements**") which have been prepared in accordance with IFRS;

(d) Group and Bank 2017 Annual Financial Report, which includes the Certification of the Board of Directors, the Board of Directors' Report, the Independent Auditor's Report and the Audited Separate and Consolidated Financial Statements for the Bank and the Group as at and for the year ended 31 December 2017, which have been prepared in accordance with IFRS as endorsed by the EU (the "**2017 Annual Financial Statements**");

(e) Unaudited interim condensed consolidated financial statements of National Bank of Greece S.A. as at and for the nine month period ended 30 September 2017 (the "**Nine Months 2017 Financial Statements**") which have been prepared in accordance with IFRS as endorsed by the EU;

(f) Unaudited interim condensed consolidated financial statements of National Bank of Greece S.A. as at and for the six-month period ended 30 June 2017 (the "**Six Months 2017 Financial Statements**") which have been prepared in accordance with IFRS as endorsed by the EU;

the 2018 Annual Financial Statements and the 2017 Annual Financial Statements are collectively referred to as the "**Annual Financial Statements**".

(g) the section entitled "*Terms and Conditions of the Covered Bond*" set out on pages 92 – 126 (inclusive) of the base prospectus dated 10 August 2016 (for the avoidance of doubt, the applicable Final Terms for a Series or Tranche of Covered Bonds will indicate the Terms and Conditions applicable to such Series or Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Covered Bonds issued after the date hereof shall be those set out in full in this Base Prospectus). The remaining portions of the base prospectus dated 10 August 2016 are not relevant for prospective investors and are not incorporated by reference in this Base Prospectus.

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

be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained free of charge from the registered office of the Issuer at 86 Eolou Street, Athens, the Issuer's website www.nbg.gr, the Luxembourg Stock Exchange website www.bourse.lu and from the specified offices of the Paying Agents for the time being in London and Luxembourg.

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.

CROSS-REFERENCE LIST RELATING TO THE AUDITOR'S REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL BANK OF GREECE S.A. FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017

	31 December 2018	31 December 2017
Information Incorporated		
Statement of Financial Position	p. 79	p. 66
Income Statement	p. 80	p. 67
Statement of changes in equity	p. 82-83	p. 69-70
Cash-flow statement	p. 84	p. 71
Accounting policies and explanatory notes	p. 85-210	p. 72-177
Auditor's report	p. 73-78	p. 60-65

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) N° 809/2004.

CROSS-REFERENCE LIST RELATING TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL BANK OF GREECE S.A. FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018 AND 30 JUNE 2017

Information Incorporated	30 June 2018	30 June 2017
Review report	p. 25	p. 19
Statement of Financial Position	p. 26	p. 20
Income Statement	p. 27	p. 21
Statement of changes in equity	p. 31-32	p. 25-26
Cash-flow statement	p. 33	p. 27
Accounting policies and explanatory notes	p. 34-70	p. 28-54

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) N° 809/2004.

CROSS-REFERENCE LIST RELATING TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL BANK OF GREECE S.A. FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2018 AND 30 SEPTEMBER 2017

	30 September 2018	30 September 2017
Information Incorporated		
Statement of Financial Position	p. 3	p. 3
Income Statement	p. 4	p. 4
Statement of changes in equity	p. 8	p. 8
Cash-flow statement	p. 9	p. 9
Accounting policies and explanatory notes	p. 10-41	p. 10-35

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) N° 809/2004.

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, modify the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond. Reference should be made to "Form of the 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 National Bank of Greece S.A. (the "**Issuer**") pursuant to the Trust Deed (as defined below).

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

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

(b) any Global Covered Bond; and

(c) any definitive Covered Bonds (each a "**Definitive Covered Bond**") issued in exchange for a Global Covered Bond.

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

The Covered Bonds and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated the Programme Closing Date and made between *inter alios* the Issuer, Citibank N.A. as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent), and 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).

Interest bearing Definitive Covered Bonds have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Covered Bonds do not have 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 complete 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 "**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 are available for viewing at the registered office of the Issuer and of the Principal Paying Agent and copies may be obtained from those offices save that, if this Covered Bond is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Covered Bonds and identity. The Covered Bondholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

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 the same may be amended, varied or supplemented 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 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.

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

The Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and set out in the applicable Final Terms save that the minimum denomination of each Covered Bond will be €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, 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 outstanding and that such issuance would not cause an Issuer Event, (ii) such issuance would not result in a breach of any of the Statutory Tests, (iii) the Rating Agencies, to the extent they are rating any Covered Bonds at that time, have been notified of such issuance, (iv) such issuance has been notified to 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.

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

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

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

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

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

2. Status of the Covered Bonds

Status

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

3. Priorities of Payments

Post-Issuer Event 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 Cover Pool Payment Date in making the following payments and provisions in the following order of priority (the "**Post- Issuer Event Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

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

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

(iii) *third*, to pay all amounts due and payable on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments), to any Secured Creditors other than the Covered Bondholders with the exception of any amount due to be paid, or that will become due and payable prior to the next Cover Pool Payment Date, to the Hedging Counterparties under the Hedging Agreements;

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

(v) *fifth*, to pay *pari passu and pro rata*, according to the respective amounts thereof all amounts of principal due and payable in respect of any Series of Pass-Through Covered Bonds and any other Series of Covered Bonds then outstanding on the Cover Pool Payment Date, or to provide for all such amounts that will become due and payable prior to the next Cover Pool Payment Date (if any) on any Series of Pass-Through Covered Bonds and any other Series of Covered Bonds;

(vi) *sixth*, 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;

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

(viii) *eighth*, to pay any excess to the Issuer.

Post-Cover Pool Event of Default Priority of Payments

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

(i) *first*, to pay any Indemnity to which the Trustee is entitled pursuant to the Trust Deed and any costs and expenses incurred by or on behalf of the Trustee (a) following the occurrence of a Potential Cover Pool Event of Default in connection with or as a result of serving on the Issuer a Notice of Default (to the extent that any such amounts have not yet been paid out of the Covered Bonds Available Funds before the delivery of a Notice of Default) and (b) following the delivery of a Notice of Default in connection with or as a result of the enforcement 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;

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

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

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

4. Interest

4.1. 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 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.

4.2. Floating Rate Covered Bond Provisions

(a) Interest on Payment Dates

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

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

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

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

(b) Rate of Interest

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

(i) ISDA Determination for Floating Rate Covered Bonds

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

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

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

(C) the relevant Reset Date is 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 4.2(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 specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

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

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

The Principal Paying Agent, in the case of Floating Rate 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.

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

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

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

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

above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to be published in accordance with Condition 16 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 4.5) thereafter and in the case of any notification to be given to the Luxembourg Stock Exchange on or before the first Business Day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to Covered Bondholders in accordance with Condition 16 (Notices).

(f) Determination or Calculation by 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 4.2(b)(i) or 4.2(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 4.2(d) above, the Trustee may determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it may think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee may calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Trustee may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). If such determination or calculation is made the Trustee shall as soon as reasonably practicable notify the Issuer and the Stock Exchange of such determination or calculation and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent 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 4.2, whether by the Principal Paying Agent, the Calculation Agent or the Trustee shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Paying Agents, the Trustee and all Covered Bondholders and Couponholders and (in the absence of wilful default, gross negligence, bad faith 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.

(h) Benchmark Replacement

In addition, notwithstanding the provisions above in this Condition 4.2 (Floating Rate Covered Bond Provisions), if the Issuer determines that the relevant Reference Rate specified in the relevant Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(i). the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer), no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **Relevant Interest Determination Date),** a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Covered Bonds;

(ii). if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the Relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii). if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(i) (Benchmark Replacement)); provided, however, that if sub-paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Payment Date, the Rate of Interest applicable to the next succeeding Interest Period (as applicable) shall be equal to the Rate of Interest last determined in relation to the Covered Bonds in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the Rate of Interest specified in the relevant Final Terms) (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph (iii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.2(i) (Benchmark Replacement));

(iv). if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Covered Bonds, and the method for determining the fallback rate in relation to the Covered Bonds, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment

Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. Covered Bondholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes; and

(v). the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Agents and the Covered Bondholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to the Conditions.

For the purposes of this Condition 4.2(i) (Benchmark Replacement):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Covered Bondholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i). in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii). in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international covered bonds transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii). if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international bond markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate;

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international bond markets, in each case appointed by the Issuer at its own expense;

Relevant Nominating Body means, in respect of a reference rate:

(i). the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or

(ii). any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Hellenic Financial Stability Board or any part thereof; and

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(i) Benchmark Replacement Modifications

Notwithstanding the provisions of Condition 14 (Meetings of Covered Bondholders, Modification and Waiver) but subject as provided in the next following paragraph, the Trustee shall be obliged, without any consent or sanction of the Covered Bondholders or any of the other Secured Creditors, to concur with the Issuer in making any modification to these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security or entering into any new, supplemental or additional documents that the Issuer certifies to the Trustee is considered by the Issuer necessary or advisable for the purpose of changing the Reference Rate to a Successor Rate or Alternative Reference Rate in accordance with Condition 4.2(i) (such certification being a **Benchmark Rate Modification Certificate**).

When implementing any modification pursuant to this Condition 4.2(i) (Benchmark Replacement Modifications), (i) the Trustee shall not consider the interests of the Covered Bondholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation, on any Benchmark Rate Modification Certificate and shall not be liable to the Covered Bondholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and (ii) the Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the Transaction Documents and/or these Conditions.

4.3. 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 6.5 (*Early Redemption Amounts*). In the case of late payment the amount due and repayable shall be calculated in accordance with Condition 6.8 (*Late Payment*).

4.4. Accrual of interest

Interest (if any) will cease to accrue on each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly

withheld or refused or unless default is otherwise made in respect of payment, in which event, interest will continue to accrue as provided in Condition 6.8 (*Late Payment*).

4.5. Business Day, Business Day Convention, Day Count Fractions and other adjustments

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

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

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

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

(i) in any case where Specified Periods are specified in accordance with Condition 4.2(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 4.5(e)) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

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

(h) "**Interest Payment Date**" means, in respect of Fixed Rate Covered Bonds, the meaning given in the applicable Final Terms and in respect of Floating Rate Covered Bonds, the meaning given in Condition 4.2, together the "**Interest Payment Dates**".

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

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

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

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

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

5. Payments

5.1. Method of payment

Subject as provided below:

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

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

(iii) payments in U.S. Dollars will be made by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 5, 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 7 (*Taxation*). References to Specified Currency will include any successor currency under applicable law.

5.2. Presentation of Definitive Covered Bonds 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 5.1 (*Method of payment*) only against presentation and surrender of Definitive Covered Bonds or Coupons (or, in the case of part payment of any sum due, endorsement of the Definitive Covered Bond (or Coupon), as the case may be, only at a specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction).

Fixed Rate Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds) 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 10 (*Prescription*) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter.

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

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

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

5.3. Payments in respect of Global Covered Bonds

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Definitive Covered Bonds and otherwise in the manner specified in the relevant Global Covered Bond against presentation or surrender, as the case may be, of such Global Covered Bond if the 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 Global Covered Bond which is not issued in NGCB form, a record of such payment made on such Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such 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 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.

5.4. General provisions applicable to payments

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

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

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

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

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

5.5. Payment Day

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Final Terms), "**Payment Day**" means any day which (subject to Condition 10 (*Prescription*) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are

open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation;

(B) London;

(C) Athens; and

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

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

5.6. Interpretation of principal and interest

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

(i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

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

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

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

(v) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 6.5(iii); and

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

Any reference in these Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

5.7. Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Covered Bondholders and the Couponholders, on giving prior written notice to the Trustee and the Agents, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Covered Bondholders in accordance with Condition 16 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds shall be redenominated in euro. In relation to any Covered Bonds where the applicable Final Terms provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least €100,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream, Luxembourg must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least €100,000.

The election will have effect as follows:

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

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

(iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of €100,000 and/or such higher amounts as the Agents may determine and notify to the Covered Bondholders and any remaining amounts less than €100,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in euro in accordance with Condition 7 (*Taxation*);

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

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

(vi) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

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

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

5.8. 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 a Cover Pool Event of Default).

"**Early Redemption Amount**" means the amount calculated in accordance with Condition 6.5 (*Early Redemption Amounts*).

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

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

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

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

"**Notice of Default**" has the meaning given to it in Condition 9 (*Cover Pool Events of Default and Enforcement*).

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

"**Potential Cover Pool 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 a Cover Pool 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, 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 5.7 (*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 4.2(b)(ii).

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

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

6. Redemption and Purchase

6.1. (a) Final redemption

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

(b) Extension of maturity

(i) Without prejudice to Condition 8 (*Issuer Events*) and Condition 9 (*Cover Pool Events of Default and Enforcement*), if Issuer has failed to pay the Final Redemption Amount in respect of a Series of Covered Bonds on the applicable Final Maturity Date specified in the Final Terms, then (subject as provided below) payment of any unpaid Final Redemption Amount by the Issuer shall be automatically deferred until the Extended Final Maturity Date and the relevant Series of Covered Bonds shall become Pass-Through Covered Bonds, provided that any amount representing the Final Redemption Amount due and remaining unpaid on such Series of Pass-Through Covered Bonds after the Final Maturity Date shall be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date.

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

(iii) Following the occurrence of an Issuer Event and breach of the Amortisation Test all Series of Covered Bonds become Pass-Through Covered Bonds and the Issuer shall redeem all Series of Covered Bonds on each Interest Payment Date, in accordance with and subject to the relevant Priority of Payments.

(iv) Failure to pay by the Issuer of the Final Redemption Amount on any Series of Covered Bonds on the Final Maturity Date shall not constitute a Cover Pool Event of Default for the purposes of Condition 9.1(a) (but, for the avoidance of doubt, such failure to pay shall be deemed to be a payment default and, accordingly, constitute an Issuer Event)

6.2. Redemption for taxation reasons

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the relevant Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if the relevant Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Trustee and, in accordance with Condition 16 (*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 7 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 6.2 (*Redemption for taxation reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 6.5 (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3. 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:

(i) not less than 15 nor more than 30 days' notice to the Covered Bondholders and the Trustee in accordance with Condition 16 (*Notices*) below with a copy of such notice to be provided to the Trustee; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent;

which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**"), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the "**Optional Redemption Amount(s)** " specified in, or determined in the manner specified in, the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. 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 16 (*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 6.3 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 16 (*Notices*) at least five days (or such shorter period as is specified in the applicable Final Terms) prior to the Selection Date.

6.4. Redemption at the option of the Covered Bondholders (Investor Put)

(i) If an investor put is specified in the Final Terms (the "**Investor Put**"), then if and to the extent specified in the applicable Final Terms, upon the holder of this Covered Bond giving to the Issuer not less than 30 nor more than 60 days' (or such other notice period specified in the applicable Final Terms) notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the relevant Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(ii) If this Covered Bond is in definitive form, to exercise the right to require redemption of this Covered Bond, the holder of this Covered Bond must deliver such Covered Bond, on any Business Day (as defined in Condition 4.5) falling within the above-mentioned notice period at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise of the Investor Put in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 6.4.

(iii) Any Put Notice given by a Covered Bondholder of any Covered Bond pursuant to this Condition shall be irrevocable.

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

6.5. Early Redemption Amounts

For the purpose of Condition 6.1 (*Final redemption*), Condition 6.2 (*Redemption for taxation reasons*) and Condition 9 (*Cover Pool Events of Default and Enforcement*), each Covered Bond will be redeemed at the Early Redemption Amount calculated as follows:

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

(ii) in the case of a Covered Bond other than a Zero Coupon 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

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

(A) the Reference Price; and

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

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

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

6.7. Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of Definitive Covered Bonds, all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 6.6 (*Purchases*) and cancelled (together with, in the case of Definitive Covered Bonds, all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

6.8. Late Payment

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

(i) in the case of a Covered Bond other than a Zero Coupon Covered Bond at the rate determined in accordance with Condition 4.1 (*Interest on Fixed Rate Covered Bonds*) or 4.2 (*Floating Rate Covered Bond Provisions*), as the case may be; and

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

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

For the purpose of this Condition 6.8, 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 16 (*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.

6.9. Portfolio Manager

If within one calendar month of the First Refinance Date or, if applicable, within one calendar month of the further Refinance Date (if applicable), the Servicer has not completed the appointment of a Portfolio Manager in accordance with the Servicing and Cash Management Deed and provided that no Portfolio Manager has already been appointed in respect of another Series of Covered Bonds where that appointment is continuing, then following notice from the Servicer (pursuant to Clause 6.4(d) of the Servicing and Cash Management Deed) that no Portfolio Manager has been appointed (the "**Servicer's Notice**"), Covered Bondholders holding not less than one-tenth of the aggregate Principal Amount outstanding of all Series of Covered Bonds may within 10 Athens Business Days of receipt of a Servicer's Notice, nominate a Portfolio Manager in writing (such nomination to contain evidence to the reasonable satisfaction of the Trustee to verify the relevant Covered Bondholder's holdings (which could include a screenshot of the Covered Bondholder's holdings) to the Trustee and Servicer for appointment by the Servicer. The Trustee shall notify the Covered Bondholders of each nomination it receives within five Athens Business Days of receipt. Following receipt of that notice and provided that no Portfolio Manager has already been appointed in respect of another Series of Covered Bonds, Covered Bondholders holding more than 50 per cent. of the aggregate Principal Amount outstanding of a Series of Covered Bonds may jointly within three Athens Business Days of receipt of a notice of a Portfolio Manager nomination from the Trustee object to that nomination provided that the objection is made in writing to the Trustee and Servicer and includes a nomination of an alternative Portfolio Manager to the Trustee and Servicer for appointment by the Servicer. The Trustee shall notify the Covered Bondholders of each alternative nomination it receives within five Athens Business Days of receipt. Provided that no Portfolio Manager has already been appointed in respect of another Series of Covered Bonds (and provided that appointment is continuing) the Servicer shall appoint the Portfolio Manager nominated in the most recent Portfolio Manager nomination received from Covered Bondholders holding not less than one-tenth of the aggregate Principal Amount outstanding of all Series of Covered Bonds and to which no objection has been received in accordance with this Condition 6.9 or, should any such objection be received, the Portfolio Manager nominated from more than 50 per cent. of the aggregate Principal Amount outstanding of a Series of Covered Bonds. For the purposes of this Condition, if Covered Bonds of any Series are held by or on behalf of the Issuer or any of its Subsidiaries as beneficial owner, then those Covered Bonds shall be deemed not to remain outstanding for the purposes of voting under this Condition, except if the Issuer or any of its Subsidiaries hold all outstanding Covered Bonds under the Programme. For the avoidance of doubt, the Trustee shall not be obliged to appoint a Portfolio Manager should the Servicer fail to do so

(and shall have no liability for such failure) and shall not be responsible for determining the identity of the Portfolio Manager to be appointed by the Servicer following a nomination or determining or approving the terms of appointment of a Portfolio Manager.

7. Taxation

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

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

8. Issuer Events

Prior to, or concurrent with the occurrence of a Cover Pool Event of Default, if any of the following events (each, an "**Issuer Event**") occurs and is continuing:

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

(ii) the Issuer fails to pay any principal or interest in respect of any Series of Covered Bonds within a period of seven Athens Business Days from the due date thereof;

(iii) the Issuer fails to pay the Final Redemption Amount in respect of any Series of Covered Bonds on the Final Maturity Date (notwithstanding that the relevant Series of Covered Bonds has an Extended Final Maturity Date);

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

(v) any present or future Indebtedness in respect of moneys borrowed or raised in an amount of €10,000,000 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

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

then (i) no further Covered Bonds will be issued, (ii) the Servicer will procure that any and all payments due under the Cover Pool Assets effected on the Collection Account are transferred henceforth directly to the Transaction Account pursuant to the provisions of 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 Post-Issuer Event Priority of Payments and (iv) if NBG is the Servicer, its appointment as Servicer will be terminated and a new servicer will be appointed pursuant to the terms of the Servicing and Cash Management Deed and the Secondary Covered Bond Legislation.

"**Issuer Insolvency Event**" means, in respect of NBG:

(i) NBG stops payment of part or all of its debts;

(ii) NBG having resolved to enter into voluntary liquidation, other than in respect of reconstruction, merger or amalgamation as approved in writing by the Trustee;

(iii) NBG admits in writing its inability to pay or meet its debts;

(iv) NBG is forced to enter into liquidation pursuant to Greek law, other than in respect of reconstruction, merger or amalgamation as approved in writing by the Trustee;

(v) a creditors' collective enforcement procedure is commenced against NBG (including such procedure under the Greek Banking Legislation) and is not discharged or temporarily revoked (for so long as such temporary revocation remains in effect or otherwise becomes permanent) within 30 days;

(vi) the appointment of any administrator, liquidator or administrative or other receiver of NBG or all or a substantial part of its property or assets; and

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

9. Cover Pool Events of Default and Enforcement

9.1. Cover Pool Events of Default

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

(a) on the Extended Final Maturity Date in respect of any Series of Pass-Through Covered Bonds there is a failure to pay any amount of principal due on such Pass-Through Covered Bonds on such date and such default is not remedied within a period of seven Athens Business Days from the due date thereof; or

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

then the Trustee shall, upon receiving notice from the Principal Paying Agent or, in respect of (c) the Servicer, of such Cover Pool 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.

9.2. Enforcement

The Trustee may at any time, at its discretion and without further notice, take such proceedings against the Issuer and/or any other person as it may think fit to enforce the provisions of the Deed of Charge, the Trust Deed, the Covered Bonds or any other Transaction Document in accordance with its terms and the pledge created under the Greek Covered Bond Legislation and may, at any time after the Security has become enforceable, take such proceedings or steps as it may think fit to enforce the Security, but it shall not be bound to take any such proceedings or steps unless (i) it shall have been so directed by 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 (if applicable) converted into Euro at either the relevant Covered Bond Swap Rate (if applicable) or the Established Rate) or 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 (taken together as a single Series and converted into Euro at either the relevant Covered Bond Swap Rate (if applicable) or the Established Rate), and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions under this Condition 9 the Trustee shall only have regard to the general interests of the Covered Bondholders of all Series taken together and shall not have regard to the interests of any other Secured Creditors.

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

10. Prescription

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

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for paying in respect of which would be void pursuant to this Condition 10 or Condition 5 (*Payments*).

As used herein, the "**Relevant Date**" means the date on which payment in respect of the Covered Bond or Coupon first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent on or prior to such date, the Relevant Date shall be the date on which such moneys shall have been so received and notice to that effect has been given to Covered Bondholders in accordance with Condition 16 (*Notices*).

11. Replacement of Covered Bonds, Coupons and Talons

If any Covered Bond, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (and, if the Covered Bonds are then listed on any stock exchange which requires the appointment of an Agent in any particular place, the Paying Agent having its specified office in the place required by such stock exchange), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably

require. Mutilated or defaced Covered Bonds, Talons or Coupons must be surrendered before replacements will be issued.

12. 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 Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 10 (*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.

13. 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 do not assume any obligations towards or relationship of agency or trust for or with any of the Covered Bondholders or Couponholders.

(b) The initial Agents and their initial specified offices are set forth in the Base Prospectus and in the Master Definitions and Construction Schedule. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor Principal Paying Agent or Calculation Agent and additional or successor paying agents *provided, however, that*:

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

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

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

(iv) the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall at all times

maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC 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 16 (*Notices*).

(c) Under the Trust Deed and the Deed of Charge, the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction and relieved from responsibility in certain

circumstances and to be paid its remuneration, costs and expenses in priority to the claims of the Covered Bondholders and the other Secured Creditors.

14. 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 the 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 two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Covered Bonds of the relevant Series or, at any adjourned meeting, two or more persons being or representing Covered Bondholders of the relevant Series whatever the principal amount of the Covered Bonds of such Series held or represented; *provided, however, that* certain 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 two or more persons holding or representing one more than half or, at any adjourned meeting, one- quarter 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 9.2 (*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 25.0% 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 at least 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 Couponholders in respect of such Covered Bonds.

The right of the Issuer to (i) attend and vote at any meeting of the holders of Covered Bond of any Series or (ii) sign a resolution in writing according to paragraph 19 of Schedule 3 (*Provisions for Meetings of Covered Bondholders*) of the Trust Deed shall be excluded in accordance with the definition of "outstanding" in the Master Definitions and Construction Schedule.

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.

In addition, a resolution in writing signed by or on behalf of Covered Bondholders of not less than three-fourths in aggregate Principal Amount Outstanding of the relevant Series of

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

(b) *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 then rating any Covered Bonds has been notified.

(c) *Modification*: The Trustee may, without the consent or sanction of any of the Covered Bondholders, and/or the Couponholders of any Series or the consent of the other Secured Creditors (other than the Swap Providers in respect of modification to the Post-Issuer Event Priority of Payments, the Post-Cover Pool Event of Default Priority of Payments, these Conditions, the Individual Eligibility Criteria or the Servicing and Cash Management Deed) at any time and from time to time concur with the Issuer and any other party, to:

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

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

and Moody's (to the extent it is rating any Covered Bonds at that time) has confirmed to the Issuer that such amendment, modification or variation will not adversely affect the then current ratings of the Covered Bonds (and in the case of any other Rating Agency (to the extent it is rating any Covered Bonds at that time), such Rating Agency has been notified of such modification).

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

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

(ii) alteration of the currency in which payments under the Covered Bonds and Coupons are to be made other than in accordance with Condition 5.7;

(iii) alteration of the 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 the definition of Series Reserved Matter.

15. Further Issues

The Issuer may from time to time, without the consent of the Covered Bondholders or the Couponholders, create and issue further Covered Bonds having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest thereon, issue date and/or issue price) so as to form a single series with the Covered Bonds provided that (i) there is no outstanding Issuer Event 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 notified to 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.

16. Notices

All notices regarding the 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 Covered Bonds are listed on the official list of the Luxembourg Stock Exchange) if published in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange www.bourse.lu. It is expected that such publication will be made in the Financial Times in London and (in relation to 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 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.

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

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

17. Substitution of the Issuer

(a) If so requested by the Issuer, the Trustee shall, without the consent of any Covered Bondholder or Couponholder, 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 (the "**New Company**") upon notice by the Issuer and the New Company to be given in accordance with Condition 16 (*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 to give effect to the substitution and in which the New Company has undertaken in favour of each Covered Bondholder to be bound by these Conditions and the provisions of the Trust Deed as the debtor in respect of the Covered Bonds in place of the Issuer (or of any previous substitute under this Condition 17 (*Substitution of the Issuer*);

(iii) if the New Company is resident for tax purposes in a territory (the "**New Residence**") other than that in which the Issuer prior to such substitution was resident for tax purposes (the "**Former Residence**"), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Covered Bondholder has the benefit of an undertaking in terms corresponding to the provisions of this Condition 17 (*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 Documents;

(v) legal opinions shall have been delivered to the Trustee (with a copy of such legal opinions also to be provided to each Rating Agency then rating any Covered Bons) 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 17 (*Substitution of the Issuer*) and that the Covered Bonds and any Coupons and/or Talons are legal, valid and binding obligations of the New Company;

(vi) if Covered Bonds issued or to be issued under the Programme have been assigned a credit rating by the Rating Agencies, each Rating Agency has been notified of the proposed substitution and with respect to each Rating Agency either: (A) the relevant Rating Agency has 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 or (B) the Issuer certifies to the Trustee that, 30 days after receipt of such notice by the Rating Agency, the relevant Rating Agency has not indicated that such substitution would result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Covered Bonds by such Rating Agency or such Rating Agency placing any Covered Bonds on ratings watch negative (or equivalent);

(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; and

(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 and any Coupons.

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

(c) After a substitution pursuant to Condition 17(a) the New Company may, without the consent of any Covered Bondholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 17(a) and 17(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 17(a) or 17(c) any New Company may, without the consent of any Covered Bondholder or Couponholder, reverse the substitution, *mutatis mutandis*.

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

18. 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.

19. 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 2 (*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.

20. 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 bearer form, with or without receipts, interest coupons and/or talons attached. Covered Bonds will be issued outside the United States in reliance on Regulation S.

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

(a) if the 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 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.

Whilst any 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 Covered Bonds due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Covered Bond if the Temporary Global Covered Bond is not issued in NGCB form) only to the extent that certification (in a form to be provided by Euroclear and/or Clearstream, Luxembourg) to the effect that the beneficial owners of interests in such Covered Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Covered Bond is issued, interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a permanent global covered bond without interest coupons attached (a "**Permanent Global Covered Bond**" and, together with the Temporary Global Covered Bonds, the "**Global Covered Bonds**" and each a "**Global Covered Bond**") of the same Series or (b) for Definitive Covered Bonds of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of 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. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond or for Definitive Covered Bonds is improperly withheld or refused.

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

The applicable Final Terms will specify that a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Definitive Covered Bonds with, where applicable, interest

coupons and talons attached upon either (a) provided the Covered Bonds have a minimum Specified Denomination, or integral multiples thereof, not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Principal Paying Agent as described therein or (b) upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Global Covered Bond (and any interests therein) exchanged for Definitive Covered Bonds. The Issuer will promptly give notice to Covered Bondholders of each Series of Global Covered Bonds in accordance with Condition 16 (*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.

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

The following legend will appear on all Covered Bonds that have an original maturity of more than one year and on all interest coupons relating to such 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 holders, with certain exceptions, will not be entitled to deduct any loss on Covered Bonds, interest coupons and will not be entitled to capital gains treatment of any gain on any sale or other disposition in respect of such Covered Bonds, or interest coupons.

Covered Bonds which are represented by a 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.

General

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

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

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

FORM OF FINAL TERMS

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

[*Date*]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

NATIONAL BANK OF GREECE S.A.
Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Covered Bonds*]
Under the €10 billion
Global Covered Bond Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 9 April 2019 [and the supplement to the Base Prospectus dated (*date*)] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC as amended) (the "**Prospectus Directive**"). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [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 Base Prospectus [and the supplement to the Base Prospectus] are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Terms and Conditions**") set forth in the Base Prospectus dated 10 August 2016 which are being incorporated by reference in the Base Prospectus dated 9 April 2019 [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 (Directive 2003/71/EC as amended) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 9 April 2019 and the Base Prospectus dated 10 August 2016 [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 10 August 2016. 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 9 April 2019 and the Base Prospectus dated 10 August 2016 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.] The Base Prospectus [and the supplement to the Base Prospectus] are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

(*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs.*)

1.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the Covered Bonds will be consolidated and form a single Series	The Covered Bonds will be consolidated and form a single Series with (*Provide issued amount/ISIN/maturity issue/issue date of earlier Tranches*) on [the Issue Date/exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph [•] below, which is expected to occur on or about (*date*)] / [Not Applicable]
2.	Specified Currency or Currencies:		[●]
3.	Aggregate Nominal Amount of Covered Bonds:		[●]
	[(i)]	Series:	[●]
	[(ii)]	Tranche:	[●]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from (*insert date*) (*if applicable*)]
5.	(i)	Specified Denominations:	[●]

			[(*N.B. Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: €100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000].*) (*N.B. 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.*)
	(ii)	Calculation Amount:	[●]
6.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●] (*NB: An Interest Commencement Date will not be relevant for certain Covered Bonds, for example Zero Coupon Covered Bonds*)
7.	(i)	Final Maturity Date:	[Fixed rate – (*specify date/Floating Rate*) - Interest Payment Date falling in or nearest to the relevant month and year]
	(ii)	Extended Final Maturity Date	[Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to (*specify month and year*)] (*N.B. Zero Coupon Covered Bonds are not to be issued with an Extended Final Maturity Date unless otherwise agreed with the Dealers and the Trustee*)
8.	Interest Basis:		[[●]% Fixed Rate] [[LIBOR/EURIBOR] [●]% [Floating Rate] [Zero Coupon]
9.	Redemption/Payment Basis:		Redemption at par (*N.B. the Covered Bonds will always be redeemed at least 100% of the nominal value*)

10.	Change of Interest Basis or Redemption/ Payment Basis:	(*Specify details of any provision for convertibility of Covered Bonds into another Interest Basis or cross refer to paragraphs 15, 16 and 17 below to identify details*)
11.	Put/Call Options:	[Not Applicable] [Investor Put] [Issuer Call]
12.	[Date [Board] approval for issuance of Covered Bonds obtained:]	[●] / [Not Applicable] (*N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Covered Bonds*)
13.	Method of distribution:	[Syndicated/Non-syndicated]
14.	Prohibition of Sales to EEA Retail Investors	[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*)
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
	(ii)	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*)]
	(iii)	Business Day Convention	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[(*specify other*)]
	(iv)	Business Day(s)	[●]
	(v)	Additional Business Centre(s)	[●]
	(vi)	Fixed Coupon Amount[(s)]: (*Applicable to Covered Bonds in definitive form*)	[●] per Calculation Amount
	(vii)	Broken Amount(s): (*Applicable to Covered Bonds in definitive form*)	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]

(viii)	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*)
(ix)	Determination Date	[●] in each year (*N.B. Only relevant where Day Count Fraction is Actual/Actual* (*ICMA*)) (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*) (*This will need to be amended in the case of regular interest payment dates which are not of equal durations*)

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

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

(i)	Interest Period(s):	[●]
(ii)	Specified Interest Payment Dates:	[●]
(iii)	First Interest Payment Date:	[●]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[(*specify other*)]]
(v)	Business Day(s)	[●]
(vi)	Additional Business Centre(s):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination / ISDA Determination / [(*specify other*)]]
(viii)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[●]
(ix)	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*)]
(x)	ISDA Determination:	
	Floating Rate Option:	[●]
	Designated Maturity:	[●]
	Reset Date:	[●]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	[Actual/Actual [(ISDA)/ICMA)]] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other] (*See Condition [●] for alternatives*) [adjusted/not adjusted]

	(xv)	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 sub-paragraphs of this paragraph*)
	(i)	[Amortisation/Accrual] Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Any other formula/basis of determining amount payable:	(*Consider applicable Day Count Fraction if not U.S. dollar denominated*)
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/(*specify other*)]
	(v)	Business Day(s):	[●]
	(vi)	Additional Business Centre(s):	[●]
	(vii)	Day Count Fraction in relation to Early Redemption Amounts and late payments:	[Conditions 6.5 (*Early Redemption Amounts*) and 6.9 (*Late Payments*) apply/(*specify other*)]

PROVISIONS RELATING TO REDEMPTION

18.	**Issuer Call**		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	(If redeemable in part:	
	(iv)	Minimum Redemption Amount:	[●] per Calculation Amount
	(v)	Maximum Redemption Amount:	[●] per Calculation Amount

	(vi)	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*)
19.	(i)	Investor Put	[Applicable/Not Applicable]
	(ii)	Optional Redemption Date(s):	[●]
	(iii)	Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iv)	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*)
20.	**Final Redemption Amount of each Covered Bond**		[●] per Calculation Amount (*N.B. the Final Redemption Amount shall be an amount equal to at least 100% of the nominal amount of the Covered Bonds*)
21.	**Early Redemption Amount**		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption 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

22.	Form of Covered Bonds:	[Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds [on 60 days' notice given at any time/only upon an Exchange Event]] *(N.B. The exchange upon notice should not be expressed to be applicable if the Specified Denomination of the Covered Bonds in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
23.	New Global Covered Bond:	[Yes/No]
24.	Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature):	[Yes/No. (*If yes, give details*)]
25.	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition [●] ([•])] apply]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Admission to trading:	[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 [*Bourse de Luxembourg,) and to be listed on the Official List of the Luxembourg Stock Exchange*] [*Specify relevant regulated market and, if relevant, listing on an official list*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the [*regulated market of the Bourse de Luxembourg and to be listed on the and Official List of the Luxembourg Stock Exchange*] [*Specify relevant regulated market and, if relevant, listing on an official list*] with effect from [ ].] [Not Applicable.] (*NB: Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.*)
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. RATINGS

Ratings:	The Covered Bonds to be issued have been rated: [Moody's: [●]] [[DBRS: [●]] [[Other]: [●]] *(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. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

"Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer." The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

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

4. YIELD (Fixed Rate Covered Bonds only)

Indication of yield:	[●]/[Not Applicable]

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

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters] / [Not Applicable].

6. OPERATIONAL INFORMATION

ISIN Code:	[●]
Common Code:	[●]
(*insert here any other relevant codes such as CINS codes*):	[●]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s) and addresses:	[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] [Covered Bond 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.] [I*nclude this text if "yes" selected in which case the Covered Bonds must be issued in NGCB form*]

7. EU BENCHMARK REGULATION

Article 29(2) statement on benchmarks:	[Not Applicable] [Applicable: Amounts payable under the Covered Bonds are calculated by reference to [insert name[s] of benchmark(s)], which [is/are] provided by [insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark]. [As at the date of these Final Terms, [insert name[s] of the administrator[s]] [is/are] [not] included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). [repeat as necessary]]

INSOLVENCY OF THE ISSUER

The Greek Covered Bond Legislation contains provisions relating to the protection of the Covered Bondholders and other Secured Creditors upon the insolvency of the Issuer.

In the event of insolvency of the Issuer, the Greek Covered Bond Legislation provides that the Cover Pool will at all times remain segregated from the insolvency estate of the Issuer until payment of any amounts due to the Covered Bondholders has been made in full. Upon registration of the Registration Statements with the public registry, the issue of the Covered Bonds, the creation of the Statutory Pledge and the security in rem 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, and in the event of the Issuer's insolvency under Greek law 4261/2014, (which implemented EU Directive 2013/36/EU (CRD IV) in Greece), including the appointment of an administrator (Epitropos) in accordance with article 137, or the placing into liquidation in accordance with article 145 of Greek law 4261/2014, the Bank of Greece may appoint a servicer, if the trustee fails to do so. Such person may either be (a) an administrator or a liquidator (under articles 137 or 145 respectively of Greek law 4261/2014), and in such an event servicing of the Cover Pool will be included in their general powers over the Issuer's assets; or (b) in addition to such persons, a person specifically carrying out the servicing of the Cover Pool. Any such person appointed as described in paragraph (a) or (b) above shall be obliged to service the Cover Pool in accordance with the terms of the Servicing and Cash Management Deed.

Any of the aforementioned parties performing the role of the servicer, as well as the special liquidator that will be appointed by the Bank of Greece to undertake the management of the Issuer, will be required to treat the Cover Pool as a segregated pool of assets on the basis of the segregation provisions of Article 152 and in accordance with the Servicing and Cash Management Deed, the terms of which, including, inter alia, the termination, substitution and replacement provisions, will at all times apply.

In the event that the Issuer is placed into liquidation in accordance with article 145 of Greek law 4261/2014, Covered Bondholders and the other Secured Creditors shall be satisfied in respect of the portion of their claims that is not paid off from the Cover Pool from the remaining assets of the Issuer as unsecured creditors (i.e. after satisfaction of preferred creditors in accordance with article 145A of Greek law 4261/2014 (added through par. 1 of article 120 of Greek law 4335/2015, as amended and currently in force).

Moreover, in the event that resolution measures are ordered with respect to the Issuer under Greek law 4335/2015, as in force, which implemented the BRRD in Greece, the Issuer's liabilities under Covered Bonds issued under the Programme will be excluded from the liabilities which may be

subject to the BRRD Bail-in Tool of article 44 of Greek law 4335/2015, as in force (which transposed into Greek law article 44 of Directive 2014/59/EU) to the extent that they are secured and all Cover Pool Assets should remain unaffected, segregated and with sufficient funding.

OVERVIEW OF THE GREEK COVERED BOND LEGISLATION

The following is an overview of the provisions of the Greek Covered Bond Legislation relevant to the transactions described in this Base Prospectus and of which prospective Covered Bondholders should be aware. The overview does not purport to be, and is not, a complete description of all aspects of the Greek legislative and regulatory framework pertaining to covered bonds and prospective Covered Bondholders should also read the detailed information set out elsewhere in this Base Prospectus.

Introduction

The transactions described in this Base Prospectus are the subject of specific legislation, the Greek Covered Bond Legislation. As mentioned elsewhere in the Base Prospectus, the Greek Covered Bond Legislation includes Article 152 of Greek law 4261/2014 (such law being published in the Government Gazette No. 107/A/5-5-2014 and dealing with, *inter alia*, the capital adequacy of investment firms and credit institutions, by implementation of Directive 2013/36/EU) (defined elsewhere in this Base Prospectus as Article 152) and the Act of the Governor of the Bank of Greece No. 2598/2007 entitled "Regulatory framework for covered bonds issued by credit institutions" and published in the Government Gazette No. 2236/B/21-11-2007, as amended and restated by the codifying Act of the Governor of the Bank of Greece No. 2620/2009 (published in the Government Gazette No. 2107/B/29-9-2009) (defined elsewhere in this Base Prospectus as the "**Secondary Covered Bond Legislation**" and, together with Article 152 the "**Greek Covered Bond Legislation**"). The Greek Covered Bond Legislation has been enacted, with a view, *inter alia*, to complying with the standards of article 52(4) of Directive 2009/65/EC, and entitles credit institutions to issue (directly or through a special purpose vehicle) covered bonds with preferential rights in favour of the holders thereof and certain other creditors over a cover pool comprised by certain assets discussed in further detail below.

The provisions of the Greek Covered Bond Legislation that are relevant to the Programme may be summarised as follows:

Article 152

Covered Bonds may be issued by credit institutions pursuant to the provisions of Article 152 and the general provisions of Greek law on bonds (articles 1-9, 12 and 14 of Greek law 3156/2003).

In deviation from the Greek general bond law provisions, the bondholders' representative (also referred to as the trustee) may be a credit institution or an affiliated company of a credit institution entitled to provide services in the European Economic Area. Unless otherwise set out in the terms and conditions of the bonds the trustee is liable towards bondholders for wilful misconduct and gross negligence.

Cover Pool – composition of assets

Paragraph 3 of Article 152 provides that the assets forming part of the cover pool may include receivables deriving from loans and credit facilities of any nature and, on a supplementary basis, receivables deriving from financial instruments (such as, but not limited to, receivables deriving from interest rate swaps contracts), deposits with credit institutions and securities, as specified by a decision of the Bank of Greece.

Following authorisation originally provided by Article 91 of Greek law 3601/2007 and repeated by Article 152, the Bank of Greece has defined, in the Secondary Covered Bond Legislation, the cover pool eligible assets as follows:

(a) certain eligible assets set out in paragraph 8(b) of Section B of the Act of Governor 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, including claims deriving from loans and credit facilities of any nature secured by residential real estate; Following the entry into force of Regulation 575/2013 on 1 January 2014, the reference to paragraph 8(b) should be read as a reference to article 129 of Regulation 575/2013;

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

(c) deposits with credit institutions (including any cashflows deriving therefrom) provided that such deposits comply with paragraph 8(b) of Section B of the Bank of Greece Act No. 2588/20-8-2007 as amended. Following the entry into force of Regulation 575/2013 on 1 January 2014, the reference to paragraph 8(b) should be read as a reference to article 129 of Regulation 575/2013; and

(d) Marketable Assets.

Loans that are in arrears for more than 90 days shall not be included in the Cover Pool for the purposes of the calculations required under the Statutory Tests.

The Bank of Greece has also set out requirements as to the substitution and replacement of cover pool assets by other eligible assets (including, *inter alia*, marketable assets, as defined in the Act of the Monetary Policy Council of the Bank of Greece No. 96/22-4-2015, which replaced the Act of Monetary Policy Council of the Bank of Greece No. 54/27-02-2004).

Benefit of a prioritised claim by way of statutory pledge

Claims comprised in the cover pool are named in a document (defined elsewhere in this Base Prospectus as a Registration Statement) signed by the issuer and the trustee and registered in a summary form including the substantial parts thereof, in accordance with paragraph 5 of article 152 of Greek law 4261/2014, in conjunction with article 3 of Greek law 2844/2000. The form of the Registration Statement has been defined by Ministerial Decree No. 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. Receivables forming part of the cover pool may be substituted for others and receivables may be added to the cover pool in the same manner.

Holders of covered bonds and certain other creditors having claims relating to the issuance of the covered bonds (such as, *inter alios*, the trustee, the servicer and financial derivatives counterparties) named as secured creditors in the terms and conditions of the covered bonds are secured (by operation of paragraph 4 of Article 152) by a statutory pledge over the cover pool, or, where a cover pool asset is governed by foreign law, by a security *in rem* created under applicable law.

With respect to the preferential treatment of covered bondholders and other secured creditors and pursuant to paragraph 6 of Article 152, claims that have the benefit of a statutory pledge rank ahead of claims referred to in article 975 of the Greek Civil Procedure Code (a general provision of Greek law on creditors' ranking), as in force, unless otherwise set out in the terms and conditions of the covered bonds. In the event of bankruptcy of the issuer, covered bondholders and other creditors secured by the statutory pledge shall be satisfied in respect of the portion of their claims that is not paid off from the cover pool in the same manner as unsecured creditors from the remaining assets of the issuer.

To ensure bankruptcy remoteness of the assets in the cover pool, paragraph 7 of Article 152 provides that upon registration of the Registration Statement with the public registry, the validity of the issue of the covered bonds, the creation of the statutory pledge and the real security governed by foreign law,

if any, the payments to covered bondholders and other creditors secured by the statutory pledge, as well as of the entry into force of any agreement relating to the issue of covered bonds may not be affected by the commencement of insolvency proceedings in respect of the issuer.

Paragraph 8 of Article 152 safeguards the interests of covered bondholders and other secured creditors in providing that assets included in the cover pool may not be attached/seized nor disposed by the issuer without the written consent of the trustee, unless otherwise set out in the terms and conditions of the covered bonds.

Paragraph 9 of Article 152 deals with the servicing of the cover pool. In particular, it provides that the terms and conditions of the covered bonds may specify that either from the beginning or following the occurrence of certain events, such as, but not limited to, the commencement of insolvency proceedings in respect of the issuer, the trustee may assign to third parties or carry out itself the collection of and, in general, the servicing of the cover pool assets by virtue of an analogous application of the Greek provisions on servicing applicable to securitisations (paragraphs 14 through 16 of article 10 of Greek law 3156/2003).

Paragraph 9 of Article 152 also provides that the trustee may also, pursuant to the terms and conditions of the bonds and the terms of its relationship with the bondholders, sell and transfer the assets forming part of the cover pool either by virtue of an analogous application of articles 10 and 14 of Greek law 3156/2003 concerning securitisation of receivables or pursuant to the general legislative provisions and utilise the net proceeds from the sale to pay the claims secured by the statutory pledge, in deviation from articles 1239 and 1254 of the Greek Civil Code on enforcement of pledges and any other legislative provision to the contrary. For the purposes of facilitating the transfer pursuant to the above mentioned securitisation provisions of Greek law 3156/2003 the transferor shall not be required to have a permanent establishment in Greece.

In the event of the issuer's insolvency the Bank of Greece may appoint a servicer, if the trustee fails to do so. Sums deriving from the collection of the receivables that are covered by the statutory pledge and the liquidation of other assets covered thereby are required to be applied towards the payment of the covered bonds and other claims secured by the statutory pledge pursuant to the terms and conditions of the covered bonds.

Paragraph 9 of Article 152 also deals with banking secrecy and personal data processing. In particular, it provides that the provisions of paragraphs 20 through 22 of article 10 of Greek law 3156/2003 that regulate these issues in the securitisation transactions shall apply *mutatis-mutandis* to the sale, transfer, collection and servicing, in general, of the assets constituting the cover pool

Paragraph 11 of Article 152 confirms that covered bonds may be listed on a regulated market within the meaning of paragraph 10 of Article 2 of Greek law 3606/2007, as in force, and paragraph 21 of article 4 of Directive 2014/65/EU and offered to the public pursuant to applicable provisions.

Article 152 authorises the Bank of Greece to deal both with specific issues, such as, the definition of the cover pool, the ratio between the value of the cover pool assets and that of covered bonds, the method for the evaluation of cover pool assets and requirements to ensure adequacy of the cover pool and any details in general for the implementation of Article 152.

The Secondary Covered Bond Legislation

The Secondary Covered Bond Legislation has been issued by the Bank of Greece by virtue of authorisations given by Article 152 as aforesaid. To this effect, the Secondary 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

Introduction

The Bank is one of the four systemic banks in Greece and one of the largest financial institutions in Greece by market capitalisation, holding a significant position in Greece's retail banking sector, with, as at 30 June 2018, more than 10 million deposit accounts, more than 2 million lending accounts, 484 branches and one premium banking branch and 1,466 Automated Teller Machines ("**ATMs**"). The Bank and its consolidated subsidiaries (the "**Group**") provides a wide range of financial services, including retail (such as mortgage lending and consumer lending), commercial and investment banking services and asset management, through the Group's network of branches and subsidiaries in Greece and abroad. The Group's principal sources of income historically have been interest earned on customer loans and debt securities and income from fees and commissions. The Group funds its lending activities and its securities portfolio principally through (i) customer deposits in its branch network, (ii) funding from the Eurosystem through the Main Refinancing Operations ("**MROs**") and the Targeted Longer-term Refinancing Operations ("**TLTROs**") with the ECB and (iii) repurchase agreements (repos) with major foreign financial institutions.

History and Development of the Group

The Bank was founded in 1841 and incorporated as a société anonyme pursuant to Greek law as published in the Greek Government Gazette No. 6 on 30 March 1841 (registered number G.E.MI 237901000). The Bank's current corporate form will expire on 27 February 2053, but may be further extended by a shareholder resolution passed at a General Meeting (as defined below). The Bank is domiciled in Greece. The Bank's headquarters and its registered office are located at 86 Eolou Street, 10232 Athens, Greece. The telephone number of the Bank is 181818 or +30 210 48 48 484 from abroad.

The Bank has operated a commercial banking business for 177 years. Until the establishment of the Bank of Greece as the central bank of Greece in 1928, the Bank, in addition to commercial banking activities, was responsible for issuing currency in Greece.

Development of the Group

Since 2014, principally in connection with regulatory capital shortfalls identified by comprehensive assessments performed by the SSM (as defined below), the Group has developed capital plans, and raised capital through recapitalisation, restructurings or offerings to address such shortfalls. On 3 November 2015, the Board of Directors of the Bank approved the Capital Plan (as defined below, see "The Capital Plan"), which included the disposal of the Group's entire stake in its Turkish subsidiary, Finansbank A.S. ("**Finansbank**") together with its stake in Finans Leasing, thereby disposing of all of its operations in Turkey. This transaction was completed on 15 June 2016, on which date control of Finansbank passed to Qatar National Bank S.A.Q. ("QNB"). The detail of various plans or actions undertaken by the Bank since 2014 are described below.

2014 Comprehensive Assessment

Since 1 November 2014, all systemic Eurozone banks, including the Bank, have been under the direct supervision of the ECB (the Single Supervision Mechanism, "**SSM**"). Before the ECB assumed its supervisory responsibilities, the Bank, as with all systemic European banks, was subject to an EU-wide comprehensive assessment including an Asset Quality Review ("**AQR**") and Stress Test ("**Stress Test**") with 31 December 2013 as the reference date. The Bank's results were announced on

26 October 2014. The AQR and baseline stress test required a minimum CET1 Ratio of 8% and the adverse stress test a minimum CET1 Ratio of 5.5%.

The adverse dynamic balance sheet stress test, which was based on the Bank's approved 2014 restructuring plan resulted in a CET1 ratio of 8.9%, and a capital surplus of €2.0 billion (the "**Adverse Dynamic Balance Sheet**"). In line with the ECB's guidelines, the Bank submitted on 7 November 2014 as a capital plan the Adverse Dynamic Balance Sheet scenario and the result for the nine month period ended 30 September 2014, which resulted in a capital surplus of more than €2.0 billion and no further capital action was required at that time.

2015 Comprehensive Assessment

In accordance with the Euro Summit Statement of 12 July 2015 and the ECB decision of 5 August 2015, the ECB conducted a comprehensive assessment of the four systemic Greek banks, including the Bank, the results of which were announced on 31 October 2015 (the "**2015 Comprehensive Assessment**").

The 2015 Comprehensive Assessment consisted of an AQR and a Stress Test including a baseline and an adverse scenario. The AQR was conducted by reference to a static balance sheet as at 30 June 2015. The Stress Test was a forward looking exercise, following AQR adjustments, assessing the resilience of the Bank's financial position to further significant deterioration of the economic environment from June 2015 to the end of 2017.

Under the baseline scenario (including AQR adjustments), the Stress Test generated an additional negative impact on the Bank's regulatory capital, resulting in a stressed CET1 ratio of 6.8% relative to the minimum CET1 ratio threshold set by the ECB at 9.5% for the baseline scenario. Therefore the Baseline Stress Test implied a capital shortfall of €1,576 million. Taking into account the positive impact stemming from the 2015 third quarter results, the ECB reduced the capital needs under both the baseline and the adverse scenarios by €120 million. Consequently the capital shortfall for the baseline scenario was reduced to €1,456 million (the "**Baseline Scenario Shortfall**").

Under the adverse scenario, the Stress Test (including AQR adjustments) identified a capital shortfall of €4,482 million (the "**Adverse Scenario Shortfall**") after the reduction of €120 million (an additional €3,026 million compared to the baseline scenario) relative to a CET1 ratio threshold of 8.0% (compared with 5.5% in the adverse scenario of the 2014 Stress Test).

The Capital Plan

The 2015 Comprehensive Assessment identified a Baseline Scenario Shortfall of €1,456 million and accordingly, an Adverse Scenario Shortfall of €4,482 million.

To address these capital shortfalls, the Bank undertook a number of capital actions to raise its CET1 capital. These capital actions were set out in a capital action plan (the "**Capital Plan**"), which was approved by the Board of Directors of the Bank on 3 November 2015, and the SSM on 13 November 2015.

In connection with the Capital Plan, the following actions were completed in December 2015 (see "*2015 Recapitalisation*" below):

- the Liability Management Offers ("**LME Offers**") to eligible holders of seven series of outstanding debt and capital securities ("**Target Securities**");
- the International Offering (as defined below) and;

- the Greek Public Offer (as defined below).

Additionally, the Capital Plan included the sale of the Group's Turkish Operations (as defined below) (although the sale was not required to be and the Bank did not expect it to be completed by 11 December 2015 (the date by which the LME Offers, the International Offering and the Greek Public Offer were required to be completed). For the Finansbank transaction, see above "*Development of the Group*" and below "*Acquisitions, Divestitures and Capital Expenditures—Sale of Finansbank A.S. to Qatar National Bank S.A.Q*".

On 2 November 2015, the Bank commenced the LME Offers, which were targeted at eligible holders of the Target Securities to purchase such securities, in consideration for subscription of new shares in the share capital increase of the Bank as part of the Capital Plan. The LME Offers expired on 11 November 2015. Settlement of the LME Offers occurred on the settlement date of the recapitalisation pursuant to the Capital Plan, being 1 December 2015, raising €694,906,185. The Target Securities that were not tendered (or tendered and not accepted by the Bank in accordance with the terms of the LME Offers) were subject to Burden Sharing Measures (as described below) because EU State aid was received by the Bank as part of the 2015 Recapitalisation.

On 12 November 2015, the Bank commenced a private placement outside of Greece of its new shares to be offered as part of the recapitalisation pursuant to the Capital Plan (the "**International Offering**"), raising €457,455,543.30. The International Offering closed on 19 November 2015.

On 2 December 2015, the Bank closed a public offering of new shares in Greece (the "**Greek Public Offer**"), raising €299,955,738.30.

2015 Recapitalisation

The 2015 recapitalisation, encompassing (a) the completion of certain Capital Plan actions (being the LME Offers, the International Offering and the Greek Public Offer), (b) the subscription by the HFSF of contingent convertible bonds ("**CoCos**") and newly issued ordinary shares of the Bank, and (c) the Burden Sharing Measures (as set out below) mandated by the publication of Cabinet Act no 36/2015, enabled the Bank to raise the capital required to satisfy the Adverse Scenario Shortfall of €4,482 million through the issuance of an aggregate of 8,911,608,218 new ordinary shares of the Bank and the issuance of 20,292 CoCos (the "**2015 Recapitalisation**"). The legal steps through which each of these elements were effected are set out below.

Burden Sharing Measures

As described above, the Capital Plan actions in the aggregate did not fully address the Adverse Scenario Shortfall, and therefore the Bank made a formal application for EU State aid on 3 December 2015. This EU State aid consisted of the subscription by the HFSF of CoCos (in a principal amount equal to 75% of the amount of EU State aid provided) and newly issued ordinary shares of the Bank (in respect of the remaining 25%). Consistent with EU State aid rules, EU State aid was provided by the HFSF after the application of the Burden Sharing Measures (as described below).

Since EU State aid was requested by the Bank following the completion of the above-mentioned measures as part of the Capital Plan, prior to the receipt of such EU State aid, the HFSF Bail in Tool was required to be applied to convert into ordinary shares outstanding classes of the Bank's hybrid capital instruments, all subordinated liabilities and certain senior unsecured liabilities which were not mandatorily preferred by law (together, the "**Burden Sharing Measures**"). These Burden Sharing Measures were applied to the securities issued by the Bank not subject to the LME Offers, and the Target Securities that were not purchased by the Bank pursuant to the terms of the LME Offers. Cabinet Act no 45/7.12.2015, published following the recommendation by the Bank of Greece, determined by class, type, rate and amount of participation, the instruments or the liabilities that were subject to the Burden Sharing Measures.

The Burden Sharing Measures resulted in the mandatory conversion, on the terms set out in Cabinet Act no 47/7.12.2015 of the Greek State Preference Shares, issued under Pillar I of the Hellenic Republic Bank Support Programme under Greek Law 3723/2008, into 1,603,700,987 newly issued ordinary shares of the Bank, which were transferred to the HFSF by operation of law.

Revised Restructuring Plan approved by the Directorate General for Competition on 4 December 2015

The Group is subject to European Commission rules on EU State aid in light of the aid received from the HFSF and the Hellenic Republic. These rules are administered by the Directorate General for the Competition of the European Commission (the "**DG Comp**"). Under these rules, the Bank's operations are monitored and limited to the operations included in the Revised Restructuring Plan, which aims to ensure the Bank's return to long term viability.

The Revised Restructuring Plan was approved on 4 December 2015, by the European Commission.

The Revised Restructuring Plan includes a number of commitments to implement certain measures and actions that have to be completed during the period 2015-2018 (the "**Commitments**"). NBG has implemented the majority of its commitments, while the sale of Ethniki Insurance and the banking subsidiaries in SEE (i.e. NBG Cyprus, Banca Romaneasca and Stopanska), the reduction of staff below the level of 9,950 (including Ethniki Insurance) and the sale of unlisted securities are pending. The Commitments relate both to domestic and foreign operations of the Group. Differentiations to the 2014 restructuring plan relate to the deepening of the Bank's operational restructuring, some amendments on commitment and deadlines, as well as a commitment to further dispose of foreign assets.

For domestic operations, the Commitments relate to constraining operating expenses, including the number of personnel and branches. Other Commitments relate to monitoring the cost of deposits in Greece, maintaining a level of loans-to-deposits ratio below a maximum ratio, adhering to an investment policy and the divestment of certain domestic non-banking activities.

In particular, the Commitments included the following:

i. **Number of branches in Greece**: Restriction of the total number of branches in Greece to 540 at the end of 2017 (as at 30 June 2018, the Bank had 484 braches and one premium banking branch).

ii. **Total Full time equivalent personnel ("FTEs") in Greece**: Restriction of the total number of FTEs in Greece to a maximum of 10,250 at the end of 2017 and 9,950 at the end of 2018. The Group has proceeded to a significant reduction of FTEs in Greece, including the voluntary exit schemes in 2013 and 2016, and the on-going scheme in 2018 through which 3,994 employees left or have agreed to leave the Bank and certain Greek subsidiaries of the Bank. As of 30 June 2018, the domestic FTEs were 9,572[8] (or 10,352 when including FTEs from Ethniki Hellenic General Insurance S.A. ("**NIC**")).

iii. **Total operating costs in Greece**: Restriction of total operating costs in Greece to €961 million for the year 2017. For the year ended 31 December 2017 such costs amounted to €868 million (or €950 million when including NIC costs). For the six-month period ended 30 June 2018 such costs amounted to €433 million (or €474 million including NIC costs).

iv. **Cost of deposits in Greece**: The Bank will have to follow its own projections with regards to the cost of domestic deposits, as this is depicted in the Revised Restructuring Plan until the end of

[8] Excluding NIC

2018, in order to regain its profitability in Greece. The Bank has already achieved the reduction of its cost of deposits in Greece in line with forecasts in the Revised Restructuring Plan.

v. **Loans/Deposits**: Restriction of the Loan/Deposit ratio in Greece at a maximum of 115% at the end of 2018. As at 30 June 2018 the ratio was 72.8%.

vi. **Reduction of securities portfolio**: The Bank will reduce its investments in shares, subordinated debt and hybrid securities. More specifically, the Bank has significantly reduced this portfolio, from €184 million as of 30 June 2013 to €8 million as of 30 June 2018.

vii. **Disposal of Private Equity Funds (“Funds”)**: The disposal was completed on 30 September 2016 (see “*Acquisitions, Divestitures and Capital Expenditures — Sale of NBGI Private Equity Funds*”).

Domestic non-banking activities: The Bank will divest from certain domestic non-banking activities. More specifically, in June 2017, the Bank entered into an agreement with EXIN to sell a 75.00% stake in NIC. However, on 28 March 2018, which was the last date (the “**Longstop Date**”) for EXIN to fulfil certain condition precedents specified in the sale and purchase agreement (the “**SPA**”) entered into between the Bank and EXIN, the Bank took note that such condition precedents were not fulfilled and henceforth decided to terminate the SPA on 29 March 2018. Following a decision of the Bank’s Board of Directors and in consultation with the HFSF, the Bank renewed the sale process of NIC by approaching the remaining selected bidders that participated in the last stage of the binding offers phase in May 2017. Subsequently, on 8 June 2018, the Bank announced receipt of a binding offer from the Chinese group of companies Gongbao and its willingness to consider such offer. However, on 17 October 2018, the Bank announced that the decision was taken not to proceed with further negotiations with the prospective investor. See below “*Acquisitions, Divestitures and Capital Expenditures—Sale of Ethniki Hellenic General Insurance S.A.*” for a description of the status of this Commitment.

Regarding its international operations, NBG’s Commitments mainly refer to the below:

i. **Sale of Finansbank**: On 15 June 2016, the Bank completed the sale of 99.81% of its shareholding in Finansbank (see “*Acquisitions, Divestitures and Capital Expenditures—Sale of Finansbank A.S. to Qatar National Bank S.A.Q.*” below). Following the closing, on 15 December 2016, the Bank proceeded with the full repayment of the CoCos.

ii. **Divestment from international operations**: The Bank will reduce its international activities, by disposing of certain subsidiaries and branches. More specifically, in June 2017, the Bank completed the sale of its 99.91% shareholding in UBB (Bulgaria) and its 100.00% shareholding in Interlease E.A.D. (Bulgaria) each to KBC Bank (Belgium). In December 2017, the Bank completed the sale of its 100.00% Serbian subsidiaries Vojvodjanska Banka a.d. Novi Sad, NBG Leasing d.o.o. Belgrade and NBG Services d.o.o. Belgrade to OTP Banka Srbija a.d. In July 2018, the Bank completed the sale its 100.00% subsidiary NBG Albania to ABI. In October 2018, the Bank completed the sale of its 99.83% subsidiary S.A.B.A. to AFGRI. The Bank is in the process of divesting remaining foreign operations, including from Cyprus, North Macedonia and Egypt. Additionally, although the Bank in July 2017, entered into sale and purchase agreements for the sale of 99.28% of its Romanian subsidiary Romaneasca, on 19 March 2018 the Bank announced that the National Bank of Romania (“**NBR**”) rejected the application of OTP Bank Romania (“**OTPR**”) to acquire 99.28% of Banka Romaneasca S.A. (“**Romaneasca**”) as NBR’s approval of OTPR (as the new shareholder of Romaneasca) was a condition precedent for the closing of the transaction. See below “*Acquisitions, Divestitures and Capital Expenditures—Sale of Banca Romaneasca S.A.*”.

The implementation of the commitments set out in the Revised Restructuring Plan is monitored by the Monitoring Trustee.

2018 Stress Test

For information relating to the 2018 EU-wide stress test, including the results for the Bank, see "*Regulation and Supervision of Banks in Greece - EU-wide stress test 2018*".

Acquisitions, Capital Expenditures and Divestitures

Acquisitions

Following the preliminary agreement dated 30 September 2014 with Sterling Properties Bulgaria EOOD (member of the Marinopoulos S.A. Group), on 27 February 2015 NBG Pangaea REIC ("**Pangaea**") acquired 100.00% of the share capital of the newly established company PLAZA WEST A.D., which owns approximately 9,000 m^2 of West Plaza shopping mall in Sofia, Bulgaria. The acquisition price (as determined by an independent appraiser) amounted to €11 million. As certain terms of the agreement were not met by the seller by 30 September 2015, Pangaea proceeded with the unwinding of the acquisition, as provided for in the agreement, for a total consideration of €12 million. The amount of €12 million was settled as a deposit to member companies of the Marinopoulos S.A. Group within the context of new preliminary contracts, for the acquisition by Pangaea of properties in Bulgaria and Cyprus subject to various terms and conditions being satisfied by the sellers. In relation to the properties in Cyprus, their acquisition was concluded in April 2017 and, in relation to Bulgaria, their acquisition was concluded in November 2017.

On 1 October 2015, the merger by absorption of Pangaea by MIG Real Estate REIC, according to the provisions of Company Law 2190/1920 and Greek Law 2166/1993, was completed by virtue of announcement no. 100279/1.10.2015 issued by the Ministry of Economy, Infrastructure, Shipping and Tourism. The company has been renamed NBG Pangaea Real Estate Investment Company ("**NBG Pangaea REIC**").

On 16 June 2016, the Bank established a limited liability company in Bulgaria, Bankteco EOOD, as a wholly owned subsidiary. The capital contributed amounted to BGN 200 thousand.

On 21 December 2016, NBG Pangaea REIC acquired the 100.00% of the share capital of the company KAROLOU S.A. for a total consideration of €4 million.

On 19 January 2017, the Boards of Directors of the Bank, NBG Training Center S.A. and Bancassurance (wholly owned subsidiaries of the Bank), agreed the merger of the three companies through absorption of the two latter companies by the Bank. The merger date was agreed to be 31 January 2017 and was accounted for at carrying values. On 27 June 2017 the Boards of Directors of the companies approved the draft merger agreement. On 16 May 2018 the merger between the Bank and the two subsidiaries was approved by the Ministry of Development.

On 9 May 2018, NBG Pangaea REIC established a wholly owned subsidiary, Pangaea UK Finco Plc, in the United Kingdom. The capital contributed amounted to €14,000.

On 26 June 2018, NBG Pangaea REIC acquired in Cyprus 100% of the share capital of Lasmane Properties Ltd for a total consideration of €11 million.

Divestitures

On 4 January 2016, the disposal of the Group's joint venture company UBB-AIG Insurance Company AD was completed for a consideration of €2 million.

On 3 July 2018, the disposal of the Group's subsidiary Banka NBG Albania Sh.A. ("**NBG Albania**") was completed for a consideration of €25 million.

Also, as part of the Bank's strategy to streamline its operations and to comply with its obligations under the Revised Restructuring Plan, the Bank continues to divest, if market conditions are favourable, non-core equity investments and real estate assets that are unrelated to its principal financial services business and to commit these released resources to more profitable activities.

The table below sets out the Group's principal divestitures for 2016, 2017 and the first half of 2018.

	Year ended 31 December,		Six months ended 30 June,
Type of Divestiture	**2016**	**2017**	**2018**
		(€ in millions)	
Investments[(1)]	3,283	596	—
Real estate[(2)]	3	6	—

(1) Disposals during 2017 relate to the disposal of United Bulgarian Bank A.D., Interlease E.A.D., Vojvodjanska Banka a.d. Novi Sad and NBG Leasing d.o.o. Belgrade. Disposals during 2016 relate to the disposal of Finansbank A.S., Astir Palace Vouliagmenis S.A., Astir Marina Vouliagmenis S.A. and NBGI Private Equity Funds.

(2) Represents proceeds of disposals of real estate property that was acquired by the Group primarily through foreclosure proceedings, as well as real estate previously used by Group companies. These properties were primarily located in Greece.

Sale of Finansbank A.S. to Qatar National Bank S.A.Q.

On 3 November 2015, the Bank's Board of Directors approved the plan to proceed with the disposal of its entire stake in Finansbank. On 21 December 2015, the Bank's Board of Directors approved the sale to QNB of the Group's 99.81% stake in Finansbank A.S., together with the Bank's 29.87% direct stake in Finans Leasing (the "**Turkish Operations**"). On 18 January 2016, the Extraordinary General Meeting of the Bank's Shareholders approved the Finansbank transaction, which is also in line with the relevant commitment included in the Revised Restructuring Plan (see above, "*Revised Restructuring Plan approved by the Directorate General for Competition on 4 December 2015*"). The agreed consideration for the Finansbank transaction amounted to €2,750 million. In addition, QNB repaid upon closing the USD 910 million of subordinated debt that the Bank had extended to Finansbank. The disposal was consistent with the Group's Capital Plan and satisfies the relevant commitment in the Revised Restructuring Plan approved by the DG Comp on 4 December 2015.

The disposal was completed on 15 June 2016, on which date control of Finansbank passed to QNB.

Sale of NBGI Private Equity Funds

On 21 December 2015, the Bank's Board of Directors approved the plan to proceed with the disposal of certain private equity funds. On 2 February 2016 the Bank entered into a definitive agreement to sell 100% of its interests in Private Equity Funds to funds managed by Deutsche Bank Private Equity and Goldman Sachs Asset Management (the "**Buyers**"). The agreed consideration for the transaction amounted to €288 million. The disposal was consistent with the Capital Action Plan to address the capital shortfalls identified by the 2015 Comprehensive Assessment carried out by the ECB and satisfies the relevant commitment in the Revised Restructuring Plan (see above, "*Revised Restructuring Plan approved by the Directorate General for Competition on 4 December 2015*").

The disposal was completed on 30 September 2016, on which date control of the Private Equity Funds passed to the Buyers.

Sale of S.A.B.A.

On 22 December 2016, the Group entered into a definitive agreement with AFGRI, a company incorporated in the Republic of South Africa, for the divestment to AFGRI of the Group's 99.83%

stake in its South African subsidiary S.A.B.A. The agreed consideration for the sale of the subsidiary amounts to ZAR 301 million.

Closing of the transaction took place on 4 October 2018, after receipt of regulatory approvals from (i) the South African Reserve Bank, (ii) the South African Ministry of Finance and (iii) the South African Competition Commission and Competition Tribunal.

Sale of UBB and Interlease E.A.D.

On 30 December 2016, the Bank entered into a definitive agreement with KBC Bank (Belgium) for the divestment to KBC of its 99.91% stake in the Group's Bulgarian subsidiary UBB and its 100.00% stake in Interlease E.A.D. The agreed consideration for the sale of the two subsidiaries amounts to €610 million. On 26 April 2017, UBB made a €50 million dividend distribution to the Bank, following approval of its Annual General Assembly.

The above agreement included the sale of the 30.00% stake in UBB-Metlife Life Insurance Company AD and 20.00% stake in UBB Insurance Broker AD held by NIC. The consideration amounted to €11 million. The remaining 80.00% of UBB Insurance Broker AD is held by UBB.

The disposals were completed on 13 June 2017.

Sale of Ethniki Hellenic General Insurance S.A.

On 27 June 2017, the Bank's Board of Directors approved the divestiture of a 75.00% stake in NIC to EXIN and the establishment of an exclusive bancassurance agreement, which will govern the distribution of products of NIC via the Bank's network.

However, on 28 March 2018, the Longstop Date for EXIN to fulfil certain condition precedents specified in the SPA entered into between the Bank and EXIN, the Bank took note that such condition precedents were not fulfilled and henceforth decided to terminate the SPA. Following a decision of the Bank's Board of Directors and in consultation with the HFSF, the Bank relaunched the sale process of NIC by approaching the remaining selected bidders that participated in the last stage of the binding offers phase in May 2017 leading to the receipt of an updated binding offer ("**UBO**") by one bidder (Gongbao Financial Holdings Ltd).

After the examination and assessment of the various aspects of the UBO, including certainty of the successful conclusion of the transaction, on 15 October 2018 the Bank decided not to proceed with further negotiations.

Nevertheless, the Bank remains committed to divest NIC as per its Revised Restructuring Plan and is currently exploring alternative options in that respect. For this reason NIC remains classified as a "long lived asset and discontinued operations".

Sale of Banca Romaneasca S.A.

On 26 July 2017, the Bank entered into a definitive agreement with OTPR for the divestment to OTPR of its 99.28% stake in its Romanian subsidiary Romaneasca.

However, on 19 March 2018, the Bank announced that the NBR rejected OTPR's application to acquire 99.28% of Romaneasca as NBR's approval of OTPR (as the new shareholder of Romaneasca) was a condition precedent for the closing of the transaction.

Following the NBR rejection, the Bank started a new sale process in June 2018 approaching a wide range of potential buyers. Binding offers were received in December 2018. The Bank expects to

conclude the sale within the next 12 months and therefore Banca Romaneasca remains classified as "assets and liabilities held for sale" and "discontinued operations".

Sale of Serbian Operations

On 4 August 2017, the Bank entered into a definitive agreement with OTP Banka Srbija A.D. Novi Sad ("**OTPS**") for the divestment to OTPS of its 100.00% stake in its subsidiaries in Serbia, Vojvodjanska and NBG Leasing d.o.o. Belgrade (along with its 100.00% held subsidiary NBG Services d.o.o. Belgrade). The agreed consideration for the sale amounted to €125 million.

The disposal was completed on 1 December 2017, on which date control of the Serbian operations passed to OTPS.

Sale of Banka NBG Albania Sh.A.

On 2 February 2018, the Bank entered into a definitive agreement with American Bank of Investments S.A. ("**ABI**") for the divestment to ABI of its entire stake (100.00%) in its subsidiary NBG Albania. The agreed consideration for the sale amounts to €25 million.

On 3 July 2018, the Bank, following receipt of the necessary regulatory approvals, completed the sale of its 100% stake in NBG Albania.

Capital Expenditures

The table below sets out the Group's capital expenditure for 2016, 2017 and six months ended June 2018.

	For the year ended 31 December		Six months ended 30 June
	2016	2017	2018
		(€ million)	
Interests in other companies	24	80	96
Investment property, land and buildings	46[(1)]	76[(1)]	27[(1)]
Vehicles and equipment	29	13	13
Leasehold improvements	12	11	4
Assets under construction	3	11	1
Software	37	41	17
Other intangibles	8	19	8
Capital expenditure	**159**	**251**	**166**

(1) Relates mainly to properties acquired by NBG Pangaea REIC.

Major Shareholders

By resolution of the Bank's Annual General Meeting of 26 July 2018, it was decided to simultaneously (i) increase the share capital by EUR 0.90, due to capitalisation of an equal part of the Bank's special reserve of Article 4.4a of Codified Law 2190/1920, and (ii) increase the nominal value of each common registered voting share of the Bank from EUR 0.30 to EUR 3.00 and reduce the aggregate number of the Bank's old common registered shares from 9,147,151,527 to 914,715,153 new common registered shares with voting rights by means of a reverse split at a rate of ten (10) old common shares of the Bank to one (1) new common share of the Bank.

Further to the above, as at 12 February 2019, the Bank's outstanding issued share capital consisted of 914,715,153 common shares of a nominal value of EUR 3.00 each.

Common Shares

The following table sets forth certain information regarding holders of the Bank's common shares, based on information known to or ascertainable by the Bank as at 12 February 2019:

	Number of common shares	Percentage holding
HFSF (with restricted voting rights)..	13,481,859	1.47 %
HFSF (with full voting rights)..	355,986,916	38.92%
Legal entities and individuals outside of Greece...	422,432,051	46.18%
Legal entities and individuals in Greece	118,155,715	12.92%
Domestic pension funds	4,032,232	0.44%
Other domestic public sector related legal entities and Church of Greece......	618,089	0.07%
Other…………………………………………………………	8,291	0.00%
Private placement by investors...	—	—
Total common shares	**914,715,153**	**100.00%**

The Bank's ordinary shares are listed for trading on the Athens Exchange ("**ATHEX**").

The Bank's Articles of Association do not impose restrictions on the transfer of the common shares of the Bank. The disposal of the common shares (13,481,859) in the Bank that the HFSF has acquired in the context of participating in the Bank's 2013 recapitalisation share capital increase is subject to the restriction and process provided for by the HFSF Law, article 8, as currently applicable (See "*Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework—Provision of Capital Support by HFSF*" below). For powers vested in the HFSF pursuant to its participation in the 2013 and 2015 Recapitalisation share capital increase of the Bank under the HFSF Law, also see below "*Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework—Provision of Capital Support by HFSF—Powers of the HFSF*".

Other than the above, the Bank does not know of any other persons who, directly or indirectly, jointly or individually, exercise or could exercise control over the Bank.

Other than the HFSF, no single shareholder beneficially owns 5.00% or more of the Bank's common shares.

State Interests

In the context of the recapitalisation in December 2015, the HFSF acquired 40.39% or 3,694,687,756 (369,468,775 respectively after the reverse split, as mentioned hereinabove) of the Bank's share capital though holding shares of which 134,818,596 (13,481,859 respectively after the reverse split) fall under the restrictions of article 7a paragraph 2 of the HFSF Law (see "*Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework—Provision of Capital Support by HFSF*" below).

Relationship with the Hellenic Republic

Hellenic Republic as Shareholder

As at 12 February 2019 and following completion of the recapitalisation in December 2015, the HFSF owns 40.39% of the Bank's common share capital. Also, various domestic pension funds own in total 0.44% of the Bank's common share capital, and other domestic public sector related legal entities and the Church of Greece own in total 0.07% of the Bank's common share capital. See also "*Risk Factors – Risks relating to the Bank's Recapitalisation and Receipt of State aid*"and *"Major Shareholders*" above.

As the Bank no longer benefits from any support under the Hellenic Republic's Bank Support Plan, the Bank is no longer subject to the provisions of Greek Law 3723/2008 (governing the Hellenic Republic bank support plan) and the representation of the Hellenic Republic on the Bank's Board of Directors has been ceased.

Moreover, for powers vested in the HFSF as it participates in the Bank, please also see "*Regulation and Supervision of Banks in Greece—The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework*" below.

Hellenic Republic as Customer

The Hellenic Republic, including state related entities, is a large customer of the Bank in terms of loans and deposits. At 31 December 2017, 1.3% of the Bank's outstanding adjusted loans were to the Hellenic Republic and state related entities, and 8.2% of the Bank's deposits were from the Hellenic Republic and state related entities. The commercial relationship between the Bank, the Hellenic Republic and other state owned enterprises is conducted on a normal "arm's length" basis. The Bank believes that the commercially oriented strategy currently being implemented will continue for the foreseeable future.

Hellenic Republic as Regulator

Through various agencies, including the Bank of Greece, the Hellenic Republic is also the regulator of the Group's business activities. For more information see "*Regulation and Supervision of Banks in Greece*" below.

Organisational Structure

Set forth below is a chart indicating the individual companies within the Group and the Group's participation (direct and indirect) in each company at 30 June 2018.

Primary Operating Area	**Country of incorporation**	**Direct**	**Indirect**	**Total**
Corporate & Investment Banking				
Ethniki Leasing S.A.	**Greece**	**100.00%**	**—**	**100.00 %**

Primary Operating Area	Country of incorporation	Direct	Indirect	Total
Ethniki Factors S.A.	Greece	100.00%	—	100.00 %
Probank Leasing S.A.	Greece	99.87%	—	99.87%
Titlos Plc.[(1), (2)]	UK	—	—	—
SINEPIA Designated Activity Company[(1)]	Ireland	—	—	—
International				
The South African Bank of Athens Ltd[(3)]	South Africa	57.92%	41.90%	99.82%
National Bank of Greece (Cyprus) Ltd	Cyprus	100.00%	—	100.00 %
National Securities Co (Cyprus) Ltd[(2)]	Cyprus	—	100.00%	100.00 %
NBG Management Services Ltd	Cyprus	100.00%	—	100.00 %
Stopanska Banka A.D. (Skopje)	North Macedonia	94.64%	—	94.64%
Bankteco E.O.O.D.	Bulgaria	100.00%	—	100.00 %
Banca Romaneasca S.A.[(3)]	Romania	99.28%	—	99.28%
NBG Leasing IFN S.A.	Romania	100.00%	—	100.00 %
Banca NBG Albania Sh.a.[(3)]	Albania	100.00%	—	100.00 %
NBG (Malta) Holdings Ltd	Malta	—	100.00%	100.00 %
NBG Bank Malta Ltd	Malta	—	100.00%	100.00 %
Global Markets & Asset Management				
National Securities S.A.	Greece	100.00%	—	100.00 %
NBG Asset Management Mutual Funds S.A.	Greece	100.00%	—	100.00 %
Probank M.F.M.C.	Greece	95.00%	5.00%	100.00 %
I-Bank Direct S.A.[(4)]	Greece	99.90%	0.10%	100.00 %
NBG Greek Fund Ltd	Cyprus	100.00%	—	100.00 %
NBG Finance Plc	UK	100.00%	—	100.00 %
NBG Finance (Dollar) Plc	UK	100.00%	—	100.00 %
NBG Finance (Sterling) Plc[(2)]	UK	100.00%	—	100.00 %
NBG International Ltd	UK	100.00%	—	100.00 %
NBGI Private Equity Ltd[(2)]	UK	—	100.00%	100.00 %
NBG Funding Ltd	UK	100.00%	—	100.00 %
NBG Asset Management Luxembourg S.A.	Luxemburg	94.67%	5.33%	100.00 %
Insurance				

Primary Operating Area	Country of incorporation	Direct	Indirect	Total
Ethniki Hellenic General Insurance S.A.[3]	Greece	100.00%	—	100.00 %
NBG Insurance Brokers S.A.	Greece	99.90%	0.10%	100.00 %
Audatex Hellas S.A.[2][3]	Greece	—	70.00%	70.00%
FB Insurance Agency Inc[2]	Greece	99.00%	—	99.00%
Ethniki Insurance (Cyprus) Ltd[3]	Cyprus	—	100.00%	100.00 %
Ethniki General Insurance (Cyprus) Ltd[3]	Cyprus	—	100.00%	100.00 %
National Insurance Agents & Consultants Ltd[3]	Cyprus	—	100.00%	100.00 %
S.C. Garanta Asigurari S.A.[3]	Romania	—	94.96%	94.96%
Other				
NBG Property Services S.A.	Greece	100.00%	—	100.00 %
Pronomiouhos S.A. Genikon Apothikon Hellados	Greece	100.00%	—	100.00 %
Innovative Ventures S.A. (I-Ven)[2]	Greece	—	100.00%	100.00 %
Grand Hotel Summer Palace S.A.	Greece	100.00%	—	100.00 %
KADMOS S.A.	Greece	100.00%	—	100.00 %
DIONYSOS S.A.	Greece	99.91%	—	99.91%
EKTENEPOL Construction Company S.A.	Greece	100.00%	—	100.00 %
Mortgage, Touristic Protypos S.A.	Greece	100.00%	—	100.00 %
Hellenic Touristic Constructions S.A.	Greece	78.04%	—	78.04%
Ethniki Ktimatikis Ekmetalefsis S.A.	Greece	100.00%	—	100.00 %
NBG Pangaea Real Estate Investment Company (REIC)	Greece	32.66%	—	32.66%
Nash S.r.L.	Italy	—	32.66%	32.66%
Fondo Picasso	Italy	—	32.66%	32.66%
Egnatia Properties S.A.	Romania	—	32.66%	32.66%
QUADRATIX LTD	Cyprus	—	32.66%	32.66%
Karolou S.A.	Greece	—	32.66%	32.66%
PNG Properties EAD	Bulgaria	—	32.66%	32.66%
Lasmane Properties Ltd.	Cyprus	—	32.66%	32.66%
Pangaea UK Finco Plc[2]	U.K.	—	32.66%	32.66%
NBG International Holdings B.V.	The Netherlands	100.00%	—	100.00 %
ARC Management One SRL[1]	Romania	—	100.00%	100.00 %
ARC Management Two EAD[1]	Bulgaria	—	100.00%	100.00 %

(1) Special Purpose Entity in which the Bank is the primary beneficiary.
(2) Companies under liquidation.
(3) NIC and its subsidiaries, Romaneasca, NBG Albania and S.A.B.A., have been reclassified to non-current assets held for sale.
(4) Profinance S.A. previously under liquidation, was revived, and renamed to I-Bank Direct S.A

Credit Ratings

The table below sets forth the credit ratings that have currently been assigned to the Bank by Moody's, Standard & Poor's and Fitch.

Rating agency	**Date of ratings**	**Long-term Issuer rating**[1]	**Short-term Issuer rating**[1]
Moody's........................	5 March 2019	Caa1 (Stable)	NP
S&P...........................	3 July 2018	B-	B
Fitch..............................	8 October 2018	CCC+	C

(1) A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

BUSINESS OVERVIEW

Introduction

The Bank is one of the four systemic banks in Greece and it holds a significant position in Greece's retail banking sector, with as at 30 June 2018, 484 branches and one premium banking branch, and 1,466 ATMs. The Group offers to its customers a wide range of integrated financial services, including:

- corporate and investment banking;
- retail banking (including mortgage lending);
- leasing and factoring;
- stock brokerage, asset management and venture capital;
- insurance; and
- real estate and consulting services.

In addition, the Bank is involved in various other businesses, including hotel and property management.

The Bank is the principal operating company of the Group, representing 90.7% of the Group's total assets, excluding non-current assets held for sale, as at 30 June 2018. The Bank's liabilities represent 95.1% of the Group's total liabilities, excluding liabilities associated with non-current assets held for sale, as at 30 June 2018. While the Bank conducts most of the Group's banking activities, it is supported by three non-Greek banking subsidiaries: Stopanska Banka A.D.—Skopje ("**Stopanska Banka**"), the National Bank of Greece (Cyprus) Ltd. ("**NBG Cyprus**") and NBG Bank (Malta) Ltd. ("**NBG Malta**").

The Bank holds top positions in many financial services products in Greece. Based on internal analysis of the published information of the Bank of Greece (Bulletin of Conjunctural Indicators, no. 178, January February 2018) regarding the domestic outstanding amounts end of period and the Bank's outstanding amounts end of period, as at 31 December 2017, the Bank had significant market share of mortgage loans in Greece, with a share of 27.6% and holds a significant position in core deposits (which consist of sight deposits and savings accounts and exclude repos and time deposits), with a market share of 34.3%. See also below the table with the Group's estimated market shares "*Banking Activities in Greece—Retail Banking*" below. The Group is also fourth in mutual fund management with a market share of 13.3% as at the same date according to the Hellenic Fund and Asset Management Association.

Banking Activities in Greece

In this section, financial information pertaining to the Bank relates to banking activities in Greece.

Most of the Bank's banking business is domestic and includes retail, corporate and investment banking. Banking activities in Greece include the Bank's domestic operations, Ethniki Leasing, Probank Leasing S.A. ("**Probank Leasing**") and Ethniki Factors S.A. ("**Ethniki Factors**"). The Group's domestic banking operations accounted for 94.7% of its total lending activities as at 30 June

2018 (the "**Domestic Banking Loans**") and for 95.3% of its deposits (the "**Domestic Banking Deposits**").

The following table sets forth details of the domestic adjusted loans before allowance for impairment and deposits as at 31 December 2016 and 31 December 2017 and 30 June 2018:

	As at 31 December								**As at 30 June**			
	2016				**2017**				**2018**			
	Loans		**Deposits**		**Loans**		**Deposits**		**Loans**		**Deposits**	
	Amount	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
	(€ million, except for percentages)											
Retail[(1)]	25,569	60.0	29,308	79,6	23,690	59.0	29,385	76.6	22,259	58.2	29,815	75,9
Corporate	16,303	38.5	4,723	12,8	15,932	39.7	5,853	15.2	15,520	40.5	5,751	14,6
Public Sector.....	625	1.5	2,812	7,6	524	1.3	3,143	8.2	501	1.3	3,719	9,5
Total.................	**42,574**	**100.0**	**36,843**	**100,0**	**40.146**	**100.0**	**38,381**	**100.0**	**38,279**	**100.0**	**39,285**	**100.0**

(1) Retail loans include consumer loans, personal loans, mortgages, automobile financing, loans to SMEs and credit cards.

The Bank aims to attract domestic deposits from retail and corporate customers through:

- wide coverage of the Bank's domestic branch network;
- the respected status of the Bank's brand name among a large segment of the population; and
- a broad range of services and products offered by the Bank.

Greek Banking Distribution Channels

As at 30 June 2018, the Bank operated in Greece through 485 branches (including one premium banking branch). As at 30 June 2018, the Bank operated 1,466 ATMs, 678 of which were situated in key locations such as supermarkets, metro stations, shopping centres, hospitals and airports (56% of the Bank's ATMs are equipped with cash deposit devices). During the first half of 2018, the total number of ATM transactions reached 70 million compared with approximately 67 million transactions in the first half of 2017.

During the first half of 2018, there was a significant increase in the use of all the Bank's i-bank digital banking channels; the Bank constantly upgrades the customer experience of its electronic banking services and invests in the creation of new, innovative ones. During the first half of 2018, the total number of i-bank Internet / Mobile Banking users reached 1.8 million, performing 20.3 million money transactions.

In 2011, the Bank created the first "i-bank store", an innovative concept store which provides visitors with a true phygital (physical and digital) banking experience. As at 30 June 2018, the Bank operated 7 i-bank stores (three in Athens, two in Thessaloniki, one in Larissa and one in Xanthi), which received more than 580,000 visitors within the first half of 2018 and performed approximately 55,000 basic transactions and 26,000 products and services promotions.

In addition, since the end of 2014, the Bank has developed "i-bank Pay Spot", an integrated payments service for retail stores that allows consumers to make payments (mostly bill payments) in non-banking, convenient locations around Greece.

With "i-bank Pay Spot", consumers can pay in cash or by debit/credit card more than 150 bills (utilities, telecoms, insurance companies, etc.) in small retail stores in their neighbourhood (kiosks, newsstands, pharmacies, grocery stores, etc.). Consumers can also pay debts to public authorities (e.g. assessed tax debts, road tax for cars and motorcycles, etc.) and top up their fixed/mobile/internet connection. There are more than 1.200 i-bank Pay Spots already operating around Greece and the Bank aims to further expand the network.

The Bank's branches are located in almost every major city and town in Greece. Approximately 45% of the Bank's branches are located in the Attica and Thessaloniki prefectures, the major population centres in Greece. The Bank is engaged in a continuous process of rationalizing the organisation of its branch network in order to reduce costs, primarily by centralizing back-office functions to free more employees to work on sales activities directly with customers. In addition, the Bank is continuing to consolidate redundant branches in order to maintain equivalent geographic coverage at a lower cost. As at 30 June 2018, the Bank operated 245 full banking branches, 239 retail banking branches and one premium banking branch.

Retail Banking

All of the Group's retail banking activities in Greece are conducted by the Bank. The Bank offers retail customers a number of different types of deposit and investment products, as well as a wide range of traditional banking services and products.

As a result of the economic crisis, the Bank has continued to apply a conservative approach to new consumer lending, with a greater emphasis on risk-averse lending criteria. As a result, the Bank experienced a reduction in balances in 2016 and 2017 and declining origination of mortgage lending. Please see "*Mortgage Lending Products*" below.

The following table illustrates the Bank's estimated market share in Greece for certain categories of retail banking activities as at the dates indicated:

	As at 31 December	
	2016	**2017**
Mortgage lending (balances)	27.6%	27.6%
Consumer loans and credit cards (balances)	19.3%	17.6%
Core deposits[(1)]	33.0%	34.3%

(1) Core deposits consist of sight deposits and savings accounts and exclude repos and time deposits.

The Bank believes that its strong corporate image and brand recognition in Greece, its large customer base and its extensive network of branches and ATMs are advantages that will facilitate the Bank's access to a diverse depositor base in Greece, providing the Bank with a large, stable and low-cost source of funding.

Savings and Investment Products

Savings and investment products of the Bank are offered in euro and in other currencies. In addition to other products, the Bank offers investment products with yields that are higher than its basic deposit products, including capital-guaranteed principal products, Greek government bonds and other bonds from the Bank's trading portfolio, repurchase agreements between the Bank and its clients and a wide range of mutual funds and unit trust products provided by NBG Asset Management Mutual Funds S.A. ("**NBG Asset Management**"), which is 100.00% owned by Group companies. See "*Global Investment & Asset Management*" below.

Trade Finance and Payment Services

After adjusting to the particular circumstances that emerged in 2015 with the imposition of capital controls, the Bank has further utilised in 2017 the possibilities offered by the International Credit Guarantee Programs to meet the needs of Greek businesses. With the highest utilisation (88%) of the European Investment Bank ("**EIB**") Programme which expired at the end of 2016, the Bank played an essential role in the activation of the second programme of the EIB on more favourable terms, which began in early 2017. The Bank is currently collaborating with the EIB to design the third programme to meet the changing market conditions. The Bank's main objective is to finance cross-border trade transactions through the EIB's third programme.

In order for the Bank to continuously adapt to international developments in payments, the Bank has implemented the new instant payments product for payments within Greece and is in the process of implementing Single Euro Payments Area ("**SEPA**") and Instant Credit Transfer payments ("**SCT**"). At the same time, necessary adjustments were made to comply with the new European payment regulatory framework and to address the new market conditions arising from the implementation of the Payment Service Directive 2 ("**PSD2**") with the introduction of new payment service providers. See further "*Regulation and Supervision of Banks in Greece – Payment Services in the Internal Market*" below. The Bank's business strategy includes the implementation of application programming interface ("**APIs**") to provide new added value payment services in order to maintain the existing market share in payments and to create the conditions for an increase in the result.

In 2017, the Bank successfully completed the first phase of its trade finance and payments applications upgrade projects. At the same time, the business requirements for the utilisation of digital signatures in the Bank's business processes were prepared, a project that allows integrated customer service through digital channels. Since its completion, the Bank expects to be able to respond to the requirements of today's business by significantly improving customer experience while aiming to reduce operational risk and operating costs.

In 2017, the Bank provided the market with €1,255 million of credit instruments (letters of credits and letters of guarantees) and €400 million liquidity through trade financing. At the same time, the Bank maintained its market shares in both payments and trade finance.

Consumer Lending Products

Since 2010, the Bank has sought to address the deterioration of its lending portfolio, and to assist customers willing to repay their loans by offering more competitive modification programmes depending on each customer's need and repayment ability.

In 2017, the Bank mainly focused on offering competitive and flexible debt restructuring solutions. The balance of the domestic consumer loan portfolio (auto financing, other, consumer lending and credit cards) before any allowance for impairment decreased by 17.8% from €4,761 million as at 31 December 2016 to €3,914 million, as at 31 December 2017, mainly due to write-offs, and further decreased to €3,218 million as at 30 June 2018.

The Bank's efforts are focused on effective management of its existing loan portfolio in order to prevent further deterioration through the design and implementation of debt restructuring packages to existing customers, which offer a fractional payment programme with lower instalments adjusted to the borrowers' financial status for a pre-agreed period of time. Consumer and credit card portfolio restructuring products are addressed mainly to customers with at least one consumer loan or credit card in delinquency for at least 90 days. Under a restructuring, all consumer loan and credit card exposures of a customer are consolidated into a single fixed-term consumer loan. The interest rate on the new loan may be reduced and/or the duration may be extended if the borrowers are willing and able to secure their consumer loan and credit card exposure with real estate property or provide an additional down payment. The maturity of these restructured products varies and can reach 45 years if additional collateral is obtained. Furthermore, new restructuring products are designed-based on the legal framework of the "Code of Ethics for Greek Banks" regarding the management of non-performing private debt (Greek Law 4224/2013)— providing a customised solution even from the first 30 days of loan delinquency, for each loan account separately and offering the following options to the Bank's clients:

1. Interest-free grace period of 0-24 months (with minimum intermediate step of six months), during which only interest is paid on a monthly basis.

2. Fractional instalments adjusted to the borrowers' financial ability to repay their arrears for a pre-agreed period of time. Consumer credit products proposed by the Bank mainly consist of special purpose loans where customers are encouraged to offer collateral (such as registration of mortgage prenotation, deposits in euro or retention of ownership) in order to improve the terms of their loans. Applications are approved under a strict set of underwriting criteria, which indicatively include stringent application entry requirements, examination of customer's depository or investment relationship within the Bank and pursuit of additional security (guarantor and/or collateral) if necessary.

Regarding new business development, the Bank is focused on the promotion of special purpose consumer loans such as "Easy Taxes Loans" secured by liquid assets (deposits in euro or specific Bancassurance products) and "Green Loans" for energy improvements at home or for purchases of hybrid cars, as well as on the further growth of its debit and prepaid cards portfolio. The Bank additionally is focused in gaining market share in the card clearing markets an area that has significant perspectives in Greece due to the economic environment and the obligatory use of cards due to tax reasons.

Mortgage Lending Products

Due to the recession, house prices in Greece declined from 2008 to 2017 cumulatively by 42.0% (in nominal values) (Source: Bank of Greece Governor Report for 2017, February 2018), with a decelerating trend during the last two years.

As at 30 June 2018, the residential mortgage loan portfolio, before any allowance for impairment, was €16.0 billion, compared to €16.3 billion at 31 December 2017 and €16.9 billion at 31 December 2016. In 2017, loans past due over 90 days increased from 31.9% at December 2016 to 33.6% at 31 December 2017 and further increased in June 2018 to 34.4%. Some of the amendments applied by Greek Laws 4335 and 4336/2015 (relating to foreclosure / auction procedure, stricter eligibility criteria in the bankruptcy law, waiver of the privileged ranking of the public sector in auctions) are expected to have a gradual positive effect on the banking sector and the Bank's mortgage lending business.

Since 2016, the Bank has continued its efforts to efficiently manage its existing loan portfolio and decelerate delinquencies by applying a customer centric approach. The Bank believes the strategy followed by the RCU (as defined below) will result in a further decline of past due loans formation.

Restructuring measures occur in situations in which the borrower is unable to meet the terms and conditions of a contract due to financial difficulties. Taking into consideration these difficulties, the Bank decides to modify the terms and conditions of the contract to provide the borrower the ability to service the debt or refinance the contract, either totally or partially.

The solutions offered include term extensions up to 45 years, interest only payment periods and fractional payments adjusted to the borrowers' economic capacity. No capital relief is offered and consistency in loan repayment is rewarded in the above mentioned programmes. All aforementioned options are intended to secure debt viability and smooth loan repayment. The "split & freeze" product, which was introduced in 2015, offering capital relief, provides longer term mortgage solutions for borrowers with weak economic backgrounds.

The Code of Conduct which came into force in 2015 following Greek Law 4224/2013 provides a comprehensive approach towards restructuring, putting a specific framework and a set of rules around the restructuring process, covering communication and provision of information to borrowers, supporting organisational structure, offering suitable and sustainable solutions and reporting requirements to supervisory authorities. Borrowers' sustainability is an essential factor in the restructuring policy, with the introduction of the minimum living standards requirement, playing a key role in defining borrowers' capacity to pay and thus choosing the most appropriate solution. Additionally, the notion of "cooperative borrower" is expected to contribute in finding a mutually acceptable and suitable mortgage solution.

As at 31 December 2017, the Bank's forborne residential mortgage loans amounted to €5.2 billion. The average duration for this portfolio is 34 years, or seven years more than the non-restructured portfolio, with average spread of 231 basis points (37 basis points higher than the non-restructured portfolio). The application of the Code of Conduct is expected to continue reinforcing the mortgage restructuring programmes with favourable results in reducing past due loans. The strengthened prospects of the Greek economic recovery and the stabilisation of the taxation system are expected to offer an impetus in mortgage activity.

Small Business Lending Unit

The Small Business Lending Unit ("**SBL**") constitutes a part of the Business Banking & Retail Loans Unit ("**BB & RL Unit**") that:

- manages credit provision to small businesses with annual turnover of up to €2.5 million and total exposure of up to €1.0 million, in accordance with the Bank's applicable Credit & Collection policy and approved authority levels. It operates through three credit centres in the main urban centres (Athens, Thessaloniki and Patra), which handle small business loan credit applications; and

- develops products addressed to small business lending. As at 31 December 2017, the domestic SBL gross outstanding portfolio amounted to €3,431 million, decreasing by 9.3% compared to €3,781 million at 31 December 2016 and further decreased as at 30 June 2018 to €3,056 million.

The BB & RL Unit in 2017 continued to offer lending solutions, covering a full range of business credit needs, either in the form of revolving facilities for the coverage of working capital needs (liabilities linked to SME's trading cycles) or in the form of short, medium or long-term fixed loans for financing investment needs or for the enhancement of business liquidity. In addition, the BB & RL Unit participated in initiatives for the improvement of competitiveness and the enhancement of SME liquidity with the participation in the following co-financed and other state guarantee and funded programmes:

- "COSME Loan Guarantee Facility" with the support of the European Fund for Strategic Investments ("**EFSI**"). The Bank, within the context of its on-going commitment for the support of SMEs access to banking financing and for the provision of effective financial support entered into an agreement with the European Investment Fund ("**EIF**") for the first COSME agreement in Greece with a total budget of €500 million. Through the COSME programme, EIF will provide guarantees to the Bank enabling the Bank to channel funds to SMEs, with substantially reduced requirements for collateral and reduced interest thanks to the relief from the guarantee from EIF. The programme was channelled to eligible SMEs starting from October 2016 and as at 31 December 2017 €34 million were approved to micro enterprises.
- Guarantee programme "EaSI" in the context of European Programme for Employment and Social Innovation with a total budget of €40 million. The Agreement with EIF was signed in December 2017 and benefits from the support of the European Union under the Guarantee Facility (Regulation (EU) No 1296/2013 of the European Parliament and the Council) establishing a Union Programme for Employment and Social Innovation ("**EaSI**"). The EaSI programme addresses micro enterprises and vulnerable persons that want to start or expand their micro enterprise and foresees the provision of guarantees to the Bank from EIF, for microloans up to €25,000. Moreover small business lenders that will be included in the programme will be also offered training and mentoring services with the purpose to strengthen their capabilities and reduce the possibility of business failure.

Furthermore, in recognition of the dynamic growth potential of the agricultural sector, the Bank supported the expansion of the specially focused "Contract Farming" financing programme. The programme involves the extension of credit to farmers for the purpose of modernizing the production and business cycle of agricultural and livestock products on both supply and demand sides.

- The subject programme finances a percentage of the total production costs of farmers, under the condition that they have standing and valid sale contracts with selected trading and manufacturing businesses.

- A testament to the dynamic potential of "Contract Farming" is the fact that the Bank increased its partnership with producers in the context of this particular product during 2017.

In 2017, the BB & RL Unit focused on (and will continue to adopt) the following initiatives:

- the promotion of e-banking tools and the use of digital technologies in the whole circle of customer management;

- the improvement of communication with customers;

- achieving the simplification and acceleration of loan submission, assessment and approval procedures;

- the encouragement of entrepreneurship, especially of new—established microenterprises, participating in innovative programmes in cooperation with national and European organisations and offering—apart from loans—non-financial services (training and mentoring);

- the support of SBLs investment loans and the enhancement of their liquidity with favourable terms, participating in co-funded and guaranteed national and European programmes;

- the attraction of new customers in primary agricultural sector with a comprehensive proposal; and

- offering to the Bank's customers a full range of products.

The BB & RL Unit also supported SBLs who experienced difficulties in early stages, by agreeing more favourable terms and conditions for the modification of their debts.

Corporate and Investment Banking

Commercial Loans

The Group offers corporate clients a wide range of products and services, including financial and investment advisory services, deposit accounts, loans denominated in euro and other currencies, foreign exchange services, insurance products, custody arrangements and trade finance services.

The Bank extends financing to all sectors of the economy. As at 31 December 2017, domestic commercial lending amounted to €15.9 billion and represented 39.7% of the total adjusted domestic loan portfolio of the Group, compared to €16.4 billion as at 31 December 2016, representing 38.5% of the total adjusted domestic loan portfolio of the Group. As at 30 June 2018, domestic commercial lending amounted to €15.5 billion and represented 40.5% of the total domestic loan portfolio of the Group.

The Bank lends primarily in the form of short term credit lines and medium/long-term loans. Apart from financing, the Bank provides standby letters of credit and financial guarantees for its customers, which amounted to €3.4 billion as at 30 June 2018 compared to €3.4 billion as at 31 December 2017 and €3.3 billion as at 31 December 2016.

During 2017, the Bank provided the necessary liquidity to existing and new sustainable investments aimed mainly at enhancing the competitiveness, innovation and export capabilities of businesses, as well as investments promoting job creation. In this context, the Bank has cooperated with international and national financial institutions in funding and guarantee agreements aiming to facilitate the access of Mid-Caps/SME/Small businesses to financing and boost their competitiveness.

More specifically the Bank has allocated, in cooperation with the EIB, €255 million of funding to eligible projects undertaken by SMEs and Mid-Caps with fewer than 3,000 employees, offering competitive interest rates, with emphasis on companies that promote youth employment, through the "Jobs for Youth Initiative".

Furthermore, expanding its cooperation with the EIF following the €100 million COSME agreement signed in 2016, the Bank signed a top-up agreement with the EIF, increasing the fully used COSME agreement by a further €400 million to €500 million. During 2017, the Bank has successfully supported around 700 SMEs by providing €220 million of financing under the COSME Loan Guarantee Facility (Programme for the Competitiveness of Enterprises and Small and Medium sized Enterprises), an initiative launched by the European Commission and managed by the EIF, allowing the Bank to provide loans with substantially reduced collateral requirements and favourable financing terms to Greek enterprises.

In 2019 the Bank intends to enhance its support for the development of Greek entrepreneurship, providing liquidity to viable enterprises through partnerships with international and European development organisations, with a view to making available the broadest potential source of funding for the financial support of Greek enterprises.

Shipping Finance

Greece is one of the world's largest ship owning nations with a long-standing tradition in shipping. Shipping has been one of the most important sectors of the Greek economy with the Bank being one

of the key participants in Greek shipping finance, the activities of which are carried out almost exclusively through its dedicated Piraeus based unit.

The Bank has traditionally provided long-term financing, mainly to dry bulk, wet bulk and, to a lesser extent, liner and ferry businesses with a consistent view to minimise risk and enhance the portfolio's profitability. Nearly all of the Bank's shipping loans are fully secured by mortgages over vessels.

The shipping industry is highly cyclical, experiencing volatility in revenues and cash flows resulting from changes in the demand and supply of vessel capacity.

With respect to the dry sector, the upward trend of 2017 continued, with small intervals, the first half of 2018 and all the dry bulk subsectors in 2018 performed at higher levels compared to the previous year, despite the uncertainty of certain events including trade wars and the direction of the Chinese economy. However, according to independent third party reports, the market prospects for the following two to three years also look positive.

With respect to the wet sector, freight rates continued to be lacklustre throughout the first three quarters of 2018, while during the fourth quarter the market has started to improve significantly, a trend that is expected to continue.

As for the ferry industry, increase in fuel prices had deteriorated, and to an extent, the financial performance of the larger companies. This sector of the industry is currently under consolidation which is expected to lead to more viable and healthier corporate structures.

As at 31 December 2017 and 30 June 2018, outstanding shipping loans (mainly concerning wet and dry bulk shipping) were €2.0 billion and €1.8 billion, respectively. Shipping exposure represents 11.9% and 11.2%, respectively, of the Bank's total commercial loan portfolio.

During 2019, the Bank intends to carefully exploit opportunities to develop further its portfolio and enhance its profitability via offering new financing to shipping groups/companies based on the quality of management, financial strength, liquidity, creditworthiness, transparency and experience.

Project Finance

During 2017, the notable variation of the domestic project finance portfolio was due to drawdowns for current projects, prepayments, new loans for the year and transfer of loans from other divisions as part of the restructuring process of the Bank. Domestic loans were channelled mainly in the energy and project finance sectors.

In the coming years, it is estimated that the majority of projects to be funded as Project Finance will either be Public and Private Partnerships PPP's (or SDIT) or energy projects. The Bank aims to assume a leading role in the financing of these projects, either through its own funds or through a new JESSICA initiative (see below) with the EIB (if any).

JESSICA Initiative

Through an operational agreement signed in December 2011 between the Bank and the EIB, the Bank, acting as an Urban Development Fund ("**UDF**"), was awarded the management of EU Structural Funds under the Joint European Support for Sustainable Investment in City Areas initiative (the "**JESSICA**"). JESSICA funds, along with the Bank's and private funds, were intended to be used during the period of 2012 to 2015 to make repayable investments in the respective regions. Following the closing of JESSICA in 2016 the disbursements of UDF funds to all signed projects was completed during 2016 and the repayment of UDF loans has started. The JESSICA funded project portfolio amounted to four projects with total construction budget of €134 million and UDF requested funds of €41 million. Two of the aforementioned projects were completed as of 31 December 2016 while the

other two projects were completed during 2017. During 2017, the total instalments paid for the 4 projects amounted to €1.5 million.

As a result of the above, the Project Finance portfolio for 31 December 2016 and 2017 is depicted below:

	2016		**2017**	
€million	**Commitment**	**Balance**	**Commitment**	**Balance**
Domestic	466	246	643	485
International	190	185	82	77
JESSICA	41	41	39	39
Total	**697**	**472**	**764**	**601**

Syndication Desk

The Bank continued its focus on issuing syndicated loans. More specifically, in 2017, the Bank participated in syndicated loans of total amount €3,158 million, of which the Bank's participation amounted to €1,540 million. In 18 of these transactions the Bank assumed the role of Coordinator/Lead Arranger and in 5 of them the role of Co-Arranger.

Leasing

The Bank began leasing activities in 1990 through its subsidiary, Ethniki Leasing. Ethniki Leasing leases land and buildings, machinery, energy parks, transport equipment, furniture and appliances, computers and communications equipment. As at 31 December 2017, 64.3% of the finance lease receivables of Ethniki Leasing were to the trading and services sector, 20.7% to industry and mining, 7.9% to construction and real estate and 7.1% to other sectors.

Probank Leasing

Probank Leasing leases land and buildings, machinery, transport equipment, furniture and appliances, computers and communications equipment. Since July 2013, after the acquisition from the Group, Probank Leasing has come to recession and gradually stopped new contracts. As at 31 December 2017, 69.1% of the finance lease receivables of Probank Leasing were to the trading and services sector, 3.5% to construction and real estate, 11.5% to industry and mining and 15.9% to other sectors.

Factoring

The Bank has been active in the provision of factoring services since 1994. In May 2009, Ethniki Factors was established as a wholly owned factoring subsidiary of the Bank, as part of its strategic decision to expand its factoring operations in Greece. Ethniki Factors offers a comprehensive range of factoring services to provide customers with integrated financial solutions and high quality services tailored to their needs. In 2017, Ethniki Factors continued to focus on enhancing liquidity to the Group's corporate customers, maximizing synergies with the Bank.

Investment Banking

In 2017, the NBG Securities' Investment Banking Division provided advisory services focused on Mergers & Acquisitions, Debt and Equity Capital Markets despite the challenging economic conditions in Greece adversely affecting the volume of announced transactions. In particular, NBG Securities acted as financial advisor to (1) Apollo Investment Holdco S.A.R.L. for the public tender offer relating to the acquisition of ASTIR Palas S.A. shares (January 2017), (2) OPAP for the inaugural issuance of a €200 million bond listed on ATHEX (March 2017), (3) Mytilineos for the inaugural issuance of a €300 million bond listed on ATHEX (June 2017), (4) PPC on the ownership unbundling of ADMIE (May 2017) and (5) ADMIE Holdings's ATHEX listing (June 2017).

Global Investment & Asset Management

Treasury

The Bank and each of its banking subsidiaries carry out their own treasury activities within the prescribed position and counterparty limits. These activities include:

- Greek and other sovereign securities trading;
- foreign exchange trading;
- interbank lending and borrowing in euro and other currency placements and deposits;
- forward rate agreement trading;
- repurchase agreements;
- corporate bonds; and
- derivative products, such as options and interest rate and currency swaps.

The Treasury is active across a broad spectrum of capital market products and operations, including bonds and securities, interbank placements in the international money and foreign exchange markets and market-traded and over-the-counter financial derivatives. It supplies the branch network with value-added deposit products, and its client base includes institutions, large corporations, insurance funds and large private-sector investors. In general, the Bank and its subsidiaries enter into derivatives transactions for economic hedging purposes or in response to specific customer requirements.

The Bank is active in the primary and secondary trading of Greek government securities, as well as in the international Eurobond market, especially EFSF and ESM issues. The Bank is a founding member of the Group of Greek Government Securities Primary Dealers which was established by the Bank of Greece in early 1998 and of the Group of EFSF-ESM Securities Primary Dealers which was established in 2010.

Private Banking

2017 continued to be a difficult year for the Private Banking business given the restrictions on capital movement imposed which continued to be in effect, which diminished clients' available options for participation in investment products as well as discouraging the gathering of assets from international competition. Achieving a second consecutive year-on-year business expansion result, is a strong reassurance that the business changes devised and introduced gradually over the last two years that aimed to introduce a more outward-looking, professional and competitive business model, had a very positive effect.

Further to delivering the above mentioned targets, 2017 was another year during which operations were further streamlined with a supplemental reduction in costs. Additionally, significant emphasis was paid in the development and introduction of business practices that promote cooperation and synergies with the other business segments of the Bank and primarily with the Retail segment. Such co-operation is aimed at boosting the business performance of both segments over the next years.

Custodian Services

The Bank offers custody services to domestic and foreign institutional clients, as well as to its retail customer base, covering the Greek and major international markets. For the coverage of international markets the Bank cooperates with top global custody providers and International Securities

Depositaries, while in countries of South Eastern Europe ("**SEE**") where the Bank maintains presence, regional subsidiaries act as sub-custodians in the region.

The range of services the Bank offers includes: domestic and foreign transactions clearing and settlement, safekeeping of securities, corporate actions processing, income collection, proxy voting, tax reclamation, customised reporting, General Clearing Member and Cash Settlement Bank services for securities and derivatives, insourcing of third-party investment firms back office services for third-party investment firms, as well as underwriting, security holders agency and registry services.

In 2017, as part of implementing an internal restructuring plan, the Bank integrated its Treasury & Markets Operations with its Group Securities Services practices, forming the Treasury & Investment Operations unit. This puts the Bank in position to further broaden its activities by offering investment and cross-asset post-trade services to corporate treasuries & investment management companies.

As at 31 December 2017, the Bank's customer base includes: 56 domestic institutional clients (3 mutual funds management companies, four asset management companies, nine insurance companies, five brokerage companies, 27 pension funds, three real estate investment companies and five other companies), 17 foreign customers and approximately 292,000 retail customers.

In recent years, as a result of the economic crisis, capital controls and the outflows of funds from customer deposits, investment activity and consequently custody business, especially that of Greek local providers, has downsized considerably due to the decrease of transactions and securities values, as well as the transfer of the relevant business of major foreign customers to global custodians.

Notwithstanding this general impact on the local market, the Bank has maintained its leading and influencing role in the ongoing developments of the Greek capital markets and has been an active, participant in post-trade working groups and consultations with the Hellenic Banks Association ("**HBA**"), the Hellenic Capital Markets Commission ("**HCMC**"), the Bank of Greece and the Athens Exchange Group, while participating in various European level projects, such as: EBF/Post Trading Working Group, ECB/T2S, EC EGMI/MIG.

In recognition of the quality custody services offered, to both cross border/non-affiliated and domestic clients, the Bank has been positioned several times between the top providers in the Greek market, in the Agent Banks Surveys of the "Global Custodian" magazine.

Asset Management

The Group's domestic fund management business is operated by NBG Asset Management, which is wholly owned by the Group. NBG Asset Management manages funds that are made available to customers through the Bank's extensive branch network.

NBG Asset Management offers 16 investment funds under the brand name Delos, one under the N.P. Insurance brand name and five under the NBG International brand name, all of which are registered in Luxembourg. NBG Asset Management offers a wide range of investment products that provide institutional and private investors access to significant markets in stocks, bonds and money market products, in Greece and internationally.

Additionally, NBG Asset Management offers a more integrated range of contemporary investment services such as:

- portfolio management for institutional and private investors; and
- consultancy investment services for institutional and private investors.

As at 31 December 2017 NBG Asset Management's total assets under management in mutual funds and discretionary asset management were €1.4 billion unchanged compared to 31 December 2016. Its market share in mutual funds in Greece was 13.3% as at 31 December 2017, compared to 13.7% as at 31 December 2016. (Source: Hellenic Fund and Asset Management Association—report of 31 December 2017). The funds belong to a client base comprised of approximately 71 institutional and over 41,000 private investors.

Stock Brokerage

National Securities S.A. ("**NBG Securities**") was established in 1988 and constitutes the brokerage and investment banking arm of the Group. NBG Securities offers a wide spectrum of investment services to both individual and institutional customers.

In 2017, NBG Securities had a market share of 9.8% of trades brokered on the ATHEX, ranking fourth in terms of total trading value, according to data from the ATHEX.

The provision of investment services in Greece remains increasingly competitive, with a number of banks and brokerage houses participating actively in this area.

Banking Activities Outside of Greece

As at 30 June 2018, the Bank's international network comprised 95 branches (including foreign subsidiaries and Bank branches in the United Kingdom, Egypt and Cyprus), which offer traditional banking services and financial products and services. The Bank has three commercial banking subsidiaries in North Macedonia, Malta and Cyprus. The Bank's subsidiaries in Bulgaria, Serbia, Albania and South Africa were disposed by the end of August 2018, whereas the Bank's subsidiary in Romania remains as non-current assets held for sale, as discussed further above in "*History and Development of the Group—Acquisitions, Divestitures and Capital Expenditures*" above.

The Bank's international operations contributed €41 million or 7.3% of net interest income of the Group from continuing operations and accounted for €2.8 billion or 4.9% of the Group's total assets excluding non-current assets held for sale as at and for the period ended 30 June 2018. Total loans and advances to customers were €1.7 billion at 30 June 2018, whereas due to customer deposits amounted to €1.9 billion at 30 June 2018.

Our international network is described below. In the analysis that follows, all amounts are before the elimination of intercompany transactions and balances.

The Bank: Foreign Branches

As at 30 June 2018, the Bank had 19 foreign branches in three countries, including one in the United Kingdom, one in Cyprus and 17 in Egypt. At 31 December 2017, loans and advances to customers of the Bank's Cyprus and Egypt operations were €162 million and €74 million, respectively (as at 30 June 2018 €52 million and €75 million, respectively). The table below provides selected financial information of the Bank's foreign branches (excluding the United Kingdom branch) as at and for the year ended 31 December 2016 and 2017 and for the six month period ended 30 June 2018:

Selected financial information	As at 31 December		As at 30 June
	2016	2017	2018
	(€ million)		
Total assets	371	347	209
Loans and advances to customers	244	236	127
Total deposits	106	100	100

	For the year ended 31 December		For the six months ended 30 June	
	2016	2017	2017	2018
	(€ million)		(€ million)	
Impairment charge for credit losses	0	1	1	(1)
Profit/(loss) before tax	82	(2)	-	-
Profit/(loss) for the period	82	(12)	-	-

The table above relates solely to the business of the Bank's foreign branches with the exception of the United Kingdom branch, which is considered part of domestic operations and other international operations.

Stopanska Banka

Stopanska Banka is a commercial bank registered in North Macedonia and headquartered in Skopje that provides a wide range of retail and corporate banking services. The Bank acquired Stopanska Banka in 2000 and as at 30 June 2018, held a 94.64% stake, while the remaining 5.36% is held by minority shareholders.

Stopanska Banka operates one of the largest branch networks in North Macedonia, with a dense nationwide network of ATMs and POS terminals. As at 30 June 2018, Stopanska Banka had 66 branches, and continues to strive to maintain its leadership position in e-banking within North Macedonia, including by promoting internet and mobile banking and offering its clients electronic payment facilities. Stopanska Banka aims to continue to improve its loan portfolio by targeting high quality customers in the SMEs and large companies segments.

Selected financial information with respect to Stopanska Banka as at and for the year ended 31 December 2016 and 2017 and for the six month period ended 30 June 2018, is provided in the table below:

Selected financial information	As at 31 December				As at 30 June
	2016[(1)]		2017[(1)]		2018[(2)]
	(€ million)	(MKD million)	(€ million)	(MKD million)	(€ million)
Total assets	1,427	87,748	1,437	88,351	1,464
Loans and advances to customers	976	60,047	1,014	62,341	1,022
Total deposits	1,110	68,292	1,153	70,880	1,190

(1) Solely for the convenience of the reader, the conversion of Macedonian dinars into € has been made at the rate of €1.00 = MKD 61,5006 and €1.00 = MKD 61.5184 , as at 31 December 2017 and 2016, respectively.

	For the year ended 31 December				For the six months ended 30 June	
	2016[(1)]		2017[(1)]		2017[(2)]	2018[(2)]
	(€ million)	(MKD million)	(€ million)	(MKD million)	(€ million)	(€ million)
Impairment charge for credit losses	0	(31)	(1)	(60)	-	1
Profit before tax	45	2,768	45	2,750	23	25
Profit/(loss) for the period	41	2,504	41	2,510	21	20

(1) Solely for the convenience of the reader, the conversion of Macedonian dinars into € has been made at the rate of €1,00 = MKD 61.5751 and €1.00 = MKD 61.6143, the average rate for the period ended 31 December 2017 and 2016, respectively.

NBG Cyprus

NBG Cyprus, headquartered in Nicosia, had nine branches, three business centres and two international business units as at 30 June 2018. Since 2011, NBG Cyprus also operates a representative office in Moscow. The bank provides a wide range of commercial and retail banking services, focusing on corporate lending and international business.

Selected financial information with respect to NBG Cyprus as at and for the year ended 31 December 2016 and 2017 and for the six month period ended 30 June 2018, is provided in the table below:

Selected financial information	As at 31 December		As at 30 June
	2016	2017	2018
		(€ million)	
Total assets	916	757	738
Loans and advances to customers	662	468	416
Total deposits	571	570	589

	For the year ended 31 December		For the six months ended 30 June	
	2016	2017	2017	2018
	(€ million)		(€ million)	
Impairment charge for credit losses	(9)	(15)	(1)	-
Profit/(Loss) before tax	5	(8)	3	2
Profit/(Loss) for the period	3	(7)	3	2

NBG Malta

NBG Malta has attracted significant business volumes from Turkish corporates and provides a full range of financial products and services to meet the constantly changing needs of corporate customers and private individuals. In 2013, the Bank acquired a portfolio of loans of Romanian companies and also granted loans to intragroup leasing companies in.

Selected financial information with respect to NBG Malta as at and for the year ended 31 December 2016 and 2017 and for the six month period ended 30 June 2018, is provided in the table below:

Selected financial information	**As at 31 December**		**As at 30 June**
	2016	**2017**	**2018**
	(€ million)		
Total assets	578	542	493
Loans and advances to customers	433	267	238
Total deposits	94	101	94

	For the year ended 31 December		**For the six months ended 30 June**	
	2016	**2017**	**2017**	**2018**
	(€ million)		**(€ million)**	
Impairment charge for credit losses	(7)	1	-	-
Profit before tax	8	10	6	5
Profit for the period	7	8	5	4

Other

Real Estate Management

The Group engages in real estate management activities, including warehousing and third-party property management. As at 30 June 2018, the Bank owned 1,833 real estate units, 1,244 of which were buildings and 471 were lands that the Bank acquired through seizure of collateral on loan foreclosures. The remaining 118 units were acquired to host and to support own business purposes. As at 30 June 2018, the carrying value of the 1,715 units that were acquired through foreclosure was €93 million (€85 million as at 31 December 2017). The Bank's reports these items in other assets in its financial statements, under the line "Assets acquired through foreclosure proceedings" and is currently exploring opportunities for the sale of those properties.

The Bank has established guidelines and procedures relating to the disposal of properties, including properties acquired through foreclosure, in order to support the reliability, transparency and accountability in transactions and the completion of the process on a timely basis. The ability to dispose of properties acquired through foreclosure has been affected by the recent adverse economic conditions in Greece, as the demand for properties has stalled, resulting in a significant decrease in sales of foreclosed properties. Furthermore, the limited liquidity from the Greek banks, limited credits for mortgage loans and the increasing uncertainty further weakened the demand for properties.

A unified foreclosure policy related to the Bank's strategic goal—NPE reduction—has been adopted in order to define the basic guidelines for the standardisation and homogenisation of the Bank's actions for the liquidation of the debtors' real estate and to assure credibility and transparency in their implementation. The updated policy ensures that both borrowers and real estate criteria have been included into decision making mechanism regarding the final settlement solutions that should be applied.

The Bank is developing a platform that will host real estate assets obtained through the enforcement of collateral, through specific real estate portfolio vehicles ("**SPVs**"). The Bank expects to acquire such assets through upcoming auctions and amicable solutions with debtors. SPVs will enable the disposal of asset clusters both in response to demand by potential investors who have expressed interest, and in line with the progress and absorption of Foreign Direct Investments ("**FDIs**") in Europe.

The Bank has developed a real estate portal for promotion of the Group's real estate assets which was launched successfully in mid-July 2018. 149 assets have been uploaded, out of which 76 assets have been published for sale in December 2018.

The Bank's collateral auction microsite for the purpose of displaying properties scheduled to be auctioned and posted on the www.eauction.gr is now a live functionality of the portal. An online auctioning and online sale site for the Group's real estate assets is expected to be completed by the end of December 2019. NBG Pangaea REIC, the Group's real estate investment company, owned 345 commercial properties with total leasable area of 1,039 thousand square metres. Three hundred and twenty one (321) of those properties are located in prime areas throughout Greece, 14 properties are located in Italy, two properties in Romania, two properties in Cyprus and one property in Bulgaria.

See section "*The Issuer—Acquisitions, Divestitures and Capital Expenditures*" above for information regarding Bank's principal real estate divestitures in recent years. The Bank intends to continue to divest real estate holdings as part of its non-core asset divestment strategy.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale at 30 June 2018 and 31 December 2017 comprise of S.A.B.A., Romaneasca, NIC and NBG Albania. The profit or losses from discontinued operations for the period ended 30 June 2018, comprises of S.A.B.A., Romaneasca, NIC and NBG Albania. The comparative profit or loss from discontinued operations includes S.A.B.A., UBB and Interlease (classified as discontinued operations in December 2016) Romaneasca, NIC, Vojvodjanska and NBG Leasing doo (classified as discontinued operations in June 2017) and has been re-presented to also include NBG Albania (classified as discontinued operations in December 2017). (See also above "*The Issuer—Acquisitions, Divestitures and Capital Expenditures—Divestitures*")

Selected financial data from discontinued operations

As at 30 June 2018, the net interest income from discontinued operations was €55 million, compared to €130 million in the respective period in 2017. As at 30 June 2018, loans and advances to customers included in non-current assets as held for sale was €1,301 million while due to customers as included in liabilities associated with non-current assets held for sale reached €1,029 million, compared to €1,298 million and €1,040 million, respectively, as at 31 December 2017. Total assets of non-current assets as held as at 30 June 2018 were €5.0 billion, accounting for 8.0% of Bank's total assets compared to €5.0 billion and 7.7% as at 31 December 2017.

NPE and NPL management

The Bank has established two dedicated and independent internal units, one responsible for the management of the Bank's retail loans (the Retail Collection Unit ("**RCU**")) and the other for the Bank's corporate delinquent exposures (the Special Assets Unit ("**SAU**")). The two units have the end-to-end responsibility for their respective troubled asset exposures. Regarding corporate governance, the units report to the Deputy CEO of the Group, as well as to a dedicated committee (the Arrears and NPL Management Body), which in turn reports to the Board Risk Committee of the Group. The findings of the Board Risk Committee are vetted by the CRO. The Board Risk Committee's objective is to oversee the NPE and NPL management strategy. Furthermore, there are tangible Group initiatives regarding the management of real estate, related to workout actions (auctions, foreclosures and repossessions) with strong involvement of the Group Real Estate Management experts and the top management monitoring.

The Bank is continuously enhancing its NPL and NPE management strategies whilst augmenting its operational capabilities towards accomplishing the Bank's objective of reducing its NPL and NPE stock.

Retail Collections Unit

The RCU was established in 2010 as the independent unit of the Bank responsible for the management of past due and troubled retail loans. It is a centralised function with an end-to-end responsibility for the management of past due loans, from the first day of delinquency all the way to the eventual write off. As at 31 December 2017, 1,738 staff were employed on an FTE basis at the RCU, including 807 FTEs in the branch network and 325 FTEs in external collection agencies and external law firms. As at 30 June 2018, the retail past due loan portfolio under RCU management amounted to €10.9 billion compared to €11.7 billion as at 31 December 2017, and €12.2 billion as at 31 December 2016.

RCU's strategy for managing delinquent retail clients is performed through a combination of channels, such as the internal collections centre ("**ICC**"), dedicated personnel in the Bank's branch network, external debt collection agencies and external law firms. It makes extensive use of information technology, call strategy and monitoring tools in the ICC to perform rigorous collections in the early stages of delinquency, while outsourcing certain (typically smaller, consumer credit) cases to external agencies which are given incentive based remuneration. It utilises a set of key performance indicators to implement restructuring solutions in respect of borrowers, which involve an analysis of such factors as the income and living expenses of the borrower, the presence and amount of collateral and the days past due of the loan. Depending on the risk profile and delinquency status of the loan, the RCU determines the strategy in accordance with a statistically driven framework. Tools employed by the RCU in respect of restructurings include additional collateral, incentives to remain current (such as forgiveness of interest or capital at maturity), maturity extension, monthly payment reduction for three to six years, or partial debt freezes ("**split balance**"). In the case of late stage delinquencies, settlements may be implemented, which include the forgiving of off balance sheet interest as well as a percentage of capital depending on the collateral and duration of the repayment schedule.

Special Assets Unit (SAU)

The Bank has established the SAU, in order to effectively manage troubled and past due corporate loans and have full responsibility for managing such loans. Since the first quarter of 2015, the SAU has been reported as a separate segment and maintains a management structure independent of other Group businesses.

The loan portfolio managed by the SAU amounted to €6.4 billion as at 31 December 2017 with an additional €0.3 billion of leasing and factoring facilities as well as exposures relating to letters of guarantee/credit. The loan portfolio managed by the SAU amounted to €5.8 billion as at 30 June 2018 with an additional €0.3 billion of leasing and factoring facilities as well as exposures relating to letters of guarantee/credit.

The SAU proposes customised loan modification and debt restructuring solutions to enterprises that are facing difficulties meeting their obligations and have operational and financial weaknesses.

There is a clear prioritisation strategy per portfolio managed, based on aging, size, collateralisation levels and status of legal actions. The SAU assesses the creditworthiness of the borrower using analytical tools and metrics, taking into consideration a number of factors, including but not limited to: cooperativeness of the borrower, the size of exposure, the borrower's viability and debt repayment capacity, collateral levels, market and competitive conditions and the industry in which it operates. Based on the results of its assessment, the SAU proposes customised loan modification and restructuring solutions for the borrowers' loans, also taking into consideration the results of a "net present value" tool. A number of restructuring products and debt settlement solutions for small customers respectively are also in place.

As at 30 June 2018, total forborne loans and advances to customers amounting to €2,459 million were under SAU management (31 December 2017: €2,457 million and 31 December 2016: €2,059 million).

NPE reduction targets

From December 2015 to June 2018, the Bank has achieved a decrease of €5.5 billion (-25%) through a combination of write offs, amounting to €3.4 billion and negative NPE formation of €2.1 billion.

Based on the Bank's NPE management strategy and the associated updated financial and operational targets and key performance indicators submitted to the SSM on 30 September 2018, the Bank has committed to reduce further its levels of NPEs by €10.0 billion (-63%) by 2021 from the end of June 2018 (€16.0 billion). Upon achieving these targets the NPE ratio will have been reduced to a level below 20%.

NPE disposals

On 2 July 2018, the Bank completed the disposal of a portfolio of non-performing unsecured retail and small business loans in Greece, of an outstanding principal amount of €2.0 billion to CarVal Investors and Intrum AB. The transaction was part of the Bank's NPE management strategy and in accordance with the NPE reduction plan submitted to the SSM. The consideration of the transaction, which amounted to approximately 6% of the total outstanding principal amount, was capital accretive, adding approximately 18 basis points to CET1.

The Bank has incorporated in its imminent NPE reduction targets two more portfolio disposals which are expected to be completed in 2019. The first portfolio disposal involves a granular portfolio of secured SBL and small SME exposures with an outstanding principal amount of approximately €1.0 billion. The transaction has been launched and is expected to be completed by the end of the first half 2019. The second portfolio disposal, currently in the structuring stage, shall involve a portfolio of unsecured retail exposures which is expected to be completed in the first half of 2019.

In parallel, the Bank is assessing alternative options and complementary actions in view of the above planned disposals in line with its NPE targets submitted for the period 2019-2021.

Cooperation with specialised servicers

On 31 July 2018, the four systemic Greek banks (Alpha Bank, the Bank, Eurobank and Piraeus Bank) entered into a servicing agreement with a credit institution, doBank S.p.A., which specialises in servicing of non-performing loans. This agreement is part of the strategic framework of the Greek systemic banks, including the Bank, to reduce their non-performing exposures by protecting the viability of small and medium enterprises and supporting the recovery of the Greek economy.

As part of its ongoing efforts to optimize its NPE management strategies, the Bank expects to examine further cooperation opportunities with specialised servicers.

Legal and Arbitration Proceedings

The Bank and certain of its subsidiaries are defendants in certain claims and legal actions and proceedings arising in the ordinary course of business. These actions and proceedings are generally based on alleged violations of consumer protection, banking, employment and other laws. None of these actions and proceedings is individually material. There are pending legal actions against the Bank from the Auxiliary Pension Plan ("**LEPETE**"), pensioners who are disputing the defined contribution status of the plan, claiming that the Bank has an obligation to cover any deficit arising.

Up to 18 March 2019, nine applications for preliminary injunctions were rejected, 21 temporary injunctive measures were ruled in favour of the Bank, whereas five injunction orders were ruled in favour of former employees. For these decisions against the Bank, the Bank recognises the relevant expense as incurred. The Bank has paid in total €541 thousand until 18 March 2019. There have been 105 legal claims of which 90 have been heard in court and 25 decisions have been issued. Seven first instance court decisions were not in favour of the Bank, and the Bank has filed 7 appeals while 18 decisions were in favour of the Bank for which 14 appeals have been filed until now. The Bank has not made any payment yet with respect to any of the decisions against it. The Group has not recorded any provisions for these pending legal actions, because management has assessed that the likelihood of the final outcome of the outstanding legal claims being negative is remote.

On a more general basis, the Group records provisions for all litigations, for which it believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. These accruals may change from time to time, as appropriate, in light of additional information. At 30 June 2018 and 31 December 2017, the Group has provided for cases under litigation the amount of EUR 72 million and EUR 76 million, respectively, for those litigations for which the Group believes that this loss is probable and reasonably estimated. For the cases for which accrual provisions has not been recognised, management is not able to estimate reasonable possible losses, because the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty of the likelihood of the final result, there is uncertainty as to the outcome of pending appeals or there are significant issues to be resolved. However, in the opinion of the management, after consultation with the Bank's internal legal function, the ultimate disposition of these cases is not expected to have a material adverse effect on the Statement of Financial Position, Income Statement or Cash Flow Statement of the Group.

Capital Requirements

The table below sets out Pillar I and Pillar II capital requirements for the Group for 2018 and 2017:

	CET1 Capital Requirements		**Total Capital Requirements**	
	2018	**2017**	**2018**	**2017**
Pillar I	4.5%	4.5%	8.0%	8.0%
Pillar II	3.0%	3.0%	3.0%	3.0%
Capital Conservation Buffer	1.875%	1.25%	1.875%	1.25%
Total	**9.375%**	**8.75%**	**12.875%**	**12.25%**

The capital adequacy ratios for the Group and the Bank as at 30 June 2018 and 31 December 2017 are set out in Note 16 to the Six Months 2018 Financial Statements (which are incorporated by reference in this Base Prospectus). See also "*Risk Factors –The Group may not be allowed to continue to recognize the main part of deferred tax assets as regulatory capital or as an asset, which may have an adverse effect on its operating results and financial condition*" and "*Risk Factors – the Group's regulatory capital may be adversely affected by the implementation of IFRS 9, as endorsed by the EU.*"

RISK MANAGEMENT

Risk Management Governance

The Group adopts practices regarding risk-management governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee on Banking Supervision, the EBA, the ECB, the Bank of Greece and the HCMC, as well as any decisions of the competent authorities supervising the Group's entities (see *"Regulation and Supervision of Banks in Greece*").

The Group's risk-governance framework comprises a number of different constituents. In particular, the Board of Directors of the Bank (the "**Board**") has established the Board Risk Committee ("**BRC**") overseeing risk management of the Group. All risk-management units report to the Group Risk Control and Architecture Division ("**GRCAD**"), the Group Market and Operational Risk Management Division ("**GMORMD**") and the Model Validation Unit ("**MVU**"), which are supervised by the Group Chief Risk Officer (the "**CRO**"). Additionally, three Credit Units, also operating under the CRO, are involved in the credit approval procedures for the Bank's corporate banking, retail banking and subsidiaries portfolios. The Credit Units perform unbiased control of the risks undertake in respect of each portfolio and have the right of veto. A separate compliance function oversees all internal and external compliance matters, such as applicable Greek and EU laws and regulations, as well as accounting standards. The Internal Audit of the Bank and the Group, which reports to the Board through the Audit Committee, complements the risk-management framework and acts as an independent reviewer (as a third line of defence), focusing on the effectiveness of the risk management framework and control environment.

Board Risk Committee

The BRC forms and submits for approval to the Board the risk appetite and risk strategy of the Bank and the Group. It also sets the principles and approves the policies that govern risk management and monitors the implementation and outcome of these policies.

Since 19 December 2013, the BRC has been composed exclusively of non-executive Board members, at least three in number, of which the majority (including the Chairman) are independent members of the Board, in accordance with the definition of independence specified in the Bank's Corporate Governance Code. The members and the Chairman of the BRC are elected by the Board of the Bank, following recommendation by the Board's CGNC.

The BRC has the responsibility to review reports and evaluate the overall risk exposure of the Bank and the Group on a regular basis, taking into account the approved risk strategy and the business plan of the Group. The proposals to the BRC are submitted by the CRO. For a further description of the BRC and a list of its current members, see "*Directors and Management—Board Committees—Board Risk Committee*".

Group Risk Management

The Bank acknowledges the need for effective risk management and has established two specialised units, the GRCAD and the GMORMD as well as an independent Model Validation Unit, to properly measure, analyse and manage the risks entailed in all of its business activities. All risk-management units of the Group report to the two aforementioned divisions.

Based on its charter, the mission of the GRCAD is to:

- specify and implement credit-risk policies, emphasising on rating systems, risk-assessment models and risk parameters, according to the guidelines set by the Board;

- assess the adequacy of methods and systems that aim to analyse, measure, monitor, control and report credit risk undertaken by the Bank and other financial institutions of the Group;

- calculate regulatory and internal capital required in respect to all banking risks and prepare relevant regulatory and internal reports; and

- establish guidelines for the development of assessment methodologies for Expected Loss and its components, i.e. Probability of Default ("**PD**"), Loss Given Default ("**LGD**") and Exposure at Default ("**EAD**") for each category of corporate and retail portfolio.

The mission of the GMORMD is to:

- plan, specify, implement and introduce market, counterparty, liquidity and operational risk policies, under the guidelines of the Board;

- assess the adequacy of methods and systems that aim to analyse, measure, monitor, control and report the aforementioned risks undertaken by the Bank and other financial institutions of the Group;

- independently evaluate financial products, assets and liabilities of the Bank and the Group; and

- regularly handle issues relevant to market, interest rate in the banking book counterparty, liquidity and operational risks, under the guidelines and specific decisions of the BRC and the Asset and Liability Committee (the "**ALCO**").

The mission of the MVU, that reports directly to the CRO is to:

- establish, manage, and enforce the Group's credit risk validation policy and market risk validation policy;

- develop model risk management standards for credit and market risk;

- update the credit risk and market risk validation policies based on applicable regulatory guidance and requirements;

- communicate and escalate model risk metrics to the Board, the BRC, the CRO and the Senior Management;

- independently validate and approve new and existing models for credit and for market risk;

- document material changes in model review reports; and

- annually recertify models and review results of ongoing monitoring.

All the above units report to the CRO.

Asset and Liability Management

The asset/liability and risk-management policy is designed to structure the balance sheet in order to control exposure to liquidity, interest rate and exchange rate risks, as well as to enable the Group to take advantage of market opportunities which may contribute to its profitability.

Although the asset and liability management policies of the Bank and the other subsidiaries in the Group are currently planned and implemented separately, the Bank's ALCO sets the general guidelines for asset and liability management. ALCO determines the Bank's and the Group's strategy and policy as to matters relating to the structuring and management of assets and liabilities, taking into account the current market conditions and the risk limits set by the Bank. The Bank's ALCO meets at least once a month and comprise the CEO, the Deputy CEOs and the General Managers of the Bank involved in the asset-allocation and risk-management functions. Day-to-day asset and liability management is delegated to the Treasury, which is divided into several operating units. The subsidiaries of the Group follow asset and liability management policies similar to those of the Bank.

For the current composition of ALCO, see "*Directors and Management—Executive Committees—Asset and Liability Committee (ALCO)*".

Internal Audit

The Group's internal audit (the "**Group Internal Audit**") is an independent function, whose objective is to provide assurance and consulting services designed to add value by making feasible and cost effective recommendations that improve the Group's operational effectiveness. Group Internal Audit contributes to the achievement of corporate objectives by (a) bringing a systematic, disciplined approach to the evaluation of the effectiveness of the corporate governance framework, risk management and internal controls, (b) recommending appropriate measures to minimise risk and improve the efficiency and effectiveness of the policies and procedures of the Group's business units, and (c) monitoring the implementation of corrective actions agreed by management.

Group Internal Audit Units ("**GIAUs**") are administratively independent from other Bank and Group units. The Chief Audit Executive is assigned and discharged by the Board, on the recommendation of the audit committee and the Bank's CEO. Any appointment, dismissal or replacement of the Chief Audit Executive is communicated to the Bank of Greece. The Group Chief Audit Executive reports functionally, through the audit committee, to the Board and administratively, directly to the CEO.

According to the charters of the GIAUs, which have been approved by the Board, GIAUs are authorised to operate at Group level and to coordinate and supervise the activities of the internal audit units (the "**IAUs**") of the Group subsidiaries. Since 2010, the Bank's GIAUs have undertaken the internal audit activities of key domestic subsidiaries aiming to improve quality of service and achieve economies of scale.

All IAUs across the Group use the same:

- internal audit methodology that has been developed by Group Internal Audit and follows the committee of Sponsoring Organisations of the Treadway Commission ("**COSO**") principles and the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors ("**IIA**"). The current internal audit methodology is in full alignment with the 2013 COSO framework;

- information systems audit methodology based on the Control Objectives for Information and Related Technology ("**COBIT**") framework recommended by the Information Systems Audit and Control association ("**ISACA**"); and

- internet based platform which allows for a more effective management of the audit activities and provides: (i) real time monitoring of the audit activities across all subsidiaries, (ii) information sharing among the Group's internal auditors and (iii) standardisation of the audit methodology.

GIAU's charters are periodically updated to ensure alignment with updates of Basel Guidelines and IIA standards.

In Q2 of 2018, Group Internal Audit finalised the implementation of its new *Continuous Audit and Fraud Detection* software platform that incorporates multiple audit scenarios that are run on a daily basis.

Group Internal Audit is periodically assessed by independent external assessors. During the last assessment which was completed in March 2018, NBG Group Internal Audit function was rated by the independent assessor at the highest rating ("generally conforms to all IIA Standards"), which represents that internal audit activity has a charter, policies, and processes that are in accordance with the IIA Standards.

Management of Specific Risks

Credit Risk

Credit risk is the risk of financial loss relating to the failure of a borrower to honour its contractual obligations. It arises in lending activities as well as in various other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Credit risk is the largest single risk the Group faces. The credit risk processes are conducted separately by the Bank and each of its subsidiaries. The credit risk procedures established by the subsidiaries are coordinated by the GRCAD.

Market Risk

Market risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, and their levels of volatility. The Group engages in moderate trading activities in order to enhance profitability and service its clients. These trading activities create market risk, which the Group seeks to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all of the Group's transactions. The most significant types of market risk for the Group are interest rate, equity and foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk related to the potential loss on the Group's portfolio due to adverse movements in interest rates. A principal source of interest rate risk exposure arises from the interest rate, over-the-counter ("**OTC**") and exchange traded, derivative transactions as well as from the trading and the held to collect and sell ("**HTCS**") bond portfolios.

The most significant contributor to market risk in the Group is the Bank. More specifically, the Bank is active in the interest rate and cross currency swap market and engages in vanilla and more sophisticated transactions for hedging and proprietary purposes and it maintains positions in bond and interest rate futures, mainly as a means of hedging and to a lesser extent for speculative purposes. Additionally, the Bank retains a portfolio of Greek T-Bills and government bonds and other EU sovereign debt, EFSF bonds, as well as moderate positions in Greek and international corporate issues.

Equity Risk

Equity risk is the risk related to the potential loss due to adverse movements in the prices of stocks and equity indices. The Group holds a limited portfolio of stocks, the majority of which are traded on the ATHEX and retains positions in stock and equity index derivatives traded on the ATHEX, as well as, on international exchanges. The cash portfolio comprises of trading (i.e. short-term) and held to collect and sell (i.e. long-term) positions. The portfolio of equity derivatives is used for proprietary trading, as well as for the hedging of equity risk arising from the Bank's cash position and equity-linked products offered to its clients. In the same context and to a lesser extent, the Group enters into OTC equity derivative transactions for trading and hedging purposes.

Foreign Exchange Risk

Foreign exchange risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Open Currency Position ("**OCP**") of the Bank primarily arises from foreign exchange spot and forward transactions. The OCP is distinguished between trading and structural. The structural OCP contains all of the Bank's assets and liabilities in foreign currency (for example loans, deposits, etc.), along with the foreign exchange transactions performed by the Treasury Division. Apart from the Bank, the foreign exchange risk undertaken by the rest of the Group's subsidiaries is insignificant.

The Group trades in all major currencies, holding mainly short-term positions for trading purposes and for servicing its institutional/corporate, domestic and international clientele. According to the Bank's policy, the OCP should remain within the limits set by the Treasury Division and the GMORMD at the end of each trading day. The same policy applies to all of the Group's subsidiaries.

Market risk on trading and held to collect and sell —Value-at-Risk (VaR)

The Bank uses market risk models and specific processes to assess and quantify the portfolio's market risk, based on best practice and industry-wide accepted risk metrics. More specifically, the Bank estimates the market risk of its trading and HTCS portfolios using the VaR methodology. This has been implemented in the Bank's risk platform which is RiskWatch by Algorithmics (currently IBM). In particular, due to the predominantly linear nature of its portfolio, the Bank has adopted the variance-covariance ("**VCV**") methodology, with a 99% confidence interval and a 1-day holding period. The VaR is calculated on a daily basis for the Bank's trading and HTCS portfolios, along with the VaR per risk type (interest rate, equity and foreign exchange risk). The VaR estimates are used internally as a risk-management tool, as well as for regulatory purposes. The GMORMD calculates the VaR of the Bank's trading and HTCS portfolios, for internal use, on a daily basis, using the latest 75 exponentially weighted daily observations to construct the VCV matrices. For regulatory purposes, the calculations apply only on the trading portfolio and the VCV matrices are based on 252, equally weighted, daily observations. The risk factors relevant to the financial products in the Bank's portfolio are interest rates, equity indices, foreign exchange rates and commodity prices. Currently the number of risk factors involved in the VaR calculations is 1,435. Additionally, the GMORMD calculates the stressed VaR ("**sVaR**") of the Bank's trading portfolio, which is defined as the VaR, where model inputs are calibrated to historical data from a continuous 1-year period of significant financial stress, relevant to the Bank's portfolio. The relevant VCV matrices are identified over a 10-year period, starting on January 2008. Similarly to VaR, the Bank calculates sVaR on a daily basis, using a 1-day holding period and 99% confidence level. Finally, the GMORMD calculates the VaR of the Bank's portfolios by applying the historical simulation approach, for comparative purposes.

The Bank has also established a framework of VaR limits in order to control and manage the risks to which it is exposed in a more efficient way. These limits are based on the Bank's Risk Appetite, as outlined in the the Bank's Risk Appetite Framework ("**RAF**"), the anticipated profitability of the Treasury, as well as on the level of the Bank's own funds (capital budgeting), in the context of the Group strategy. The VaR limits refer not only to specific types of market risk, such as interest rate, foreign exchange and equity risk, but also to the overall market risk of the Bank's trading and available-for-sale portfolios taking into account the respective diversification between portfolios.

The operation of the market risk management unit as a whole, including the VaR calculation framework, have been thoroughly reviewed and approved by the Bank of Greece, as well as by external advisors. Also, the Internal Audit assesses the effectiveness of the relevant internal controls on a regular basis. Moreover, the adequacy of the market risk management framework as well as the appropriateness of the VaR model used for the calculation of the Bank's capital requirements, were successfully reassessed during the on-site investigation that took place in the last quarter of 2017, in the context of the TRIM performed by the ECB. The final assessment report of the TRIM contained no major findings, while most of the findings reported were of the lowest severity.

The Bank is mostly exposed to interest rate risk, which is quantified through IR VaR. The evolution of the IR VaR depends on the sensitivity of the Bank's trading and HTCS portfolios to key risk factors, namely the euro swap rates and the respective government yields, as well as on the level of their volatilities.

Sensitivity to the euro swap rates in the Bank's portfolios followed a decreasing path during the first six months of 2018, as a result of a change in the trading book product mix. In parallel, the volatilities to key interest rate risk factors presented moderate fluctuations until mid-May, which combined with the decreasing levels of IR sensitivity led to a mild decrease of the IR and Total VaR. However, the political turmoil in Italy in May 2018, caused a significant increase in the volatility of the Greek sovereign yields that resulted in a corresponding sharp increase in the Bank's IR and Total VaR estimates, reaching their highest levels in mid-June and decreasing steadily thereafter in line with the respective yield volatilities trend.

Back-testing

The Bank performs back-testing on a daily basis, in order to verify the predictive power of the VaR model. In accordance with the guidelines set out in the Capital Requirements Regulation 575/2013, the calculations only refer to the Bank's trading portfolio and involve the comparison of the hypothetical and actual daily gains/losses of the portfolio with the respective estimates of the VaR model used for regulatory purposes. The hypothetical gains/losses is the change in the value of the portfolio between days t and t+1, assuming that the portfolio remains the same between the two days. In the same context, the actual gains/losses is the change in the value of the portfolio between days t and t+1, including all the transactions that took place in day t+1, excluding fees, commissions and net interest income.

Any excess of the hypothetical/actual losses over the VaR estimate is reported to the regulatory authorities within five business days. During the first semester of 2018, there was only one case in which the back-testing result exceeded the respective VaR calculation, mainly due to the fact that interest rate volatilities were at their lowest levels.

Stress Testing

The VaR model is based on certain theoretical assumptions, which do not fully capture the potential bigger movements known as "tail events" in the markets.

To enhance the predictability of the Bank's VaR model and minimise the effect of the aforementioned limitations, the Bank performs stress testing on a weekly basis. The aim of stress testing is to evaluate the gains or losses that may occur under extreme market conditions and applies on both trading and held to collect and sell portfolios. The scenarios used are presented in the following tables:

Interest rate-related scenarios

Scenario	**Description**	• **0-3 Months**	• **3 Months-5 Years**	• **>5 Years**
1	Parallel Curve Shift	+200 bp	+200 bp	+200 bp
2	Parallel Curve Shift	−200 bp	−200 bp	−200 bp
3	Steepening	0 bp	+100 bp	+200 bp
4	Flattening	+200 bp	+100 bp	0 bp

Stock market indices-related scenarios

Scenario	Description
1	−30% for all indices

Foreign exchange rate-related scenarios

Scenario	Description
1	€ depreciation by 30%
2	€ appreciation by 30%

Limitations of the VaR model

The VaR model is based on certain theoretical assumptions, which under extreme market conditions might not capture the maximum loss the Bank may suffer. The restrictions of this methodology are summarised as follows:

- The use of volatilities and correlations as predictive measures for the behaviour of risk factors in the future might prove insufficient in periods of intense volatility in financial markets;
- The ten-day holding period for VaR calculations (used for regulatory purposes and capital allocation) implies that the Bank will be able to liquidate all of its trading positions within this time period. This assumption might underestimate market risk in periods of insufficient liquidity in financial markets;
- VaR refers to the plausible loss at a 99% confidence interval, without taking into account any losses beyond that level;
- All VaR calculations are done on a close-of-business ("**COB**") basis and not on an intraday basis, thus not taking into account the respective portfolio changes;
- VaR estimates rely on small changes in the level of the relevant risk factors. For bigger movements (tail events), this metric might not fully capture the impact on the value of the portfolio; and
- Returns on individual risk factors are assumed to follow a normal distribution. If this assumption does not hold, the probability of extreme market movements could be underestimated.

Counterparty Credit Risk

Counterparty credit risk ("**CCR**") for the Group is due to OTC transactions and other interbank secured and unsecured funding transactions and it arises from the obligor's failure to meet their contractual obligations. For the efficient management of CCR, the Bank has established a framework of counterparty limits. The GMORMD is responsible for setting these limits and monitoring the respective exposures.

Counterparty limits are based on the credit rating of the financial institutions as well as the product type. The credit ratings are provided by internationally recognised rating agencies, in particular by Moody's and S&P. According to the Bank's policy, if the agencies diverge on the creditworthiness of a financial institution, the lowest credit rating is considered.

Counterparty limits apply to all financial instruments in which the Treasury is active in the interbank market. The limits framework is revised annually according to the business needs of the Bank and the prevailing conditions in international and domestic financial markets. A similar limit structure for the management of counterparty credit risk is enforced across all of the Group's subsidiaries.

The estimation of counterparty exposure depends on the type of the financial product. In the case of money market placements, exposure is equal to the face amount of the transaction. In over-the-counter transactions, exposure is calculated based on Credit Equivalent Factors, according to the type of transaction, its maturity, netting and collateralisation.

The Group seeks to reduce counterparty credit risk by standardising the terms of the agreements with counterparties through ISDA and GMRA contracts, which encompass all necessary netting and margining clauses. Additionally, for almost all active counterparties, Credit Support Annexes have been signed, so that net current exposures are managed through margin accounts, on a daily basis, by exchanging cash or debt securities as collateral.

The Group avoids taking positions on derivative contracts where the values of the underlying assets are highly correlated with the credit quality of the counterparty (wrong-way-risk).

Interest Rate Risk in the Banking Book

Interest rate risk in the banking book is the current or prospective risk to earnings (net interest income) and capital due to adverse movements in interest rates affecting the banking book positions. Exposure to interest rate risk in the banking book arises from re-pricing mismatches between assets and liabilities. The Group's banking book consists mainly of loans and advances to customers, cash and balances with central banks, due from banks, securities classified as loans and receivables and held to maturity, due to customers, due to banks, debt securities in issue and other borrowed funds that are measured at amortised cost. The Group maintains adequate measurement, monitoring, and control functions for interest rate risk in the banking book, including:

- measurement systems of interest rate risk that capture all material sources of interest rate risk and that assess the effect of interest rate changes in ways that are consistent with the scope of the Group's activities;
- measurement of vulnerability to loss under stressful market conditions;
- processes and information systems for measuring, monitoring, controlling, and reporting interest rate risk exposures in the banking book; and
- a documented policy regarding the management of interest rate risk in the banking book.

Foreign Exchange Risk

The Group's and the Bank's exposure to foreign exchange risk, before taking into consideration the effect of hedging, is presented in the following tables. As described above, at the end of day OCP has to comply with the limits set by the Treasury Division and the GMORMD. Compliance is achieved by entering into appropriate offsetting positions. Consequently, the net exposure to each foreign currency is maintained at low levels and within the pre-approved limits.

The Group's foreign exchange risk concentration as at 31 December 2017 and 2016 was as follows:

	As at 31 December 2017						
	EURO	**USD**	**GBP**	**JPY**	**CHF**	**Other**	**Total**

Assets							
Cash and balances with central banks............	1,649	22	3	-	2	102	**1,778**
Due from banks..	1,463	156	28	18	29	42	**1,736**
Financial assets at FV through Profit or Loss...	1,748	32	-	-	-	13	**1,793**
Derivative financial instruments.....................	3,486	122	9	2	54	8	**3,681**
Loans and advances to customers..................	34,873	1,715	29	-	630	694	**37,941**
Investment securities - Available-for-sale	680	19	-	-	-	163	**862**
Investment securities - Held-to-maturity	696	-	-	-	-	-	**696**
Investment securities - Loans-and-receivables...	2,221	1	-	-	-	-	**2,222**
Investment property.......................................	852	-	-	-	-	22	**874**
Equity method investments	8	-	-	-	-	-	**8**
Goodwill, software & other intangibles..........	130	-	-	-	-	2	**132**
Property & equipment	1,071	-	-	-	-	15	**1,086**
Other assets	6,878	31	8	1	1	30	**6,949**
Total assets excl. assets held-for-sale........	**55,755**	**2,098**	**77**	**21**	**716**	**1,091**	**59,758**
Assets held-for-sale	3,920	69	4	2	205	810	**5,010**
Total assets...	**59,675**	**2,167**	**81**	**23**	**921**	**1,901**	**64,768**
Liabilities							
Due to banks..	7,225	67	3	-	46	-	**7,341**
Derivative financial instruments.....................	3,635	137	16	1	2	7	**3,798**
Due to customers...	36,775	1,893	149	1	42	1,405	**40,265**
Debt securities in issue & Other borrowed funds..	1,193	-	-	-	-	4	**1,197**
Other liabilities..	949	27	2	-	-	33	**1,011**
Retirement benefit obligations........................	253	-	-	-	-	1	**254**
Total liabilities excl. liabilities held-for-sale..	**50,030**	**2,124**	**170**	**2**	**90**	**1,450**	**53,866**
Liabilities held-for-sale	2,717	59	5	-	8	734	3,523
Total liabilities.................................	**52,747**	**2,183**	**175**	**2**	**98**	**2,184**	**57,389**
Net on balance sheet position.................	**6,928**	**(16)**	**(94)**	**21**	**823**	**(283)**	**7,379**

	As at 31 December 2016						
	EURO	**USD**	**GBP**	**JPY**	**CHF**	**Other**	**Total**
Assets							
Cash and balances with central banks............	1,205	28	6	-	10	252	**1.501**
Due from banks..	1.822	263	36	10	26	69	**2.227**

Financial assets at FV through Profit or Loss	1,791	77	-	-	-	11	**1.879**
Derivative financial instruments	4.267	164	8	4	30	9	**4.482**
Loans and advances to customers	37.342	2.045	94	1	972	1.189	**41.643**
Investment securities - Available-for-sale	2,095	23	-	-	-	516	**2.634**
Investment securities - Held-to-maturity	149	-	-	-	-	-	**149**
Investment securities - Loans-and-receivables	10.099	-	-	-	-	-	**10.099**
Investment property	844	-	-	-	-	25	**869**
Equity method investments	7	-	-	-	-	-	**7**
Goodwill, software & other intangibles	126	-	-	-	-	11	**137**
Property & equipment	1,224	-	-	-	-	62	**1.286**
Insurance-related assets and receivables	509	1	-	-	-	5	**515**
Other assets	7,234	89	3	1	2	46	**7.378**
Total assets excl. assets held-for-sale	**68.714**	**2.690**	**147**	**16**	**1.040**	**2.195**	**74.806**
Assets held-for-sale	1.789	225	31	-	5	1.674	**3.725**
Total assets	**70.503**	**2.915**	**178**	**16**	**1.045**	**3.869**	**78.531**
Liabilities							
Due to banks	18.040	93	-	-	45	10	**18.188**
Derivative financial instruments	4.836	298	23	2	10	-	**5.169**
Due to customers	35.919	2.101	157	1	60	2.221	**40.459**
Debt securities in issue & Other borrowed funds	669	-	-	-	-	4	**673**
Insurance-related reserves and liabilities	2.201	1	-	-	-	5	**2.207**
Other liabilities	928	8	3	1	-	41	**980**
Retirement benefit obligations	266	-	-	-	-	3	**269**
Total liabilities excl. liabilities held-for-sale	**62.859**	**2.501**	**183**	**3**	**115**	**2.284**	**67.945**
Liabilities held-for-sale	847	242	32	-	5	1.873	2.999
Total liabilities	**63.706**	**2.743**	**215**	**3**	**120**	**4.157**	**70.944**
Net on balance sheet position	**6.797**	**172**	**(37)**	**13**	**925**	**(283)**	**7.587**

Country Risk

Country risk is the current or prospective risk to earnings and capital, caused by events in a particular country which are at least to some extent under the control of the government but definitely not under the control of a private enterprise or individual. The main categories of country risk consist of sovereign risk, convertibility risk and transfer risk. Sovereign risk stems from a foreign government's lack of capacity and/or willingness to repay its debt or other obligations. Convertibility and transfer risk arise when a borrower is unable to convert funds from local to foreign currency in order to repay

external obligations. Therefore, country risk refers to all cross-border transactions, either with a central government, or with a financial institution, a corporate or a retail client.

The on and off balance sheet items which potentially entail country risk are the following:

- participation in the equity of the Group's subsidiaries, which operate in other countries;
- interbank secured and unsecured placements and the risk that arises from OTC transactions, with financial institutions which operate abroad;
- loans to corporations or financial institutions that operate abroad, positions in corporate bonds and cross-border project finance loans;
- funded and unfunded commercial transactions with foreign counterparties; and
- holdings of foreign sovereign debt and the sale of protection through credit default swaps, where the underlying reference entity is a sovereign.

In this context, the Bank's exposure to country risk arises from the participation in the Group's subsidiaries operating abroad, the Bank's holdings in foreign sovereign bonds and cross border activities in the form of interbank/commercial transactions and corporate lending.

GMORMD monitors the country risk arising from the Bank's operations on a daily basis, mainly focusing on the countries of SEE, Cyprus, Egypt and Malta where the Group has presence.

Liquidity Risk

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (term liquidity risk) or unexpectedly high outflows (withdrawal/call risk). Liquidity risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner and on reasonable terms.

The Bank's executive and senior management has the responsibility to implement the liquidity risk strategy approved by the Board Risk Committee ("**BRC**") and to develop the policies, methodologies and procedures for identifying, measuring, monitoring and controlling liquidity risk, consistent with the nature and complexity of the relevant activities. The Bank's executive and senior management is informed about current liquidity risk exposures, on a daily basis, ensuring that the Group's liquidity-risk profile stays within the approved levels.

In addition, top management receives a liquidity report on a daily basis, which presents a detailed analysis of the Group's funding sources and counterbalancing capacity. Moreover, the Asset Liability Committee ("**ALCO**") monitors the gap in maturities between assets and liabilities as well as the Bank's funding requirements based on various assumptions, including conditions that might have an adverse impact on the Bank's ability to liquidate investments and trading positions and its ability to access the capital markets. On a long-term perspective, the Loans-to-Deposits ratio[9] is monitored. This ratio stood at 72.8% and 73.5% as of 30 June 2018, on a domestic (Greece) and on a Group level, respectively.

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[9] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

Since liquidity risk management seeks to ensure that the respective risk of the Group is measured properly and is maintained within acceptable levels then, even under adverse conditions, the Group must have access to funds necessary to cover customer needs, maturing liabilities and other capital needs, while simultaneously maintaining the appropriate counterbalancing capacity to ensure the above. In addition to the Bank's liquidity buffer, the rest of the Group's subsidiaries maintain a liquidity buffer well above 10% of their total deposits, which ensures their funding self-sufficiency in case of a local crisis.

The Bank's principal sources of liquidity are its deposit base, Eurosystem funding via the Main Refinancing Operations ("**MROs**") and the Targeted Longer-term Refinancing Operations ("**TLTROs**") with ECB and repurchase agreements (repos) with major foreign Financial Institutions ("**FIs**"). ECB funding and repos with FIs are collateralised mainly by high quality liquid assets, such as EFSF bonds, EU sovereign bonds, Greek government bonds and T-Bills, as well as by other assets, such as highly rated corporate loans and covered bonds issued by the Bank.

The Bank's liquidity profile was improved during the first half of 2018. The customer deposits increased by €0.9 billion and stood at €39.8 billion as of 30 June 2018. Moreover, the exposure to Eurosystem funding remained stable and stood at the historically low level of €2.75 billion, comprised exclusively of TLTROs. Furthermore, the Bank completed the exchange of EFSF bonds in the context of the short-term debt relief measures for Greece, by selling a remaining position in the amount of €1 billion, in January 2018. Additionally, the liquidity position was further enhanced through the deleveraging of loans portfolio in the amount of €0.5 billion. Finally, secured funding through repos with FIs moderately increased by €0.1 billion and stood at €3.5 billion.

Furthermore, the LCR was significantly improved and stood at 78% and 86% at Bank and Group level, respectively, as at 30 June 2018. In addition, the Bank remained out of the ELA mechanism, retaining eligible collateral to draw liquidity from other sources ("**Distance to ELA**") in the amount of €4 billion. Overall the Bank's liquidity buffer increased by €2.1 billion and stood at €13.8 billion as of 30 June 2018, of which €4.2 billion was either in the form of cash or deposited in Nostro accounts and in the Bank's current account with the Bank of Greece as excess reserves, while €0.4 billion was collateral eligible for funding with the ECB, and €0.1 billion was collateral that could be used for secured funding with FIs and the remaining €9.1 billion was collateral that could be posted in order to draw liquidity from ELA. Finally, the Bank's funding cost slightly decreased and stood at 0.48%.

Insurance risk

The insurance policies issued by the Group carry a degree of risk. The risk under any insurance policy is the possibility of the insured event resulting in a claim. By the very nature of an insurance policy, risk is based on fortuity and is therefore unpredictable.

The principal risk that the Group may face under its insurance policies is that the actual claims and benefit payments or the timing thereof, differ from expectations. This could occur because the frequency or severity of claims is greater than estimated. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events such as earthquakes, industrial disasters, fires, riots or terrorism.

The above risk exposure is mitigated by diversification across a large portfolio of insurance policies. The variability of risks is also improved by the careful selection and implementation of the Group's underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based on assumptions and statistics and the Group's empirical data, taking into consideration current trends and market conditions.

Reinsurance arrangements include proportional, optional facultative, excess of loss and catastrophe coverage.

Operational risk

Operational risk arises from the possibility of human error, inadequate or faulty internal processes, system failures and/or as a result of external events. This definition includes legal risk, but excludes strategic and/or business risk and reputational risk.

The Bank has also adopted the definitions of EBA for Conduct, Information & Communication Technology ("**ICT**") and Model Risk, as sub-categories of Operational Risk.

The Group, recognises the importance of operational risk, and has established a high quality effective framework for its management across all Group operations since 2007, namely the Operational Risk Management Framework ("**ORMF**").

Operational risk management is integrated into the day-to-day business, adding value to the organisation based on the following pillars:

- Knowledge of the real losses associated with this type of risk through the Loss Collection process and the maintenance of a sound and consistent loss database;
- Identification, prioritisation and management of real and potential risks, through the Risks and Control Self-Assessment ("**RCSA**") process;
- Prioritisation of efforts to mitigate the relevant risks and losses through the determination, update and monitoring of Remediation Plans;
- Analysis of operational risks over time and identification of warning signals through the definition and monitoring of Key Risk Indicators;
- Reduction of the Group's exposure to extreme events through the Structured Scenario Analysis process.

All of the above improve the control environment and strengthen the corporate culture of the Group, while generating a positive reputational impact.

The Bank has adopted the standardised approach for the calculation of operational risk regulatory capital requirements, both on a solo and on a consolidated basis.

DIRECTORS AND MANAGEMENT

Board of Directors

The Bank is managed by the Board of Directors (the "**Board**"), which is responsible for ensuring strategic direction, management supervision and adequate control of the Bank, with the ultimate goal of increasing the long-term value of the Bank and protecting the corporate interest at large, in compliance with the current legal and regulatory framework, including the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee.

The Board's tasks, key responsibilities and authorities are set out in Greek law 4548/2018 (which repealed Greek company law 2190/1920 and is in force since 1 January 2019), Greek law 4261/2014, EU Regulation 468/2014, Greek Law 3016/2002, Greek Law 3864/2010, as each time in force, and the Relationship Framework Agreement between the Bank and the HFSF and in the Bank's Articles of Association and in its Corporate Governance Code.

Appointment of Directors and Operation of the Board

The members of the Board are elected by the Bank's General Meeting of Shareholders for a term that cannot exceed three years and ends at the ordinary General Meeting of the Shareholders in the year in which such provisioned term expires. Uneven terms of office may be provisioned for each Director, insofar as this is prescribed by the current legal and regulatory framework. All members can be re elected, subject to the meeting of requirements set by the relevant applicable legal and regulatory framework. The General Meeting of Shareholders determines each time the exact number of the members of the Board (the Board may consist of a minimum of 7 up to a maximum of 15 members and must always be an odd number) and its independent members.

A HFSF representative also participates in the Bank's Board, in line with Greek Law 3864/2010, as in force. In accordance with the Amended Relationship Framework Agreement between the Bank and the HFSF, signed in December 2015, the HFSF is also entitled to the appointment of an observer without voting rights (the "**HFSF Observer**").

Furthermore, until 22 July 2016, pursuant to the Bank's participation in the Hellenic Republic Bank Support Plan Greek law 3723/2008, the Hellenic Republic had the right to participate in the Board through the appointment of a representative. However, as the Bank no longer benefits from any support under the Hellenic Republic's Bank Support Plan, the Bank is no longer subject to the provisions of Greek Law 3723/2008 and the representation of the Hellenic Republic on the Bank's Board has been ceased.

In June 2017, an Employees' representative was appointed as observer in the Board (the "**Observer Employee Representative**") with all rights of a board member except voting rights. The Observer Employee Representative has consultation rights on the HRRC agenda, monthly access to the Chair of the HRRC to discuss proposals or matters of concern and the right to address the HRRC on request.

The Board's members can be removed at any time by the General Meeting of the shareholders of the Bank (the "**General Meeting**"). In the event that a member ceases to participate in the Board, due to resignation, disease or having forfeited their office for whatever reason, and in case its replacement by deputy members, that have potentially been elected by the General Meeting is impossible, the rest of the members may either provisionally elect another member to cover the unoccupied seat for the period of time that remains until the replaced member's term of office ends, or may continue to manage and represent the Bank without replacing the missing Director(s), provided that the number of the remaining Directors shall remain within the range prescribed by the applicable framework and the

Bank's by laws (currently at least seven). In the event that a new Director is provisionally elected, the election shall be valid for the remaining term of office of the Director replaced and is announced by the Board at the immediately following General Meeting, which may replace the Directors even if no relevant item is included on the agenda. Under all circumstances, the remaining Directors, irrespective of number, may call a General Meeting solely for electing a new Board.

The Board elects, by absolute majority from its members, the Chairman and the Chief Executive Officer who manages the affairs of the Bank, and decides on the appointment of executive and non-executive members of the Board. Moreover, the Board may also elect from among its members one or more Vice Chairman/(men). Furthermore, the Board decides on the appointment and duties of Deputy Chief Executive Officers. The Bank constantly monitors developments internationally in the field of corporate governance and aims to adopt best practices and continuously updates its corporate governance framework, in which context, as well as in accordance with the current regulatory framework and best practices in corporate governance, the Bank distinguishes the role of the Chairman from that of the Chief Executive Officer.

The Board is constituted into a body at its first meeting following each election of Directors by the General Meeting, as well as under any circumstances when the Chairman's or the Chief Executive Officer's post is vacated for whatever reason. Until the Board elects a new Chairman or Chief Executive Officer, the relevant duties are exercised by the substitute thereof. Furthermore, the Board may be constituted into a body anytime, following relevant decision by majority, determining anew its executive and non-executive members.

The Board convenes as prescribed by Greek legislation, the Bank's Articles of Association and its Corporate Governance Code, as well as according to the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee. The Board is convened (a) by the Chairman, upon invitation sent by the Board Secretary to the Board members at least three business days before the meeting. The invitation must clearly specify the items on the agenda, otherwise decisions cannot be reached unless all members of the Board are present or represented at the meeting and no member objects to decision making; or (b) by the Chairman upon request by two members, within seven days from the submission of the written request, which should clearly specify the agenda of the Board meeting requested; or (c) by the Chairman upon request of the HFSF representative within seven days from the submission of the request to the Chairman. In case the Board Chairman does not proceed with convocation of the Board upon request of two members or the HFSF representative within the above deadline or does not include in the invitation all proposed items on the agenda, then the two members or the HFSF representative respectively are able to convene the Board within five days from expiry of the above deadline of seven days. The invitation shall be notified to all Board members and to the HFSF Observer.

Any member may request the Chairman to include one or more items on the agenda of the next Board meeting. Two or more members may require the Chairman to include one or more items on the agenda of the next Board meeting. The HFSF representative also has the right to include items on the agenda and, to that end, must send to the Chairman of the Board in writing, the proposed/additional items at least two business days prior to the date of the Board meeting. The Chairman of the Board must include those items on the agenda of the scheduled Board meeting.

The Board forms a quorum and validly deliberates when one-half plus one of the Board are present or represented, but under no circumstances may the number of Directors present be less than five. The Articles of Association describe in detail the requirements of Directors' representations for valid resolutions adoption.

In the context of further enhancing the efficient operation of the Board, in mid-2016 the Bank proceeded with the implementation of a special Board Secretariat system to further support operation of the Board. A new upgraded Board Secretariat System was installed in February 2018. The use of

this system has enhanced procedures for providing Board members with appropriate information and notifications, accessing remotely the Board's and Board Committees' materials and facilitate exchange of opinions and commenting on issues placed under consideration of the Board and Board Committees and better monitoring of issues discussed by the Board and its Committees.

Responsibilities of the Board

Among other matters, the Board is responsible for:

- reviewing and approving the strategic direction of the Bank and the Group, including the business plan, the annual budget and the key strategic decisions as well as providing guidance to the Bank's and the Group's Management;
- reviewing the Group's corporate structure, monitoring its embedded risks and ensuring the cohesiveness and effectiveness of the Group's corporate governance system;
- acquiring shareholdings in other banks in Greece or abroad, or divestment thereof;
- establishing branches, agencies, and representation offices in Greece and abroad;
- establishing associations and foundations under Article 108 and participating in companies falling under Article 784 of the Greek Civil Code;
- approving the Bank's internal labour regulations;
- nominating General Managers and other executives of the Bank, as appropriate in line with the applicable framework and accordingly following proposals by the Bank's responsible bodies;
- reviewing and approving the Group and the Bank's annual and interim financial report;
- issuing Bonds of any type, with the exception of those for which the Bank's General Meeting is exclusively responsible in accordance with the Greek law;
- approving and reviewing a Code of Ethics for the employees of the Bank and the Group and the Code of Ethics for financial professionals;
- approving the Bank's and the Group's corporate social responsibility ("**CSR**") Policy; and
- approving and reviewing the Group Remuneration Policy upon decision of its non-executive members, following recommendation by the HRRC of the Board.

Moreover, pursuant to Article 10 of Greek Law 3864/2010 (the "**HFSF Law**"), as in force, as well as according to the Amended Relationship Framework Agreement entered into with the HFSF, the representative of the HFSF may, *inter alia*, veto the decision making process of the Board in relation to dividend allocation and remuneration of the Chairman of the Board and Board members, the Chief Executive Officer, the Deputy Chief Executive Officers as well as the General Managers and their substitutes. (See, "*Regulation and Supervision of Banks in Greece – The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework – Powers of the HFSF*" for the HFSF's powers below).

The Bank's Board is supported by six Board Committees, which have been established and operate for this purpose, namely the "Strategy and Transformation Committee", the "Board Risk Committee", the "Audit Committee", the "Corporate Governance and Nominations Committee", the "Human Resources and Remuneration Committee" and the "Ethics and Culture Committee" (established in July 2018), the operations of which are in accordance with legislation and the regulatory framework,

including the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee (See "*Board Committees*" below).

Directors Nomination

The nomination procedure and the qualification criteria for Directors (excluding the HFSF representative) are subject to specific rules that are set out by Greek laws 4261/2014, 3016/2002, 3864/2010, as in force, the Executive Committee Act No 142/11.6.2018 of the Bank of Greece, the EU Regulation 468/2014, the Amended Relationship Framework Agreement between the Bank and the HFSF, the Bank's Articles of Association, the Corporate Governance Code and the Directors' Nomination Policy. Each nominee fulfils such criteria that ensure the appropriate governance and guidance of the Bank's strategy in respect of economic, business and policy issues, so as to insure the required approval of the supervisory authorities in national and European level.

According to para. 1(b) of Article 9 of the Bank's Articles of Association, the General Meeting of the Shareholders is the sole corporate body vested with the authority to elect members of the Board and their substitutes, as well as to determine the independent non-executive members. Exceptionally, according to the provisions of para. 3 of Article 18 of the Bank's Articles of Association and para. 7 article 18 of Greek law 2190/1920, in the event that as a result of resignation, death or forfeiture for whatever reason a Director ceases to be on the Board and his replacement by substitute Directors elected by the General Meeting is not feasible, the remaining Directors may either provisionally elect another Director to fill the vacancy for the remaining term of office of the Director replaced, or continue to manage and represent the Bank without replacing the missing Director(s), provided that the number of the remaining Directors shall be within the range prescribed by the applicable framework (currently at least seven).

Moreover, according to Greek law 2190/1920, each shareholder can propose to the General Meeting of the shareholders one candidate for Board membership and this right (to propose one candidate to the general meeting of the shareholders), is also given to the Board. To this end, according to the Bank's Corporate Governance Code, the Board, assisted by the Board's corporate governance and nominations committee ("**CGNC**"), proposes to the General Meeting candidate Directors on the basis of the Nominations Policy which requires them to meet the "fit and proper" criteria and not have any systematic conflict of interest with the Bank. It is not necessary for the Board to submit a separate proposal for the positions of Chairman of the Board and Chief Executive Officer.

Following the election of the new members of the Board by the General Meeting of the Shareholders, the Board in its first meeting elects its Chairman and the Chief Executive Officer who manages the Bank, by absolute majority among its members. According to the Bank's Corporate Governance Code, the Bank distinguishes the role of the Chairman of the Board and the role of the Chief Executive Officer. Moreover, the Board has the authority to elect Vice Chairman(men) and to decide on the appointment and duties of the Deputy Chief Executive Officers.

In selecting and proposing to the General Meeting of the Shareholders potential members of the Board, or in appointing new members in replacement of members who for whatever reason cease to be on the Board, the Board shall endeavour to propose candidates who meet the fit and proper requirements, as set out in the applicable framework, who do not have any systematic conflict of interest with the Bank and whose nomination ensures that the Board as a collective body presents especially the following basic profile:

- has in-depth knowledge of the financial industry, counting among its members individuals who are serving or have served in the past in leadership positions in financial institutions; The Board shall have the appropriate mix and experience in financial services or commercial banking and adequate time to provide effective oversight of a Group that offers a diverse range of financial services and operates on an international scale. Some of its members have significant long time

experience in financial management, accounting, and risk and capital management and control. Board members must also be aware of the legal and regulatory requirements of the banking industry;

- possesses significant business and professional experience counting among its members, individuals that are serving or have served as Chairmen, Chief Executive Officers or senior managers of large organisations and have built a reputation that demonstrates the ability to form judgements over important and sensitive matters upon which the Board is called to decide;

- has a full understanding of the Bank's client base structure and dynamics, and of the main geographic markets in which the Bank is currently active;

- has considerable international experience and is able to contribute to NBG's aspirations in the geographical region in which the Bank is active;

- has the financial expertise required to provide effective oversight of a diversified financial services Group that operates on an international scale; and

- ensures, as far as possible, an adequate representation of the two genders.

The Bank's Corporate Governance Code, as well as the Directors' Nomination policy describe specific suitability criteria that shall be met by candidates as regards professional competencies that are incompatible with the position of Board member at the Bank, criteria concerning independence of non-executive members, participation of candidates on other boards, as well as other cases that are incompatible with the position of Board member. All the above aim to ensure the best composition for the Board. In March 2018, the HFSF published its revised Guidelines on the Board's selection and appointment process of Greek systemic banks. The Bank monitors developments in the applicable framework and relevant guidelines and best practices and proceeds to the actions deemed appropriate in order to ensure that the policies followed are in alignment with the each time applicable regulatory framework and relevant guidelines.

In any case, the Bank is subject to the provisions of the Amended Relationship Framework Agreement in place with the HFSF, and particular eligibility criteria foreseen by Greek law 3864/2010, as in force.

Evaluation of the Chief Executive Officer, the Board and the Board Committees

According to the Bank's Corporate Governance Code, the Board has a self-assessment system to evaluate the effectiveness of its work and that of its Committees, based on a methodology formulated and approved by the CGNC.

In alignment with the Amended Relationship Framework Agreement between the Bank and the HFSF, the Policy and Procedures for the annual evaluation of the Board has been revised, in May 2016. This Policy sets out the procedures for the evaluation of the Board and Board Committees collective performance as well as for the evaluation of the members of the Board on an individual basis.

The Board and its Committees have decided to conduct thier self-assessment concerning the year 2018 during the second semester of 2019; while in 2018 the Board of Directors, and its Committees, carried out their self-assessment concerning the year 2017, as well as the performance assessment of the Board members, on an individual basis, according to the provisions of the abovementioned Policy, through relevant questionnaires that included questions addressing (i) the Bank's priorities; (ii) the applicable regulatory framework and best practices in corporate governance; and (iii) the use of the new Board secretariat Software. The said questionnaires have been completed by the members of the

Board. The results of the self-assessment of the Board and its Committees are processed by the competent Board Committee, i.e. the CGNC of the Board and the Chairman of the Board.

In addition, during 2017 the HFSF performed its own evaluation of the Board, in collaboration with independent consultants and in accordance with Article 10 of Greek Law 3864/2010 as amended and currently in force. In particular, as prescribed by Article 10 of Greek Law 3864/2010 as in force, the HFSF, with the assistance of an independent consultant of international reputation and established experience and expertise, shall evaluate the Bank's corporate governance arrangements of credit institutions with which the HFSF has signed an Amended Relationship Framework Agreement. Specifically, Article 10 of Greek Law 3864/2010 states that the evaluation involves the size, organisation, structure, and allocation of tasks and responsibilities within the Board and its Committees in view of the business needs of the credit institutions, while the evaluation also extends to the individual members of the boards and the Committees concerned.

The results of the HFSF evaluation of the Board have been reviewed and discussed at the level of the Board by the competent Board Committee, being the CGNC of the Board and the Bank has proceeded to corrective action which has been closely monitored.

Directors Remuneration

The Board formulates a proposal on the remuneration of its members for the services they provide, which is submitted to the General Meeting. This proposal is formulated in line with the legal and regulatory framework to which the Bank is subject and, in line with the Bank's Remuneration Policy (the "**Remuneration Policy"**), the regulation of the HRRC of the Board, as well as industry best practices, in a way that adequately reflects the time and effort the members are expected to contribute to the work of the Board, while at the same time promoting effectiveness of the Board's operations. The remuneration of the Board's Chairman, the Chief Executive Officer and the Executive Board Members is proposed by the CGNC consisting of non-executive members of the Board. Remuneration is ultimately approved by the General Meeting of Shareholders, which is competent to approve Board members' remuneration.

According to Article 10 of Greek Law 3864/2010, as in force, the representative of the HFSF can, *inter alia*, exercise his/her veto right in the Board decision making process with regards to the distribution of dividends and the remuneration policy for the Chairman of the Board, the Chief Executive Officer, the Deputy Chief Executive Officers and other Board members, the General Managers and their deputies. Compensation of the aforementioned persons shall in no case exceed compensation of the Governor of the Bank of Greece. For the Bank, which received a capital injection from HFSF in 2015, the remuneration cap will be re-evaluated in line with the European Commission Banking Communication of 1 August 2013, point 38 and shall be prolonged until the end of the restructuring period. According to the HFSF Law as in force, it is prohibited for the Bank to award variable remuneration (bonuses) to the Chair of the Board, the Chief Executive Officer and other Board members or General Managers and their deputies, while the Bank participates in recapitalisation programmes. With regards to executive members of the Board, the Bank has adopted a Remuneration Policy which determines their remuneration within the broader context of determining senior executives' remuneration, and with the aim of promoting meritocracy and creating a culture and mentality of focusing on performance, while being aligned with the applicable framework. During 2017, no variable remuneration was granted to the Chairman and the executive members of the Board, while the remuneration of non-executive directors does not include bonuses in accordance with the Remuneration Policy of the Bank.

On 26 July 2018, following the proposal by the Board after relevant recommendation of the Board's HRRC and CGNC, the Annual General Meeting of the Shareholders approved the remuneration of the members of the Board of the Bank for the fiscal year 2017, according to para. 2 of Article 24 of Company law 2190/1920, and determined the remuneration of the Chairman of the Board, and executive and non-executive members of the Board until the Annual General Meeting of 2019.

Additionally, the Annual General Meeting approved for the fiscal year 2017, the remuneration of the members of the Board for their participation at the Bank's audit committee, the CGNC, the HRRC, the BRC and the STC, and determined their remuneration until the Annual General Meeting of 2019, as per the relevant regulatory framework.

Board Structure

Pursuant to Greek Law 3864/2010 and the Amended Relationship Framework Agreement between the Bank and the HFSF, the HFSF participates in the Board through the appointment of a representative (the HFSF Observer, as described above). As notified to the Bank by HFSF's Letter dated 23 July 2018, the duties of the HFSF's Representative, in the context of Law 3864/2010, are exercised by Mr Periklis Drougkas. The HFSF representative is entitled to participate in Board Committees and committees which do not solely comprise executive members, and has the rights and authorities prescribed by Greek Law 3864/2010 as in force and the Relationship Framework Agreement between the National Bank of Greece and the HFSF.

Moreover, in June 2017, the Observer Employee Representative was appointed as observer in the Board with all rights of a board member except voting rights. The Observer Employee Representative has consultation rights on the HRRC agenda, monthly access to the Chair of the HRRC to discuss proposals or matters of concern and the right to address the HRRC on request.

The current Board of Directors, whose term expires in 2021, reconstituted into a body at the meeting of the Board of Directors on 27 December 2018.The following table sets forth the current Board

Name	Position in Board	Start of Term[10]	End of Term	Profession/ Main Expertise, Experience	Principal activities performed outside of NBG
Board of Directors of the Bank					
Costas Michaelides	Chair (Non-executive Member)	26 July 2018	2021	Chair of the Board	-
Executive members					
Paul Mylonas	Chief Executive Officer	26 July 2018	2021	Chief Executive Officer	-
Panos Dasmanoglou	Executive Member	26 July 2018	2021	Executive Board Member	-
Dimitrios Kapotopoulos	Executive Member	24 January 2019	2021	Executive Board Member	-

[10] *Date of election of the Members of the Board by the Annual General Meeting of Shareholders of 2018*

Non-executive members

Yiannis Zographakis	Member	26 July 2018	2021	Banking Experience	Participation in Board of Directors of Bank of Cyprus

Independent non-executive members

Claude Piret	Member	26 July 2018	2021	Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force. Risk experience/ Financial Services	-
Haris Makkas	Member	26 July 2018	2021	Economist / Financial Services	-
Eva Cederbalk	Member	26 July 2018	2021	Independent Non-Executive Expert Member as prescribed by Art. 10 of Greek Law 3864/2010 as in force Banking Experience	Participation in Board of Directors of Ikano SA, Svolder AB
Andrew McIntyre	Member	26 July 2018	2021	Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force. Risk and Financial Audit Expertise	Participation in Board of Directors of Ecclesiastical Insurance Group plc, C. Hoare & Co, Lloyds Bank Corporate Markets plc

John McCormick	Member	26 July 2018	2021	Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force. Banking and Audit Experience	Participation in Board of Directors of DCM Coaching LLP

Representative of the HFSF (Greek Law 3864/2010)

Periklis Drougkas	Member	26 July 2018	2021	Economist	-

Board and Board Committees' Secretary

Panos Dasmanoglou		26 July 2018	2021	Executive Board Member	-

For the purposes of this Base Prospectus, the business address of each member of the Board of Directors of the Bank is the Bank's registered office.

HFSF influence

Pursuant to the HFSF Law and the Presubscription Agreement dated 28 May 2012, as amended and restated on 21 December 2012, the HFSF initially appointed a representative on the Bank's Board in 2012. The HFSF representative, according also to the stipulations of the Amended Relationship Framework Agreement between the Bank and the HFSF, participates in the Board Committees. Additionally, according the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF, the HFSF also appoints an Observer to the Board and Board Committees (without voting rights). For the HFSF's powers see "*Regulation and Supervision of Banks in Greece – The Hellenic Financial Stability Fund – The Greek Recapitalisation Framework – Provision of Capital Support by HFSF – Powers of the HFSF*" below.

Pursuant to the 2015 Recapitalisation, the HFSF participated in the Bank's recapitalisation by contributing ESM notes and acquiring in exchange common shares with full voting rights representing 38.92% of the share capital of the Bank, and CoCos which were fully repaid on 15 December 2016. Additionally, the HFSF retains common shares with restrictions on the exercise of voting rights, as per article 7a of the HFSF Law as in force, corresponding to 1.47% of the share capital of the Bank, which could have full voting rights shares upon certain conditions.

Subject to the Amended Relationship Framework Agreement applicable law and the Bank's Articles of Association, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy in compliance with the Revised Restructuring Plan and the decisions on the day to day operation of the Bank will continue to rest with the Bank's

competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary responsibilities.

Monitoring Trustee

From January to February 2013, monitoring trustees (each, a "**Monitoring Trustee"**), acting on behalf of the European Commission, were appointed in all banks under restructuring—including the Bank, in accordance with the commitments undertaken by the Hellenic Republic towards the European Commission in 2012, regarding banks under restructuring, in the Memorandum of Economic and Financial Policies, contained in the First Review of the Second Economic Adjustment Programme for Greece.

The Monitoring Trustees are respected international auditing or consulting firms approved by the European Commission on the basis of their competence, their independence from the banks and the absence of any potential conflict of interest. In each credit institution under restructuring, the Monitoring Trustees work on behalf and under the direction of the European Commission, within the terms of reference agreed with the European Committee ("**EC**"), ECB and IMF staff.

Grant Thornton has been the Bank's Monitoring Trustee since 16 January 2013.

The commitments undertaken in 2012 were updated and included as an Annex in the 2014 Restructuring Plan. The commitments were further updated in December 2015 and included as an Annex in the Revised Restructuring Plan.

In addition to the appointment of Monitoring Trustees, for the commitments undertaken by the Greek government see to the "*The Issuer – History and Development of the Group – Revised Restructuring Plan as approved by the Directorate General for Competition on 4 December 2015*" above.

The commitments include the commitments regarding the implementation of the restructuring plan and the commitments on corporate governance and commercial operations. The commitments apply throughout the restructuring period unless the individual commitment states otherwise and the Monitoring Trustee has the duty to monitor the Bank's compliance with the Commitments in accordance with particular procedures foreseen as long as these are in force.

Board Committees

Six Committees, namely the "Strategy and Transformation Committee", the "Board Risk Committee", the "Audit Committee", the "Corporate Governance and Nominations Committee", the "Human Resources and Remuneration Committee" and the "Ethics and Culture Committee" (established in July 2018), have been set up and operate at Board level (the "**Board Committees**" or "**Committees**"). The Board Committees members are remunerated annually for their participation in each Committee.

Audit Committee

The Audit Committee (the "**AC**") was established in 1999 and operates in accordance with the provisions of the Bank of Greece Governor's Act No. 2577/2006, Greek law 4449/2017 (article 44) and the Sarbanes Oxley Act ("**SOX**").

The members of the AC are elected by the General Meeting of Shareholders upon recommendation of the CGNC to the Board Chair. The Chairman and the Vice Chairman of the AC are appointed by the Board. The AC is currently composed of five non-executive Directors, four of whom are independent and one of whom is the HFSF representative at the Board. The AC's members are appointed for one-year term of office, which can be renewed indefinitely. The AC employs a specialised consultant who reports directly to the Chairman of the AC. The AC convenes regularly at least six times *per annum* or

extraordinarily, whenever deemed necessary, keeps minutes of its meetings and reports to the Board every three months or more frequently if deemed necessary.

During the year 2018, the AC convened 13 times. In the context of its responsibilities, and during the course of the year, the AC reviewed the 2017 Annual IFRS statutory financial statements, the 2017 interim IFRS Financial Statements, as well as the 2017 Annual US generally accepted accounting principles Financial Statements and reports for the Bank and the Group. Additionally, in March 2018, the AC assessed the 2017 Annual Report of the money laundering reporting officer for the prevention and suppression of money laundering and financing of terrorism. Furthermore, in June 2018, the Annual Compliance Report to the Bank of Greece for 2017, in accordance with the provisions of the Bank of Greece Governor's Act No. 2577/2006, was presented to the AC, while the AC was also informed about the activities of the AC of NBG Group subsidiaries, in compliance with SOX. Additionally, the AC monitored on a quarterly basis and evaluated on an annual basis the operations of the NBG Group Internal Audit and Compliance Divisions, and assessed the adequacy of the internal control system in line with the Bank of Greece Governor's Act No. 2577/2006. The AC, among others, has been trained on the latest developments in international accounting and auditing requirements.

The AC is comprised of the following members:

Chair	Andrew McIntyre
Vice Chair	Claude Piret
Member	Haris Makkas
Member	Eva Cederbalk
Member	Periklis Drougkas (HFSF representative)

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee ("**HRRC**") was established by Board decision (meeting no. 1259/5 May 2005).

The HRRC solely consists of non-executive members of the Board, which are at least three in number, in their majority (including the Chairman) are independent Board members, in accordance with the definition of independence specified in the Bank's Corporate Governance Code and one member is the HFSF representative at the Board. The HRRC composition includes members possessing experience in the financial sector, while at least one member possesses adequate expertise and professional experience in risk management and audit activities, mainly in alignment of remuneration policy with the risk and capital profile of the Bank.

The members and Chairman of the HRRC are elected by the Board of the Bank, following recommendation by the Board's CGNC. The HRRC members shall be selected on the basis of their competence and experience.

The HRRC convenes at least four times a year and keeps minutes of its meetings.

In 2018, the HRRC convened twelve times. During the year, the HRRC dealt with the contracts, promotions and appointments of General Managers and Assistant General Managers of the Bank while it was thoroughly briefed on the human resources strategic projects, such as the implementation of the performance management system. Furthermore, the HRRC submitted to the Board of Directors for approval, among others, the voluntary exit scheme as well as the personnel training policy. The HRRC submitted to the Board of Directors an Annual Report of its work, as per the provisions of its charter.

The HRRC is comprised of the following members:

Chair	John McCormick
Member	Claude Piret
Member	Haris Makkas
Member	Yiannis Zographakis
Member	Periklis Drougkas (HFSF representative)

Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee ("**CGNC**") was established by Board decision (meeting no. 1259/5 May 2005). The CGNC is composed of at least three Board members. The members and Chairman of the CGNC are elected by the Board of the Bank, pursuant to proposal of the Chairman of the Board. All members of the CGNC are non-executive Board members, in their majority independent members of the Board, in accordance with the definition of independence specified in the Bank's Corporate Governance Code and one member is the HFSF representative at the Board. They are appointed for a one-year term of office, which shall be automatically renewed for successive one-year renewal terms, unless otherwise decided. The CGNC convenes at least three times *per annum* and keeps minutes of its meetings.

In 2018, the CGNC convened fifteen times. During the year, the CGNC: (i) reviewed corporate governance practices and arrangements, as well as the composition of the Board of Directors in accordance with the existing legal and regulatory framework; (ii) recommended new candidate members to the Board of Directors, and (iii) coordinated the Board and Board Committees annual self-evaluation concerning the year 2017, in accordance with the applicable regulatory framework and the provisions of the Bank's Policy and Procedures for the annual evaluation of the Board of Directors. Additionally, the CGNC reviewed the results of the HFSF evaluation of the Board of Directors and its Committees and was regularly updated on the progress of the implementation of corrective actions, where appropriate. Furthermore, the CGNC: (i) submitted to the Board of Directors for approval its new Group governance policy within the context of the overall group oversight; (ii) discussed the annual board training program; and (iii) was informed about latest developments, global trends and other compliance issues in the corporate governance framework. The CGNC submitted to the Board of Directors an Annual Report of its work, as per the provisions of its charter.

The CGNC is comprised of the following members:

Chair	Costas Michaelides
Member	Claude Piret
Member	Andrew McIntyre
Member	Haris Makkas
Member	Periklis Drougkas (HFSF representative)

Board Risk Committee

The board risk committee ("**BRC**") was established by Board decision (meeting no. 1308/20 July 2006) in accordance with the requirements of Bank of Greece Governor's Act No. 2577/9 March 2006. The BRC has two roles, namely it operates a) as the Board risk management committee and b) as the Board Committee responsible for NPLs/NPEs as prescribed by Article 10 paragraph 8 of Greek law 3864/2010 as in force.

The BRC convenes regularly at least on a monthly basis, as well as extraordinarily, whenever deemed necessary by its Chairman.

During 2018, the BRC convened thirteen times.

In the context of its responsibilities, and during the course of the year, the BRC was briefed in detail, and on a regular basis, on risk issues such as the IFRS 9 Credit Risk Models, the stress tests results, the risk appetite framework project and the 2018 "internal capital adequacy assessment process"/"internal liquidity adequacy assessment process" ("**ICAAP/ILAAP**") results.. In addition, the BRC was extensively updated on issues related to NPL/NPEs, particularly based on reports of systemic measurements of their effectiveness and efficiency. Furthermore, the BRC submitted to the Board of Directors for approval the "NBG Group Recovery Plan 2018", as well as the policies related to the proper internal operations of the Group, such as: (i) the ILAAP & ICAAP frameworks/liquidity policies; (ii) the updated market risk policies and methodologies and IFRS 9 related policies; (iii) the NPE divestment policy; (iv) the retail credit policy; and (v) the credit policy for the corporate portfolio. In addition, the BRC approved on a quarterly basis the report to the Bank of Greece on the "Management of Loans in Arrears" and "Non Performing Loans", as per the Bank of Greece Act 42.

The BRC is composed exclusively of non-executive Board members, at least three in number, one third of which (excluding the HFSF representative and rounded to the nearest whole number) are independent non-executive Board members, in accordance with the definition of independence specified in the Bank's Corporate Governance Code and one member is the HFSF representative at the Board. The members and the Chairman of the BRC are elected by the Board of the Bank, following recommendation by the Board's CGNC. All members should have adequate knowledge and prior experience in banking and financial services, while at least one member as an expert should have significant experience in risk and capital management, as well as knowledge of the local and international regulatory framework.

The BRC is comprised of the following members:

Chair	Claude Piret
Member	Yiannis Zographakis
Member	Haris Makkas
Member	Andrew McIntyre
Member	Periklis Drougkas (HFSF representative)

Strategy & Transformation Committee

The strategy committee was established by Board decision (meeting no. 1387/29 September 2009), while it was renamed to strategy and transformation committee (the "**STC**") by Board decision (meeting no. 1622/26.07.2018). The STC supports the executive Board members in developing the Group's strategic options, assists the Board in taking decisions on all issues related to the Group strategy and regularly reviews the implementation of the Group's strategy by the Group's management team. The STC is composed of at least five members, of which three are independent non-executive Board members and one member is the HFSF representative at the Board. The Chief Executive Officer participates ex officio as a member in the STC.

The STC members are appointed by the Board upon recommendation of its Chairman, who consults with the CGNC to this effect. The STC members shall be selected on the basis of their competence and experience and appointed for a one-year term of office, which can be automatically renewed for successive one-year renewal terms, unless otherwise decided.

In 2018, the STC convened nine times. In the context of its responsibilities, and during the course of the year, the STC was updated on the progress of the NBG transformation project, as well as on the implementation of the restructuring plan and Group divestments. Furhermore, the STC reviewed the 2019 budget and has been briefed on the key investor themes deriving from discussions of investors with NBG management.

The STC is comprised of the following members:

Chair	Costas Michaelides
Member	Paul Mylonas
Member	Panos Dasmanoglou
Member	Dimitrios Kapotopoulos
Member	Haris Makkas
Member	Andrew McIntyre
Member	John McCormick
Member	Eva Cederbalk
Member	Claude Piret
Member	Yiannis Zographakis
Member	Periklis Drougkas (HFSF representative)

Ethics & Culture Committee

The ethics and culture committee (the "**ECC**") was established by Board decision (meeting no. 1622/26.07.2018), aiming to ensure, among others, the application of the highest standards of ethics and integrity throughout all of the activities of the Bank in accordance with international best practice. The ECC is composed of at least three non-executive Board members. The Executive members participate in the ECC without voting rights. The Chair of the ECC is an Independent non-executive member, in accordance with the definition of independence specified in the Bank's Corporate Governance Code and one member is the HFSF representative at the Board.

The members of the ECC are appointed by the Board on the recommendation of the CGNC.

The ECC shall meet at least quarterly.

During 2018, the ECC convened twice. During the year, the ECC: (i) was informed on the Bank's code of ethics and the training programme developed for the NBG Group; (ii) reviewed the NBG Group whistleblowing policy, in cooperation with the AC; (iii) discussed ethical issues; (iv) and discussed on its annual planning and main action points in the context of the ECC's areas of responsibility.

The ECC is comprised of the following members:

Chair	Eva Cederbalk
Member	Costas Michaelids
Member	Paul Mylonas
Member	Panos Dasmanoglou
Member	Dimitrios Dimopoulos
Member	Haris Makkas
Member	Andrew McIntyre

Member	John McCormick
Member	Claude Piret
Member	Yiannis Zographakis
Member	Periklis Drougkas (HFSF representative)

Executive Committees

Senior Executive Committee

The senior Executive committee (the"**SEC**") was established in 2004 and operates via specific Charter. It is the supreme executive body that supports the Chief Executive Officer of the Bank in his duties. The SEC has strategic and executive powers in regard to the more efficient operation of the Group and the monitoring of the execution of the Bank's business plan, as well as approval authority that cannot be delegated to other members of the Bank's management or to other collective bodies of the Bank.

In April 2015, it was determined that the SEC will carry out the activities of the Risk Management Council while as formally determined by means of Internal Act in 2016 the SEC also has the authority to decide on matters falling within the authority of the CRRC, whenever deemed necessary by the Chairman or Deputy Chairman of the CRRC.

The SEC is comprised of the following members:

Chairman	Paul Mylonas	CEO
Member	Dimitrios Kapotopoulos	Executive Member of the BoD
Member	Panos Dasmanoglou	Executive Member of the BoD
Member	Christina Theofilidi	General Manager of Retail Banking*
Member	Ioannis Kyriakopoulos**	General Manager, Group Chief Financial Officer (**CFO**)
Member	—	General Manager, Group Chief Operating Officer (**COO**)***
Member	Ioannis Vagionitis	General Manager of Group Risk Management, Chief Risk Officer
Member without voting rights	Georgios Triantafillakis	General Manager of Legal Services

* Ms Nelly Tzakou Lambropoulou was General Manager of Retail Banking and member of the committee until 02.11.2018

** Mr Ioannis Kyriakopoulos participates in the Board of Directors of Athens Exchange Group

*** Mr Nikos Christodoulou was General Manager, Group Chief Operating Officer and member of the committee until 30.10.2018

The SEC is convened by its Chairman and meets regularly at least two times every calendar month and extraordinarily, whenever deemed necessary by its Chairman.

At the invitation of its Chairman, it is possible for General Managers as well as other Bank executives to attend the meetings of the SEC, the presence of which is deemed necessary.

The SEC members do not receive any remuneration for their participation in the SEC.

Asset and Liability Committee

ALCO was established in 1993. ALCO's key purpose is to establish the Bank's and its Group financial sector entities' strategy and policy as to matters relating to the structuring and management of assets and liabilities taking into account the current regulatory framework and market conditions, as well as the risk limits set by the Bank.

The ALCO is comprised of the following members:

Chairman	Paul Mylonas	CEO
Deputy Chairman & Member	Ioannis Vagionitis	General Manager of Group Risk Management, Chief Risk Officer
Member	Dimitrios Kapotopoulos	Executive Member of the BoD
Member	Chirstina Theofilidi	General Manager of Retail Banking*
Member	Ioannis Kyriakopoulos **	General Manager, Group CFO
Member	Vasileios Kavalos***	Assistant General Manager—Group Treasurer

* Ms Nelly Tzakou Lambropoulou was General Manager of Retail Banking and member of the committee until 02.11.2018

** Mr Ioannis Kyriakopoulos participates in the Board of Directors of Athens Exchange Group

*** Mr Vasileios Kavalos participates in the Board of Directors of Hellenic Pension Mutual Fund Management Company S.A.

The ALCO convenes regularly once a month or extraordinarily, at the invitation of its Chairman.

At the invitation of its Chairman, it is possible for other executives of the Bank and the Group to attend its meetings.

The ALCO members do not receive any remuneration for their participation in the ALCO.

Executive Credit Committee

The executive credit committee (the "**EXCC**") was established in 2008 and its purpose is the optimisation and the sound operation of the risk taking limits.

The EXCC is comprised of the following members*:

Chairman	Paul Mylonas	CEO
Member	Dimitrios Kapotopoulos	Executive Member of the BoD

Member	Ioannis Vagionitis	General Manager of Group Risk Management, Chief Risk Officer

* In the case of meetings where issues regarding corporate special assets are discussed, Mr Constantinos Vossikas, General Manager of Corporate Special Assets, participates in the committee.

The ALCO convenes regularly at least two times every calendar month and extraordinarily, whenever deemed necessary by its Chairman.

The General Manager of Legal Services of the Bank is invited and attends the meetings of the ALCO.

The Chairman can invite other executives of the Bank and Group to attend, if necessary.

The ALCO members do not receive any remuneration for their participation in the ALCO.

Disclosure and Transparency Committee

The disclosure and transparency committee (the "**DTYC**") was established in 2003. Its purpose is to monitor the accuracy and completeness of the information included in public announcements and in any publications issued by the Bank, especially those included in the informative documents submitted to SEC, monitoring and submission of proposals for the improvement of the procedures carried out for the collection, assessment and timely disclosure of information required by the relevant legal framework, and generally for compliance with the legal and regulatory framework concerning the obligations for accurate and timely disclosure of information.

The DTYC is comprised of the following members:

Chairman	Paul Mylonas	CEO
Member	Dimitrios Kapotopoulos	Executive Member of the BoD
Member	Panos Dasmanoglou	Executive Member of the BoD
Member	Christina Theofilidi	General Manager of Retail Banking*
Member	Ioannis Kyriakopoulos	General Manager, Group CFO
Member	—	General Manager, Group COO**
Member	Marinis Stratopoulos	General Manager, Group Real Estate and International Activities
Member	Georgios Triantafillakis	General Manager of Legal Services
Member	Ioannis Vagionitis	General Manager of Group Risk Management, Chief Risk Officer
Member	Georgios Kaloritis	General Manager, Group Chief Audit Executive
Member	Vasileios Kavalos	Assistant General Manager Group Treasurer

* Ms Nelly Tzakou Lambropoulou was General Manager of Retail Banking and member of the committee until 02.11.2018

** Mr Nikos Christodoulou was General Manager, Group Chief Operating Officer and member of the committee until 30.10.2018

The DTYC is convened at the invitation of its Chairman, at least twice *per annum* and *ad hoc* as deemed necessary.

The Chairman can invite other executives of the Bank and Group to attend, if necessary.

The DTYC members do not receive any remuneration for their participation in the Committee.

Provisions and Write Offs Committee

The provisions and write offs committee (the "**PWOC**") was established in 2010. Its purpose is the decision making process on the provisions and write offs of the Group claims of any nature, which are considered by the PWOC to be liable of a loss in value in accordance with the relevant "Provisions and Write Offs Policy" of the Group.

The PWOC is comprised of the following members:

Chairman	Paul Mylonas	CEO
Member	Ioannis Kyriakopoulos	General Manager, Group CFO
Member	Ioannis Vagionitis	General Manager of Group Risk Management, Chief Risk Officer

The PWOC is convened at the invitation of its Chairman.

The Chairman can invite other executives of the Bank and Group to attend, if necessary.

The PWOC members do not receive any remuneration for their participation in the PWOC.

Crisis Management Committee

The crisis management committee (the "**CMC**") was established in 2012 and is the supreme executive body with responsibilities over the Business Continuity Plan ("**BCP**"). The CMC acts upon every sudden and unforeseen change of conditions (relating to operational, business, environmental and personnel issues etc.), which can lead to a crisis that may have strategic impact consequences, and aims to effectively coordinate the actions necessary to deal with unforeseen situations which may jeopardise the smooth operation of the Bank. Specifically, it is in charge of informing, mobilising and coordinating the Bank's relevant units, taking into account the nature, extent and the size of the crisis; and solving problems that require immediate attention.

The CMC is comprised of the following members:

Chairman	Paul Mylonas	CEO
Member	Dimitrios Kapotopoulos	Executive Member of the BoD
Member	Panos Dasmanoglou	Executive Member of the BoD
Member	Christina Theofilidi	General Manager of Retail Banking*
Member	Petros Fourtounis	Group Human Resources General Manager
Member	—	General Manager, Group COO**
Member	Georgios Kaloritis	General Manager, Group Chief Audit Executive
Member	Ioannis Kyriakopoulos	General Manager, Group CFO
Member	Georgios Triantafillakis	General Manager of Legal Services
Member	Ioannis Vagionitis	General Manager of NBG Group Risk Management, Chief Risk Officer
Member	Stylianos Dionysopoulos	Head of Group Security Division

* Ms Nelly Tzakou Lambropoulou was General Manager of Retail Banking and member of the committee until 2.11.2018

** Mr Nikos Christodoulou was General Manager, Group Chief Operating Officer and member of the committee until 30.10.2018

The CMC is convened as deemed necessary at the invitation of its Chairman.

At the invitation of its Chairman and depending on the issues discussed, it is possible for General Managers, Assistant General Managers, the General BCP Coordinator as well as other Bank executives, the presence of which is deemed necessary, to attend the meetings of the CMC.

The CMC members do not receive any remuneration for their participation in the CMC.

Compliance and Reputational Risk Committee

The compliance and reputational risk committee (the "**CRRC**") was established in 2013. The CRRC ensures the adequacy of the Bank's and the Group's controls that enable compliance with the regulatory framework as well as with the Policies of the Bank and the Group. Additionally, the CRRC ensures that the management of reputational risk is in accordance with the risk appetite that has been approved by the Board and with the creation of long-term value for shareholders. It shall be noted that in accordance with internal Management Act, the SEC has competence to also discuss on issues under the competence of the CRRC.

The CRRC is comprised of the following members:

Chairman	Paul Mylonas	CEO
Deputy Chair and Member	Panos Dasmanoglou	Executive Member of the BoD
Member	Dimitrios Kapotopoulos	Executive Member of the BoD
Member	Christina Theofilidi	General Manager of Retail Banking*
Member	Ioannis Vagionitis	General Manager of NBG Group Risk Management, Chief Risk Officer
Member	Georgios Triantafillakis	General Manager of Legal Services
Member	Ioanna Katzilieri Zour	Assistant General Manager of Group Marketing and Communications

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* Ms. Nelly Tzakou Lambropoulou was General Manager of Retail Banking and member of the committee until 02.11.2018

The CRRC is convened at least quarterly and *ad hoc* as deemed necessary at the invitation of its Chairman.

The Chairman can invite other executives of the Bank and Group to attend, if necessary.

The CRRC members do not receive any remuneration for their participation in the CRRC.

Potential Conflicts of Interests

There are no potential conflicts of interest between any duties to the Bank of any members of the Bank's Board of Directors, Senior Management or Board Committees and their private interests and / or other duties.

Employees

As at 30 June 2018, the Bank employed a total of 9,493 staff of which 266 are in the Bank's foreign branches, compared to 9,682 and 266 respectively, as at 31 December 2017. Additionally, the Group's subsidiaries in Greece and abroad employed approximately 1,724 employees as at 30 June 2018, compared to 1,811 as at 31 December 2017.

Most of the Bank's employees belong to a union and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Bank employees throughout the Hellenic Republic went on strike for 10 days in 2017, and, in 2018, 4 days up to 9 November 2018 largely to express their opposition to the austerity measures.

REGULATION AND SUPERVISION OF BANKS IN GREECE

The Group is subject to financial services laws, regulations, administrative acts and codes applying in each jurisdiction in which it operates.

Further to this, the Group is subject to the European Union regulatory framework and Greek laws and regulations and to supervision by the ECB/SSM and the Bank of Greece.

Single Supervisory Mechanism (SSM)

Council Regulation (EU) No. 1024/2013 ("**Regulation 1024/2013**") established the SSM for Eurozone credit institutions. The SSM maintains an important distinction between significant and non-significant entities, which will be subject to differing supervisory regimes. The Bank is included in the list of significant supervised entities which the ECB updates and publishes regularly (last update 14 December 2018). As a result, the ECB has been granted certain supervisory powers as from 4 November 2014, which include:

- the authority to grant and revoke authorisations regarding credit institutions;
- with respect to credit institutions established in a participating EU member state establishing a branch or providing cross border services in EU member states that are not part of the Eurozone, to carry out the tasks of the competent authority of the home EU member states;
- the power to assess notifications regarding the acquisition and disposal of qualifying holdings in credit institutions;
- the power to ensure compliance with respect to provisions regarding requirements on own funds securitization, large exposure limits, liquidity, leverage, as well as on the reporting and public disclosure of information on those matters;
- the power to ensure compliance with respect to corporate governance, including fit and proper requirements for the persons responsible for the management of credit institutions, risk management processes, internal control mechanisms, remuneration policies and practices and effective internal capital adequacy assessment processes (including internal ratings based models);
- the power to carry out supervisory reviews, including, where appropriate and in coordination with the EBA, stress tests and supervisory reviews which may lead to the imposition of specific additional own funds requirements, specific publication requirements, specific liquidity requirements and other measures;
- the power to supervise credit institutions on a consolidated group basis, extending supervision over parent entities established in one of the EU member states; and
- the power to carry out supervisory tasks in relation to recovery plans, provide early intervention where a credit institution or group does not meet or is likely to breach the applicable prudential requirements and, only in the cases explicitly permitted under law, implement structural changes to prevent financial stress or failure, excluding any resolution powers.

The SSM framework Regulation 468/2014 (ECB/2014/17) sets out the practical arrangements for the SSM, while Regulation 1163/2014 lays down the methodology and procedure regarding the annual supervisory fees which are born by the supervised credit institutions.

In Greece, as an EU member state whose currency is the euro, the ECB exercises its supervisory responsibilities in cooperation with the Bank of Greece. The ECB is responsible for the effective and consistent functioning of the SSM and exercises oversight over the functioning of the system, based on the distribution of responsibilities between the ECB and National Competent Authorities ("**NCAs**"), which in Greece is the Bank of Greece. To ensure efficient supervision, credit institutions are categorised as "significant" or "less significant": the ECB directly supervises significant banks, whereas the NCAs are in charge of supervising less significant banks, with the ECB exercising indirect supervision. NBG is currently categorised as "significant" and is therefore subject to direct supervision by the ECB. The day-to-day supervision is conducted by Joint Supervisory Teams, which comprise staff from both NCAs and the ECB.

Supervisory Review Evaluation Process

The Bank is subject to continuous evaluation of its capital adequacy in the context of the SSM and could be requested to operate with higher than minimum regulatory capital and/or liquidity ratios. Such evaluations are carried out by the ECB mainly through the SREP.

Following the completion of SREP for 2018, the ECB notified the Group of its new total SREP capital requirement ("**TSCR**"), which applies from 1 March 2019. According to this decision, the ECB requires the Bank to maintain, on a consolidated and on an individual basis, a TSCR of 11%.

The TSCR of 11% includes:

- the minimum Pillar I own funds requirement of 8% to be maintained at all times in accordance with Article 92(1) of the CRR (as defined below), and

- an additional Pillar II own funds requirement of 3% to be maintained at all times in accordance with Article 16(2)(a) of Regulation 1024/2013, to be made up entirely of CET1 capital.

In addition to the TSCR, the Group is also subject to the Overall Capital Requirement (OCR). The OCR consists of TSCR and the combined buffer requirement as defined in point (6) of Article 128 of the CRD IV Directive (as defined below).

The combined buffer requirement is defined as the sum of:

- a capital conservation buffer (the "**Capital Conservation Buffer**");

- the institution specific Countercyclical Capital Buffer ("**CcyB**"); and

- the systemic risk buffer ("**Systemic Risk Buffer**") / systemically important institutions buffer ("**Systemically Important Institutions Buffer**"), as applicable.

The Capital Conservation Buffer stands at 2.5% for 2019 for all banks in the EU.

The CcyB is implemented as an extension of the Capital Conservation Buffer and has the primary objective of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk. It is calculated as the weighted average of the buffers in effect in the jurisdictions to which a credit institution has significant credit exposures. Bank of Greece defined its methodology for determining the CCyB in 2015 and consecutively set the CCyB at 0% for Greece throughout 2016, 2017, 2018 and first quarter of 2019 (Bank of Greece Acts 55/2015, 83/2016, 97/2016, 103/2016, 107/2016, 115/2017, 119/2017, 122/2017, 127/2017,135/2018, 143/2018, 148/2018 and 152/2018). The CCyB is also currently 0% in all other countries in which the Group has significant exposures. Thus, the institution specific CcyB for the Group is currently 0%.

For Other Systemically Important Institutions ("**O-SIIs**") an additional capital buffer is applied, which is 0,25% for 2019 for all four credit institutions that where characterised as O-SIIs in Greece (including the Bank) (Bank of Greece, Executive Committee Act no 151/30.10.2018).

See further "*Capital Requirements/Supervision*" below.

Targeted Review of Internal Models

In recent years the use of internal models to determine regulatory capital requirements has become more and more controversial as internal models have become increasingly complex, but also because a number of benchmarking studies have highlighted inconsistencies as well as high variability in the capital requirements calculated by different banks' models.

Considering the above, the ECB has decided to perform a TRIM for credit risk, market risk and counterparty credit risk. The objective is twofold: (a) to reduce the unwarranted variability in the risk weighted asset ("**RWAs**") calculation for capital adequacy purposes under regulatory rules currently in force by harmonizing practices and (b) to check compliance with the regulatory requirements related to Pillar I internal models. The review will cover a number of qualitative and quantitative criteria. TRIM was launched in late 2015 and is expected to be finalized in 2019. All 68 significant institutions of the Eurozone with approved Pillar I internal models are in scope.

During 2016, TRIM was in its preparatory phase: the Bank participated by filling in detailed ECB questionnaires with qualitative and quantitative questions regarding its credit risk and market risk models, accompanied with evidence in the form of specific documentation to support every answer. A two day on-site supervisory visit followed in early 2017.

In 2017, the TRIM entered its execution phase with on-site investigations of selected models and follow up processes. The Bank models investigated are: (a) the internal model for market risk, and (b) the internal model for credit risk of the exposure class "Retail – Secured by real estate non-SME" (mortgage portfolio).

Directly after the TRIM investigations, institutions will be asked to address compliance gaps with respect to regulatory requirements and, as a second step, they may also be asked to address additional shortcomings versus supervisory expectations. Finally, decisions asking banks to address any remaining shortcomings will be sent based on results of peer reviews (level playing field). The ECB has stated that sufficient time will be granted to institutions to adjust, especially if expectations differ from past national standards.

EU-wide stress test 2018

On 6 December 2016 the Board of Supervisors of the EBA announced its decision to conduct the EU-wide stress test in 2018, the first stress test conducted under the IFRS 9 accounting standards, in line with its previous decision to aim for a biennial exercise. The 2018 EU-wide stress test (stress test) was run in close cooperation with the EBA, Competent Authorities (including the SSM), the ECB, the European Systemic Risk Board (ESRB) and the European Commission. Scenarios, methodology, minimum quality assurance guidance and templates were agreed by the EBA's Board of Supervisors. The macroeconomic adverse scenario and any risk type specific shocks linked to the scenario were developed by the ESRB and the ECB in close cooperation with Competent Authorities and the EBA. The EBA coordinated the exercise and disseminated the detailed results on a bank-by-bank level.

On 17 November 2017, the EBA published its final stress test methodology and templates following discussions held with the industry on the draft documents that were published in the summer of 2017. The stress test was carried out at the highest level of consolidation on a sample of 49 EU banks, 35 of which falling under the jurisdiction of the SSM. The methodology covers all relevant risk areas and, for the first time, incorporates the impact of IFRS 9 accounting standards. No single capital threshold

was defined for this exercise as banks were assessed against relevant supervisory capital ratios under a static balance sheet as of 31 December 2017 and, therefore, effects from any forthcoming actions (e.g. planned divestments) were not taken into account. The adverse scenario was designed to ensure an adequate level of severity across all EU countries. The implied EU real GDP growth rates under the adverse scenario amounted to -1.3%, -2.1% and 0.2%, in 2018, 2019 and 2020 respectively.

On 31 January 2018, the ECB commenced the stress test exercise relating to the four systemic Greek banks (Alpha Bank, Eurobank, the Bank and Piraeus Bank) with the publication of the macroeconomic scenarios to be used by the banks. The stress test of the four systemic Greek banks was conducted on an accelerated timeline compared to the other in-scope banks in order to allow the results to be published before the end of the current European Stability Mechanism Programme for Greece (August 2018), but following the same EBA approach and methodologies as that applied to the other EU banks. The results for the four systemic Greek banks were announced by the Supervisory Board on 5 May 2018, and showed that in the adverse scenario, the average CET1 capital depletion was 9 percentage points, equivalent to EUR 15.5 billion. The results for the other EU banks were published on 2 November 2018.

The Bank conducted the stress test exercise using the EBA methodology, the benchmark parameters, macroeconomic scenarios and shocks provided by the EBA and the ECB, as well as any additional guidance and notes published and/or relayed though formal communication channels. Under the adverse scenario, the CET1 ratio declined by 9.6%, reaching a CET1 level of 6.9% in 2020, including an IFRS 9 impact of 120 basis points and a CRD IV impact of 20 basis points. Under the EBA baseline scenario, the CET1 ratio declined by 50 basis points reaching 16.0% in 2020. Following the supervisory dialogue, the Bank was informed that the stress test outcome, along with other factors, have been assessed by SSM's Supervisory Board pointing to no capital shortfall and that no capital plan was deemed necessary as a result of the exercise.

The stress test results informed the 2018 SREP, leading to relevant supervisory outcomes.

Single Resolution Mechanism

The SRM Regulation establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a SRM and a Single Resolution Fund. Regulation (EU) No 806/2014 establishing a SRM for the Banking Union (as defined by the European Commission) entered into force on 19 August 2014. On 1 January 2016, the SRM became fully operational.

The SRM Regulation, which complements the SSM (as discussed under "*Single Supervisory Mechanism*" above) applies to all banks supervised by the SSM, including the Bank.

The SRM works as follows:

- the SSM, as the supervisor, would signal when a bank in the euro area or established in an EU member state participating in the Banking Union is in severe financial difficulties and needs to be resolved;

- the Single Resolution Board ("**SRB**"), the ECB and the European Commission, will carry out specific tasks to prepare for and carry out the resolution of a bank that is failing or likely to fail. The SRB decides whether and when to place a bank into resolution and sets out, in the resolution scheme, a framework for the use of resolution tools and the potential use of the Single Resolution Fund ("**SRF**"). The SRB is responsible for the effective and consistent functioning of the SRM and shall only use the SRF for the purpose of ensuring the efficient application of the resolution tools and exercise of resolution powers. The SRB is the owner of the SRF;

- the resolution scheme can then be approved or rejected by the European Commission or, in certain circumstances, by the Council within 24 hours;
- under the supervision of the SRB, national resolution authorities will be in charge of the execution of the resolution scheme;
- the SRB oversees the resolution. It monitors the execution at national level by the national resolution authorities and, should a national resolution authority not comply with its decision, directly addresses executive orders to the troubled banks;
- an SRF was set up under the control of the SRB. It will ensure the availability of funding support while the bank is resolved. It is funded by contributions from the banking sector. The SRF can only contribute to resolution if at least 8% of the total liabilities and own funds of the bank have been written down or converted into equity.

Capital Requirements/Supervision

In December 2010, the Basel Committee issued two prudential framework documents ("Basel III: A global regulatory framework for more resilient credit institutions and banking systems" and "Basel III: International framework for liquidity risk measurement, standards and monitoring"), which contain the Basel III capital and liquidity reform package ("**Basel III**").

The Basel III framework has been implemented in the EU through Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**"), which has been transposed into Greek legislation by Greek Law 4261/2014 (the "**CRD Law**"), and Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRR**" and together with the CRD IV Directive, "**CRD IV**") which is legally binding and directly applicable in all EU member states. Implementation began on 1 January 2014, with particular elements being phased in over a period of time, mainly until 2019 and some minor transitional provisions provide for the phase-in until 2024, but it is possible that in practice implementation under national laws may be delayed until after such date.

Some major points of the new framework include:

- ***Quality and Quantity of Capital.*** CRD IV revised the definition of regulatory capital and its components at each capital instrument level. It also imposed a minimum CET1 ratio of 4.5% and Tier 1 Ratio of 6.0%, and introduced a requirement for Additional Tier 1 and Tier 2 capital instruments "own funds" to have loss absorbing features allowing them to be written off or converted on the occurrence of a bail-in of the institution;
- ***Capital Buffer Requirements.*** In addition to the minimum CET1 ratio[11] of 4.5%, credit institutions will have to hold the following CET1 capital buffers as fixed by the relevant authorities:
    - A "***Capital Conservation Buffer***" of 2.5% that is applied gradually between 2016 and 2019 with an annual step up of 0.625%. In case of non-compliance the regulator will impose the constraints on dividends distribution and executive bonuses inversely proportional to the level of the actual CET1 ratio.
    - A "***Countercyclical Buffer***" ("**CCyB**") ranging between 0% and 2.5% depending on macroeconomic factors. This buffer is also being applied gradually from 2016 to 2019

[11] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus

having a range of 0%–0.625% for 2016, 0%–1.25% for 2017, 0%–1.875% for 2018 and 0%–2.5% for 2019. Bank of Greece specified the CCyB at 0% for Greece for all quarters of 2016 and 2017, 2018 as well as for the first quarter of 2019 (the CCyB is currently set at 0% by the competent authorities of all countries in which NBG Group has significant exposures.).

- A "***Systemic Risk Buffer***" of at least 1% made up of CET1 instruments set at the discretion of national authorities of EU member states to be applied to institutions at consolidated or solo level, or even at the level of exposures in certain countries at which a banking group operates. Bank of Greece has not used this macroprudential instrument thus far.

- A ***Systemically Important Institutions Buffer*** **("SIIs").** For globally systemically important institutions the additional buffer ranges between 1% and 3.5%, whereas for Other SIIs ("**O-SIIs**") it could reach 2%. Bank of Greece specified a 0% capital buffer for 2016, 2017 and 2018 for all four institutions in Greece that were characterized as O-SIIs (including the Bank). However, starting from 2019, a buffer of 1% is gradually phased in during a four year period (2019: 0.25%, 2020: 0.5%, 2021: 0.75%, 2022: 1%).

- ***Deductions from Common Equity Tier 1.*** CRD IV revised the definition of items that should be deducted from regulatory capital. In addition, most of the items that were required to be deducted from regulatory capital are now deducted in whole from the CET1 component;

- ***Central Counterparties.*** To address the systemic risk arising from the interconnectedness of credit institutions and other financial institutions through the derivatives markets, the new framework is supporting the efforts of the committee on payments and settlement systems and International Organization of Securities Commissions ("**IOSCO**") to establish strong standards for financial market infrastructures, including central counterparties ("**CCPs**"). A 2.0% risk-weight factor is introduced to certain trade exposures to qualifying CCPs (replacing the current 0% risk- weighting). The capitalisation of credit institution exposures to CCPs will be based in part on the compliance of the CCP with the IOSCO standards (since non-compliant CCPs will be treated as bilateral exposures and will not receive the preferential capital treatment referred to above);

- ***Counterparty Credit Risk.*** CRD IV is raising counterparty credit risk management standards in a number of areas, including for the treatment of so-called wrong-way risk, i.e., cases where the exposure increases when the credit quality of the counterparty deteriorates. For example, the proposal includes a capital charge for potential mark-to-market losses associated with a deterioration in the creditworthiness of a counterparty (i.e. CVA risk) and the calculation of expected positive exposure by taking into account stressed parameters;

- ***Leverage Ratio.*** CRD IV introduced an unweighted Tier I leverage ratio (the "**Leverage Ratio**") that applies for all credit institutions as part of the Pillar II framework from 1 January 2013 with a view towards migrating the ratio to a Pillar I minimum requirement once the revised CRR ("**CRR2**") enters into force;

- ***Liquidity Requirements.*** From 1 October 2015, CRD IV progressively introduced a liquidity coverage ratio (which defines an amount of unencumbered, high quality liquid assets that must be held by a credit institution to offset estimated net cash outflows over a 30-day stress scenario, and has been phased in gradually, starting at 60% in 2015, and set at 100% in 2018) (the "**LCR**"). As at 30 June 2018, the LCR of the Bank and the Group stood at 78% and 86%, respectively, but in July 2018 increased to 104% and 117%, respectively. Following the issue by the Bank of covered bonds. CRD IV also provides for a net stable funding ratio (which defines an amount of longer-term, stable funding that must be held by a credit institution over a

one year timeframe based on liquidity risk factors assigned to assets and off balance sheet exposures) (the "**NSFR**"). As at 30 June 2018, the NSFR of the Bank stood at 98%. On 8 March 2017, the EBA published the final guidelines on the liquidity coverage ratio disclosure. The final guidelines provide harmonised disclosure templates and tables for liquidity coverage ratio disclosure without altering the general disclosure framework provided for in the CRR. In particular, they envisage a fully-fledged quantitative liquidity coverage ratio disclosure template for systemic credit institutions and a simplified one (including only the liquidity coverage ratio figure, the amount of the liquidity buffer and that of net outflows) for the rest of the credit institutions which will apply to them. Moreover, on 7 April 2018, the EBA published its final draft of implementing technical standards amending the European Commission's Implementing Regulation (EU) No. 680/2014 on supervisory reporting. The updated implementing technical standards include changes to additional monitoring metrics for liquidity. The European Commission adopted the Implementing Act amending Regulation (EU) No 680/2014 on supervisory reporting (the "**Implementing Act**") on 9 October 2018 and the amended requirements have applied from 31 December 2018. The Implementing Act is based on the final draft of implementing technical standards on supervisory reporting submitted by the EBA in April 2018; and

- ***Maximum Distributable Amount.*** Pursuant to Article 131 of the CRD Law, the Bank may not make discretionary payments (as defined in the CRD Law), beyond the Maximum Distributable Amount.

In addition to CRD IV, the EBA produces a number of binding technical standards, guidelines and recommendations for its implementation.

Together with Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014, (see below "*Bank Recovery and Resolution Directive*") CRD IV forms the common financial regulatory framework in the EU, also known as 'the Single Rulebook'.

In addition to the substantial changes in capital and liquidity requirements introduced by Basel III and CRD IV, there are several new global initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU's future regulatory direction. These initiatives include, among others, the Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014), applicable since 3 January 2018 and a revised Markets in Financial Instruments Directive (Directive 2014/65/EU) transposed into national legislation by Greek Law 4514/2018 published in Government Gazette Issue A No.14 of 30 January 2018. Further to the implementation of MiFID II, following the Acts of the Execution Committee of the Bank of Greece were issued:

- No. 146/13.07.2018 on the requirements for the registration in the Bank of Greece registry of persons providing investment services on behalf of credit institutions as tied agents pursuant to Article 29 of Greek Law 4514/2018; and

- No. 147/27.07.2018 on the framework for safeguarding financial instruments and funds belonging to clients and product governance obligations.

Solvency II

As at 1 January 2016, Greek Law 4364/2016 came into force, replacing the previously existing Greek Law 400/70 and establishing in Greece the new Solvency II framework as detailed in Directive 2009/138/EC, which is a fundamental revision of the capital adequacy regime for the European insurance sector business.

Bank Recovery and Resolution Directive

On 15 May 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**"). It establishes a harmonized framework for the recovery and resolution of credit institutions and investment firms incorporated under the laws and licensed by the competent authorities of any of the EU member states, relying on a network of national resolution authorities and resolution funds to resolve banks.

By virtue of Greek Law 4335/2015 (the "**BRR Law**"), and in particular Article 2 "Recovery and resolution of credit institutions and investment firms and other provisions", the BRRD was transposed into Greek Law and the Bank of Greece has been designated as the national resolution authority (the "**National Resolution Authority**"). Greek Law 4335/2015 provides among others for the following:

(i) **Preparation and planning stage**: Preparation for adopting measures of recovery and resolution, including (a) drawing up and submitting recovery plans by credit institutions to the competent authority for evaluation, which provide the measures to be taken for restoring their financial position following a significant deterioration of their financial position and (b) drawing up of a resolution plan by the National Resolution Authority for each credit institution.

The Bank of Greece has specified the information to be included in the recovery plans. In particular, Executive Committee Act No 99/18.7.2016 of the Bank of Greece sets out the information to be provided in the recovery plans and provides qualitative and quantitative recovery plan indicators. Executive Committee Act No. 98/18.7.2016 of the Bank of Greece specifies the range of scenarios to be used in recovery plans.

(ii) **Early Intervention stage**: When the institution breaches its licensing and operational requirements or it is likely to breach them in the near future due to rapid deterioration of its financial condition, the BRR Law:

a) requires that the board of directors of the credit institution updates the recovery plan and/or implement one or more of the measures provided in the recovery plan;

b) requires that the board of directors of the credit institution examines the situation, identifies measures to overcome any problems identified and draws up an action plan to overcome those problems, within a specific timeline;

c) requires that the board of directors of the credit institution convenes a general meeting of its shareholders or, in case the board of directors does not comply, promptly convene itself a general meeting of the shareholders of the credit institution;

d) requires that one or more members of the board of directors or senior management be removed or replaced if they are considered unsuitable to perform their duties;

e) requires that the board of directors of the credit institution draws up and submits for consultation a plan for debt restructuring with one or all of its creditors according to the recovery plan, where applicable;

f) requires the updating of the business strategy of the credit institution;

g) requires changes in the legal or business structures of the credit institutions, and

h) collects (through, *inter alia*, on-site inspections) and transmits to the National Resolution Authority all necessary information for the update of the resolution plan and the preparation of the potential resolution of the credit institution and the valuation of its assets and liabilities for the resolution purposes.

(iii) **Resolution measures**: The SRB is the resolution authority for significant banking groups whose parent entity is located in the Banking Union. Together with national resolution authorities it forms the SRM.

Where, pursuant to Regulation (EU) 806/2014, the SRB performs tasks and exercises powers which, pursuant to the BRRD, are to be performed or executed by the national resolution authority, the Board, shall, for the application of the Regulation (EU) 806/2014 and of the BRRD, be considered to be the relevant national resolution authority or, in the event cross-border group resolution, the relevant group – level resolution authority.

The SRB shall take action only if it considers that all of the following conditions are met:

(a) the institution is failing or is likely to fail,

(b) no alternative private sector measure, or supervisory action, including early intervention measures, would prevent the failure of the institution within a reasonable timeframe, and

(c) a resolution action is necessary in the public interest.

Before proceeding to resolution measures, the SRB shall ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out.

The Board of Directors must notify immediately the ECB, as Competent Authority, in cases that an institution is failing or likely to fail. EBA Guidelines on "the interpretation of the different circumstances when an institution shall be considered as failing or likely to fail" provide clarifications on the cases where an institution is assessed as "failing or likely to fail".

The resolution measures that may be implemented by the National Resolution Authority, either individually or in conjunction (save for the asset separation tool, which may only be applied in conjunction with another resolution tool), are the following:

- *Sale of business tool*: transfer to a purchaser who is not a bridge institution, of shares or other instruments of ownership and/or some or all of the assets of the institution under resolution, namely rights, obligations and contractual relationships, without the consent of the shareholders of the institution under resolution or of any third party other than the acquirer.

- *Bridge institution tool*: establishment of a bridge institution to which shares or other instruments of ownership and/or some or all of the assets of the institution under resolution, namely rights, obligations and contractual relationships, are transferred without the consent of the shareholders of the institution under resolution or of any third party.

- *Asset separation tool*: transfer of assets, namely rights, obligations and contractual relationships, of an institution under resolution or of a bridge institution to one or more asset management companies, without the consent of the shareholders of the institutions under resolution or of any third party other than the bridge institution. The asset management companies are legal persons owned in total or partially or controlled by one or more authorities, including the Fund or the National Resolution Authority.

- *Bail in tool* write-down or conversion of any obligations of an institution that meets the resolution conditions, except for the cases prescribed by BRRD.

Further to the above resolution tools, the SRB is entitled to decide on the exercise of the write-down or conversion powers in respect of Additional Tier 1 and Tier 2 capital instruments of the institution, either independently or in combination with the resolution tools, under the circumstances provided by the law, for example when it is established that the conditions for resolution are met or when the competent authority establishes that if the said power is not exercised, the institution will cease to be viable. If an institution meets the requirements for resolution and the SRB decides to implement a resolution tool, then the exercise of the above power is required.

Furthermore, it should be noted that the following EU Regulations have been issued:

- Commission Delegated Regulation (EU) 2016/860 specifies further the circumstances where exclusion from the application of write-down or conversion powers is necessary.

- Commission Delegated Regulation (EU) 2016/1401 established regulatory technical standards for methodologies and principles on the valuation of liabilities arising from derivatives.

- Commission Delegated Regulation (EU) 2017/867 on classes of arrangements to be protected in a partial property transfer.

- Commission Delegated Regulation (EU) 2016/1450 with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities to be set by resolution authorities in order to determine the loss absorption amount which the institution or group should be capable of absorbing.

- Commission Delegated Regulation (EU) 2016/1075 regarding regulatory technical standards specifying the content of recovery plans, resolution plans and group resolution plans, the minimum criteria that the competent authority is to assess as regards recovery plans and group recovery plans, the conditions for group financial support, the requirements for independent valuers, the contractual recognition of write-down and conversion powers, the procedures and contents of notification requirements and of notice of suspension and the operational functioning of the resolution colleges.

- Commission Implementing Regulation (EU) 2016/911 provided implementing technical standards with regard to the form and the content of the description of group financial support agreements. In the same context Executive Committee Act 131/23.01.2018 of Bank of Greece specifies the conditions for the group financial support.

Directive (EU) 2017/2399 amends the BRRD, *inter alia*, with regards to the ranking of unsecured debt instruments in insolvency hierarchy in the context of ensuring sufficient loss-absorbing and recapitalisation capacity of institutions.

Directive (EU) 2017/2399 requires, *inter alia*, EU member states to create a new class of 'non-preferred' senior debt under the terms provided therein. The new class of 'non-preferred' senior should rank in insolvency above own funds instruments and subordinated liabilities that do not qualify as own funds instruments, but below other senior liabilities. While institutions will have the discretion to issue both traditional senior debt and the new 'non-preferred' senior debt, if they issue the latter, they need to explicitly state this in the relevant contractual documentation and, where applicable, the prospectus related to the issuance. Directive (EU) 2017/2399 was transposed to Greece by articles 103-104 of Greek Law 4583/2018.

Ranking of the deposits in the context of normal insolvency proceedings is not affected by the above.

There are also transitional provisions which, *inter alia*, provide the EU member states must ensure that the ranking of debt instruments issued previously is governed by the national laws in force as of 31 December 2016.

Use of public funds in the context of the resolution framework

In cases of an exceptional systemic crisis, extraordinary public financial support may be provided with respect to institutions meeting the conditions for resolution. Extraordinary public financial support is provided under strict conditions by virtue of a decision of the Greek Minister of Finance, following a recommendation of the Systemic Stability Board of the Greek Ministry of Finance constituted by Greek Law 3867/2010 and a consultation with the resolution authority, through public financial stabilization tools as a last resort and only after having assessed and utilized, to the maximum extent, the other resolution tools, in order to avoid, through the direct intervention, the winding-up of the said institutions and in order for the resolution purposes to be accomplished. The public financial stabilization tools are:

a) public capital support provided by the Greek Ministry of Finance or by the HFSF following a decision by the Greek Minister of Finance; and

b) temporary public ownership of the institution, i.e. the transfer of the shares of an institution to a transferee of the Hellenic Republic or a company which is fully owned and controlled by the Hellenic Republic.

The following conditions must be cumulatively met in order for the public financial stabilisation tools to be implemented:

a) the institution meets the conditions for resolution;

b) the shareholders, owners of other instruments of ownership, holders of relevant capital instruments and the holders of eligible liabilities have contributed, through conversion, write-down or by any other means, to the absorption of losses and the recapitalization by an amount equal to at least 8% of the total liabilities, including own funds of the institution under resolution, calculated at the time of the resolution action in accordance with the valuation conducted; and

c) prior and final approval by the European Commission regarding the EU State aid framework for the use of the chosen tool has been granted.

In addition to the above, for the provision of public financial support, one of the following conditions must be met:

a) the application of the resolution tools would not suffice to avoid a significant adverse effect on the financial stability;

b) the application of the resolution tools would not suffice to protect the public interest, where extraordinary liquidity assistance from the central bank has previously been given to the institution; and

c) in respect of the temporary public ownership tool, the application of the resolution tools would not suffice to protect the public interest, where public equity support through the equity support tool has previously been given to the institution.

Use of public funds outside the resolution framework

By way of exception, extraordinary public financial support may be granted to a credit institution in the form of an injection of own funds or purchase of capital instruments without the involvement of resolution measures, under the following cumulative conditions:

- in order to remedy a serious disturbance in the economy of an EU member state and preserve financial stability;
- to a solvent credit institution in order to address a capital shortfall identified in a stress test, assets quality reviews or equivalent exercises;
- at prices and on terms that do not confer an advantage upon the institution;
- on a precautionary and temporary basis;
- subject to final approval of the European Commission;
- not to be used to offset losses that the institution has incurred or is likely to incur in the near future;
- the credit institution has not infringed and there are no objective elements to support that the credit institution will, in the near future, infringe its authorization requirements in a way that would justify the withdrawal of its authorization;
- the assets of the credit institution are not and there are no objective elements to support that the assets of the credit institution will, in the near future, be less than its liabilities;
- the credit institution is not and there are no objective elements to support that the credit institution will be unable to pay its debts or other liabilities when they fall due; and
- the circumstances for the exercise of the write-down or conversion powers in respect of Additional Tier 1 and Tier 2 capital instruments of the institution do not apply.

MiFID II

MiFID II was transposed into Greek law by Law 4514/2018.

MiFID II together with Regulation (EU) 600/2014 on markets in financial instruments ("**MiFIR**") introduced the new framework on financial markets. Both documents aim to have more efficient, resilient and transparent markets.

In particular, MiFID II introduced rules, *inter alia*, on high frequency trading, improves the transparency and oversight of financial markets, including derivatives markets, and addresses the issue of excessive price volatility in commodity derivatives markets. Furthermore, it expands supervision to all financial instruments admitted to trading, over-the-counter transactions and trading venues.

MiFID II also enhanced investor protection by introducing new product governance requirements and more stringent organisational and business conduct requirements.

MiFID II empowered the European Commission to adopt delegated and implementing acts to specify how competent authorities and market participants shall comply with the obligations laid down in the directive.

The Greek Regulatory Framework

The CRD IV framework, comprising CRD IV Directive (as transposed into Greece by Greek law 4261/2014) on access to the activity of credit institutions and the CRR on the prudential supervision of credit institutions and investment firms establishes the regulatory framework which governs the operation and supervision of credit institutions in the European Union.

The CRD Law replaced Greek Law 3601/2007. According to Article 166 of Greek Law 4261/2014, regulatory decisions issued by ministers or competent authorities by virtue of Greek Law 3601/2007 remain in force as long as they are not contrary to the provisions of the CRD Law or CRR and until replaced by new regulatory acts under Greek Law 4261/2014.

Under the current regulatory framework, credit institutions operating in Greece are, among others, required to:

- Observe the liquidity ratios prescribed by CRR and relevant Acts of the Governor of the Bank of Greece, to the extent that (according to article 166 of Greek Law 4261/2014) such acts are not contrary to the provisions of the CRD Law or the CRR and until replaced by new regulatory acts issued under Greek law 4261/2014;

- Observe the own funds requirements and calculation rules provided for by CRR and Decision no 114/1/4.8.2014 of the Credit and Insurance Committee Decisions as in force;

- Maintain efficient and independent internal audit, compliance and risk management systems and procedures (Bank of Greece Governor Act No. 2577/2006, as supplemented and amended by subsequent decisions of the Governor of the Bank of Greece and of the Banking and Credit Committee of the Bank of Greece). The Monitoring Trustee mandate and the Amended Relationship Framework Agreement also include provisions regarding the maintenance of such systems and procedures;

- Submit to the Bank of Greece periodic reports and statements required under Bank of Greece Governor Act No. 2651/2012, as amended and currently applicable, and other relevant Acts of the Governor of the Bank of Greece;

- Disclose data regarding the credit institution's financial position and the risk management policy;

- Provide the Bank of Greece any other information requested;

- In connection with certain operations or activities, notify or request the prior approval of the Bank of Greece/SSM, in each case in accordance with the applicable laws of Greece and the relevant acts, decisions and circulars of the Bank of Greece and the European regulatory framework; and

- Permit the Bank of Greece to conduct audits and inspect books and records of the credit institution, in accordance with Greek law (including Greek Law 4261/2014) and certain Bank of Greece Governor's Acts;

If a credit institution breaches any law or a regulation falling within the scope of the supervisory power attributed to the Bank of Greece, the Bank of Greece is empowered, among others, to:

- Require the relevant bank to take appropriate measures to remedy the breach;

- Impose fines (article 55A of the Articles of Association of the Bank of Greece, as ratified by Law 2832/2000 and as amended by Bank of Greece Governor Act No. 2602/2008, and provisions of Law 4261/2014);

- Revoke, in cooperation with the ECB according to Regulation 1024/2013, the license of the bank.

In the context of the SSM, the ECB and the NCAs (the Bank of Greece in Greece), Regulation 1024/2013 stipulates the supervisory tasks conferred upon the SSM and Regulation 468/2014 determines the framework of cooperation within the SSM.

The regulatory framework applicable to the Bank has been also affected by the establishment of the HFSF and the recapitalization framework. Moreover, Regulation (EU) 2016/445 specifies certain of the options and discretions conferred on competent authorities under Union law concerning prudential requirements for credit institutions that the ECB is exercising.

The Hellenic Financial Stability Fund—The Greek Recapitalisation Framework

Formation of the Hellenic Financial Stability Fund

The HFSF was established by Greek Law 3864/2010 (the "**HFSF Law**"), as a private law entity with capital funded by the Greek government out of the resources made available by the EU and the IMF to ensure adequate capitalization of the Greek banking system. Additionally, Greek Law 4389/2016 (article 188) prescribes HFSF as a subsidiary of Hellenic Corporation of Assets and Participations. It should be noted that Hellenic Corporation of Assets and Participations does not belong to the Greek public sector.

The purpose of the HFSF, according to the HFSF Law, is to maintain the stability of the Greek banking system for protection of the public interest. The duration of the HFSF has been set until and including 31 December 2022 and it may be extended upon decision of the Greek Minister of Finance, provided that such extension is necessary for the fulfillment of its purposes.

The administrative structure of the HFSF is comprised of two administrative bodies with decision making powers: (i) the seven -member General Council (of which one member is appointed by the Bank of Greece and one is appointed by the Greek Ministry of Finance); and (ii) the three-member Executive Committee (of which one member is appointed by the Bank of Greece). One member of the

Executive Committee shall be responsible for the reinforcement of the HFSF's role in facilitating the management of non-performing loans of the credit institutions in which the HFSF holds participation. Each of ECB, the EC and the ESM may appoint a non-voting observer to participate in the meetings of the General Council and the Executive Committee. Except for the Ministry of Finance and the Bank of Greece appointees, the appointment, renewal and salary of the other members sitting on the General Council and the Executive Committee requires the consent of the Eurogroup. It is noted that, in case the term of office of the members of the General Council and the Executive Committee ends before the expiry of the duration of the HFSF, the term of office of said members shall be automatically renewed. In case that a vacancy of a member of the General Council and the Executive Committee occurs when the duration of the HFSF is to expire in less than three (3) months, these bodies shall lawfully function even without filling the vacant position, provided that, during their meetings, the remaining members are sufficient to form the required quorum.

Selection Panel: The members of the General Council and the Executive Committee shall be selected by the selection panel which has already been formed by virtue of article 4A of the HFSF Law, as amended and in force. The Governor, the Deputy Governors, the members of the collective bodies, the advisors, as well as any other Bank of Greece staff, may not become members of the General Council or the Executive Committee, except for the member of the General Council appointed by the Bank of Greece. Par. 7 of Article 4 of the HFSF Law, stipulates all the positions for which there is incompatibility with being a member of the General Council and also of the Executive Committee.

The members of the General Council and the Executive Committee, except for the representative of the Greek Ministry of Finance, shall, in the performance of their duties, enjoy full autonomy and shall not seek or receive instructions from the Hellenic Republic or any other state body or institution, or financial institution supervised by the Bank of Greece, and shall not be subject to influence of any nature. Every two months, the General Council shall submit activities reports to the Greek Minister of Finance.

Persons having any of the following positions during the last three years may not be appointed as members of the Selection Panel: members of the Greek Parliament or Government, officers, employees or counsels of any Greek Ministry or of other governmental authority or of the Bank of Greece, executive members, officers, employees or counsels of any credit institution operating in Greece or of the European Commission or of the ECB or of the ESM, holders of shares of a credit institution operating in Greece with a total value exceeding €100,000 or persons having a financial interest, directly or indirectly linked to a credit institution operating in Greece, with a total value exceeding € 100,000.

Provision of Capital Support by HFSF

Activation of the Capital Support Provision

Pursuant to the provisions of article 6 of the HFSF Law, in the event that a credit institution is faced with a capital shortfall that has been identified as such by the competent authority, the credit institution may request capital support from the HFSF up to the amount of the capital shortfall. Such request to the HFSF shall be accompanied by:

a) a letter of the competent authority setting out the amount of capital shortfall, the deadline by which the credit institution shall have covered such capital shortfall and the capital raising plan that has been submitted to the competent authority; and

b) a draft revised restructuring plan in case of credit institutions that already have a restructuring plan approved by the European Commission or a draft restructuring plan in case of credit institutions not having an approved restructuring plan.

The draft restructuring plan, or the draft revised restructuring plan, as the case may be, must also describe, in light of conservative estimates, by what means the credit institution shall return to sufficient profitability over the next three to five years. Following any amendments to the draft restructuring plan, or the draft revised restructuring plan, suggested by the HFSF, the latter approves the draft restructuring plan or the draft revised restructuring plan, it forwards the same to the Greek Ministry of Finance and the Greek Ministry of Finance submits it to the European Commission for approval.

For the realization of the objectives and the exercise of the rights of the HFSF, the HFSF determines the framework of a relationship framework agreement with all credit institutions that are or have been beneficiaries of financial assistance provided by the EFSF and the ESM. The credit institutions shall sign the above-mentioned relationship framework agreement.

HFSF may provide the credit institution with a letter by which it commits to participate in the share capital increase of such credit institution up to the amount of the capital shortfall, provided that the credit institution falls under the exemption of article 32, paragraph 3 (d) (cc) of internal article 2 of the BRR Law (the "**Precautionary Recapitalisation**").

Conditions of HFSF Participation in Precautionary Recapitalisation

In accordance with article 6A of the HFSF Law, should the voluntary measures provided for in a credit institution's restructuring plan or revised restructuring plan fail to address the total capital shortfall of the credit institution as identified by the competent authority and in order to avoid serious disturbances in the economy with adverse effects upon the public and in order to ensure that the use of public funds is minimal, the Greek cabinet (the "**Cabinet**"), following a recommendation by the Bank of Greece, shall issue an act (the "**Cabinet Act**") for the application of mandatory measures (the "**Mandatory Measures**") aimed at allocating the residual amount of the capital shortfall of the credit institution to the holders of its capital instruments and other liabilities, as may be necessary.

Such allocation will respect the following hierarchy of claims:

- first, ordinary shares;
- second, if needed, preference shares and other CET1 instruments;
- third, if needed, Additional Tier 1 instruments;
- fourth, if needed, Tier 2 instruments;
- fifth, if needed, all other subordinated liabilities; and
- sixth, if needed, unsecured senior liabilities not preferred by mandatory provisions of law.

In case of conversion of preference shares issued in accordance with Greek Law 3723/2008 into ordinary shares of the credit institution, the HFSF shall become the owner of such ordinary shares. Claims of the same ranking will be treated *pari passu*. Differentiations in the ranking order, in accordance with the mandatory provisions of Greek Banking Law regarding hierarchy of claims in case of special liquidation of credit institutions (i.e. article 145A of Greek Law 4261/2014, as in force) and the relevant agreements, between claims that fall within the same class of the ranking order are taken into account during the above allocation. Deviations from both the above hierarchy of claims and the *pari passu* principle can be justified, however, when there are objective reasons to do so.

Mandatory Measures include:

- the absorption of losses by the existing shareholders in order to ensure that the equity of the institution becomes equal to zero, where appropriate, by means of decreasing the nominal value of its ordinary shares following a decision of the competent body of the credit institution;

- the decrease of the nominal value of preference shares and other CET1 instruments and then, if needed, of the nominal value of Additional Tier 1 instruments and then, if needed, of the nominal value of Tier 2 instruments and then if needed, other subordinated liabilities and then, if needed, of the nominal value of unsecured senior liabilities not preferred by mandatory provisions of law in order to ensure that the net asset value of the credit institution is equal to zero; or

- if the net asset value of the credit institution is above zero, the conversion into ordinary shares of other CET1 liabilities and then, if needed, of Additional Tier 1 instruments and then, if needed, of Tier 2 instruments and other subordinated liabilities and then, if needed, of unsecured senior liabilities not preferred by mandatory provisions of law in order to restore the capital adequacy ratio of the credit institution to the level required by the Bank of Greece.

The Mandatory Measures may also concern:

- any liabilities undertaken through the provision of guarantees granted by the credit institution with regard to debt or equity instruments issued by legal entities included in the consolidated financial statements of such credit institution; and

- any claims against the credit institution under credit arrangements between the credit institution and the abovementioned legal entities.

A Cabinet Act, following recommendation by the Bank of Greece, determines by class, type, rate and amount of participation, the instruments or the liabilities that are subject to the mandatory measures, on the basis, if needed, of a valuation of an independent auditor, appointed by the Bank of Greece. The conduct of such valuation is considered to exhaust any obligation to obtain an independent valuation provided for in any other applicable law. A valuation that meets the requirements of article 36 of BRR Law may act as a valuation for purposes of such requirements.

The instruments or liabilities referenced in the Cabinet Act as described immediately above are mandatorily converted into capital instruments within the context of a share capital increase decided by the credit institution in accordance with article 7 of the HFSF Law, as in force.

By way of derogation and subject to a positive decision of the European Commission in accordance with articles 107 to 109 of the Treaty on the Functioning of the European Union, the above measures may not apply, either fully or to individual instruments, in the event that the Cabinet concludes, upon recommendation by the Bank of Greece, that such measures would endanger financial stability or lead to disproportionate results, such as when the amount of capital support to be provided by the HFSF is small in comparison to that of the credit institution's risk weighted assets, and/or a significant portion of the capital shortfall has been covered by the private sector.

The final assessment of the derogation rests with the European Commission on an *ad hoc* basis.

The holders of any capital instruments, or other liabilities, including unsecured senior liabilities not preferred by mandatory provisions of law of the credit institution that is subject to recapitalization measures, shall not, following the implementation of the measures described above, be in a worse financial position than if the credit institution had been placed under liquidation (no creditor worse-off principle).

In the event that the no creditor worse-off principle is not observed, holders of any capital instrument, or other liabilities, including unsecured senior liabilities not preferred by mandatory provisions of law, are entitled to compensation by the Hellenic Republic, provided that they prove that their damages directly arising from the implementation of the mandatory measures are greater than if the credit institution had been put under special liquidation.

A valuation is conducted in order to determine the losses that the holders of any capital instrument, or other liabilities, including unsecured senior liabilities non-preferred by mandatory provisions of law, if instead of applying the mandatory measures, the credit institution had been put under special liquidation. Any form of public financial support to the credit institution is disregarded for the purposes of such valuation. The valuation will be conducted after implementation of the mandatory measures by an independent valuator to be appointed by the Bank of Greece with a view to assessing whether shareholders and subordinated creditors falling under the aforementioned measures would have been in a more favorable financial position if the credit institution had entered into special liquidation immediately prior to the implementation of the mandatory measures.

The 2015 Recapitalisation was a precautionary recapitalisation pursuant to Article 32, paragraph 3(d) of the BRR Law.

Application of the public financial stabilization measures of article 57 of the BRR Law

If the Greek Minister of Finance decides, in accordance with paragraph 4 of article 56 of the BRR Law, the application of the public financial stabilization measures (the "**Public Financial Stabilization Measures**"), the HFSF is appointed as the implementing body of article 57 of the BRR Law, following a decision by the Greek Minister of Finance. In such case, the HFSF participates in the recapitalization of the credit institution and receives in exchange ordinary shares (CET1 instruments) or instruments as prescribed by Article 57, paragraph 1 of the BRR Law.

The HFSF participates in the share capital increase and receives in exchange the above capital instruments after the application of whichever measures are decided in accordance with the BRR Law.

Provision of Capital Support

The HFSF provides capital support exclusively for the purpose of covering the credit institution's capital shortfall, as it has been determined by the competent authority and up to the residual amount, subject to the prior implementation of the measures of the capital raising plan of the credit institution, any participation of investors of private sector and the approval of the restructuring plan by the European Commission and:

(a) either the implementation of the Mandatory Measures, when the European Commission as part of the approval of the restructuring plan has confirmed that the credit institution fulfills the conditions for precautionary recapitalisation of indent (cc) of case (d) of paragraph 3 of article 32 of BRR Law; or

(b) when the credit institution has been put under resolution and measures have been taken in accordance with article 2 of the BRR Law,

the relationship framework agreement between the HFSF and the relevant credit institution must have been duly executed before the provision of the capital support.

Without prejudice to the aforementioned conditions and procedures, capital support is provided through the HFSF's participation in a share capital increase of the credit institution by issuance of ordinary shares with voting rights or contingent convertible bonds ("**CoCos**") or other convertible financial instruments that shall be subscribed for by the HFSF.

The HFSF may exercise, dispose of or waive its pre-emptive rights in cases of share capital increase or of issuance of contingent convertible securities or other convertible financial instruments of the credit institutions that request the provision of capital support. The share capital increases are settled by the HFSF in cash or in EFSF or ESM securities. Capital support is provided in compliance with State Aid rules.

Any decision of the credit institution concerning a share capital increase in accordance with the foregoing rules, including decisions concerning CoCos or other convertible financial instruments must be taken following a resolution of the general meeting of the shareholders according to article 7 of the HFSF Law, as in force. The relevant process follows the generally applicable Greek corporate law provisions with some derogations with respect to the content and time period required for the relevant invitation to be published.

There are also special provisions applicable with respect to the price at which the relevant securities will be subscribed. The Greek cabinet act 36/02.11.2015 (the "**Allocation Cabinet Act**") sets out, *inter alia*, the terms under which the CoCos may be issued by the credit institutions and subscribed for by the HFSF, as well as the terms of conversion thereof into ordinary shares of the relevant credit institution. The CoCos shall qualify as equity capital of the credit institution and their regulatory treatment shall be governed by the applicable legal framework and shall constitute direct, unsecured and subordinated investments in the credit institution ranking at all times *pari passu* without any preference among themselves.

The CoCos will bear interest which will be payable on an annual basis accrued, each on interest payment date. The CoCos shall automatically convert into ordinary shares of the credit institution if, for any reason whatsoever, the credit institution does not pay all or any part of any scheduled interest payments on two interest payment dates, which for the avoidance of doubt, do not need to be consecutive.

Payment of interest (whether in whole or in part) is entirely at the discretion of the Board of Directors of the credit institution, but if paid, interest will be paid in cash.

For the avoidance of doubt, any interest payment shall be subject to any applicable maximum distributable amount as stands in accordance with article 131 of the CRD Law (Greek law 4261/2014). No dividend shall be paid on the credit institution's ordinary shares if the credit institution has decided not to pay interest on the previous interest payment date.

The credit institution may, in its sole discretion, elect to repay all or some of the CoCos at any time at their initial nominal value plus any accrued and unpaid interest (excluding any interest which has been cancelled), subject to the following conditions:

(a) the credit institution obtaining such approval as may be required from the competent regulatory authority; and

(b) the satisfaction of such other requirements prior to repayment or purchases as may be specified in the then prevailing regulatory framework.

Such repayment at the credit institution's option will be in cash.

In addition, holders of CoCos shall have the right on the seventh anniversary to convert their CoCos into ordinary shares.

The CoCos shall only be transferable with the consent of the credit institution (which is not to be unreasonably withheld) and the consent of the competent regulatory authority.

When the HFSF provides the Precautionary Recapitalisation, the capital support shall be provided as follows:

(a) 25% of the capital support shall be in ordinary shares; and

(b) 75% of the capital support shall be in CoCos.

When the HFSF provides the capital support through the Public Financial Stabilization Measures, the capital support shall be provided as follows:

a) up to the amount necessary to cover incurred losses or losses likely to occur in the near future, in ordinary shares; and

b) for the rest of the amount, that would correspond to precautionary recapitalisation, 25% in ordinary shares and 75% in contingent convertible securities of article 1 of the relevant Cabinet Act.

The Bank issued CoCos to the HFSF in an amount of EUR 2,029 million as part of its 2015 Recapitalization. The Bank repaid these CoCos in full on 15 December 2016.

Powers of the HFSF

The HFSF will acquire ordinary shares with full voting rights in the share capital increases in which it will participate.

For shares acquired by the HFSF under the previous recapitalization framework, that is, before the share capital increase of 2015, where the minimum private sector participation condition had been met, the HFSF shall continue to exercise its voting rights with restrictions (i.e., the HFSF may exercise its voting rights only on matters relating to resolutions amending the bank's articles of association, including share capital increases or decreases or granting a relevant authorization to the Board of Directors, mergers, divisions, conversions, revivals, extensions of the term or dissolution of the company and transfers of assets, including sales of subsidiaries or any other matter requiring an increased majority, in accordance with the new Greek Company Law 4548/2018), unless it is concluded, following a decision of the members of the General Council of the HFSF, that the bank is in breach of material obligations which are included in or promote the implementation of the restructuring plan or which are described in the agreement entered into between the HFSF and the bank.

Shares which the HFSF acquired as part of the Share Capital Increase completed in December 2015 have full voting rights.

The HFSF is represented by one director to the board of directors of a bank having received capital from the HFSF according to the HFSF Law, as its representative. The HFSF has currently appointed one representative in the Bank's Board. Additionally, the HFSF appoints one observer to the Board (without voting rights), and both the representative and the observer participate in Board Committees (see below *"Amended Relationship Framework Agreement"*).

The HFSF representative has certain powers over credit institutions:

a) to veto corporate decisions of a credit institution's board of directors related to (a) dividend distributions, the remuneration policy (including grant of additional payments (bonuses)) relating to the chairman, managing directors and the other Board members, as well as those who have the position or perform general manager's tasks and their respective deputies; (b) any other matter which may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency or, in general,

on the operation of the credit institution, including its business strategy and asset/liability management); and (c) decisions referring to matters for which the restriction in the voting rights of the shares held does not apply (decisions of Article 7A par 3 of HFSF Law) and which significantly affect the HFSF's shareholding in the credit institution;

b) to call a general shareholders' meeting for a credit institution;

c) to request an adjournment of a Board meeting for three (3) business days in order to receive instructions from the HFSF Executive Committee. Such right may be exercised by the end of the meeting of the credit institutions Board of Directors;

d) to call a board meeting; and

e) to approve the appointment of the chief financial officer.

In exercising his rights, the HFSF's representatives in the Board of Directors shall respect the credit institution's business autonomy.

HFSF shall have free access to the credit institution's books and records using employees or consultants of its choice.

The remuneration of the Chairman, the Managing Director and the other members of the Board of Directors, as well as those who have the position or perform general manager's tasks and their deputies may not exceed the total remuneration of the Governor of the Bank of Greece. For the period during which the credit institution participates in the capital support programme under the HFSF Law, no bonuses shall be granted to the aforementioned persons and dividend payouts must be limited to up to 35% of distributable profits.

The HFSF, with the assistance of an independent advisor of international reputation and established experience and expertise, will assess the corporate governance framework of the credit institutions with which the HFSF has executed a relationship framework agreement and establish criteria for such assessment in line with the international best practices, in addition to the criteria set out in the HFSF Law. The assessment shall include the size, organization, structure and the allocation of tasks and responsibilities within the board of directors and its committees according to the business needs of the credit institutions, as well as the members of the board of directors and its committees.

The above evaluation will involve all committees of the board of directors as well as any other committee of these credit institutions which the HFSF deems necessary to evaluate for the fulfillment of its objectives. The HFSF with the assistance of an independent consultant will develop criteria for the evaluation of the above elements and the members of the boards and committees of these credit institutions along best international practices. Based on this evaluation the HFSF will develop specific recommendations for improvements and changes, if needed, in the corporate governance of each credit institution. The members of the boards and committees shall cooperate with the HFSF and its consultants in conducting the review and provide necessary information for the purposes of the review.

Beyond the criteria established by the HFSF with the assistance of the independent consultant, the evaluation shall include certain minimum criteria as set out below:

(a) With respect to the evaluation of the members of the board of directors and its committees at least the following must be satisfied:

(i) The member must have at least ten (10) years of experience at senior managerial level in the areas of banking, audit, risk management or distressed

asset management, of which the non-executive members must have been at least three (3) years as a board member of a credit institution or of a company of the financial sector or of an international financial institution.

(ii) The member is not, and has not been entrusted in the last four (4) years, with prominent public functions, such as Head of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials. The member must declare all financial affiliations with the credit institution before appointment; the competent authority has confirmed that the individual is fit and proper to act as a member.

Additional criteria defining specific skills needed for specific tasks within the board will be determined by the HFSF in cooperation with the independent consultant under the corporate governance review. The criteria will be updated at least once every two years and more often if there is material change in the financial position of the credit institution.

The size and collective knowledge of the boards and committees shall reflect the business model and the financial condition of the credit institution and the review of the members should ensure the right size and composition.

The evaluation of the structure and composition of the Boards and Committees shall have the following minimum criteria:

(i) the banks' board of Directors include at least three independent non executive experts as members with adequate knowledge and international experience of at least fifteen (15) years in relevant banking institutions of which at least three (3) years' experience on a board of an international banking group not operating on the Greek market. These experts should have no affiliation over the previous ten years with credit institutions operating in Greece;

(ii) the aforementioned independent non-executive members chair all Board committees;

(iii) at least one board member shall have relevant expertise and international experience of at least five (5) years in the management of non-performing loans. This board member will focus on and will have sole responsibility for management of non-performing loans at board level and chair a specific board committee of the credit institution that deals with non-performing loans.

In the case that a review or evaluation determines that the subject of the review does not meet the relevant criteria, the HFSF will inform the board of directors and, if the board of directors does not take action to implements the recommendations, will call a General Assembly of shareholders to inform them and recommend the necessary changes. The HFSF will send the findings of the review to the competent authorities. In the case of a board or committee member does not meet the relevant criteria, or if the board collectively does not satisfy the recommended structure with respect to the size, allocation of tasks and expertise within the board and the necessary changes cannot be achieved otherwise, these recommendations shall include that certain board or committee members need to be replaced.

In the event that the General Assembly of shareholders does not agree within three months to replace board members who fail to meet these criteria, the HFSF shall publish a report on its website within four weeks naming the credit institution, the recommendations and the number of board members that do not meet the relevant criteria and specify the criteria the board and its individual members do not meet.

Each of the Bank of Greece and the ECB, in their capacity as the competent authority for the supervision of credit institutions, and the HFSF will be authorised to exchange confidential

information with one another to the fullest extent permitted by law. (see "*Risk Factors—Risks Relating to the Issuer's Recapitalisation and Receipt of State Aid—The HFSF, as shareholder, has certain rights in relation to the operation of the Issuer and has and will continue to have the ability to exercise significant influence over the Group's operations*" for further detail).

In the event that the Bank is placed under liquidation, the HFSF as shareholder is satisfied in priority before all other shareholders.

Amended Relationship Framework Agreement

Following the participation of the HFSF in the Bank's share capital in 2013, the Bank and the HFSF entered into the Relationship Framework Agreement. In connection with its receipt of State Aid as part of its recapitalization in December 2015, the Bank entered into an Amended Relationship Framework Agreement ("**Amended Relationship Framework Agreement**") with the HFSF on 3 December 2015. This Amended Relationship Framework Agreement replaced the earlier Relationship Framework Agreement entered into by the Bank in 2013.

According to the Amended Relationship Framework Agreement, the HFSF should, among others (i) monitor and assess how the Bank complies with the applicable restructuring plan, (ii) exercise its shareholding rights in compliance with the rules of prudent management of its assets and in compliance with State Aid and competition rules of the European Union, (iii) ensure that the Bank operates on market terms, and (iv) that in due time the Bank returns to private ownership in an open and transparent manner. The Amended Relationship Framework Agreement determines the relationship between the Bank and HFSF certain matters relating to, amongst others: (a) the corporate governance of the Bank, (b) the Revised Restructuring Plan and its monitoring, (c) the monitoring of the implementation of the Bank's NPL management framework and of the Bank's performance on NPL resolution. In addition, the Amended Relationship Framework Agreement deals with (d) the obligations that are defined as material for the purposes of the Amended Relationship Framework Agreement, including for the switch to full voting rights, (e) the monitoring of Bank's actual risk profile against the approved risk and capital strategy (f) the HFSF's consent for matters that are defined as material for the purposes of the Amended Relationship Framework Agreement and, in particular, for the HFSF's consent request, (g) litigation and other proceedings that are defined as material for the purposes of the Amended Relationship Framework Agreement and concern the Group, and (h) the duties, rights and obligations of HFSF's representative on the Board. Moreover, the Amended Relationship Framework Agreement states that, subject to its provisions, the applicable law, and the charter documents, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy in compliance with the currently applicable restructuring plan and the decisions on the day-to-day operation of the Bank will continue to rest with the Bank's competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary responsibilities.

The Amended Relationship Framework Agreement prescribes the appointment of the HFSF representative to the Board of Directors and the appointment of an observer (without voting rights) also participating at the Board of Directors. Additionally, as prescribed by the Amended Relationship Framework Agreement, both the representative and the observer participate in the Board Committees.

According to the provisions of the applicable framework as outlined previously, the HFSF representative's rights as prescribed within the Amended Relationship Framework Agreement include the following:

i. To request the Board to convoke the General Assembly of Shareholders or to include items on the agenda to be discussed at a General Assembly to be convoked by the Board. The request regarding the convocation of the General Assembly shall be addressed to the Chairman of the Board in writing and shall include the proposed items on the agenda. The Board shall have the obligation to convoke the General

Assembly upon respective request of the HFSF representative. Furthermore, the Board shall have the obligation to include the proposed items in the respective invitation for the convocation of the General Assembly.

ii. To request that the Board is convened within the next seven (7) calendar days from the HFSF's representative written request to the Chairman of the Board. The relevant request shall be addressed to the Chairman of the Board in writing and include the proposed items on the agenda. If the Chairman of the Board does not proceed to the convocation of the Board within the above deadline or does not include all the proposed items in the invitation, then the HFSF representative shall be entitled to convoke the Board within five (5) days as of the expiry of the above seven (7) days period.

iii. To include items in the agenda of a scheduled Board meeting, including any item which may be related to any entity of the Group. For this purpose, the HFSF representative will submit in writing to the Chairman of the Board the desired additional items on the agenda at least two (2) business days prior to the date of the Board meeting. The Chairman of the Board must include these items in the agenda of the scheduled Board meeting.

iv. To request an adjournment of any meeting of the Board or the discussion of any item up to three (3) business days, if it finds that the material, data or information and the supporting documents submitted to the HFSF pursuant to the items of the agenda of the forthcoming Board meeting are not sufficient.

Additionally, as per the Amended Relationship Framework Agreement, the HFSF Representative has the following rights in Board Committees:

i. to include items on the agenda of a committee meeting scheduled. For this purpose, the HFSF representative will submit in writing to the Chairman of the Committee the proposed additional items of the agenda at least one (1) day prior to the date of the Committee meeting;

ii. to request that the committee is convened within the next seven (7) days from the HFSF representatives' written request to the Chairman of the committee. The relevant request shall include the proposed items of the agenda. If the Chairman of the committee does not proceed to the convocation of the committee within the above deadline or does not include all the proposed items in the invitation, then the HFSF representative shall be entitled to convoke the committee within five (5) days as of the expiry of the above seven (7) days period.

Further, the Amended Relationship Framework Agreement prescribes in detail requirements for the Bank to inform the HFSF representative and the HFSF Observer, including on the activities and decisions of Board committees in which they participate.

Under the Amended Relationship Framework Agreement, the Bank has the obligation to obtain the prior written consent of the HFSF for all material matters set forth within the agreement, including, among others, the Revised Restructuring Plan, including any amendment, extension or revision of the Plan, the Bank Group policy governing relations with connected borrowers and any amendment, extension, revision or deviation thereof, the Group Risk and Capital strategy document(s) especially the risk appetite statements and risk governance and any amendment, extension, revision or deviation thereof, the Group Investment/Divestment Policy regarding participations, real estate and loan portfolios and any amendment, extension, revision or deviation thereof, and other matters particularly prescribed within the Amended Relationship Framework Agreement as material materials requiring

prior-written consent and according to the exceptions the Amended Relationship Framework Agreement prescribes.

If the Bank breaches or defaults in performing or complying with or fails to perform or comply with any of its material obligations, the HFSF shall give to the Bank a default notice specifying such breach, default or failure and, in the case of a breach, default or failure capable of remedy, stipulating a period during which such breach, default or failure shall be remedied. Provided that such period is accepted by the HFSF, and if such event is still outstanding after a remedy period has been provided by the HFSF, whenever such period is applicable, and without prejudice to any other rights of the HFSF under the HFSF Law and the Amended Relationship Framework Agreement, restrictions of the HFSF's voting rights concerning the portion of shares to which these apply, shall be lifted and the HFSF shall have full voting rights with respect to the particular shares now subject to restrictions in accordance with Article 7A of the HFSF Law, upon notification to the Bank of the respective decision of the General Council of the HFSF.

The Amended Relationship Framework Agreement requires that:

- The Bank shall at each time adopt and apply a corporate governance structure that ensures the implementation of the Amended Relationship Framework Agreement, compliant at any time with the requirements of the HFSF Law, the contractual obligations and the Revised Restructuring Plan.

- The Bank shall provide to the HFSF the documents, as required, in order to ensure the effective monitoring of the implementation of the Revised Restructuring Plan and NPL management framework, to effectively allow the HFSF to perform its statutory role. In December 2016 the Board Risk Committee Charter was revised, such that the Committee has a dual role, having specific competence over non-performing loans/non-performing exposures (NPLs/NPEs) and operating as the Bank's special Committee that deals with non-performing loans in accordance with Article 10 Paragraph 8 of the HFSF Law.

- If the Bank has engaged, prior to the signing of the Amended Relationship Framework Agreement, an external audit firm for more than five years, the Bank should replace the audit firm. The new engagement contracts should not exceed five years.The Bank's initial five-year period expired following the 2016 financial year. In this context, the Board of Directors approved at the meeting held on 18 January 2017 PwC as the most appropriate audit firm for the audit of the Group for the year ending 31 December 2017, following the recommendation of the Audit Committee. The selection was based on the results of the tender process run by the Bank. The appointment of PwC was approved by the 2017 Annual General Meeting of the Bank's shareholders. The 2018 Annual General Meeting of the Bank's shareholders appointed PwC to undertake the audit of the Group for the year ending 31 December 2018, following relevant proposal of the Audit Committee .

- In case of any actual or reasonably foreseeable adverse deviations in the Bank's or the Group's performance and risk profile, relative to the base scenario of the Revised Restructuring Plan, or relative to the budget, or with respect to the Risk and Capital Strategy if adverse deviations have already been approved by the HFSF through the approval of the budget, the Board should promptly submit its recommended corrective strategic actions to the HFSF for its review and consent.

- Performance against the Revised Restructuring Plan as well as progress on key initiatives undertaken by the Bank (e.g. Divestments, Integrations, etc.) will be monitored as follows:

  i. Regular meetings between the Bank's management and the HFSF.

ii. A formal monitoring review of performance against the Revised Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget (see above), will be conducted on a quarterly basis, in line with the Bank's results reporting cycle. For the purpose of the monitoring reviews, the Bank will provide the HFSF with a report on its financial and business performance against the Revised Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget (see above) quarterly targets, clearly highlighting performance to date against the currently applicable restructuring plan targets as well as against budget, key initiatives and expected impact for the next four quarters rolling and identifying any adverse deviations from the targets and associated corrective measures /initiatives, which must be approved by the HFSF.

- The HFSF will monitor and evaluate the performance of the Bank's Board of Directors and its Committees.

- The Bank will inform in writing the HFSF as soon as it executes a non-binding agreement /memorandum of understanding for the sale of (or receives any proposal from third parties for the acquisition of) a subsidiary of the Bank, or part of its business.

- The Board should conduct a self-assessment exercise on an annual basis not only as a whole, as per current legislation but also for each of its Committees. The results of this evaluation should be disclosed in the Annual Report on Corporate Governance.

- The Board should approve the following policies and amendments thereof: the Bank's Group Strategy, Policy and Governance regarding the management of its Arrears and Non-Performing Loans, Conflict of Interest policy, Related Party Transactions policy, Provisioning & Write-off policy, Sponsorship/Donation policy, Outsourcing policy, Board /Committees self-assessment policy.

The Amended Relationship Framework Agreement shall remain in force for as long the HFSF holds shares issued by the Bank, irrespective of its participation percentage. However, if its participation percentage falls below 15% of the Bank's share capital, only certain clauses of the Amended Relationship Framework Agreement shall remain in force, as particularly prescribed within the Amended Relationship Framework Agreement.

The Amended Relationship Framework Agreement is available at HFSF's website www.hfsf.gr/en/agreements_2015.htm (section: *agreements*). The information on this website is not incorporated by reference in this Base Prospectus.

Disposal of Shares

The HFSF will decide on the way and procedure for disposing its shares at a time it deems appropriate, whether in a single transaction or a series of transactions, and in any case within five years from entry into force of Greek Law 4340/2015 and in compliance with the EU state aid rules. The disposal of shares within the time limits stipulated above may not be made to any entity belonging directly or indirectly to the Hellenic Republic, in accordance with Greek law. The Greek Minister of Finance, following a proposal by the HFSF, can extend the above mentioned periods.

In order to reach such decision, the General Council of the HFSF will take into account a report prepared by an internationally accredited independent financial expert of recognised experience in such issues. This report should be accompanied by a comprehensive time schedule for the disposal of shares. The prerequisites and the method of disposal of the shares as well as the acts necessary for the completion of the process and compliance with the time schedule must be sufficiently explained in the report.

Subject to the provisions of Greek law 3401/2005 as amended and in force, the shares may be disposed either by the sale of the relevant shares to the public or to specific investor(s) or group of investors through: (a) open tender procedures or calls for expressions of interest to eligible investors; (b) market orders; (c) public offers of the shares for cash or in exchange of other securities; and (d) book building exercises.

The HFSF may decrease its participation in credit institutions through a share capital increase of the credit institution by waiving or disposing of its pre-emptive rights.

The price at which the shares will be disposed by the HFSF and the minimum price at which the shares shall be subscribed are described in Article 8 par. 4 of HFSF Law, as amended and in force.

In the event that shares of the credit institution held by the HFSF are disposed to a specific investor or group of investors, or in the event that the participation of the HFSF is decreased pursuant to paragraph 3, of Article 8 of HFSF Law, in favor of a specific investor or group of investors:

(a) The HFSF may invite the interested investors to submit their offers, by setting the procedure, the deadlines, the content of the offers and any other term, including the provision of proof of funds and guarantee letters by the interested investors, in any stage of the procedure it may be deemed necessary, in the respective call.

(b) The HFSF may enter into a shareholders' agreement, subject to its judgment, which sets the relations between the HFSF and the investor or group of investors, as well as to proceed to any amendment of the relationship framework agreements referred under paragraph 2 of article 2 of HFSF Law, as amended and in force. Within this framework, a restriction to the investors, group of investors or the HFSF to maintain their participation for a specific time period may be provided in the shareholder agreement.

(c) The HFSF may grant rights of first offer and rights of first refusal to investors identified in line with the assessment criteria referred to under subparagraph d) below

(d) The investor or group of investors is selected by following assessment criteria such as the experience of the investor with respect to the main activity of the enterprise and to the restructuring of credit institutions, its credibility, its ability to complete the transaction and the price to be offered. The assessment criteria applicable to each process shall be notified to the interested investors prior to the submission of their binding offer.

This also applies in the case of share capital increases by credit institutions under Greek law 2190/1920.

Specific Information on the Warrants Issued by the HFSF

According to article 7 paragraph 4 of the HFSF Law, as in force, and of Cabinet Act 38/2012, as amended, issued on 26 June 2013, 245,779,626 warrants were granted to private investors participating in the capital increase of the Bank in 2013 according to the HFSF Law and Cabinet Act 38/2012. Trading of the warrants on the Athens Exchange began on 27 June 2013.

Warrants were transferable securities with no restrictions concerning their transfer. Each warrant incorporated the right of its holder to purchase HFSF shares, the corresponding number of which is determined based on the provisions of Cabinet Act 38/2012, as amended and in force. The warrants did not provide voting rights to holders or owners thereof.

The warrants could be exercised every six months, with the first exercise date being six months following their issuance and the last exercise date being fifty-four (54) months following their

issuance. The ninth and final exercise date (27 December 2017) was the date of expiry of the warrants.

After the end of the ninth and final exercise process (27 December 2017), and following the settlement of participation orders including the fractional shares, 2,538 warrants in total on shares issued by the Bank and owned by the HFSF were exercised. The exercised warrants corresponded to 1,391 common shares , i.e. to 0.00002% of the total share capital, increasing commensurately the Bank's free float. The total consideration paid by the warrant holders to the HFSF amounted to EUR 112,803.57.

In accordance with the provisions of the HFSF Law and Cabinet Act 43/2015, which amended Cabinet Act 38/2012, the warrants which were not exercised until that date automatically expired and were cancelled by the HFSF after the settlement date of the exercise orders on 29 December 2017.

Prohibition of Money Laundering and Terrorist Financing

Greece, as a member of the Financial Action Task Force ("**FATF**") and as a Member State of the EU, complies with FATF recommendations and the relevant EU legal framework relating to the prevention of money laundering and terrorist financing.

Particularly, since 2012, the FATF standards have been revised to strengthen the requirements for higher risk situations, and to allow financial institutions to take a more focused approach in areas, where high risks remain, or implementation could be enhanced. Implementing FATF standards banks should first identify, assess and understand the risks of money laundering and terrorist finance that they face, and then adopt appropriate measures to mitigate the risk. The risk-based approach allows them, within the framework of the FATF requirements, to adopt a more flexible set of measures, in order to target their resources more effectively and apply preventive measures that are commensurate to the nature of risks, in order to focus their efforts in the most effective way.

Directive (EU) 2015/849 (the "**4th AMLD**") on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, as well as Regulation 847/2015 (which came in to force on June 26, 2017) on information accompanying transfers of funds repeals Regulation (EC) No 1781/2006, were intending to strengthen EU rules against money laundering and ensure consistency with the approach followed at international level. The Regulation 847/2015 deals, more specifically, with information accompanying transfers of funds. The texts implement recommendations by the FATF, which is considered a global reference for rules against money laundering and terrorist financing. On some issues, the new EU rules expand on the FATF's requirements and provide additional safeguards.

The recently enacted Greek law 4557/2018 implemented the 4th AMLD. The main provisions of the Greek legislation against money laundering and terrorist financing activity now in force inter alia provide:

- a declaration that money laundering and terrorist financing are criminal offences;
- a list of basic offences which includes, among others, bribery of political persons, bribery of employees, computer fraud, human trafficking, tax evasion, smuggling and non-payment of debts to the State;
- designation of persons falling within the ambit of Greek Law 4557/2018, including, among others, banks, financial institutions, electronic money institutions, credit servicing or credit acquiring firms and certain insurance undertakings (the "**obliged persons**");
- description of the circumstances under which the "obliged persons" must display due diligence;

- definition of the beneficial ownership status and establishment of a national central beneficial owner registry providing accurate and up-to-date information on the Ultimate Beneficial Owner Status ("**UBOS**") of any natural person(s) who ultimately owns or controls an entity and/or on whose behalf a transaction or activity is being conducted;

- an obligation that banks (and certain other persons) are required to identify customers, build know-your-customers procedures, retain documents and report suspicious/unusual transactions to the relevant authorities;

- a requirement to focus on risk assessments and adoption of risk-based approach;

- obliged entities to take into consideration lower/higher risk indicators;

- widening the definition of Politically Exposed Persons ("**PEP**");

- not applying restrictions relating to banking confidentiality in case of money laundering activities;

- an obligation to maintain evidence and records of transactions;

- the mandate of the competent anti-money laundering national Authority which is responsible, among others, for examining reports filed by banks and other individuals or legal persons with respect to suspicious transactions and for ordering sanctions against individuals who are suspected of terrorism;

- criminal, administrative and other penalties that are imposed in case of breach.

Within the scope of combating tax evasion, the Directive (EU) 2016/2258 provides for the access of tax authorities to the mechanisms, procedures, documents and information applied and held by the obliged persons (including banks) for AML/CFT purposes. This Directive was transposed into Greek law by the Greek Law 4569/2018.

It is noted that the competent Banking and Credit Committee of the Bank of Greece, has not yet issued a decision incorporating the provisions of Law 4557/2018 and therefore the relevant previous decisions are still in force as long as they do not contradict those of the Greek Law 4557/2018.

Specifically, the Banking and Credit Committee of the Bank of Greece, has issued Decision No. 281/5/17.3.2009 on the "Prevention of the Use of the Credit and Financial Institutions, which are Supervised by the Bank of Greece, for the Purpose of Money Laundering and Terrorist Financing" and Decision 285/6/09.07.2009, which sets an indicative typology of unusual or suspicious transactions within the meaning of the former Greek Law 3691/2008 as well as Decision 290/12/11.11.2009. Both the aforementioned decisions 281/5/17.3.2009 and 290/12/11.11.2009 were supplemented by Decision 300/30/28.7.2010, while Bank of Greece Governor's Act no 2652/29.02.2012, by amending Decision 281/5/17.3.2009 and supplementing Decision 285/6/09.07.2009 included therein:

a) an obligation for financial institutions to confirm their clients' income through their tax reports or, in the case of legal persons, based on the tax returns they file (including confirmation of reporting and tax burden), when outlining their financial profile.

b) the compulsory addition of a new category of clients presenting a high risk of tax evasion or the unlawful laundering of proceeds from tax evasion, to which enhanced due diligence measures apply.

c) lowered the limit of cash withdrawals to EUR 50,000 (from EUR 250,000), over which financial institutions should encourage their customers to use bank checks or wire transfers to a bank account.

d) a new category of target typology of unusual or suspicious transactions that may relate to or be associated with tax evasion.

Furthermore, it should be noted that on 5 December 2017 the EU Council adopted its list of non-cooperative tax jurisdictions and published annexes containing: (i) the EU list of non-cooperative tax jurisdictions; and (ii) the state different jurisdictions cooperation with the EU with respect to commitments taken to implement tax good governance principles. The EU Council's list is intended to promote good governance in taxation worldwide, maximizing efforts to prevent tax avoidance, tax fraud and tax evasion. Furthermore it is also noted that the current list, as in force, is to be revised at least once a year and the competent EU authorities may recommend an update at any time.

The European Commission issued Regulation (EU) 2016/1675, as amended and in force which supplemented Directive (EU) 2015/849 by identifying high risk third countries with strategic deficiencies in their national anti-money laundering and terrorism financing frameworks.

Lastly, the European Commission published a new Directive (EU) 2018/843 (5th AMLD) amending Directive (EU) 2015/849 and Directives 2009/138/EC and 2013/36/EU (required to be transposed into national law by 10 January 2020) introducing amendments to the existing European regulatory anti-money laundering and or terrorist financing regime including inter alia:

- improving transparency on the real owners of companies;
- improving transparency on the real owners of trusts;
- interconnection of the beneficial ownership registers at EU level;
- lifting the anonymity on electronic money products (prepaid cards) in particular when used online;
- extending Anti-Money Laundering and Counter Terrorism financing rules to virtual currencies, tax related services, and traders in works of art;
- broadening the criteria for assessing high-risk third countries and improving checks on transactions involving such countries;
- setting up centralised bank account registers or retrieval systems;
- enhancing the powers of EU Financial Intelligence Units and facilitating their cooperation;
- enhancing cooperation between financial supervisory authorities.

EU General Data Protection Regulation

Regulation (EU) No. 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (also known as the EU General Data Protection Regulation or the "**GDPR**") represents a new legal framework for data protection in the EU. It directly applies in all EU member states as of 25 May 2018. Although a number of basic principles remained the same, the GDPR introduced new obligations on data controllers and enhanced rights for data subjects.

The GDPR applies to organisations located within the EU but it also extends to organisations located outside of the EU if they offer goods and/or services to EU data subjects. Regulators have unprecedented power to impose administrative fines and penalties for a breach of obligations under the GDPR, including fines for serious breaches of up to 4 per cent of the total worldwide annual turnover of the preceding financial year or €20 million and fines of up to 2 per cent of the total worldwide annual turnover of the preceding financial year or €10 million for other specified infringements. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement).

The Bank has taken measures in order to be compliant with the GDPR requirements.

As of the date of this Base Prospectus, no Greek law implementing and supplementing the GDPR has yet been issued. Such draft legislation entered into public consultation on 20 February 2018 and is expected to be issued during the course of 2019.

Hellenic Deposit and Investment Guarantee Fund

By virtue of Law 2832/2000, the Greek deposit protection fund (the "**Deposit Guarantee Fund**" or "**DGF**") was established. The DGF has been succeeded by the Hellenic Deposit and Investment Guarantee Fund (the "**HDIGF**"), established by virtue of Greek Law 3746/2009, such law having been replaced by Greek Law 4370/2016 "on Deposit Cover Schemes and Deposit and Guarantee Fund", that implemented Directive 2014/49/EU of the European Parliament and of the Council of April 16, 2014 on deposit guarantee schemes.

According to Greek Law 4370/2016, as in force, the HDIGF is a private law legal entity, has its registered seat in Athens, is supervised by the Minister of Finance, is not a public organization or a state owned legal entity and does not belong to the Greek public sector.

Greek Law 4370/2016, defines, among others, the scope and certain aspects of the operation of the HDIGF, the terms of participation of credit institutions as well as the process for determining and paying contributions to its Schemes. The HDIGF objectives are (1) to indemnify depositors of banks participating in the HDIGF who are unable to fulfill their obligations towards their depositors and to fund resolution measures of the banks through the deposits cover scheme (the "**Deposit Cover Scheme**") in accordance to article 104 of Greek Law 4335/2015 ("**BRR Law**"), (2) to indemnify investors—clients of banks, in relation to the provision of investment services from these banks in case the latter are unable to fulfill their obligations from the provision of covered investment services through the investments cover scheme (the "Investment Cover Scheme") and (3) to provide for the provision of financing to banks placed under the resolution measures through the resolution scheme (the "**Resolution Scheme**") in its role as Resolution Fund. All authorized banks in Greece, with certain exemptions, and the local branches of credit institutions which have been established in non-EU Member States and are not covered by a guarantee scheme equivalent to that of the HDIGF, are obliged to participate in the aforementioned schemes of the HDIGF. Greek branches of foreign credit institutions established in EU Member States may also become members of the investments cover scheme of HDIGF at their discretion.

A credit institution shall not take deposits unless it is a member of the aforementioned Deposit Cover Scheme.

The maximum coverage level for each depositor at a credit institution under Greek Law 4370/2016 is EUR 100,000, taking into account the aggregate deposits of each depositor with a bank minus any due and payable obligations on or before the date of unavailability towards the latter. This amount is paid in the currency of the State where the account is located, to each depositor as an indemnity irrespective of the number of accounts held in a credit institution, the currency or the location where the deposit is held. In case of so-called temporary high deposit balance – stemming from real estate transactions (e.g. sale of property) as well as from some specific life events (such as compensations

due to divorce, retirement, etc.) – depositors will be entitled to coverage up to EUR 300,000. However, such coverage will be limited in time up to maximum three months after the determination by the competent authority or a judge that deposits are unavailable and after a relevant petition of the depositor towards HDIGF.

Depositors must be able to access their funds within seven working days after the determination by the competent authority or a judge that deposits are unavailable.

Certain deposits are excluded from coverage by the Deposit Cover Scheme, such as deposits made by other credit institutions, financial institutions, investment firms, collective investment undertakings and public authorities.

The HDIGF also indemnifies the investors-clients of banks participating in the HDIGF with respect to claims from investment services falling within the scope of Greek Law 4370/2016, up to the amount of EUR 30,000 for the total of claims of such investor, irrespective of covered investment services, number of accounts, currency and place of provision of the relevant investment services.

Certain investors are excluded from coverage by the Investment Cover Scheme, such as claims made by other credit institutions, financial institutions, investment firms, collective investment undertakings.

Capital Controls applying to banks operating in Greece

In order to protect the Greek financial system and the Greek economy in general from the lack of liquidity, the Legislative Act of 28 June 2015 introduced a short-term bank holiday period starting on 28 June 2015 and imposed capital controls, which apply to all credit institutions operating in Greece in any form. The bank holiday expired on 20 July 2015. The capital controls regime continues to apply as of the date of this Base Prospectus.

Within the context of the capital controls regime, a Bank Transactions Approval Committee has been established at the Greek Ministry of Finance, with the responsibility of examining and approving transactions in view of the capital controls framework.

Following a decision of the above Committee, each credit institution was able to establish a special subcommittee for the approval of transactions in the context of the capital controls framework. The Bank Transactions Approval Committee is responsible for determining the conditions of operation of these subcommittees and any other procedural and operational detail, including the amount and breakdown by credit institution of the daily limit on individual types of transactions and the reevaluation of such limits.

The capital controls, impose among others the following restrictions on bank transactions:

- cash withdrawals are permitted without any limitation in the amount as of 1 October 2018 from credit institutions in Greece, including withdrawals with the usage of credit and prepaid cards;

- cash withdrawals are permitted up to the amount of EUR 5,000 or its equivalent in foreign currency, as of 1 October 2018, per calendar month per depositor (Customer ID), from institutions abroad, including withdrawals with the usage of credit and prepaid cards issued by credit institutions operating in Greece;

- transfer of funds outside Greece is prohibited, with certain exceptions, including where amounts are transferred from abroad following the entry into force of the Act by means of crediting an account held with a credit institution operating in Greece and are resent abroad, funds transferred by companies importing goods where there are particular limits applying and approval procedures that need to be followed, transfer of up to EUR 4,000 during a two month

period per person (Customer ID) from 1 July 2018 and cumulatively up to a monthly threshold that the Banking Transactions Approval Committee assigns to each bank;

- transfer of custody of financial instruments of Article 5 of Greek Law 3606/2007 (MiFID) abroad is prohibited, except for the transfer of financial instruments to a custodian abroad for the purpose of clearing and settlement of transactions on such financial instruments;

- transactions for the payment of medical and tuition fees abroad are allowed according to certain prerequisites;

- cash withdrawal from a bank account up to a maximum amount of EUR 2,000, or its equivalent in foreign currency, is permitted under certain conditions for a person accompanying a patient admitted to hospitalization abroad;

- transfer of the maximum amount of EUR 5,000 or the same amount in foreign currency, per calendar quarter, in total, is allowed for accommodation and living expenses of students studying abroad or participating in student exchange programs, whereas the transfer of a maximum amount of EUR 8,000 is permitted if such amount is directly credited to the account of a student residence or a student house lessor;

- certain provisions refer to the capability of shipping companies to perform cash withdrawals up to the amount of EUR 50,000 daily, from the amounts that have been transferred following the entry into force of the Act from abroad by crediting accounts held with a credit institution operating in Greece;

- cash withdrawal up to 100% in total is permitted concerning cash deposited to bank accounts of either natural or legal persons after the 22 July 2016, in compliance with AML/CFT framework;

- capital transfer outside Greece by an institution is permitted, for the purpose of purchasing foreign financial instruments, as defined in article 5 of Greek Law 3606/2007, as in force, provided that the beneficiary's account from which the transfer is made, or the clients' account held by the investment services firm at the Institution from which the transfer is made on behalf of the beneficiary, has been credited after the beginning of the bank holiday (i.e. after 28 June 2015) with funds arising from remittance from abroad;

- cash withdrawal up to a total of 100% is permitted from money that, following 1 December 2017, are transferred from abroad by means of credit transfer to existing accounts held with a credit institution operating in Greece under a procedure to be further determined by the Committee for the Approval of Banking Transactions;

- transfer of banknotes in euro or other currency is permitted per individual person and per trip abroad up to the amount of EUR 10,000 or its equivalent in foreign currency, while permanent residents abroad are excluded from the abovementioned restriction;

- capital transfer transactions which relate to the management of the liquidity of a credit institution operating in Greece and to payment obligations in the context of the management of the credit institution's own portfolio, are permitted as set out in the Act, as amended and in force. Such exemptions relate, inter alia, to interbank transactions, clearing of transactions, margin swap transactions in the context of international contracts ISDA, CSA, GMRA, escrow, and EIB and other collateral transactions with foreign credit institutions, etc. and service of payments relating to instruments and securitizations issued, directly or indirectly, by the credit institution, including coupon payments, repayment of capital for the scope of complying with

its contractual obligations or triggering relevant contractual clauses, payments to external counsels for issuing opinions for matters related to the above-mentioned transactions;

- transactions of legal entities or professionals involving a transfer of funds abroad, in the context of their business activities, in an amount not in excess of EUR 100,000 each, per customer, per day, are allowed, following the submission of the relevant invoices and other evidence and documentation, compulsorily accompanied by a solemn declaration to the effect that the above documents are genuine and have not been submitted to any other credit institution. These transactions shall be processed directly by the branch networks of credit institutions, by crediting the counterparty's account, and shall be subject to the ceiling determined by the Committee for the Approval of Banking Transactions for each credit institution; and

- amounts that constitute profits and dividends deriving from money invested in Greece can be transferred abroad up to 100% of such invested capital per each calendar year, to a bank account of a beneficiary held in a credit institution abroad on condition that such invested money has been transferred from abroad to Greece after 18 July 2015 through a wire transfer using the bank account that the above-mentioned beneficiary holds in a credit institution in Greece.

Pursuant to a Minister Decision dated 21 July 2016 and published in Government Gazette No. 2282 of 22 July 2016, early repayment of a loan, in part or in full, is allowed. Moreover, the early termination, in full or in part, of fixed term deposits is permitted following the amendment on 15 March 2016 of the relevant article 1, paragraph 9 of the Act.

Pursuant to a Minister Decision GDOP 0000501 EX2018/X.P. 464 and published in Government Gazette Issue B No 687/28.2.2018 opening of bank accounts and addition of joint-holders to existing accounts, is allowed irrespective of the creation of a new Customer ID.

Transactions carried out by certain national and supra-national organizations, including the Hellenic Republic and the Bank of Greece are excluded from the restrictive measures set out above.

Transactions in financial instruments traded on Greek regulated markets as well as transactions on Greek law instruments that are not traded are free from any further restrictions than the ones described above.

In addition, the proceeds from the clearing and settlement of transactions on financial instruments, as well as the amount of the cash distributions from the issuers to the beneficiaries of Greek law instruments, can be credited to a bank account up to the end beneficiary, even outside the Greek banking system, on the condition that the clearing and settlement of transactions of the relevant investment account was made through such account before the commencement of the bank holiday period (i.e. before 28 June 2015).

Payment Services in the Internal Market

Directive 2007/64/EC on Payment Services provided for common rules on electronic payments (e.g., payments through the use of debit card or money transfers) in 31 countries (i.e., countries of the EU, Iceland, Norway and Lichtenstein). The PSD regulated in detail the information that must be provided to the users of the payment services and renders the payments faster and more secure. It also permitted to entities called "payment institutions" (e.g., companies of money transfers, etc.) to provide payment services in parallel to banks as "payment services providers". The PSD covered any kind of payment services, from transfer of credit and direct charge orders to payments through the use of a card (including credit cards), wire transfers and payments through the use of a mobile phone and internet, excluding the payments exclusively with cash directly from the payer to the payee, without any intermediary intervention and checks. Payments in every European currency, not only euro, were

covered, under the condition that the payment service providers of both the payer and the payee are located in one of the 31 European countries.

The PSD, together with Directives 2007/44/EC and 2010/16/EU were transposed into HFSF Law in accordance with which every payment service provider, including the Bank, was obliged to ensure in an accessible form a minimum level of information and transparency regarding the payment services provided, under specific terms and conditions. The relevant framework also provided further protection regarding the rights of the users of the payment services.

A new payment services directive 2015/2366 (the "**PSD2**") incorporated and repealed the PSD. The PSD2 entered into force on 12 January 2018 and the PSD was repealed with effect from 13 January 2018. The PSD 2 was transposed into Greek law by virtue of Law 4537/2018 (published in Government Gazette 84/A/15.5.2018). This Directive has introduced numerous changes to the previous regime, the most significant of which are the following:

(a) it expands the reach of the original PSD, including also payments to and from third countries, where at least one (and not anymore both) payment service providers is located within EU. Moreover, the extension in scope will also have as an effect that the same rules will apply to payments that are made in a currency that is not denominated in Euro or another EU member state's currency;

(b) it encourages new players to enter the payment market ("**TPPs**") that offer specific payment solutions or services to customers. The TPPs will have to follow the same rules as the traditional payment service providers: registration, licensing and supervision by the competent authorities. Furthermore, it opened the EU payment market for TPPs to offer payment services based on the access to the information from the payment account – so-called "payment initiation services providers" and "account information services providers". These TPPs are categorized as: account information service providers ("**AISPs**") that allow consumers and businesses to have a global view on their financial situation, and the payment initiation service providers ("**PISPs**") that help consumers to make online credit transfers and inform the merchant immediately of the payment initiation, allowing for the immediate dispatch of goods or immediate access to services purchased online. Moreover, PSD2 allows payment service providers that do not manage the account of the payment service user to issue card-based payment instruments to that account and to execute card-based payments from that account. Such "third party" payment service provider – which could be a bank not servicing the account of the payer – will be able, after consent of the user, to receive from the financial institution where the account is held a confirmation (a yes/no answer) as to whether there are sufficient funds on the account for the payment to be made;

(c) the original directive left it up to each country to decide upon surcharging of card payments, creating a scattered European landscape in which some countries banned this practice and some others allowed it. PSD2 standardises the different approaches to surcharges on card-based transactions, which are not allowed for those consumer cards affected by the interchange fee cap; and

(d) PSD 2 introduced new security requirements for electronic payments and account access, along with new security challenges relating to AISPs and PISPs.

The European Council has also adopted Regulation 2015/751 on interchange fees for card-based payment transactions.

The Hellenic General Secretariat of Trade and Consumer Protection is appointed as competent authority to handle complaints of payment services users and other interesting parties (i.e. consumer associations).

Payment accounts

Directive 2014/92/EU provides for the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (“**PAD**”). This Directive was transposed into Greek legislation with Greek Law 4465/2017 (published in Government Gazette 47/A/4.4.2017).

In the context of PAD the following EU Regulations were issued:

- Commission Delegated Regulation (EU) 2018/32 supplementing PAD with regard to regulatory technical standards for the Union standardized terminology for most representative services linked to a payment account.

- Commission Implementing Regulation (EU) 2018/33 laying down implementing technical standards with regard to the standardized presentation format of the statement of fees and its common symbol according to PAD.

- Commission Implementing Regulation (EU) 2018/34 laying down implementing technical standards with regard to the standardized presentation format of the fee information document and its common symbol according to PAD.

Settlement of business and corporate debts

Greek Law 3816/2010, passed in January 2010, allowed borrowers who are physical or legal persons to apply for the settlement of professional and corporate debts, whether or not due (from 1 January 2005 onwards) to lending banks. To take advantage of the relevant provisions, an application must have been submitted by the debtor to the relevant bank by 15 April 2010.

Settlement of Amounts Due by Indebted Individuals

On 3 August 2010, Greek Law 3869/2010 (see also "*Restrictions on Enforcement of Granted Collateral*") was put in force with respect to the "settlement of amounts due by indebted individuals" and amended thereafter by various laws. The Greek Law 3869/2010 allows the settlement of amounts due by individuals evidencing permanent and general inability to repay their debts by submitting an application for a three-year settlement of their debts and writing off the remainder of their debts in accordance with the terms of the settlement agreed. All individuals, consumers and professionals are subject to the provisions of Greek Law 3869/2010, with the exception of individuals already subject to mercantile law.

All the debts of the abovementioned to private individuals fall within the law, including all debts to banks (consumer, mortgage, business loans), except for debts due to an offense committed by the borrower with intention or gross negligence, administrative fines, monetary sanctions and debts related to the obligation for child or spousal support. By virtue of Greek Law 4336/2015, as in force, Greek Law 3869/2010 was amended and its scope was also expanded to the settlement of debts owed to the Hellenic Republic, tax authorities, local authorities of grade A' and B' and to social security funds. In addition, the debtor may opt to include debts which at the date of filing of the petition are subject to an administrative, judicial or legal suspension or have been included in a restructuring or facilitation of partial payment which is still valid at the time of filing of the petition. Debts must have been contracted more than one year before the application date and relief may be used only once.

The amendments effected by Greek Law 4346/2015, among others, lay out the conditions for: (a) the protection of the primary residence of a debtor from forced sale, and (b) the partial funding by the Hellenic Republic of the amount of monthly payments set by court decision. In addition, it is provided that the debtor's obligation to act as a cooperating borrower also applies throughout the settlement plan period. These amendments became effective as from 1 January 2016.

Greek Law 3869/2010 was also amended by Greek Law 4549/2018, which introduced some changes that provide, among others, (a) that the acceptance of the inherited indebted property does not constitute, without the existence of other factors, ground for the rejection of the application, (b) a waiver of the banking secrecy against the debtor has to be given by the latter, (c) the formalities for the partial funding by the Hellenic Republic of the amount of monthly payments set by court decision and the enforcement procedure on the debtor's assets, (d) the consequences of the debtor's death and (e) a recourse right for co-borrowers and guarantors.

Before the submission of the application, the parties may have recourse to the preliminary settlement procedure. After the submission of the application, the hearing date of the application (compulsory within six-months from the completion of submission of the application) and the day of validation (within two months from the completion of the submission of the application) are set. On the day of validation, the court either validates any preliminary settlement or issues a preliminary injunction by virtue of which the court may order, *inter alia*, the suspension of prosecuting measures against the borrower and determines the amount of the monthly installments which the borrower has to pay to its creditors until the issuance of the decision. Following the day of validation and until the hearing date of the application, the parties may reach to a settlement at any stage of the procedure.

During the hearing date of the application, if the creditors do not accept the debtors' settlement plan, or if objections are submitted by some creditors and not substituted according to the above, the court confirms the existence of the disputed claims, the fulfillment of the conditions for settlement of debts and the borrower's relief. If the borrower's real estate property is not sufficient, after deducting the required amount for the coverage of the reasonable living expenses of the borrower and the members protected by the latter, including social security expenses borne by the borrower, the court orders the monthly payment of the remaining amount for the satisfaction of creditors' claims, pro rata distributed and for a period of three (3) years, pursuant to the borrowers' income and its real estate property.

Greek Law 4336/2015, as in force, introduced an accelerated settlement process regarding minor debts of particular indebted individuals. Indebted individuals, if certain conditions apply, are given a temporary relief for their debts and an eighteen-month period of supervision is granted, after the expiration of which, and only if the real estate property or income situation of the borrower remain unchanged, the borrower is discharged from the remainder of its debts.

If there are assets that can be liquidated and their liquidation is deemed necessary, a liquidator is appointed by the court. Special provisions are set for the protection of the main residence of the debtor, for applications that have been submitted until 28 February 2019. In case that the debtor does not fulfill the obligations under the settlement plan or intentionally delays four consecutive monthly payments on a yearly basis or payments so that the due amount cumulatively exceeds the value of four (4) monthly installments annually, the court allows the creditor to commence liquidation procedures against the debtor and his only residence.

Due performance by the debtor of the obligations under the settlement plan releases the debtor from any remaining unpaid balance of the claims, including claims of creditors who had not announced their claims. In case of delayed repayment of the aggregate amount equal to three monthly installments (consecutive or not) set out by the temporary order of the competent court or a debt settlement, debtor's protection is rejected following a creditor's out-of-court notice to the obligor and the other creditors, and the relevant information of the competent court.

The rights of creditors against co-borrowers or guarantors are not affected, unless such co-borrowers or guarantors are also subject to the same insolvency proceedings. Co-borrowers and guarantors have rights of recourse against the debtor for any amount paid by them. The rights of secured creditors are not affected.

Non-performing loans and loans in arrears

Pursuant to article 72 of Greek Law 4389/2016 a governmental council for private debt management (the "**Council**") has been created, whose objective is, among others:

(a) to form and disclose the strategy and policies for the organization of an integrated mechanism for the effective administration of private debt, as well as to form and review an action plan with binding timetables for the implementation of the abovementioned strategy;

(b) to identify weaknesses and propose amendments to the existing legal framework, both in terms of substance and procedure to enhance the effectiveness of private debt resolution issues, including the acceleration of the procedures relating to delayed loan repayment and the improvement of the legal framework governing the real estate market;

(c) to define actions of public awareness for the purpose of directly and efficiently informing and supporting citizens and other interested parties with respect to taking decisions on the above matters;

(d) to create a network for the provision of free consultancy services to individuals and legal entities on debt management and for planning of financial management awareness for households and SMEs; and

(e) to set any timetables required for the implementation of a strategic plan for the efficient management of private debt and monitor whether such timetables are respected.

The Council provided a definition of "cooperating borrower" specifying when a borrower is classified as cooperating towards his/her lenders and assessed a methodology for determining "reasonable living expenses".

Moreover, Greek Law 4389/2016 (article 78) provides for a specialized secretariat for private debt management responsible for a) supporting the governmental council's for private debt management work, b) organizing and forming the policy for the provision of information and support to citizens interested in taking loans and to borrowers, as well as the financial education of households and small-medium enterprises, and c) business coordinating of the Steering Committee. Furthermore, the Greek Law 4389/2016 (article 81), as amended and in force, also provides for 30 Borrowers' Service Centers, as regional offices of the specialized secretariat for private debt management, responsible for informing and supporting natural and legal persons (households and small-medium enterprises) and providing financial, legal and consulting services regarding taking up loans, management of debts and in general financial management issues.

Additionally, Greek Law 4224/2013, as in force, provides for the establishment, by virtue of a decision of the Bank of Greece, of a Code of Conduct for non-performing loans.

Moreover, Greek law 4224/2013, as in force, in conjunction with ministerial decision No.5921/2015, provides that the consumer ombudsman will act extra judicially as mediator solely for the amicable settlement of the dispute between lenders and borrowers for the purpose of settling non-accruing loans within the framework of the Code of Conduct for the management of non-accruing loans.

In the implementation of the above the Bank of Greece has published regulatory framework concerning the management of loans in arrears and nonaccruing loans and specifically:

•Executive Committee Act No. 42/30.5.2014 "Supervisory framework for the management of loans in arrears and non-accruing loans" as amended and in force.

•Credit and Insurance Committee Decision 116/1/25.8.2014 of Bank of Greece "Introduction of a Code of Conduct under Greek Law 4224/2013", further amended by Credit and Insurance Committee Decision No. 148/1/05.10.2015 and as revised by Credit and Insurance Committee Decision No.

195/1/29.7.2016, as in force, regarding the Revision of the Code of Conduct under Greek Law 4224/2013.

Executive Committee Act No. 42/30.5.2014, as in force, lays down a special framework of requirements for credit institutions' management of past due and non-accruing loans, in the framework of the provisions of Law 4261/2014, EU Regulation 575/2013 and the relevant Bank of Greece decisions. This framework imposes, among others, the following obligations on credit institutions:

a) to establish an independent arrears and NPLs management ("**ANPLM**") function;
b) to develop a separate, documented ANPLM strategy, the implementation of which will be supported by appropriate Management Information Systems ("**MIS**") and procedures; and
c) to establish regular reporting to the management of the credit institution and the Bank of Greece.

The provisions of this Act apply to:

a) all credit institutions authorised by the Bank of Greece, on a solo and a consolidated basis; and
b) branches in Greece of credit institutions based in third countries, as defined in the CRD Law which fulfill certain criteria.

In order to ensure an objective and impartial approach to ANPLM and the application of modifications to distressed debtors, credit institutions shall ensure that the ANPLM function enjoys an appropriate degree of independence from other functions, in particular the lending and management of performing loans functions. This function shall be clearly defined, separate and subject to control and monitoring by the internal audit function of the credit institution.

The Code of Conduct under Greek Law 4224/2013, as revised by virtue of decision No. 195/1/29.7.2016 decision of the Credit and Insurance Committee of the Bank of Greece, lays down general principles of conduct and introduces provisions in relation to the procedures for risk assessment, valuation of the repayment ability, binding rules of conduct for the institutions with precise timelines, including the establishment of detailed and documented arrears resolution procedure and appeals review procedure, and terms of communication between institutions and borrowers. Furthermore, it introduces best practices, aimed to strengthen the climate of confidence, ensure engagement and information exchange between borrowers and lending institutions, so that each party can weigh the benefits or consequences of alternative forbearance or resolution and closure solutions for loans in arrears for which the loan agreement has not been terminated, with the ultimate goal of working out the most appropriate solution for the case in question.

The Code of Conduct requires, *inter alia*, detailed written policies and procedures for loans in arrears, a detailed record with categorisation of loans and borrowers, standardization of the content of communications, compliance with the guidelines of the Code of Conduct as to the manner, timing and confidentiality of communications and specific requirements as to the procedures for loans in arrears, the procedures for the assessment of objections and the handling of "non-cooperating" borrowers. Each institution bound by the Code of Conduct must be in a position to evidence to the Bank of Greece its compliance with the requirements of the Code of Conduct.

The provisions of this Code of Conduct shall apply to all supervised institutions that extend credit in Greece, including branches of foreign credit institutions and the financial institutions.

In dealing with cases of borrowers in arrears or pre-arrears, every institution shall apply an Arrears Resolution Procedure (the "**ARP**") involving the following steps:

- Step 1: Communication with the borrower

- Step 2: Collection of financial and other information

- Step 3: Assessment of financial data
- Step 4: Proposal of appropriate solutions to the borrower
- Step 5: Appeals review procedure

The Bank of Greece will not deal with individual cases of disputes between creditors and borrowers that may arise from the implementation of the Code of Conduct.

On 20 March 2017, the ECB published final guidance on non-performing loans ("**NPLs**")[12]. The guidance outlined measures, processes and best practices which banks should incorporate when tackling NPLs. The guidance called on banks to implement realistic and ambitious strategies to work towards a holistic approach regarding the problem of NPLs, including areas such as governance and risk management. The ECB did not stipulate quantitative targets to reduce NPLs. Instead, it asked banks to devise a strategy that could include a range of policy options such as NPL work-out, servicing, and portfolio sales.

The NPL guidance is non-binding in nature. However, banks should explain and substantiate any deviations upon supervisory request. This guidance is taken into consideration in the SSM regular SREP and non-compliance may trigger supervisory measures.

This guidance does not intend to substitute or supersede any applicable regulatory or accounting requirement or guidance from existing EU regulations or directives and their national transpositions or equivalent, or guidelines issued by the EBA. Instead, the guidance is a supervisory tool with the aim of clarifying the supervisory expectations regarding NPL identification, management, measurement and write-offs in areas where existing regulations, directives or guidelines are silent or lack specificity. Where binding laws, accounting rules and national regulations on the same topic exist, banks should comply with those.

Moreover, on the 15 March 2018 the ECB published the addendum to the ECB Guidance to banks on NPLs. The addendum supplements the qualitative NPL guidance and specified the ECB's supervisory expectations for prudent levels of provisions for new NPLs. The addendum is non-binding and will serve as the basis for the supervisory dialogue between the significant banks and ECB Banking Supervision. The addendum addresses loans classified as NPLs in line with the EBA's definition after 1 April 2018. In fact, the addendum sets out an expectation that, as of 1 April 2018, new unsecured NPLs will be fully covered after a period of two years from the date of their classification as NPLs. For example, the supervisor would expect a loan that is classified as an unsecured NPL on 1 May 2018 to be fully provisioned for by May 2020. For new secured NPLs, a certain level of provisioning is expected after three years of classification as an NPL, or "NPL vintage", which then increases over time until year seven. In this case, if a secured loan were classified as an NPL on 1 May 2018, the supervisor would expect this NPL to be at least 40% provisioned for by May 2021, and totally provisioned by May 2025.

Under Ministerial Decision 2/94253/0025 (Government Gazette Issue B No.5960 of January 8, 2018) credit institutions and borrowers (natural persons and businesses), may settle under Article 103 of Law 4549/2018 loans, which are guaranteed by the Greek State, in accordance with the provisions of Law 2322/1995 "Provision of Guarantee by the Greek State for the granting of loans and credits and other provisions" and Law 4549/2018 and their delegated ministerial decisions without the intervention of the Greek State, according to the usual banking criteria, in view of the increase in the probability of repayment of the loan from the borrower. The settlement of loans guaranteed by the Greek State are made without any increase in the guarantee of the Greek State, and they are subject to certain terms and conditions specified in the decision.

[12] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

On 14 March 2018, the European Commission presented a package of measures to tackle high NPL ratios. In particular, the package includes a proposal for a directive on credit services, credit purchasers and the recovery of collateral, a proposal for a regulation amending the capital requirements regulation and a blueprint on the set–up of national asset management companies ("**AMCs**"). The proposed measures are intended to speed up the progress already made in reducing the NPLs and prevent their renewed build–up. On 18 December 2018, the European Commission announced the political agreement reached by the European Parliament and the Council on prudential measures to further address NPLs in Europe. The deal will now be submitted for endorsement by EU ambassadors. The political agreement referred to the proposal, initially put forward by the European Commission in March 2018, providing for requirements to set aside sufficient own resources when new loans become non-performing and creates appropriate incentives to address NPLs at an early stage.

On 31 October 2018 the European Banking Authority ("**EBA**") published the final guidance on management of NPEs and FBEs.The Guidelines that apply from 30 June 2019 are developed in accordance with the European Council Action Plan and aim to ensure that credit institutions have adequate prudential tools and frameworks in place to manage effectively their NPEs and to achieve a sustainable reduction on their balance sheets. To this end, the Guidelines require institutions to establish NPE reduction strategies and introduce governance and operational requirements to support them. In particular, the Guidelines specify that institutions should grant forbearance measures only with the view to return the borrower to a sustainable performing repayment status. Moreover, the Guidelines introduce a threshold of 5% of gross NPL ratio as a trigger for developing NPE strategies and applying associated governance and operational arrangements. Finally, the Guidelines outline requirements for competent authorities' assessment of credit institutions' NPE management activity as part of the Supervisory Review and Evaluation Process ("**SREP**").

A systemic proposal for the management of NPEs was published in the Bank of Greece's Overview of the Greek Financial System in November 2018. In particular, the proposed scheme envisages the transfer of a significant part of NPEs along with part of the deferred tax credits ("**DTCs**"), which are booked on bank balance sheets, to a Special Purpose Vehicle ("**SPV**"). Loans will be transferred at net book value (net of loan loss provisions). The amount of the deferred tax asset to be transferred will match additional losses, so that the valuations of these loans will approach market prices. Subsequently, legislation will be introduced enabling the transferred deferred tax credit to be converted into an irrevocable claim of the SPV on the Greek State with a predetermined repayment schedule (according to the maturity of the transaction). To finance the transfer, the SPV will proceed with a securitization issue, comprising (indicatively) three classes of notes (senior, mezzanine, junior/equity). The lower class of notes (equity) will be subscribed by banks (each participating by no more than 20%) and the Greek State. The valuation of the loans to be transferred will be carried out by independent third parties, and the final structure of the transaction (including the tranches of the three classes of notes) will be determined by the arrangers subject to market conditions. The Bank of Greece anticipates that private investors will absorb part of the senior-ranked securities and a large portion of the mezzanine securities. The ability to absorb additional losses arising from the participation of the Greek State (through the transformation of deferred tax credits into an irrevocable claim of the SPV) significantly enhances the probability of repayment of the senior and mezzanine bonds. At the same time, by participating in the lower class of notes (junior/equity), the Greek State and banks will be entitled to claim any excess value. The scheme will be managed exclusively by private investors (servicing companies for loans and credits), and apparently there will be an asset class separation for each transaction and management operation depending on the category (business, mortgage, consumer loans, etc.). It is understood that managers will be appointed following a competitive process and the management framework will be in line with best international transparency and supervisory practices. It should be noted that, before completion of the transaction, banks are expected to proceed, in consultation with the supervisory arm of the European Central Bank, to a restatement of targets for NPE reduction, with the ultimate goal of achieving a single-digit ratio within three years.

Framework for the management and transfer of claims

Articles 1-3A of Greek Law 4354/2015, as amended and in force, as well as Executive Committee Act 118/19.5.2017, as amended and in force, establish the framework for the management and transfer of claims from loans that can include non-accruing loans and set the requirements for the operation of loan management companies and loan transfer companies. Certain loan categories had been temporarily excluded from the scope of the permitted sale and transfer until 31 December 2017; in particular, such exclusion includes loan agreements with mortgage or prenotation of mortgage on first residence of an objective value of up to EUR 140,000.

The management of claims from loans and credit granted by credit or financial institutions shall be undertaken, exclusively by *Sociétés Anonymes* having their registered offices:

(a) in Greece or

(b) in another EEA Member State, which have established a branch in Greece and have the aforementioned business activities in their scope.

Bank of Greece is the competent authority for the issuance of the respective license for such companies.

Furthermore, the aforementioned companies, following a relevant authorization by Bank of Greece, may grant loans or credit to debtors whose loans and/or credit have been managed by them, aiming exclusively at the refinancing of the debtors' loans or the restructuring of the debtor business on the basis of a restructuring plan agreed between the parties and under the consent of the claims' owner.

In relation to the agreements for the assignment of claims' management from non-accruing loans, Greek Law 4354/2015, as in force, lays down that non-accruing loans management companies may undertake the management of claims from loans and/or credit, which have been granted or are granted by credit or financial institutions. Said management companies are entitled to initiate any legal proceedings and to proceed with any other judicial measures for the collection of claims.

The transfer of claims from credits and loans granted by credit or financial institutions can take place only through sale, under relevant written agreement, in accordance with the provisions in Article 3 of Greek Law 4354/2015, as in force, and only to:

(a) limited liability companies that according to their Articles of Association are allowed to engage in acquiring claims from loans and credits and they are seated in Greece and are also registered in General Commercial Registry ("**GEMI**");

(b) companies that are seated in the EEA and according to their Articles of Association are allowed to engage in in acquiring claims from loans and credits and subject to the provisions of the European Union legislation; and

(c) in companies that are seated in third countries, and according to their Articles of Association are allowed to engage in acquiring claims from loans and credits, subject to the provisions of the European Union legislation and have the discretion to be located in Greece through a branch under certain conditions.

A necessary condition in order for the claims of the credit or financial institutions from non-performing loans to be offered for sale is the extrajudicial invitation of the borrower and the guarantor, if the borrower is considered a consumer, within twelve (12) months prior to the offer to arrange its obligations on the basis of a written offer for an appropriate arrangement with specific payment terms according also to the provision of the Code of Conduct. Disputed or adjudicated claims as well as claims against non-cooperative, are excluded from the above-mentioned condition.

Furthermore, by virtue of article 48 of Greek Law 4472/2017 certain provisions of Greek Law 4354/2015 were amended. In line with the new provisions, the credit servicing firms are also allowed to manage the property that was offered as collateral for the respective loans and credits and has been transferred to the beneficiary of the claim. However, these firms are not allowed to acquire, via

transfer or assignment or voluntary sale or auction, any property related to the loans and credits serviced by them. Also, the new assignee, upon transfer of claims from NPLs[13], continues the procedure of the Code of Conduct from where it was stopped before the transfer, while, in line with the former provisions, any new assignee should restart the ARP of the Code of Conduct (Credit and Insurance Committee Decision 116/25.8.2014).

Extrajudicial debt settlement mechanism for businesses

Greek Law 4469/2017, as amended by Greek Laws 4472/2017, 4549/2018 and 4587/2018 provides for an extrajudicial procedure for settling debts towards any creditor, which derive from the debtor's business activity or other cause, provided that the settlement of those debts is considered vital by the participants in order to secure the debtor's business viability.

Any individual who can declare bankruptcy and any legal entity with income from business activity may apply for inclusion in the extrajudicial debt settlement mechanism, provided their tax residence is in Greece and specific criteria provided for by law are met. The extrajudicial debt settlement mechanism does not apply to debts generated after 31 December 2017.

Each debtor's application may be submitted electronically to the Special Private Debt Management Secretariat ("**EGDICH**") by 31 December 2019 on the dedicated electronic platform in EGDICH's website. Financial institutions may, as creditors, initiate the procedure by communicating a written invitation to the debtor to enter the procedure. If the debtor fails to respond, he/she loses the right to initiate the procedure at a later stage.

Submitting an application for inclusion in the extrajudicial debt settlement procedure does not constitute a significant reason for terminating long-term contracts.

The approval of the debt restructuring proposal requires the debtor's consent and the formation of a majority of 3/5 of participating creditors, which includes 2/5 of participating creditors with special privilege.

The extrajudicial procedure is concluded by the execution of a debt restructuring agreement between the debtor and consenting creditors, otherwise the procedure is deemed unsuccessful. The debtor or a participating creditor may submit an application for ratification of the debt restructuring agreement to the Multi-Member Court of First Instance of the debtor's registered seat.

The ratification decision covers the total of the debtor's claims governed by the restructuring agreement and binds the debtor and all the creditors, irrespective of their participation in the negotiation procedure or in the debt restructuring agreement.

In case the debtor fails to pay any amount due to any of the creditors in accordance with the terms of the debt restructuring agreement for more than ninety (90) days, the creditor has the right to request cancellation of the agreement towards all parties.

It is noted that, when more financial institutions or firms under Greek Law 4354/2015 have acquired or manage overdue receivables of the same debtor, provided there is sufficient evidence of the debtor's inability to fulfil his financial obligations, they may cooperate to submit a common proposal to the debtor, in order to reach a sustainable solution.

Finally, the said law explicitly sets out the cases of suspension of injunction and enforcement procedures against the debtor.

Lastly, Joint Ministerial Decision 130060 (Government Gazette Issue B 4258/29.11.2017) in the abovementioned extra-judicial mechanism context provides for a simplified extrajudicial procedure

[13] See also "*Alternative Performance Measures*" on page 5 of this Base Prospectus.

for settling business not exceeding in total EUR 50,000. According to the provisions of article 45 of Greek Law 4587/2019, a ministerial decision shall provide for a simplified extrajudicial procedure for settling business not exceeding in total EUR 300.000. So far, such decision has not yet been published.

Settlement of business debts

Greek Law 4307/2014, as amended by Greek Laws 4374/2016 , 4380/2016 (article 2), as well as 4403/2016 (article 56) and in force, among others, provides for urgent interim measures for the relief of private debt (including, *inter alia*, relief and settlement of debts or provision of extraordinary debt business regulation process or extraordinary special management process), especially debt of viable small businesses and professionals towards financial institutions (namely credit institutions, leasing and factoring companies, provided they are under the supervision of the Bank of Greece), the Hellenic Republic and Social Security Institutions, as well as for emergency procedures for the reorganization or liquidation of operating indebted but viable businesses, provided that the aforementioned persons are considered as "eligible debtors" under the relevant provisions, namely, they have submitted the relevant application at the latest by 30 September 2016 and cumulatively meet the following criteria:

a) they have not submitted an application to be subject to the provisions of Greek Law 3869/2010 or have validly resigned from such application;

b) they have not stopped their operations or dissolved and (if applicable) they have not submitted an application to be declared bankrupt or have validly resigned from such application;

c) they have not been convicted in any capacity for fraud against the Hellenic Republic of State Pension Funds or for smuggling; and

d) their turnover of the fiscal year 2013 must not exceed the limit of EUR 2,500,000.

Consumer Services

Credit institutions in Greece are also subject to various legislation that seeks to protect consumers from abusive terms and conditions, most notably Greek Law 2251/1994 as in force. Such legislation sets forth rules on the marketing and advertisement of consumer financial services, prohibits unfair and misleading commercial practices and includes penalties for violations of such rules and prohibitions.

At the same time, numerous consumer protection issues are regulated through administrative decisions, such as Decision No. Z1 798/2008 of the Minister of Development on the prohibition of general terms which have been found to be abusive by final court decisions, as amended by Ministerial Decisions Z1-21/2011 and Z1-74/2011. Also, the Governor of the Bank of Greece Act No. 2501/2002, as in force, includes fundamental disclosure obligations of credit institutions operating in Greece vis-à-vis any type of contracting party.

Ministerial Decision Z1-699/2010 (Government Gazette Issue B; 917/.2010) transposed into Greek Law Directive 2008/48/EC on credit agreements for consumers and repealing Council Directive 87/102/EEC, as amended and currently applicable. The aforementioned decision, as in force, provides for increased consumer protection in the context of consumer credit transactions and prescribes, among others, the inclusion of standard information in advertising, the provision of pre-contractual and contractual information to consumers, the calculation of the annual percentage rate of charge

Ministerial Decision 56885/2014 set a code of conduct for the protection of consumers during sales, offer periods and promotional actions, while Joint Ministerial Decision 70330/2015 transposed Directive 2013/11/EU on alternative dispute resolution for consumer disputes and introduced supplementary measures for the application of Regulation EU 524/2013 on online dispute resolution for consumer disputes.

Presidential Decree No. 10/2017 approved the Consumer Code of Ethics, which was adopted upon suggestion-proposal of the Hellenic Consumer Ombudsman and the relevant decision of the Greek National Consumer and Market Council. The objective of the Code of Ethics is to establish principles that should govern transactions and relationships between suppliers and consumers and their associations. The general principles introduced by the Code of Ethics are without prejudice to the specific provisions of the relevant legislation in force regulating each market sector and are specified and supplemented by the decisions of the relevant regulatory and supervisory authorities and any special Codes of Conduct currently applicable by sector of business activity and group of suppliers.

Interest Rates

Under Greek law interest rates applicable to bank loans are not subject to a legal maximum, but they must comply with certain requirements intended to ensure clarity and transparency, including with regard to their readjustments. Specifically, Governor of the Bank of Greece Act No. 2501/31.10.2002 and Decision No. 178/19.7.2004 of the Banking and Credit Committee of the Bank of Greece provide that credit institutions operating in Greece should, among others, determine their interest rates in the context of the open market and free competition rules, taking into consideration the risks undertaken on a case-by-case basis, as well as potential changes in the financial conditions and data and information specifically provided by parties for this purpose.

Limitations apply to the compounding of interest under Greek law. In particular, the compounding of interest with respect to bank loans and credits only applies if the relevant agreement so provides and is subject to limitations that apply under article 30 of Greek Law 2789/2000 as in force and article 39 of Greek Law 3259/2004, as in force. Greek credit institutions must also apply article 150 of the CRD Law on interest rates of loans and other credits pursuant to which credit institutions are precluded from accounting for interest income from loans which are overdue for more than a three-month period or a six-month period in case of loans fully secured by real estate which are given to physical persons.

Moreover, according to Article 150, paragraph 2, of the CRD Law it is prohibited to grant new loans for the repayment of overdue interest or to enter into debt settlement having a similar result, unless such actions are taken in the context of an agreement for the settlement of the entirety of the debts of the borrower, which shall be based on a detailed examination of the borrower's capacity to fulfill the undertaken obligations under specific time frames. Default interest may not exceed the aggregate of annual, contractual interest plus a maximum percentage determined by the Bank of Greece over and above the normally applicable interest rate.

Secured Lending

According to Greek Law 4261/2014, Article 11, among the activities that Greek credit institutions are permitted to engage is lending including, *inter alia*: consumer credit, credit agreements relating to immovable property, factoring, with or without recourse, financing of commercial transactions (including forfeiting).

The provisions of legislative decree 17.7/13.08.1923 regulate issues regarding the granting of loans secured by *in rem* rights and Greek Law 3301/2004, as amended and in force, regulates issues regarding financial collateral arrangements.

Mortgage lending is extended mostly on the basis of mortgage pre-notations, which are less expensive and easier to record than mortgages and may be converted into full mortgages upon final non-appealable court judgment.

European Directive 2014/17 on credit agreements for consumers relating to residential immovable property lays down a common framework for certain aspects of the laws, regulations and administrative provisions of the EU member states concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property, including an obligation to carry out a creditworthiness assessment before granting a credit, as a basis for the development of effective underwriting standards in relation to residential immovable property in the EU member states, and for certain prudential and supervisory requirements, including for the establishment and supervision of credit intermediaries, appointed representatives and non-credit institutions. In Greece, the aforementioned Directive has been transposed into Greek legislation by virtue of Greek Law 4438/2016 (published in Government Gazette 220/A/28.11.2016). The main provisions of Greek Law 4438/2016, include among others, consumer information requirements, principle based rules and standards for the performance of services (e.g. conduct of business obligations, competence and knowledge requirements for staff), a consumer creditworthiness assessment obligation, provisions on early repayment, provisions on foreign currency loans, provisions on tying practices, some high-level principles and a passport for credit intermediaries who meet the admission requirements in their home EU member state.

Compulsory Deposits with the Bank of Greece

The compulsory reserve requirement framework has been amended in accordance with Eurosystem regulations. As from January 2012 according to ECB Regulation 1745/2003 as amended by the Regulations 1052/2008, 1358/2011, 1376/2014 and 2016/1705 the compulsory reserve requirement ratio set by Eurosystem regulation is 1% for all categories of liabilities (such as deposits and debt securities issued) to clients comprising the commitment base, with the exception of the following categories, to which a zero ratio (0%) applies:

- deposits with agreed maturity over two years;
- deposits redeemable at notice over two years;
- repos; and

- debt securities issued with agreed maturity over two years.

This commitment ratio applies to all credit institutions in Greece.

Restrictions on Enforcement of Granted Collateral

The Hellenic Bank Association on 21 July 2015 announced that banks operating in Greece will continue until the end of 2015, to provide protection of primary residence to borrowers under the provisions of Greek Law 4224/2013. According to Greek Law 4224/2013 enforcement of auctions concerning the primary residence of individuals was suspended from 1 January 2014 until 31 December 2014 provided that the relevant property was declared as such in the last income tax declaration of those individuals and the assessed market value of such property did not exceed the amount of EUR 200,000 under the condition that the law's criteria were cumulatively met with specific characteristics of the financial status of debtors, e.g. thresholds of income and real estate values. Those properties that did not fall under the criteria of that law were no longer protected from foreclosure and auction proceedings. During the aforementioned suspensions, debtors were obliged to pay monthly installments. Nevertheless, in exceptional cases (e.g., debtors with no income), there was an option of zero amount payments.

Furthermore, due to the difficulties caused by the imposition of the capital controls, any enforcement action and primarily auctions, seizures, evictions, were suspended from 21 July 2015 (by virtue of the ministerial decision no. 49214/21.07.2015 as extended, through successive ministerial decisions) to October 2015 and then lifted by an official announcement of the Ministry of Justice, Transparency and Human Rights, on 2 November 2015.

A prolonged abstention by lawyers, bailiffs and notaries that commenced in January 2016 and ended in November 2017 for all parties restrained the Bank from proceeding to enforcement, seizures and auctions of any real estate during that period.

Enforcement of collateral has been also affected by Greek Law 3869/2010, as in force, regarding restructuring of individuals' debt through a court application. In August 2015 Greek Law 4336/2015, amended the Greek Law 3869/2010 and included in the settlement, debts to public sector, such as tax authorities, municipalities and social security organizations. As at 30 June 2018 and 31 December 2018, 79,494 and 79,507 customers that had applied to the court under the provisions of Greek Law 3869/2010 had outstanding balances of EUR 3,593 million and EUR 3,669 million respectively. As at 31 January 2019 29% were rejected and 71% were accepted. Greek law 3869/2010 was further amended by Greek laws 4346/2015, 4366/2016, 4549/2018 and 4587/2018, referring among others to the necessary criteria for the protection of primary residence (e.g. cooperative borrower, income and residential property value thresholds) and to the possibility of partial state subsidy for three years for vulnerable borrowers under certain conditions. According to Greek law 3869/2010, as in force, until 28 February 2019 the primary residence of the debtors may be protected under the provisions of this law provided that the specific requirements of the said law are fulfilled. The Act of Legislative Content dated 31 December 2018 extends to 28 February 2019 the protection of primary residence from being auctioned off.

Additionally, pursuant to Greek Law 4469/2017, which provides for an extrajudicial debt settlement mechanism for businesses from the point that the invitation for participation is sent by the coordinator to the creditors and for a period of 90 days, any individual and collective enforcement measures against the debtor, pending or not, for the satisfaction of claims the settlement of which is pursued through the extrajudicial debt settlement, are automatically suspended. The above suspension includes any request for preventive measures and the registration of a prenotation of mortgage, unless the taking of preventive measures aims to prevent the depreciation of the debtor's business due to the disposal of its assets. It should be noted that according to the provisions of article 45 of Greek Law 4587/2018, amending Greek Law 4469/2017, suspension of enforcement measures shall continue to apply after the expiry of the 90-day period and until the completion of the extrajudicial procedure,

provided that the non-completion of the procedure within the above period is due to the receipt of extension by creditors for actions, and only against those creditors. If a prolongation is requested after the ninety (90) days have elapsed, the suspension shall apply to the creditor requesting the extension and for as long as that extension takes place. The suspension ceases automatically in case: a) the procedure is terminated without success for any reason, or b) a decision is taken by the majority of the participating creditors to that effect. The debtor may apply for the extension of the above suspension period for a period no longer than 4 more months with the consent of the majority of creditors.

Lastly, it should be noted that Greek law 4472/2017 has introduced the electronic auctions. However, the relevant provisions were replaced by Greek law 4512/2018 providing that auctions shall be performed only electronically from 21 February 2018, except for auctions that shall be performed under the Code of Collecting Public Revenue where the aforementioned apply from 1 May 2018.

EU Regulation Proposals

EU Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). Estonia has since stated that it will not participate.

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

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. The issue is currently at a standstill in Council, though the state of the dossier has been regularly discussed at the Economic and Financial Affairs Council ("**ECOFIN**"). The June 2018 report reiterates that further work at the Council and its preparatory bodies is still required, before a final agreement on this dossier can be reached.

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

Banking Union

EU ambassadors on 15 February 2019 endorsed an agreement reached between the Romanian presidency and the EU Parliament on a set of revised rules aimed at reducing risks in the EU banking sector. The package agreed by the EU Council and the EU Parliament on 15 February 2019 comprises two regulations and two directives, relating to:

- bank capital requirements (amendments to regulation 575/2013 and directive 2013/36/EU);
- the recovery and resolution of banks in difficulty (amendments to directive 2014/59/EU and regulation 806/2014).

EU ambassadors have endorsed the deal on all risk reduction measures. The risk reduction package is intended to implement reforms agreed at international level following the 2007-2008 financial crisis to strengthen the banking sector and address outstanding challenges to financial stability. Presented in

November 2016, they include elements agreed by the Basel Committee on Banking Supervision and by the Financial Stability Board (FSB). Among the core measures the package also strengthens bank capital requirements to reduce incentives for excessive risk taking, by including a binding leverage ratio, a binding net stable funding ratio and setting risk sensitive rules for trading in securities and derivatives. In addition, the banking package contains measures to improve banks' lending capacity and to facilitate a greater role for banks in the capital markets, such as:

- reducing the administrative burden for smaller and less complex banks, linked in particular to reporting and disclosure requirements;
- enhancing the capacity of banks to lend to SMEs and to fund infrastructure projects;

The banking package also contains a framework for the cooperation and information sharing among the various authorities involved in the supervision and resolution of cross-border banking groups. The agreed measures preserve the balance achieved by the EU Council position between the powers of home and host supervisors in order to facilitate cross-border flows of capital and liquidity, while ensuring an adequate level of protection for depositors, creditors and financial stability in all member states. The agreement also introduces amendments to improve cooperation between competent authorities on matters related to the supervision of anti-money laundering activities.

The text will undergo a legal linguistic revision. EU Parliament and EU Council will then be called on to adopt the proposed regulation at first reading.

THE MACROECONOMIC ENVIRONMENT IN THE GROUP'S MARKET

The Macroeconomic Environment in the Group's Markets

The Hellenic Republic's Economic Crisis

For the six-month period ended 30 June 2018, 92.7% of the Issuer's net interest income from continuing operations and 94.7% of the Issuer's loans and advances to customers before allowance for impairment, were derived from its operations in the Hellenic Republic. In addition, the Issuer's holdings of €2.9 billion of Greek government bonds and Greek treasury bills represented, as at 30 June 2018, 5.0% of its total assets excluding non-current assets held for sale and 60.4% of its trading and investment debt securities. Accordingly, the Issuer's financial condition and its results of operations are heavily dependent on macroeconomic and political conditions prevailing in Greece.

Greece has been receiving financial support from the euro area member states and the International Monetary Fund ("**IMF**") to cope with financial difficulties and economic challenges, since May 2010. (See "*—Private Sector Initiative (PSI) for Greek Government Debt restructuring and effort for Economic Stabilization and in the context of financial Support Programs*" below).

The intensity of the fiscal adjustment effort, in conjunction with uncertainty and structural deficiencies of the economy, have been translated into a deep and protracted recession, which weakened private sector balance sheets, diminished market liquidity and led to a sharp drop in Greek financial and real asset valuations, as well as, credit rating downgrades. The liquidity and profitability of the financial system of the Hellenic Republic has been negatively affected – especially in the period 2009-2015 – through several channels: i) a sizeable contraction of the domestic private sector deposits since the end of 2009 and through July 2015 of about 50.4% or EUR 119.8 billion, of which 37.1% (EUR 44.4 billion) occurred between November 2014 and July 2015 (Source: Bank of Greece, Monetary and Banking Statistics); ii) limited and unstable access to interbank and wholesale markets and limited unutilized collateral at a banking system level; iii) a sharp increase in the amount of non-performing loans reflecting the substantial impact of the recession on the debt servicing ability of the Greek private sector; iv) a protracted period of deleveraging in the private sector of the economy (corresponding to a cumulative decline of 28.9% in outstanding credit balances of Greek banks between December 2009 and July 2018 (Source: Bank of Greece, Monetary and Banking Statistics); and v) lower market values for Government debt and other Greek financial and real estate assets which, *inter alia*, reflected a sizeable risk premium assigned to the Greek economy as a whole.

The progress in fiscal consolidation, the gradual recovery in economic sentiment and an easing in fiscal pressure, ultimately, led to a moderate pick-up in economic activity in 2014, which was the first year with positive GDP growth since 2007 (Source: EL.STAT, Quarterly National Accounts Press Release, Fourth Quarter 2018, March 2019). However, uncertainty started to build up again in the third quarter of 2014, when there were increasing signs of difficulties in reaching an agreement with official creditors on the completion of the pending review of the Second Programme (see below "*The Second Programme*") of financial support, which was followed by the holding of early elections in January 2015.

Macroeconomic conditions deteriorated further in the first half of 2015, following protracted negotiations between the new Greek Government (elected on 25 January 2015) and official creditors on the continuation of, or transition to, a new programme of financial support. Uncertainty peaked in late-June 2015, when an agreement with the official lenders had still not been reached and, as a result, the Second Programme expired and a referendum, related to the conditions underlying the agreement on the activation of a new programme of financial support, was called. In response to the fear of an outright bank run, the Greek government imposed a "bank holiday" on 28 June 2015 that lasted until 19 July 2015 and applied specific restrictions on banking and other financial transactions of Greek

citizens and legal entities (see below *"Implementation of the Capital controls"*), with a view to protecting financial and macroeconomic stability.

Against this backdrop of severe economic and financial disturbance, the Greek Government officially requested financial assistance from the European Union ("**EU**") on 10 July 2015 (Source: European Commission's proposal for a council implementing decision on granting short term EU financial assistance to Greece under a new programme from the European Stability Mechanism ("**ESM**")). A Third Programme (see below "*The Third Programme*") was subsequently agreed with its creditors in August 2015, in order to restore the sustainability of public finances and to continue the country's participation in the Eurozone, while Greece pledged to implement an ambitious programme of structural and fiscal reforms. A subset of these reforms in key areas has been also included in the monitoring procedure of the Enhanced Surveillance Framework following the completion of the Third Programme.

The Eurogroup of 16 July 2015, on the basis of a positive assessment by the Institutions, decided to grant "in principle" a three-year ESM based programme of financial support to Greece (Source: Eurogroup Statement, 16 July 2015).

The significant progress in Third Programme implementation – as exemplified by the successful completion of three programme reviews between the first quarter of 2016 and the first half of 2018 – led to a notable decline in uncertainty and a gradual improvement in macroeconomic conditions. Since 2017, there are clear signs of an improvement in macroeconomic and financial conditions. After a slight decline of 0.3% year-over-year in real GDP in 2016, GDP growth entered positive territory in 2017 (1.4% year-over-year), mainly supported by a notable rebound in gross capital formation (9.5%, year-over-year, in 2017). GDP growth accelerated further to 1.9% year-over-year, in 2018, which is the strongest pace in eleven years, mainly due to the robust increase in net exports and private consumption (Source: EL.STAT, Quarterly National Accounts Press Release, Fourth Quarter 2018, March 2019).

The above factors led to a gradual improvement in business sentiment especially in exporting sectors, which along with the improving economic conditions in the euro area, resulted in a recovery in business activity in Greece. This recovery is reflected in the increase in manufacturing production (by 2.1% in 2018 year-over-year, Source: EL.STAT., Production Index in Industry, 2010=100, Press Release, December 2018) – for a fifth consecutive year – in rapidly growing employment (+2.0% year-over-year, in 2018, Source: EL.STAT., Press Release, Labor Force Survey, Monthly Data, December 2018), increased gross value added produced by the Greek business sector by 1.8% year-over-year in 2018 and a gradual recovery in non-financial sector pre-tax profitability (approximated by the gross operating surplus and mixed income) by 2.2% year-over-year in 2018 (Source: EL.STAT., Quarterly National Accounts, Press Release, Fourth Quarter 2018, March 2019). Moreover, consumer confidence recorded a notable increase in 2018 supported by a further improvement in labor market conditions leading to an increase in private consumption of 1.0% year-over-year, in 2018, which was a key driver of GDP growth in the same period. In this environment, house price growth entered positive territory in 2018, increasing by 1.5% year-over-year in 2018 and by 2.5% year-over-year in the fourth quarter of 2018 – the strongest annual pace in almost eleven years – following a cumulative drop of 42.2% between its peak in 2008 and the fourth quarter of 2017 (Sources: Bank of Greece, Real Estate database). Macroeconomic recovery along with the continuous progress and eventual completion of the Third Programme supported economic activity, and sentiment and contributed to a modest improvement in financial conditions. Against this backdrop, Greek bond valuations improved since end 2017 and during the course of the first semester of 2018. However, they remained sensitive to fluctuations in international financial market conditions (especially related to increased tensions in Italy) and related fluctuations risk premia. Additional improvement has been recorded in the first quarter of 2019 on the back of improving conditions in international financial markets, reduced pressure on Italian yields and successful issuances of a five-year and ten-year bond by the Hellenic Republic. All major rating agencies upgraded the Hellenic Republic's rating in 2018 and in the first quarter of 2019, with Standard & Poor's maintaining a

positive outlook, whereas Moody's and Fitch changed the outlook to stable. All the agencies referred to the successful completion of the Third Program, the decisions on the implementation of new debt-relief measures, the credible fiscal performance and the improving macroeconomic conditions as the key drivers of their ratings decisions (see below "*Recent Macroeconomic Developments in Greece*").

Private Sector Initiative (PSI) for Greek Government Debt restructuring and effort for Economic Stabilization and in the context of financial Support Programs

The restructuring of the Hellenic Republic's debt through a private sector initiative ("PSI"), which took place in February 2012, played a key role in the fiscal adjustment strategy under the Second Programme of financial support that started in March 2012. This restructuring has been decided by the official creditors due to the insufficiency of the first intensive round of fiscal adjustment achieved under the First Programme of financial support (Source: IMF Country Report No. 10/110, May 2010) to bring the Greek sovereign debt to a sustainable level. The completion of the PSI in April 2012 contributed to a significant reduction of the Greek debt burden and debt servicing needs through lower interest rates on the bonds issued as part of an exchange process and a substantial extension of the average debt maturity and deferral of a significant part of the effective debt servicing costs on loans provided by the EU and the EFSF. This was followed by, *inter alia,* debt repurchases by the Hellenic Republic, new changes in official loan conditions (interest rate reduction on bilateral loans and deferral of interest payments on EFSF loans) and a refund to Greece of income and profits related to Eurosystem holdings of Greek bonds.

The Second Programme (7) [14]

In March 2012, following the effective completion of the sovereign debt restructuring, the Government agreed to a second economic adjustment programme (the "**Second Programme**"), the term of which extended through 2016 and which was jointly supported by the IMF and Eurozone Member States. The Second Programme replaced the original programme of EUR 110 billion, agreed in May 2010, for the period of 2010–2013 in the form of a cooperative package of IMF and Eurozone Member State funding. The international assistance loans disbursed under the original programme amounted to EUR 72.8 billion. Of this amount, EUR 52.9 billion was sourced from Eurozone Member States and EUR 19.9 billion from the IMF.

The main elements of the Second Programme were as follows:

- Direct measures to improve Greek competitiveness through an internal devaluation comprising: making collective bargaining more effective, reducing the minimum wage by 22%, lowering non-wage labor costs and liberalizing the product and services markets according to Organization for Economic Co-operation and Development ("OECD") guidelines.

- A front-loaded additional fiscal adjustment for the 2013-2014 period, primarily, based on structural expenditure reforms, permanent revenue measures and improvements in tax collection had been specified with a view to reach a surplus in the primary general Government budget of 1.5% of GDP by the end of 2014.

- Measures to restore financial sector stability. Significant resources – EUR 48.2 billion, according to the IMF report "2nd Review of the program" embedded in IMF Country Report No. 12/57 (March 2012) – were disbursed in 2012 and 2013 to help Greek banks build sufficient capital buffers to cope with the impact of the recession on their portfolio

(7) Note: most of the data referred to in this sub-section is drawn from the IMF Country Report No. 12/57 (March 2012), and European Commission Occasional paper on Greece March 2012, Source: European Commission.

quality and of the restructuring of Government debt. Around EUR 37.3 billion of those funds were used for Greek banks' recapitalization and resolution costs through 2013. Under the terms of the banks' recapitalization, the desire for private sector management and effective control of the banking sector was to be balanced with the need to safeguard the taxpayers' significant capital injection.

The adjustment process also contemplated the successful completion of an ambitious privatization agenda. Similarly, the structural reform agenda included measures to increase fiscal efficiency, strengthen Greece's institutional capacity and improve efficiency of the labor, product and service markets.

Eurogroup decisions of 27 November 2012 (Source: Eurogroup Statement on Greece, 27 November 2012) on the disbursement of pending financing for 2012 under the Second Program, the coverage of medium-term funding gap and the provision of additional sovereign debt relief.

On 27 November 2012, the Eurogroup's finance ministers and the IMF Managing Director provisionally agreed to disburse EUR 43.7 billion of the pending EU tranches (for 2012) of the Second Programme for Greece and agreed to offer Greece some additional debt relief with a view to counteracting the adverse impact of sharper-than-expected macroeconomic conditions and the slower build-up of a general government primary surplus targeted at 4.5% of GDP (estimated according to updated programme assumptions to be achieved in 2016 or two years later-than-envisaged in the original programme of economic support for Greece). The agreement involved a combination of additional measures to reduce the debt servicing burden and related funding needs of the Hellenic Republic including: interest rate cuts on bilateral loans; a 10-year interest payments deferral on EFSF loans; and refund to Greece of ECB/national central banks' profits on Greek bond holdings. These measures aimed at providing sufficient liquidity to the Government to fully cover the funding gap until mid-2014 – following the use of about EUR 10 billion of funding for the financing of the repurchase by the Hellenic Republic of its own debt securities in December 2012 (Source: IMF Country Report No. 13/20, January 2013). In this context, the deadline for the achievement of a primary surplus of 4.5% of GDP was extended from 2014 to 2016.

In addition, a debt buyback was introduced as part of the debt-reduction strategy, resulting in a reduction in Greek government debt of EUR 21.1 billion in net terms. The PSI and the debt-buyback were the key building blocks of the Greek sovereign debt reduction strategy in conjunction with the official creditors' commitment in the Eurogroup of 27 November 2012 to provide additional debt relief to the Greek State which has been conditioned on the progress in programme implementation and the achievement of the respective fiscal targets. These developments provided a considerable boost to the economic sentiment (Source: European Commission, Indicators of confidence and economic sentiment, October 2014) and have been accompanied by a gradual improvement in economic conditions in 2013 and most part of the first half of 2014 (when the economy showed positive annual economic growth of +0.8% year-over-year in full year 2014, Source: EL.STAT, Quarterly National Accounts Press Release, Fourth Quarter 2018, March 2019).

However, by the end of the second quarter of 2014 significant delays occurred in the completion of the pending since mid-2014, second programme review, attributed to delays in implementation of structural reform and fatigue in fiscal adjustment effort (Source: Ministry of Finance, General Government Monthly Data, December 2014), which inhibited the disbursement of related financing of up to EUR 7.2 billion according to the original funding plan. The unsuccessful conclusion of the Presidential Election – ahead of the termination of the President's term in March 2015 – led to a snap Parliamentary election on 25 January 2015, which resulted in the formation of a new coalition government with a stable parliamentary majority.

Macroeconomic developments from the fourth quarter of 2014 until the activation of the Third Programme

On 8 December 2014, (Source: Eurogroup Statement, 8 December 2014), the Eurogroup agreed to withhold the disbursements under the Second Programme of financial support of the Hellenic Republic and announced a "technical extension" of this programme to end-February 2015 of the EU side of the Second Program, initially set to be completed by the end of 2014.

On 20 February 2015, the Eurogroup agreed to a four-month extension of the Master Financial Assistance Facility Agreement ("**MFFA**") underpinning the Second Programme (Source: Eurogroup Statement, 20 February 2015). Pursuant to the agreement to extend the MFFA, the Greek government presented a list of new reform proposals, which had been planned to be discussed with official creditors and agreed with the Institutions by the end of April 2015, with a view to set the groundwork for policy conditionality, which could support a further extension of the existing programme or related to the transition to a new programme of financial support. However, the agreement with the Institutions was not finalized and the pending review of the financial assistance programme was not completed by June 2015. This resulted in further weakening of economic sentiment and intensifying financing shortages for the Hellenic Republic. Rising liquidity constraints and the absence of any external financing amplified uncertainty over the Greek government's ability to meet its domestic obligations as well as upcoming repayments on both official and marketable debt in the period June–August 2015.

The Greek government called a referendum on 26 June 2015, which took place on 5 July 2015, when Greek citizens voted not to accept a set of conditionality terms imposed by lenders for extending a new financing agreement. On 30 June 2015, the MFFA and the Second Program, which had already been extended twice, expired without an agreement on a follow-up program. As a result, Greece had to forfeit access to the remaining EUR 12.7 billion of available funding through the EFSF (including the remaining EUR 10.9 billion buffer earmarked for bank resolution and recapitalization) (Source: EFSF Statement, 30 June 2015). Consequently, Greece did not repay EUR 1.5 billion in payments due to the IMF on 30 June 2015 and the IMF's Executive Board declared that Greece was in arrears with the fund (Source: IMF, Press Release, 30 June 2015).

In response to escalating Greek sovereign risk, the ECB Governing Council decided to maintain the Emergency Liquidity Assistance ("ELA") ceiling for the Greek banking sector at an unchanged level of approximately EUR 89 billion (since 26 June 2015, Source: ECB, Press Release, 28 June 2015), limiting any additional access of Greek banks to ELA financing in a period of extremely high cash withdrawals from Greek banks (Source: Bank of Greece, Monthly Balance Sheet, June 2015). Against this backdrop, confidence in the banking system evaporated, leading to the decision for the imposition of a bank holiday on 28 June 2015. Although the bank holiday terminated on 19 July 2015, the capital controls remain in place. See "*Regulation and Supervision of Banks in Greece—Capital Controls applying to banks operating in Greece*".

The Third Programme

In view of the severe economic and financial disturbance that appeared to threaten the continued membership of the Hellenic Republic in the European Monetary Union and the EU, the Greek government officially requested financial assistance from the EU on 10 July 2015 (Source: European Commission's proposal for a council implementation decision on granting short term EU financial assistance to Greece under a new programme from the ESM, 10 July 2015), with a view to restoring confidence and enabling the return of the economy to sustainable growth and safeguarding the country's financial stability. The Greek government submitted a draft proposal of the new economic and financial adjustment programme to the European Commission and the Council on 14 July 2015. The Eurogroup on 16 July 2015 (Source: Eurogroup Statement, 16 July 2015), on the basis of a positive assessment by the Institutions, decided to grant "in principle" a three-year ESM stability support to Greece.

On 19 August 2015 – and following the Eurogroup Statement of 14 August 2015 (Source: Eurogroup Statement, 14 August 2015) – the Board of Governors of the ESM approved the proposal for a Financial Assistance Facility Agreement (FFA, Source: ESM Statement, 19 August 2015) with Greece and adopted a Memorandum of Understanding with Greece (Source: European Commission, Memorandum of Understanding, 19 August 2015). The MoU and FFA together constitute the "Third Program" and specify the relevant deliverables that must be successfully implemented and on which the total amount of financial assistance will depend. The preliminary agreement in July 2015 and the eventual activation of the Third Programme on 19 August 2015 were intended to secure Greece's solvency, at least, until mid-2018 (Source: European Commission, 19 August 2015).

The Third Programme was designed to support a sustainable fiscal consolidation and promote key structural reforms – predominantly designed by the Greek Government – that enhance Greece's long-term growth potential and promote social cohesion. The programme was accompanied by a new financial assistance agreement that provided financing of up to EUR 86 billion to cover the external financing needs of the Hellenic Republic until mid-2018 – including a potential contribution of the Greek State to bank recapitalization. The disbursement of this financing had been conditional on periodic reviews of Greece's progress in implementing agreed measures and reforms (Sources: Eurogroup Statement, 22 June 2018). The total amount of the Third Program's potential financing has been initially set at EUR 86 billion, but in reality only EUR 61.9 billion have been required and actually disbursed until the programme completion in August 2018 (Source: ESM, Conclusion of ESM programme for Greece: an overview, 20 August 2018). This deviation reflected significantly lower financing needs of Greek banks for recapitalization (EUR 5.4 billion versus a respective financial envelope of EUR 25 billion) and the achievement of higher primary surpluses in 2016-2017 – EUR 6.7 billion in 2016, which increased further in 2017 to EUR 7.4 billion, compared with the Third Programme targets of EUR 0.9 billion and EUR 3.2 billion for 2016 and 2017, respectively (Source: EL.STAT., Press Release, Fiscal data for the years 2014-2017, 2nd Notification, October 2018, Ministry of Finance, Medium-Term Fiscal Strategy ("MTFS") for 2019-2022, June 2018, Budget 2018, November 2017 and Budget 2019, November 2018). More specifically, the Comprehensive Assessment of Greek systemic banks, released on 30 October 2015, identified a system wide shortfall of EUR 4.4 billion in the baseline scenario and EUR 14.4 billion in the adverse scenario of the stress test. The official sector participated in the recapitalization through the HFSF with only EUR 5.4 billion – compared with a total financing that has been earmarked of up to EUR 25 billion under the Third Programme – with the participation of private investors further limiting the use of earmarked programme funding (Sources: ESM Statement, 22 December 2015 and European Commission, Compliance Report, ESM Stability Support Programme for Greece, Fourth Review, June 2018).

The Hellenic Republic recorded significant progress in the areas of improving public finances, financial stability, structural policies, as well as the functioning of Greece's public sector (see next sections "*Fiscal adjustment and pension system viability*", "*Financial stability and soundness*" and "*Structural reforms in labor, product and services markets to enhance competitiveness and growth and sustainable progress in privatization strategy*"). Moreover, in May 2016 the Greek government legislated a contingency fiscal mechanism as agreed in the Eurogroup of 25 May 2016, with a view to increase the credibility of fiscal consolidation in the long-run. The mechanism provides for automatic triggering a set of corrective measures, in the case of objective evidence that there is a failure to meet the annual primary surplus targets according to the Third Program. Potential corrective measures include automatic reduction of non-discretionary expenditure and the corresponding claims, as well as, selected reductions in discretionary expenditure. If measures enacted have a temporary nature when the mechanism is triggered, permanent structural measures agreed with the European institutions, including revenue measures, should become effective in the year thereafter, as part of the regular budgetary process, in order to bring the budget implementation back on track (Source: European Commission, Supplemental Memorandum of Understanding, June 2016).

Furthermore, Greece, in line with its commitments to the official lenders, had also prepared a document describing its long-term growth strategy, which has been presented by the Greek Minister

in the Eurogroup of 27 April 2018. This document contained key elements of growth and efficiency enhancing reforms in priority areas for economic policy, with a view to increase the country's comparative advantages and overcome the shortfalls created by the crisis (Source: Eurogroup, Press Release, "Remarks by M. Centeno following the Eurogroup meeting of 24 May 2018").

The above progress was exemplified by the successful completion of four reviews under the Third Program, which paved the way for the disbursement of several trances of related financing. More specifically, the Hellenic Republic received EUR 61.9 billion of Third Programme financing, of which EUR 38.1 billion have been used for debt servicing purposes (including fiscal and structural fund needs), EUR 5.4 billion for bank recapitalization purposes, EUR 7.0 billion for arrears clearance and EUR 11.4 billion for the formation of a "cash buffer" by the Hellenic Republic, which has been planned to minimize any refinancing risks of the Hellenic Republic in the event of a protracted deterioration in market conditions (Source: ESM, Conclusion of ESM programme for Greece, an overview, 20 August 2018). The financial resources committed for the accumulation of this buffer were supplemented by new debt issuance by the Hellenic Republic in 2017 and 2018 and higher than targeted primary surpluses in 2016-2018. In this regard, the cash buffer is estimated to exceed the amount of EUR 24.1 billion in early 2019, which has been initially planned to be sufficient to cover, if necessary, sovereign financing needs over, at least, a two-year period, following the completion of the Third Programme in August 2018 (Source: European Commission, Compliance Report, ESM Stability Support Programme for Greece, Fourth Review, June 2018 and NBG Economic Analysis estimates).

Regarding the debt sustainability issue, new sets of measures, that reduce debt servicing costs and improve debt sustainability, have been agreed and partially implemented under the Third Program. In this context, the Eurogroup of 25 May 2016 had initially committed to provide new conditional concessions with a view to ensuring debt sustainability – based on the Hellenic Republic's annual gross financing needs ("**GFNs**"), related to the servicing costs of the Hellenic Republic's total debt – by agreeing on a package of debt measures, which would be phased in progressively and subject to the pre-defined conditionality under the Third Programme (Source: Eurogroup Statement on Greece, May 25, 2016).

In this context, short-term measures were implemented in 2017 and were mainly comprised of: i) a smoothing of future debt repayments profile, through the lengthening of the repayment schedule of official loans from the EFSF to 32.5 years from 28 years in June 2018, ii) a reduction of interest rate risk, through debt swaps by the ESM with a view to stabilize the ESM's overall cost of funding and, thus, reduce the risk that Greece would have to pay higher interest rates on its loans in the future, and iii) the decision of the ESM to finance its future disbursements to Greece under the Third Programme with the issuance of long term notes that closely match the maturities of loans to Greece, stabilizing the related interest rate costs for Greece.

On 24 May 2018, the Eurogroup mandated the Institutions to produce an updated Debt Sustainability Analysis ("**DSA**"), in order to ensure the long-term sustainability of the Greek debt and a package of debt relief measures to be implemented, if needed, at the end of the Third Programme (Source: Eurogroup, Press Release, "Remarks by M. Centeno following the Eurogroup meeting of 24 May 2018", see below "*Recent Macroeconomic Developments in Greece*").

Fiscal adjustment and pension system viability

The deterioration in macroeconomic conditions in 2015 due to higher uncertainty, the further pressure on liquidity conditions from the capital flight, the imposition of capital controls and the potential implications of the above for the economic and fiscal trends in the following years, were taken into account in designing the fiscal adjustment strategy under the Third Programme. The planned fiscal adjustment path under this programme has been more gradual compared with the previous programme, with the targeted annual improvement in primary balance of the general government budget (i.e. the annual change in primary surplus as per cent of nominal GDP) set at 0.75% of GDP in

2016, 1.25% in 2017, and 1.75% in 2018, that correspond to primary surplus levels of 0.5% of GDP in 2016, 1.75% in 2017 and 3.5% of GDP in 2018 (Source: Memorandum of Understanding, 19 August, 2015). Nonetheless, the significant overperformance in Greece's budgetary outcomes compared to Third Programme targets from 2015 to 2017, which is expected to continue in 2018 (Source: European Commission, Autumn Forecasts, November 2018), is estimated to have had a higher-than-planned negative impact on economic activity by absorbing a larger amount of financial resources than initially planned.

The fiscal adjustment strategy under the Third Programme was planned to be achieved, primarily, through a combination of upfront fiscal reforms and new interventions in the pension system. The cornerstones of the adjustment on the revenue side were: a) an effective increase of about 2% in the effective VAT rate, through the transition of almost one fifth of goods and services to the higher VAT rate of 23% (since 20 July 2015), which was then raised to 24% as of 1 June 2016, coupled with an intensification of efforts to reduce tax evasion; and b) parametric and qualitative changes in 2016 of the tax system, that involve an increase in personal income tax progressivity, reforms in the taxation of farmers, self employed, corporations and other sources of non wage income and sustainable gains in tax efficiency. Most of these measures were implemented by the end of 2017 and early-2018, while other tax policy reforms, such as the codification and simplification of the VAT legislation and its alignment with the Tax Procedure Code, were implemented under the Third Programme in mid-2018.

New savings from further interventions on the pension system had been a core aspect of the fiscal strategy for 2016 to 2018, with a view to ensuring the medium to longer term sustainability of the social security system and minimizing near term financing gaps of social security entities through additional parametric changes, in conjunction with measures to increase the efficiency and the incentives structure provided by the system. In this respect, the Third Programme also outlined a new round of changes in the pension system, primarily focusing on the complete implementation of provisions of the relevant laws of 2010 to 2011 and new amendments focusing on minimizing the impact of remaining exemptions, increasing disincentives for early retirement and further rationalizing wage replacement ratios for new retirees. These changes aimed to minimize fiscal pressures and improve the efficiency and long-term viability of the system. Furthermore, with a view to reinforce Greece's long-term fiscal sustainability, the Greek government had pre-legislated a new set of fiscal and structural policies in May and June 2017, which were planned to take effect in 2019 and 2020. On that note, an omnibus bill was legislated by the Greek authorities in June 2018, with a view to further codify specific reforms in the social security sector and tax system, including a recalculation of social security benefits for existing pensioners – set for January 2019 and a lowering of the tax-free annual income threshold, that has been set to take effect in 2020. However, the implementation of this new intervention on the social security system has been cancelled, following an agreement reached with the European Institutions, in view of the sustainable fiscal overperformance and the improving financial position of the social security system in the period 2016-2018.

Financial stability and soundness

Safeguarding financial stability was one of the four pillars under the Third Program, acknowledging the critical role that a stable and sound banking system must play during the recovery process. An extraordinary stress test for the four Greek systemic banks along with a Comprehensive Assessment was finalized on 30 October 2015 specifying the additional capital needs of systemically significant Greek banks at EUR 4.4 billion in the baseline scenario and EUR 14.4 billion in the adverse scenario of the stress test. In turn, the banks undertook capital raising exercises during the fourth quarter of 2015, with the recapitalization process completed by the end of 2015 (Source: ESM Statement, 8 December 2015).

Moreover, a comprehensive strategy for addressing non performing loans and related changes in the legal framework was presented in 2016 (such as amendments of corporate bankruptcy law) and in 2017 (such as the amendment of the "Dendias Law", the legislation regarding the out-of-court

settlement and electronic auctions), permitting banks to cope more effectively with problematic loans, protect the weakest income groups and, at the same time, release vital financial resources to finance the economy during the recovery process. Finally, a number of measures have been fully implemented until the end of 2017.

A Stress Test assessment was conducted again in 2018 by the ECB for the four Greek systemic banks – under both baseline and adverse scenarios, according to EBA methodology – for the period 2018-2020. The results of this assessment were released on 4 May 2018 and indicate that the average capital depletion under the adverse scenario was 9 percentage points (to 7.3%), equivalent to EUR 15.5 billion with the CET1 declining in the range of 5.9% to 9.7% for the four banks. These results, along with other factors, showed that no capital shortfall has been identified (Source: European Central Bank, Press Release, 5 May 2018).

Structural reforms in labor, product and services markets to enhance competitiveness and growth and sustainable progress in privatization strategy

The third pillar of the Third Programme focused on a number of wide ranging reforms in labor and product markets to enhance competitiveness, along with the growth-enhancing implications of the ambitious privatization strategy. In recent years, major changes have been made to Greek labor market institutions and wage bargaining systems to make the labor market more flexible and efficient. On this basis, the Greek authorities have announced their commitment to launching a consultation process to review a number of existing labor market frameworks, including collective dismissal, industrial action and collective bargaining, taking into account best practices internationally and in Europe. Furthermore, an integrated action plan has been adopted under the Second Programme, with a view to fight undeclared and under-declared work in order to strengthen the competitiveness of legal companies and protect workers, as well as raise tax and social security revenue. A number of legislative changes to the above action plan were introduced, under the Third Programme, with a view to improve monitoring, reinforce cooperation among different institutions and review the system of incentives to promote a transition of informal work to the formal economy. Within this context, a number of additional labor reforms – such as the enhancement of arbitration in collective bargaining or the development of a reliable administrative system, which will assess the representativeness of sectoral collective agreements – were legislated by the Greek government, through an Omnibus bill passed in June 2018.

The Greek authorities also committed to improve the efficiency of the public administration and the judicial system, as well as, to actively support initiatives related to banking system restructuring and financial stability. In this context, new legislative and administrative interventions have been applied, with a view to ensure the effective implementation of the Greek Civil Procedure Code (adopted in July 2015), rationalization of court fees and implementation of measures to reduce the backlog of cases in administrative and civil courts. In this regard, the legislative framework for the regulation and conduct of electronic auctions has been enacted in 2017 and was strengthened in January 2018, under the Third Program. Although it was envisaged that the new electronic auction system would operate in parallel with the traditional auction system at courthouses, the Greek authorities adopted legislation in January 2018 (law 4512/2018) entailing the mandatory conversion of all auctions to an electronic platform and the cessation of physical auctions, because of security concerns regarding the process. In addition, a new set of amendments of the household insolvency law, involving a full lifting of bank confidentiality for new and old debtors, of the Civil Procedure Code and of the Out-of-Court Workout mechanism, with a view to improve its efficiency, was legislated in mid-June 2018.

The Greek Government also committed to facilitate the privatization process and complete all needed Government actions to allow tenders to be successfully executed. In line with the statement of the Euro Summit of 12 July 2015, a new independent fund has been established and has under its management a sizeable portfolio of the Hellenic Republic's assets. The "overarching objective of the fund is to manage valuable Greek assets; and to protect, create and ultimately maximize their value which it will monetize through privatizations and other means" (Source: Memorandum of

Understanding, 19 August 2015). The privatizations fund ("HCAP") has been established in Greece is managed by the Greek authorities, under the supervision of the relevant European institutions, and is expected to fulfill its objective by adhering to international best practices in terms of governance, oversight and transparency of reporting standards, and compliance. In addition, as part of the Third Program, a number of actions in order to enable HCAP to be fully operational (such as the transfer of State-Owned Enterprises and real estate assets to the fund or the elaboration of its strategic plan) have taken place (Source: European Commission, Compliance Report, ESM Stability Support Programme for Greece, Third Review, March 2018). Moreover, a number of actions took place in mid-2018 – such as the divestment of 40% of the Public Power Corporation's ("PPC") lignite-fired generation capacity and the launch of the tender for the sale of 17% of PPC, or the amendment of the MFFA of 19 August 2015 to include the HCAP, or the sale of 5% of Hellenic Telecommunications Organisation ("OTE") shares in March 2018 – under the Third Program, thus enhancing the privatization process. In this context, the Greek government announced in June 2018 its commitment to proceed with the ongoing privatization programme, which is subject to the post-programme surveillance framework (Source: Eurogroup Statement, 22 June 2018, Annex: Specific commitments to ensure the continuity and completion of reforms adopted under the ESM programme).

Enhanced Surveillance Framework

On 20 August 2018, Greece officially concluded the Third Programme, receiving in total EUR 61.9 billion by the ESM between August 2015 and August 2018, mainly for external debt servicing purposes and, to some extent, for the clearance of Hellenic Republic's arrears to the private sector and bank recapitalization. About EUR 24.0 billion available, out of total Third Programme financing envelope of up to EUR 86 billion, was not needed and had not been disbursed. Out of the last two tranches of the Third Programme, EUR 11.4 billion were disbursed in March and August 2018 to finance the creation of the Hellenic Republic's cash buffer, which is estimated at above EUR 30.0 billion in early-2019 (including the issuances of a 5-year and a 10-year Greek Government bond ("**GGB**") that raised EUR 2.5 billion, each), which is sufficient to cover, if necessary, sovereign financing needs until 2022, assuming achievement of the medium-term fiscal targets, even without additional issuance of GGBs (Sources: ESM, Conclusion of ESM programme for Greece: an overview, 20 August 2018, European Commission, Enhanced Surveillance Report - Greece, February 2019, Public Debt Management Agency, Announcement on the issuance of 5-year bond, 1 February 2019 and NBG Economic Analysis estimates).

Following the successful completion of the Third Programme and the commitment of the Greek authorities to continue and complete all key reforms adopted under the Third Program, Greece has agreed to be subject to a post-programme monitoring framework, which will be based on an "Enhanced Surveillance Procedure" directed by the European Commission (Source: Annex of the Eurogroup of 22 June 2018: Specific commitments to ensure the continuity and completion of reforms adopted under the ESM programme). Indeed, on 11 July 2018, following the preceding Eurogroup agreement, the European Commission, adopted the decision on the activation of enhanced surveillance for Greece, under Article 2(1) of the EU Regulation 472/2013 for a renewable period of six months. This framework has been entered into force, following the expiration of the ESM programme on 20 August 2018 and has been designed to support the completion, delivery and continuity of reforms Greece has committed to implementing under the ESM programme, to ensure a smooth transition of the economy to normality and maintain a high degree of credibility (Source: European Commission, Commission Implementing Decision of 11 July 2018 on the activation of enhanced surveillance for Greece). These remaining reforms are mainly related to areas of fiscal efficiency, structural reforms, social welfare, financial stability, labor and product markets efficiency, privatization and public administration. Moreover, the country has committed to maintain a primary surplus of 3.5% of GDP until 2022 and 2.2% of GDP, on average, in the period 2023-2060, ensuring that its overall fiscal performance remains in line with the EU fiscal framework. (Sources: Eurogroup Statement, 22 June 2018, Annex: Specific commitments to ensure the continuity and completion of reforms adopted under the ESM programme and European Commission, Enhanced Surveillance Report - Greece, November 2018 and February 2019).

The post-programme surveillance framework entails quarterly reports by the European Commission that assess the economic, fiscal and financial situation along with the implementation of the post-programme policy commitments and will serve as a basis for the Eurogroup to agree, inter alia, on the implementation of some of the debt relief measures. This surveillance is supplemented by the ESM's "early warning system" for assessing fiscal imbalances, while the IMF remains engaged in the new monitoring framework, the same way it has been engaged in other similar cases of euro area countries that exited a financial support program. Specifically, Greece is subject to IMF reporting twice a year under the respective IMF's framework of post-programme monitoring and the regular Article IV consultation process, whereas the IMF will continue to provide technical assistance in cooperation with the European Institutions (Sources: Eurogroup Statement, 22 June 2018, IMF, Transcript of IMF Press Briefing with Gerry Rice, 28 June 2018 & Comments by Peter Dohlman following the publication of the Article IV, 31 July 2018 and European Commission, Fact Sheet, Memo on enhanced surveillance in Greece, 11 July 2018 & Enhanced Surveillance Report - Greece, November 2018). In this context, a 'Cooperation and Support Plan' has been signed between the Greek authorities and the European Commission's Structural Reform Support Services ("SRSS"), which provides the continued provision of technical assistance to support reform implementation in the coming years (Source: Eurogroup Statement, 22 June 2018).

On 21 November 2018, the European Commission adopted the first enhanced surveillance report for Greece under the European Semester, following the country's successful completion of the ESM stability support programme in August 2018. The report included, alongside an assessment of economic conditions in Greece, an evaluation of Greece's progress in implementing the reform commitments given to the European partners, as well as an updated assessment on debt sustainability analysis and sovereign financing conditions. Specifically, the Greek authorities have adopted a package of discretionary measures in the 2019 Government Budget to ensure the achievement of the primary surplus target of 3.5% of GDP in 2019. Another commitment is related to the adjustment of real estate property taxation, in order to be aligned with updated market valuations. The government has committed to undertake, by mid-2019 and mid-2020, nationwide valuation exercises of property tax value based on market values, as well as, to update property tax values for ENFIA and other taxes with a view to bring them in line with market values by mid-2020 (Sources: Eurogroup Statement, 22 June 2018, Annex: Specific commitments to ensure the continuity and completion of reforms adopted under the ESM programme and European Commission, Enhanced Surveillance Report - Greece, November 2018).

However, the report also pointed out that there were some delays in sixteen particular reform commitments, with the main issues relating to the acceleration of the NPL resolution efforts, the clearance of Hellenic Republic's arrears to the private sector, the government's privatization program, the permanent staffing positions at the Independent Authority of Public Revenue ("**IAPR**"), the sustainability of social welfare (especially health care) and reforms in the energy sector (such as the agreed divestment of Public Power Corporation's lignite-fired capacity). The progress on these reform areas will be revaluated in the context of the second report under the Enhanced Surveillance framework, in order for some of the agreed debt measures – return of the SMP/ANFA income equivalent amounts and the waiver of the step-up interest rate margin (amounting to c. EUR 0.8 billion) – to be implemented (Source: European Commission, Enhanced Surveillance Report - Greece, November 2018).

The second enhanced surveillance report by the European Commission was released on 27 February 2019, serving as "a basis for the Eurogroup to decide on the release of the first set of policy-contingent debt measures". The report acknowledges Greece's progress and estimates that the general government primary surplus is going to exceed the target of 3.5% of GDP in 2018 for a fourth consecutive year. The updated DSA confirms that gross sovereign debt will follow a declining trend as per cent of GDP and that the gross financing needs of the Hellenic Republic will remain below the agreed sustainability thresholds of 15% and 20% of GDP in the medium and long-term. Despite the progress achieved in certain areas, such as the clearance of government arrears and privatizations, the report raises some concerns regarding the accumulation of some new arrears and delays in a number

of pending transactions under the agreed privatization process. Furthermore, the report identifies some additional fiscal risks stemming from the prospective Greek Council of State rulings on the reversal of pension and public sector wage cuts and the prospective activation of a new multiple-installment settlement scheme for social contributions and tax debt. Moreover, Greece's financial system is reported to face considerable challenges as regards the speeding up of resolution of non-performing exposures in the following years. Additionally, special reference is made to the appropriateness of the new system of protection of primary residences, which will replace the existing protection under the Greek laws 3869/2010 and 4549/2018 and potential implications of this framework on borrowers' behavior and banks' financial position (Source: European Commission, Enhanced Surveillance Report - Greece, February 2019).

Following the publication of the second enhanced surveillance report, the Eurogroup of 11 March 2019 invited the upcoming Euro Working Group to examine the appropriateness of the proposed new scheme of the protection of primary residences and evaluate if all reformed commitments are met, in order to approve the implementation of further debt relief measures (the return of SMP/ANFA income equivalent amounts and the waiver of the step-up interest rate margin) in the next Eurogroup meeting (Source: European Commission, Remarks by M. Centeno following the Eurogroup meeting of 11 March 2019).

In March 2019, the executive board of the IMF concluded the "first post-program monitoring "PPM" discussions" with Greece, accompanied by the publication of the staff report. These discussions take place between successive Article IV consultations and focus, especially, on areas related to macroeconomic performance, structural policies, and potential vulnerabilities.

In line with the second enhanced surveillance report prepared by the European Commission, the IMF's report acknowledges the broad-based improvement in macroeconomic and fiscal conditions in Greece, projecting GDP growth at 2.4% per cent year-over-year in 2019 from an estimated 2.1% year-over-year in 2018. Greece is also expected by the IMF to overperform its fiscal targets in 2018 with the primary surplus in general government budget reaching 3.8% of GDP in 2018 (Source: IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019).

According to the IMF the Hellenic Republic's cash buffer is estimated at about EUR 30 billion (16 per cent of GDP) as of end-2018, being "substantially higher than in other euro area countries upon program exit". This buffer is considered to provide additional flexibility as to the timing of additional market issuance of Greek government bonds.

However, the IMF also identifies a number of vulnerabilities and risks that surround Greece's macroeconomic and fiscal performance, which should be ameliorated through appropriate policy actions. The report:

- states that further efforts are likely to be required "to lock in competitiveness gains, enhance productivity, and ensure labor market flexibility" and expresses concerns about the risks to employment and competitiveness from the reinstatement of collective bargaining and the legislation of an 11% increase in the statutory minimum wage in February 2019 (along with the abolition of the sub-minimum wage for individuals aged under 25), which according to IMF's estimates exceeds productivity growth;
- urges the authorities to accelerate progress in reforms that boost productivity, lower non-wage costs and increase the structural competitiveness of the economy that remain weak (e.g. deeper product and services market reforms or other institutional reforms);
- asks for a more efficient distribution of the fiscal burden and a broadening of tax base, which will permit a lowering of direct tax rates and better targeting of social spending without compromising the medium term fiscal targets. In this respect, the IMF supports the reduction in direct and property taxation by 2020, which should be financed, inter alia, by "broadening the personal income tax base";

- recommends allocating more fiscal space to public investment, better targeting social spending and further addressing the structural causes of arrears' creation by the public sector;
- suggests a deeper and a more proactive contingency planning for the occurrence of fiscal risks stemming from potential court rulings, which could lead to a partial or complete reversal of past reforms, resulting in significant one-off retroactive payments by the Greek State and/or in permanent fiscal obligations in the future;
- as regards the challenging task of reducing NPEs, the authorities are encouraged "to bring together key stakeholders and base policy measures on cost-efficiency assessments of various NPE reduction options, while considering the impact of forthcoming regulatory changes and related fiscal implications". The report also recommends a further strengthening of the legal and institutional framework to facilitate private-sector based NPE reduction before considering the provision of state support.

Finally, the IMF suggests a careful assessment of available options for State support for a "system-wide NPE reduction" in the event that such a solution becomes inevitable, if other options fail to speed up the NPE reduction.

Greece's progress in macroeconomic adjustment, structural reforms and related assessments published by the EU Commission and the IMF are expected to continue weighting on market sentiment, rating agencies, decisions and the general perception of risk surrounding the prospects of the Greek economy (Source: IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019).

For risks relating to the Hellenic Republic economic crisis and the impact it may have on the Bank, see "*Risk Factors—The impact of multi-year recession, asset devaluation and uncertainty resulting from the Hellenic Republic's economic crisis have had and will continue to have an adverse impact on the Issuer's business, results of operations and financial condition" and "—Deteriorating asset valuations may adversely affect the Group's business, results of operations and financial condition and may limit its ability to post collateral for Eurosystem funding purposes*".

Implementation of the Capital controls

Following significant withdrawals of bank deposits from the Greek banking sector between November 2014 and July 2015, which led to a cumulative reduction in the banking system's deposit base of EUR 53.9 billion during that period (Source: Bank of Greece, Monetary and Banking Statistics) and the loss of access to private funding markets, the Greek Government imposed a "bank holiday" on 28 June 2015 that lasted until 19 July 2015, and applied specific restrictions on banking and other financial transactions of Greek citizens and legal entities (jointly referred to as "capital controls") (Source: Bank of Greece, Act of Legislation, 28 June 2015).

Accordingly, liquidity tensions eased somewhat in the second half of 2015, permitting a reduction in Greek banks' Eurosystem reliance by EUR 19.1 billion, to EUR 107.5 billion in December 2015 (Source: Bank of Greece, Monthly Balance Sheet, June 2015 and December 2015), despite the concurrent loosening of capital controls on enterprises, through higher approvals at the respective committees. In fact, restrictions related to capital controls have been eased significantly in several stages between August-2015 and October-2018 (with the full abolition of cash withdrawals being taken into effect on October 2018) and have been accompanied by a significant increase in the limits of cash withdrawals. Overall, bank deposits increased by EUR 25.9 billion between June 2015 and December 2018 (Source: Bank of Greece, Monetary and Banking Statistics), whereas the access of Greek banks to interbank and wholesale funding has improved considerably, leading to a significant reduction in Eurosystem funding of EUR 114.3 billion between June 2015 and November 2018, to a pre-crisis level of EUR 12.2 billion in November 2018 (Source: Bank of Greece, Monthly Balance Sheet, June 2015 and November 2018).

Recent Macroeconomic Developments in Greece

Economic activity gathered additional strength in 2018 following a pick-up in GDP growth in 2017, when growth entered positive territory for the first time since 2014 and for the second time in 11 years (reaching 1.4% year-over-year), despite the tighter-than-initially expected fiscal conditions. In 2018, GDP increased by 1.9% year-over-year, recording the strongest pace in 11 years. The main driver of GDP growth in this period was a strong increase in total exports (8.8% year-over-year in constant price terms), which outweighed the increase in total imports of 2.9% year-over-year, with net exports contributing 1.8 percentage points to annual GDP growth. A pick-up in private consumption was the second pillar of growth, which increased by 1.0% year-over-year in 2018 (Source: EL.STAT., Quarterly National Accounts Press Release, Fourth Quarter 2018, March 2019). However, investment spending remained unstable and far less buoyant than would be otherwise expected at the recovery point of the economic cycle (-12.0% year-over-year in 2018), reflecting a sharp decline in non-residential construction (partly due to an under-execution of the public investment program) and a further shrinkage in investment on transportation equipment (amplified by adverse base effects, Source: EL.STAT., Quarterly Gross fixed capital formation by Asset, Chain-linked volumes, reference year 2010, Fourth Quarter 2018, March 2019).

GDP deflator increased by 0.6% year-over-year in 2018 (by a marginally higher pace than in 2017, Source: EL.STAT., Quarterly National Accounts Press Release, Fourth Quarter 2018, March 2019) indicating a subdued response of the domestic price level to the acceleration in economic activity. On the same note, the consumer price index increased by 0.6%, year-over-year in 2018, due to the significant increase in oil prices (25.4% year-over-year, in the same period). Core inflation (which excludes the impact of energy and unprocessed fruit and vegetable prices) stabilized in 2018 (0.1% year-over-year), possibly exemplifying a sustainable cost containment by Greek firms and the still limited pricing power in the domestic market (Sources: Bank of Greece, Bulletin of Conjunctural Indicators, November-December 2018, EL.STAT., Press Release, Consumer Price Index, December 2018 and Federal Reverse Bank Of St. Louis Economic data).

A joint improvement in a significant number of coincident and economic confidence indicators in the second semester of 2018 and in January 2019 suggests that economic activity is going to gain additional traction in 2019. More specifically, manufacturing production increased by 2.0% year-over-year in 2018, whereas the Purchasing Managers' Index ("PMI") remained clearly above 50 for a 20th consecutive month and stood at 53.7 in January 2019 from 54.1, on average, in 2018 (Sources: EL.STAT., Production Index in Industry, 2010=100.0, Press Release, December 2018, Bank of Greece, Bulletin of Conjunctural Indicators, November-December 2018 and Markit Economics, Press Releases, January 2018-January 2019). In addition, consumer confidence remained on an upward trend during 2018, reaching a 9-year high in January 2019 and presaging a further strengthening in domestic demand in the first semester of 2019. In fact, the assessment by households of the general economic situation and their willingness to proceed with major purchases over the course of 2019 showed a notable improvement in the fourth quarter of 2018, with the relevant subcomponent of the consumer survey index, increasing at pre-crisis levels (Source: European Commission, Business and Consumer Surveys, January 2019). The above trends are expected to be buoyed: i) by the supportive impact on disposable income from the continuing recovery of the Greek labor market and a pick-up in hourly compensation, through the increase in the national minimum wage and new collective agreements in specific sectors; and ii) declining country risk, reflected in the gradual improvement in sovereign debt valuations, on the basis of increased fiscal credibility and the implementation of new debt relief measures.

Against this backdrop, real GDP growth is expected to reach 2.3%, year-over-year, on average, in 2019, according to the latest estimates of the International Monetary Fund ("**IMF**") and the European Commission (Sources: IMF, World Economic Outlook, October 2018 and European Commission, Winter Forecast (Interim), February 2019). However, the recovery remains susceptible to downside risks related, inter alia, to the consistently high fiscal effort to meet the medium-term fiscal targets, a very gradual improvement in domestic liquidity conditions and the still vulnerable financial position

of a significant number of business entities and households, following the multiyear crisis. Adverse external factors affecting export demand or a tightening in financial and monetary conditions internationally could weigh on Greece's economic performance.

The Greek real estate market showed consistent signs of revival, which has been accompanied by an increase in market transactions (mostly self-financed) and a joint increase in rents and prices in both commercial and residential market segments. House prices in Greece increased by 2.5% year-over-year (0.7% quarter-over-quarter) in the fourth quarter of 2018 – the strongest annual pace in almost eleven years – and by 1.5% year-over-year in 2018, responding gradually to improving macroeconomic conditions. Positive annual growth is recorded in all market segments (new and old apartments) and regions, with the Athens area outperforming the market average (4.2% year-over-year in the fourth quarter of 2018 and 2.4% year-over-year in 2018), supported by a pick-up in demand for premium properties (which suffered a sharper price adjustment during the crisis) and tourism-related demand (mainly for renting, Source: Bank of Greece, Real estate statistics). In this vein, prices of prime commercial spaces (average of retail and office prices) increased by a solid 5.3%, year-over-year, on average, in the first semester of 2018. Office and retail prices increased by 7.4% year-over-year and 3.1% year-over-year, respectively, in the first semester of 2018 from 3.5% year-over-year and 2.1% year-over-year, respectively, in the second semester of 2017. As in the case of the residential market, the Athens area outperformed the commercial real estate market average in the first semester of 2018 (increase in office and retail prices of 8.4% year-over-year and 4.9% year-over-year, respectively, latest available data, Source: Bank of Greece, Bulletin of Conjunctural Indicators, November-December 2018). Nonetheless, Greece's commercial real estate market remains highly heterogeneous and, thus, the observed recovery in prime properties has not been transmitted to the rest of the property stock, with downward pressures on prices in specific (lower demand – lower quality) areas remaining significant. Elevated tax pressure, liquidity factors and the still high oversupply are likely to continue weighing on the recovery process in the residential market. Nonetheless, the operation of a web-based auction platform since January 2018 contributed to a speeding up of foreclosures, which does not appear to have intensified the pressure on prices in 2018 since banks' participation in some of these operations mitigated the downside pressure on prices, mainly, through a signalling effect.

Moreover, the above developments, along with the finalization of the first round of revisions in the zonal values of property used for tax purposes with relatively small changes, reduced uncertainty and possibly mobilized new demand, from potential buyers over the course of 2018 (including foreigners). Investors' interest for the Greek market strengthened further in 2018 as exemplified by the fact, that the Greek golden visa programme – which grants a five year residency visa in return for an investment of EUR 250,000 in real estate (either residential or commercial properties) – led to the issuance of about 3,600 residency grants in 2018, almost 45% higher than the respective performance in 2017 (Source: Ministry for Migration Policy). In this vein, residential construction increased by 17.4% year-over-year in 2018, following a decline of 5.5% year-over-year in 2017, according to the relevant national accounts data (Source: EL.STAT., Quarterly Gross fixed capital formation by Asset, Chain-linked volumes, reference year 2010, Fourth Quarter 2018, March 2019), posting its first annual expansion in a decade and signalling the end of the longest adjustment cycle in the market. The increase by 30.4% year-over-year in the issuance of residential construction permits in the first eleven months of 2018 (Source: EL.STAT., Building activity database) presages a further increase in building activity in the following months, which is also related to increasing renovation of houses and commercial properties in high demand areas.

The improvement in the Greek labor market continued in 2018, with employment increasing by 2.0% year-over-year in this period, showing a close correlation to economic activity. The unemployment rate declined further to a 7½-year low of 18.0% in December 2018 from 20.8% in December 2017 and 23.4% in December 2016 (Source: EL.STAT., Press Releases, Labor Force Survey, Monthly Data, December 2016, January-December 2017 and January-December 2018). Forward looking indicators of employment creation in the wage earners segment, along with survey data on employment prospects in key business sectors, point to a further increase in employment creation in

the following quarters of 2019 (Sources: Ministry of Labour, ERGANI, December 2018, European Commission, Business and Consumer Surveys, January 2019 and NBG estimates). Furthermore, the improvement in labor market has become more broad-based and is also reflected by the reactivation of the sectoral wage bargaining in specific sectors of the economy (e.g. a number of tourism and transportation services), which took place in the second semester of 2018 and is estimated to be translated into an increase in hourly compensation in 2019, in conjunction with the 11.0% increase in the minimum wage and the elimination of the "sub-minimum" wage for young employees (aged under 25), legislated in February 2019. This pick-up in hourly compensation is expected to be the first in a decade, following a cumulative decline in average wage of 20.0% between 2010 and 2018 (Sources: EL.STAT., Evolution of the Index of Wages Cost, Third Quarter 2018, December 2018, Bank of Greece, Governor's Annual Reports, 2014-2017 and NBG Economic Analysis estimates).

The current account deficit increased to 2.0% of GDP in the first eleven months of 2018, against a deficit of 0.9% of GDP in the first eleven months of 2017, as the increase in imports of oil and non-oil products of 1.8% and 1.3% of GDP, respectively, compared with the first eleven months of 2017 (or by 34.6% year-over-year and 9.9% year-over-year, respectively) offset the strong combined increase in exports of goods and services of 3.3% of GDP (or 13.4% year-over-year) in this period. In addition, the widening of the primary income deficit (by 0.5% of GDP), mainly due to higher net interest, dividend and profit payments, also contributed to the widening of the current account balance. The increase in imports reflects a still high import dependence of the economy, in a period of strengthened domestic spending on production inputs, fuels, capital and discretionary consumer products. Moreover, the increase in oil prices of 28.8% year-over-year in in the first eleven months of 2018 contributed to the widening in the oil deficit by 0.7% of GDP. The services surplus increased by 0.4% of GDP compared with the first eleven months of 2017, reflecting higher net revenue from tourism and transportation services (net increases of 0.5% of GDP and 0.2% of GDP, higher than in the first eleven months of 2017, respectively). In this regard, tourism arrivals and receipts increased by 10.6% year-over-year and 10.1% year-over-year, respectively, in the first eleven months of 2018, and by 6.2% year-over-year and 44.2% year-over-year, respectively, in November 2018. Overall, the current account deficit is estimated to reach 2.6% of GDP in 2018 and widen further to 2.8% of GDP in 2019, due to the high responsiveness of import spending to increasing domestic demand, in a period of slowing demand in Greece's major exporting markets (Sources: Bank of Greece, Developments in the Balance of Travel Services, Press Release, November 2018, Bank of Greece, Balance of Payments, Press Release, November 2018, Federal Reverse Bank Of St. Louis Economic data and NBG Economic Analysis estimates).

The Greek banking system remained in deleveraging mode, for an 8th consecutive year, with credit to the private sector declining by 1.1% year-over-year in December 2018 from -0.8% year-over-year in December 2017. Credit to corporations stabilized in December 2018, while, a limited number of business sectors, such as agriculture, tourism and real estate recorded positive credit flows (annual increases in credit of 4.1% year-over-year, 3.6% year-over-year and 2.1% year-over-year, respectively). Loans to households declined by -2.2% year-over-year in December 2018 from -2.3% year-over-year in December 2017, with mortgage credit contracting by -2.8% year-over-year in December 2018 from -3.0% year-over-year in December 2017 and consumer credit by -0.8% year-over-year in December 2018 from -0.5% year-over-year in December 2017. Domestic private sector deposits increased by EUR 7.9 billion, cumulatively, in 2018 – reaching EUR 134.5 billion – with household deposits contributing EUR 5.8 billion and corporate deposits contributing EUR 2.1 billion of the increase. A part of this improvement has been recorded in December 2018 (EUR 3.2 billion) and is likely to be transitory, reflecting, inter alia, the disbursement of the social dividend and a retrospective refund of wage cuts to uniformed officials and some other employee categories in December 2018 (estimated impact of about EUR 1.6 billion). Nevertheless, the upward trend in private sector deposits reflects, *inter alia*, the improvement of economic activity, a pick-up in export oriented activities and supportive trends in net external capital inflows, in the form of portfolio investment and foreign direct investment in the first eleven months of 2018 (Sources: Bank of Greece, Monetary and Banking Statistics and Balance of Payments Press Release, December 2017 and December 2018 and NBG Economic Analysis estimates). Accordingly, liquidity balance has been

restored with banks' dependence on the Eurosystem returning at a pre-crisis level. Specifically, the Greek banking system's financing from the Eurosystem (including the Emergency Liquidity Assistance ("ELA")) decreased to EUR 12.2 billion in November 2018, from EUR 33.7 billion in December 2017, and by EUR 114.3 billion cumulatively since its peak in June 2015, with ELA dependence contracting by EUR 84.1 billion in this period (from EUR 86.8 billion in June 2015 to EUR 2.7 billion in November 2018, Source: Bank of Greece, Monthly Balance Sheets, June 2015, December 2017 and November 2018).

On the fiscal front, Greece is heading towards a third consecutive year of significant fiscal overperformance in 2018, following an achievement of primary surplus of 3.8% and 4.1% of GDP in 2016 and 2017 respectively (Sources: EL.STAT., Press Release, Fiscal data for the years 2014-2017, 2nd Notification, October 2018, Ministry of Finance, Budget 2019, November 2018 and NBG Economic Analysis estimates). According to the Government Budget for 2019, the primary surplus in General Government in 2018 is estimated at 3.98% of GDP, exceeding the maximum target of the Enhanced Surveillance Framework for a surplus of 3.5% of GDP (Source: Ministry of Finance, Budget 2019, November 2018). European institutions also project that Greece appears capable to meet the General government primary surplus target of 3.5% of GDP in 2018 (Source: European Commission, Enhanced Surveillance Report - Greece, February 2019). In this respect, State Budget recorded a primary surplus of 1.7% of GDP in 2018, 0.6% of GDP higher than in 2017, whereas a small slippage of 0.2% of GDP compared to the annual Budget target for 2018 is expected to be fully reversed, on a national accounts-adjusted basis, when the proceeds from the extension of the Athens airport's concession agreement will be received (about 0.6% of GDP, Source: Ministry of Finance, State Budget Execution Monthly Bulletin, December 2018). In 2019 the Government budget includes a modest set of expansionary measures – the first in 11 years – amounting to 0.5% of GDP, which will take effect in 2019, and will be financed by the recurring part of the fiscal overperformance in the period 2016-2018 (0.5% of GDP, per annum on average). The set of measures comprise a housing allowance, a weighted average reduction in property tax of 10% year-over-year ("**ENFIA**") and a reduction in social security contributions of the independent professionals, self-employed and farmers by about one third and implementation of the lowest entry-level salary for supplementary pension contributions (Source: Ministry of Finance, Budget 2019, November 2018). In fact, the estimated direct fiscal impulse from the above measures of about 0.5% of GDP in 2019 follows an unprecedented fiscal contraction of about 14% of GDP between 2010 and 2018.

The general government debt is estimated to have peaked at 182.8% of GDP in 2018 (Source: European Commission, Enhanced Surveillance Report - Greece, February 2019), including a funding of 8.6% of GDP related to a pre-emptive accumulation of a cash buffer of the Greek state ahead of the completion of the Third Program. According to the European Commission's Debt Sustainability Analysis ("**DSA**") of 27 February 2019 – similar to that of 22 November 2018, the stock of gross debt is estimated to follow a steady declining trend from 2019 onwards. However, the future dynamics of the public debt remain conditional to the pace of GDP growth in the long run and the achievement of fiscal targets for a primary surplus of 2.2% of GDP in 2023-2060 (Source: European Commission, Compliance Report, ESM Stability Support Programme for Greece, Fourth Review, June 2018 and Enhanced Surveillance Report - Greece, November 2018 and February 2019).

In addition to the measures implemented under the Third Programme (in 2017 and 2018) for reducing the financing needs of the Hellenic Republic and improve debt sustainability, under the near term set of measures (see above "*The Third Programme*") the Eurogroup of 21 June 2018 agreed to implement an additional set of medium-term debt measures to ensure that GFNs remain below 15.0% of GDP until the late 30's and below 20.0% of GDP in the long run and that the gross public debt will remain on a downward path. This new set of medium-term measures includes: i) the abolition of the step-up interest rate margin, related to the debt buy-back tranche of the Second Programme as of 2018; ii) the use of the 2014 SMP profits from the ESM segregated account and the restoration of the transfer of ANFA and SMP income equivalent amounts to Greece (as of budget year 2017); and iii) a further deferral of EFSF interest and amortization on EUR 96.9 billion of EFSF by ten years, along with an extension of the maximum weighted average maturity ("**WAM**") of these loans by 10 years. Debt

sustainability is planned to be reviewed at the end of the extended grace period on the specific part of the EFSF loans in 2032, permitting Eurogroup to assess whether additional debt measures are needed to ensure debt sustainability. On this matter, the Eurogroup members stated that they are going to take into consideration a positive assessment of Greece's post-programme surveillance record, particularly in the fiscal area and economic reform policies (Source: Eurogroup Statement, 22 June 2018 and ESM, Remarks by Klaus Regling, Press conference after Eurogroup meeting, 22 June 2018).

According to the latest DSA estimates of 27 February 2019 which incorporated the estimated impact of the medium-term measures (Source: European Commission, Enhanced Surveillance Report - Greece, February 2019) – the long-term debt-to-GDP ratio is projected to be substantially improved by the implementation of the above described measures, agreed in the Eurogroup of 21 June 2018. Gross general government debt is expected to decline to 112.6% of GDP in 2040 and to 87.6% in 2060 (or about 40.0% of GDP lower than the respective estimate without the implementation of the medium-term measures by 2060), whereas GFNs will be maintained below the agreed thresholds of 15.0% and 20.0% of GDP in the medium and the long term, respectively. However, the developments in GFNs in the long run (beyond 2032) remain sensitive to the macroeconomic assumptions especially as regards nominal GDP growth. To this end, the Eurogroup of 21 June 2018 stated that the official lenders are committed to reassess Greece's debt sustainability in the future and implement debt relief measures, if needed (Sources: Eurogroup Statement, 22 June 2018 and European Commission, Compliance Report, ESM Stability Support Programme for Greece, Fourth Review, June 2018, & Enhanced Surveillance Report - Greece, February 2019). Moreover, for the long run, the Eurogroup recalled the agreement that had been reached in the Eurogroup of May 2016, on a contingency mechanism on debt that could be activated in the case of an unexpectedly more adverse macroeconomic scenario, adjusting debt servicing costs to more sustainable levels if required and decided by the Eurogroup (Source: Eurogroup Statement, 22 June 2018).

The updated DSA included by the IMF in its first staff report under "post program discussion", evaluated the period until 2028. The public debt-to-GDP ratio is projected to remain on a downward trajectory declining to 153.8% in 2022 and to 135.4% in 2028, with GFNs remaining below the medium term threshold of 15% of GDP over the forecasting horizon (2019-2028). Medium-term debt sustainability is estimated by the IMF to remain robust under "standard macro-fiscal stress tests" with temporary shocks to GDP growth, the primary balance, and interest rates not significantly endangering Greece's debt servicing capacity over the projection horizon (Source: IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019).

Against this backdrop and taking into consideration the decision on the implementation of medium-term debt relief measures, the capacity of the Hellenic Republic to access markets for financing its maturing debt on a sustainable basis is a critical step for the return of the country to economic normalcy. Towards this direction, there was further progress in 2018, following the issuance of a 5-year benchmark bond and the successful swap of PSI bonds in 2017. More specifically, on 8 February 2018, the Hellenic Republic issued, through syndication, a new 7-year benchmark bond, raising EUR 3.0 billion at a re-offer yield of 3.5% (Source: Athens Exchange (the "**ATHEX**"), Press Release "Hellenic Republic – Press points for 7-year new GGB", 8 February 2018). On 14 March 2018, Greece successfully auctioned a 12-month Treasury bill issue – the first issuance of this type since 2010 – raising EUR 1.0 billion, with interest rate set at 1.25%, while on 13 June, 12 September and 12 December 2018 another Greek 12-month Treasury bills were successfully auctioned, with interest rate set at 1.09% (Source: Public Debt Management Agency, Announcement on the Auction results of 52 week T-bills, 14 March 2018, 13 June 2018, 12 September 2018 and 12 December 2018). Finally, on 29 January 2019, the Hellenic Republic issued a new five-year benchmark bond, raising EUR 2.5 billion at 3.6%, with coupon at 3.45%, which is the first issuance following the completion of the Third Programme (Source: Public Debt Management Agency, Announcement on the issuance of 5-year bond, 1 February 2019). Moreover, on 5 March 2019, the Hellenic Republic issued a new ten-year benchmark bond – the first ten-year bond issuance since 2010 – raising EUR 2.5 billion at 3.9%, with coupon 3.875% (Source: Public Debt Management Agency, Announcement on the issuance of 10-year bond, 5 March 2019).

The swift progress towards the completion of the Third Programme, in conjunction with the decision by the Eurogroup of 21 June 2018 regarding the implementation of additional measures to ensure debt sustainability, have been accompanied by an improvement in Greece's sovereign debt valuations. The yield of the 10-year Greek bond declined to 3.8% in late-July 2018 from 4.9% in early-December 2017, while short-term Greek bond yields recorded an even more significant compression, due to the significant lowering of Greece's debt servicing costs in 2019-2032 and the existence of a sizeable cash buffer for debt servicing (Source: Bloomberg). Nevertheless, as indicated by the volatility in Greek bond valuations since the second quarter of 2018, in response to the economic turbulence in Italy and Turkey, which has been transmitted, to some extent, in other peripheral bond markets, the Greek market remains very sensitive to fluctuations in international financial markets and related risk premia, as well to the expectation of a gradual normalization in monetary policy and a prospective repricing of sovereign instruments (especially those affecting euro area countries with larger fiscal and/or financial imbalances). On this note, it should be stated that Greek bond yields decreased during the first quarter of 2019, in parallel with the improving conditions in Italy and more dovish statements by major central banks, however, their yields continue to exhibit a relatively high volatility.

The above described improvements to the front of debt sustainability, along with the decision on the implementation of an enhanced framework for Greece's post-programme monitoring, following the Third Programme completion, the additional progress in fiscal consolidation and the pick-up in economic activity, led major rating agencies to upgrade and/or maintain a positive outlook as regards the Hellenic Republic's sovereign rating in 2018. On 19 January 2018 and on 16 February 2018, S&P Ratings and Fitch Global Ratings upgraded, respectively, Greece's sovereign bond rating to "B" from "B-", while on 21 February 2018, Moody's upgraded Greece's sovereign rating by two notches to "B3" from "Caa2", citing improvements in growth and fiscal outlook as the main drivers of their decision. In this context, on 25 June 2018, S&P Ratings further upgraded Greece's sovereign bond rating to "B+" from "B", revising its outlook from positive to stable, on the back of the 21 June 2018 Eurogroup's decision on debt, which is estimated, by the S&P, to minimize sovereign debt servicing risks over the next two years. Moreover, on 20 July 2018, S&P Ratings reset its outlook on the Hellenic Republic's rating to positive. Furthermore, on 10 August 2018, Fitch Global Ratings upgraded Greece's sovereign bond rating by two notches, to "BB-" from "B", bringing the country's long-term sovereign rating three notches away from an investment grade rating, with a stable outlook. The successful build-up of a sovereign liquidity buffer, in order to pre-finance future government debt repayments upon the country's exit from the Third Program, has been referred to as an additional factor which has been taken into account in assessing Greece's creditworthiness. On 18 January 2019 S&P Ratings affirmed its rating on Greece of "B+" with a positive outlook, while on 8 February 2019 Fitch Global Ratings also affirmed its rating of "BB-", with stable outlook, as well. On 1 March 2019, Moody's upgraded Greece's sovereign bond rating by two notches to "B1" from "B3", changing the outlook to stable from positive (Source: S&P Ratings, Fitch Global Ratings and Moody's press releases on Greek Sovereign outlook).

All major rating agencies referred to a potential for additional rating upgrades in 2019, if the improvement in macroeconomic trends continues and the credibility of the fiscal adjustment is maintained in the post-programme era and the process of reducing the still sizeable stock of non-performing exposures meets the ambitious medium-term targets (Source: S&P Ratings, Fitch Global Ratings and Moody's press releases on Greek Sovereign outlook).

Nonetheless, the rating agencies also refer that the Hellenic Republic's rating could be adversely affected in the event of re-appearance of doubts about the country's commitment to maintain a sound fiscal position and implement important reforms or meet other obligations of the post-programme monitoring (Source: S&P Ratings, Fitch Global Ratings and Moody's press releases on Greek Sovereign outlook).

It should be noted that improvements in Greece's sovereign rating have started to be gradually transmitted to the risk assessment of other high quality financial and real assets in Greece, but valuations remain highly sensitive and subsect to downside risks.

Uncertainties, risks and future prospects

Looking forward in 2019, the official projections envisage a continuance of the economic recovery (GDP growth of 2.3% year-over-year, on average, from an estimated 2.0% year-over-year, on average, in 2018, Sources: European Commission, Winter Forecast (Interim), February 2019 and IMF, World Economic Outlook, October 2018). However, these forecasts remain subject to downside risks, related, *inter alia*, to the pace of improvement in the private sector financial position liquidity conditions and other macroeconomic factors, the sustainability of fiscal performance in the long run, as well as external factors, such as a prospective slowdown of the global economy in 2019 and the increased volatility in the international financial markets.

Greece's economic performance in 2019 is expected to be supported by: i) higher private consumption, buoyed by an increase in households' disposable income (projected at 1.9% year-over-year in 2019, in constant prices terms, according to NBG Economic Analysis estimates), on the back of healthy employment growth, a pick-up in hourly wages (reflecting, *inter alia*, an increase in the national minimum wage of 11.0%) and a notable improvement in consumer confidence in the fourth quarter of 2018 and early-2019; ii) a relatively healthy, albeit slowed, export growth, since the expected slowing in external demand, in comparison with the period 2017-2018, will be translated into lower growth in goods exports and tourism revenue (especially compared to the double digit increases in 2017 and 2018); iii) a prospective increase in investment, due to improving domestic demand conditions and increased capacity utilization levels, in conjunction with a positive carry of almost 1.0% of GDP (according to NBG Economic Analysis estimates), from 2018 to 2019, of public investment spending, which remained lower-than-initially-envisaged in 2018; iv) a modest fiscal easing, in the form of a small set of expansionary measures amounting to 0.5% of GDP, which will take effect in 2019, corresponding to the first loosening in fiscal policy since 2009, and is expected to support domestic demand; v) continuing support from portfolio and foreign direct investment inflows, attracted by very low domestic asset valuations, following a very strong performance in 2016-2018 (estimated foreign direct investment inflows of about EUR 9.0 billion in this period, Source: Bank of Greece, Balance of Payments statistics) and vii) a potential further easing or elimination of capital controls.

Most of the above developments are estimated to keep GDP growth in 2019 broadly unchanged compared to 2018, however, medium-term growth prospects, the pace of improvement in the private sector financial position – especially of households and less competitive enterprises – and liquidity conditions, as well as, the capacity of the public and private sectors to remain committed to a sustainable structural reforms plan – which will upgrade the productive potential of the economy – continue to be surrounded by a significant degree of uncertainty. Moreover, the estimated acceleration in domestic spending in 2019 is likely to be accompanied by increased imports, which will likely soften the GDP growth momentum. In addition, the Greek banking sector remains weak, with high levels of non-performing exposures and a restricted ability to finance the economy, thus weighing on the financial positions of households and of a significant number of less competitive business units. Furthermore, despite the improvement in foreign direct investment inflows, especially in 2017-2018, the inflows remain modest, compared to the country's peers, and are primarily channelled to tourism, transportation and real estate related sectors and typically involve relatively low technology and knowledge content.

Moreover, there are still risks relating, *inter alia*, to Greece's short and longer term potential growth prospects and the sustainability of fiscal performance in longer time horizon, without an additional cost to long-term growth potential. It should be noted that the continuing fiscal effort to maintain a targeted primary surplus of 3.5% of GDP until 2022 and to an average of 2.2% of GDP between 2023-2060 (Source: European Commission, Enhanced Surveillance Report - Greece, November 2018

and February 2019) implies that there are very limited margins for a loosening in fiscal conditions and thus, the process of improvement in the financial position of the domestic private sector will be lengthy. In addition, political risks could increase again in 2019, as a series of elections are planned to take place during the course of the year (elections for local governments, domestic parliamentary elections and elections for the European parliament), that could lead to lower compliance and perhaps potential reversals of previously implemented reforms, as well as possible delays and risks in areas such as privatizations, the pace of the efficiency of the judicial system and the business environment. Accordingly, the magnitude and timing of the potential confidence, liquidity and other macroeconomic benefits related to the provision of additional debt relief to Greece, following the successful completion of the Third Program, are difficult to gauge and may be less than anticipated or take considerable time to show.

Furthermore, elevated risks related to external factors, such as mounting protectionism in international trade and its impact on global growth, along with an ongoing slowdown in Eurozone economies, fragile economic conditions in Italy and Brexit uncertainties, in conjunction with increased market volatility internationally, could weigh on fixed income and equity market conditions and, hence, create considerable downside risks for Greece's export growth, domestic spending and Greek asset valuations, adversely affecting Greece's economic performance and conditions in the financial sector.

In this vein, Greece's sovereign and private debt valuations and economic conditions, in general, are likely to be affected in the event of a significant adjustment in international markets and/or a protracted increase in volatility internationally, despite the supportive role of improving macroeconomic stability domestically. Potential delays in the completion of key structural reforms, subject to the post-programme surveillance framework, or the inability to safeguard the objectives of the adopted reforms, or the failure in reaching the primary surplus targets, could undermine the credibility of the assumptions underlying the debt-relief measures and, could, subsequently, give rise to negative confidence and liquidity effects, delay the relaxation of capital controls and exert additional downward pressures on collateral valuations – especially real estate. Moreover, the recovery in domestic demand could be weaker-than-expected, if additional fiscal measures are needed to ensure the achievement of the medium term fiscal targets and/or the capacity to activate offsetting expansionary measures is diminished in the event of a fiscal underperformance in the following years.

Overview of the Macroeconomic Impact of the Capital Controls

Overall, capital controls and restrictions on cash transactions in Greece are, generally, considered to have affected domestic demand and small business activity since their imposition in July 2015, but the recessionary impact appears to have mitigated by a preemptive adjustment of a significant part of businesses, especially larger sized, the reduction in uncertainty and gradual normalization of liquidity conditions, following the activation of the Third Program. See also "*Regulation and Supervision of Banks in Greece—Capital Controls applying to banks operating in Greece*".

Capital controls and constraints on cash withdrawals in Greece have created downward pressures on economic activity, albeit, less severe than-initially-expected, contributed to an increase of cashless transactions (higher use of credit, debit cards and electronic money transfers which registered an increase of 36.2% year over year in 2015, of 63.7% year-over-year in 2016 and of 21.7% year-over-year in 2017, according to the ECB (Source: ECB, Statistical Data Warehouse, Payment Statistics Report, September 2018) and stabilized bank deposits (Source: Bank of Greece, Monetary and Banking Statistics). The negative impact on domestic demand, from the three week bank holiday in July 2015 and the restrictive limits on financial transactions, has been partially offset by the pre emptive adjustment of the business sector (liquidity and inventory hoarding since the first half of 2015 and a streamlining of external transactions and cash flow management especially from exporting firms) and the near doubling in the use of cashless payments in economy wide transactions. In fact, the negative impact on external transactions has only been transitory, with balance of payments data indicating a negative impact in the services revenue in the second half of 2015 and in 2016 (services revenue recorded a decline of 0.1% year-over-year and 5.9% year-over-year, respectively), which,

however, reversed course in 2017 and 2018. On that note, imports of goods declined significantly but only in the second half of 2015 (when imports of goods excluding oil declined by 9.3% year-over-year) and have accelerated since 2016 (when imports of goods excluding oil increased by 5.5% year-over-year), indicating a fading impact from capital controls (Source: Bank of Greece, Balance of Payments Statistics).

On that note, capital controls relaxed further in 2017-2018, when the reduction of the deposit base of the Greek banking system showed signs of stabilization (total deposits increased by EUR 4.1 billion in 2017 and by EUR 7.9 billion in the first eleven months of 2018, Source: Bank of Greece, Monetary and Banking Statistics), as the course of deposits constitutes a decisive factor for the easing of capital controls. The significant improvement of economic activity, with GDP growth expanding by 1.4% year-over-year in 2017 and by a solid 1.9% year-over-year in 2018 (Source: EL.STAT., Quarterly National Accounts Press Release, Fourth Quarter 2018, March 2019) and a number of conjunctural and forward looking indicators of economic activity reaching multi-year highs in 2017-2018, resulted in the reduction in uncertainty and, also, provided incentives for depositors to channel additional liquidity to the Greek banking system, underpinning, consequently, the easing of capital controls.

More specifically, the negative macroeconomic impact of capital controls – especially on external transactions – is estimated to have receded further in 2017 and 2018, as exemplified by the strong expansion in services receipts from abroad (13.0% year-over-year in 2017 and 10.3% year-over-year in the first eleven months of 2018) and the increase in exports and imports of goods, excluding oil, of 9.2% year-over-year and 8.5% year-over-year, respectively, in 2017 and of 12.0% year-over-year and 9.9% year-over-year, respectively, in the first eleven months of 2018 (Source: Bank of Greece, Balance of Payments Statistics). The impact of capital controls on larger firm activity is estimated to have declined even earlier in 2016-2017, but remains evident in the external transactions of smaller firms.

Most households do not appear to be considering capital controls and the remaining restrictions on cash withdrawals as a significant constraint to their spending decisions, as indicated by the sharp increase in the number and value of retail transactions made through cashless payment methods (Sources: Bank of Greece, Survey on capital controls and cash withdrawal restrictions, November 2017 and ECB, Statistical Data Warehouse, Payment Statistics Report, September 2018).

The precise time horizon for completely lifting the capital controls still remains uncertain. It is expected that the successful completion of the Third Programme and the continuing improvement of macroeconomic conditions, along with improving access of the Hellenic Republic to market financing and increased private capital inflows from abroad will facilitate a full lift over the course of 2019. However, the increased volatility in the international financial markets, along with the challenging task of further reducing the still sizeable stock of non-performing exposures in the Greek banking system, could lead to a deferral of this decision for 2020 or later.

The Macroeconomic Environment and the Banking Services Sector in South Eastern Europe operations ("SEE operations", comprising in North Macedonia and Romania)[15]

The economies and banking sectors of SEE operations performed relatively well in 2018.

GDP growth in SEE operations is estimated to have reached 4.1% in 2018 -- 2.2 percentage points higher than that in EU-28 -- supported by both domestic and external demand. Private consumption remained the main engine of growth, mainly underpinned by improving labour market conditions, strengthening retail lending activity and a generous incomes policy. On the other hand, exports of

[15] Source: Published data from the Central Banks and the National Statistical Agencies of the related countries and processed by NBG. The SEE operations weighted averages are based on NBG estimates of nominal EUR GDP in each country.

goods and services maintained momentum, despite a deceleration in economic activity in SEE operations' main trading partner - the euro area.

Not surprisingly, despite strong exports, the current account deficit in SEE operations is estimated to have reached a multi-year high, though manageable, of 4.4% of GDP in 2018, due to buoyant domestic demand and, to a lesser extent, unfavourable global oil prices. Encouragingly, the quality of financing of the current account deficit remained sound. Indeed, non-debt generating foreign direct investments covered the bulk of the current account deficit (an estimated 57.2% in 2018).

Amid a favourable operating environment, the fundamentals and the performance of the SEE operations banking sector continued to improve. Indeed, figures released in 2018 show that SEE operations' banking sector bottom line rose to an estimated € 1,830 million (annualised) in the first 9 months of 2018 from € 1,296 million (annualised) in the same period a year earlier and €1,268 million in full-year 2017. This performance was largely underpinned by lower provisions for bad loans, in line with the moderation of the ratio of problematic loans to total gross loans (to 5.0% and 5.6% in North Macedonia and Romania, respectively, at end-September 2018 from 6.6% and 8.0% a year earlier). The downward trend in the non-performing loans reflects strong economic activity and, to a large extent, significant write-offs and sales of problematic loans encouraged by Central Banks. Moreover, the capital adequacy ratio remained sound (ranging between 16.3% in North Macedonia and 20.0% in Romania at end-September 2018). The improved asset quality and solvency bode well for a strong rebound in lending activity in the near future, in view of SEE operations' low penetration rate (total loans-to-GDP ratios ranged between 26.0% in Romania and 49.3% in North Macedonia in December 2018), especially in the retail segment (retail lending-to-GDP ratios ranged between 14.2% in Romania and 24.1% in North Macedonia in December 2018) and ample liquidity (the SEE operations average loan-to-deposit ratio stood at 79.0% in December 2018).

The positive macroeconomic and banking sector performance in SEE operations is expected to continue this year.

SEE operations' economic expansion is expected to slow down to a still robust 3.8% in 2019 – above its long-term potential of 3.5%. Specifically, in North Macedonia, GDP growth is expected to rebound to 3.8% this year from an estimated 2.5% in 2018, on the back of strengthening confidence in the domestic economy following the finalisation of the name change agreement with Greece in January, which will open the door for the country to start EU accession talks and join NATO. In Romania, economic growth is expected to ease to a still robust 3.8% this year from 4.2% in 2018, mainly due to unsupportive base effects stemming from a strong private consumption growth last year.

There are, however, downside risks to the SEE operations positive outlook, stemming mainly from a significant escalation of world trade tensions, the risk of a no-deal Brexit and a sharp slowdown in China's growth, which could lead to tighter-than-currently-anticipated global liquidity conditions and weaker-than-currently-expected economic activity in SEE operations' main trading, investing and financing partner -- the euro area. In Romania, the introduction of a tax on bank financial assets on 1 January 2019 and elevated domestic political tensions between the President and the Government ahead of the November presidential elections expected in November or December 2019 could also cloud the positive outlook.

THE MORTGAGE AND HOUSING MARKET IN GREECE

The first mortgage lending institution, the National Mortgage Bank of Greece, was established in 1927, followed by the National Housing Bank in 1930. Both institutions were under government control, but have since been merged with the National Bank of Greece. Since then, another three institutions under government control have become active in the field of mortgage lending: the Postal Savings Bank (*Tachydromiko Tamieftirio*), the Consignment Deposits and Loans Fund (*Tamio Parakatathikon kai Daneion*) and the Agricultural Bank, with the first two providing loans to civil servants and the latter providing loans mainly to those in the agricultural industry. In 1985, the state monopoly of mortgage lending was ended, allowing commercial banks to enter the market, provided that their mortgage financing did not exceed 2.0% of their deposits. From the early 1990's onwards the mortgage loans market was rapidly deregulated and, as a result, many commercial banks operating in Greece (both foreign and national) now have a presence in this market as well as in the broader region of SEE.

As at the end of 2015, the four largest lenders in the Greek residential mortgage market were National Bank of Greece, Alpha Bank, Eurobank and Piraeus Bank, together accounting for almost 100.0% of the total market.

Mortgage lending growth, which recorded a strong expansion between 2001 and 2007, remained relatively resilient until H1:2008, but followed a steep downward trend after the intensification of international financial crisis, following the collapse of the Lehman Brothers and the sharp deterioration of macroeconomic conditions and asset valuations in Q1:2009. Financial market conditions have deteriorated further in Greece in the second semester of 2009 and especially during 2010, when worries about Greece's creditworthiness and the sizeable fiscal credibility deficit, in conjunction with turbulent market conditions, drove the financing costs of the Hellenic Republic at pre-EMU levels. Against this backdrop, credit mortgage expansion slowed to 3.7% year-over-year in December 2009 and to 0.4% year-over-year in October 2010, falling for the first time below the euro area average since May 2010 (Sources: Bank of Greece, Monetary and Banking Statistics and ECB, Statistical Data Warehouse).

The pressures intensified significantly during 2010. The eruption of the Greek crisis took a severe toll on economic activity, household incomes and decisions for new household formation, as well as on liquidity conditions and economic sentiment, giving rise to a period of severe adjustment in the real estate market that continued until Q4:2017. Following the Hellenic Republic's loss of access to market financing in April 2010, a Programme of financial support (the 1st Programme) from the EU and the IMF, under certain policy conditionality, was activated in May 2010 for restoring significant fiscal imbalances and implementing an agreed set of structural reforms. A second programme was activated in March 2012, which was terminated in July 2015 and followed by a third programme, activated in August 2015 and successfully concluded in August 2018.

In this environment, the Greek real estate market suffered a severe adjustment. House prices declined by 42.2% cumulatively between their peak in Q3:2008 and Q4:2017, while commercial prices (for which data are only available since H1:2010) by 28.1% cumulatively between H1:2010 and H2:2017 (Source: Bank of Greece, Real estate database), as a result of sharply deteriorating macroeconomic and financial conditions. The adverse macroeconomic and market conditions led to a sharp reduction in supply and demand of mortgage loans and triggered a protracted period of deleveraging that continued until end-2018, with the outstanding stock of mortgage loans declining by €2.0 billion in FY:2018, to €56.8 billion in December 2018, following a €2.6 billion decline in FY:2017. The cumulative decline between the peak of €81.5 billion in mortgage loan balances in 2010 and their level in December 2018 reached €24.7 billion or 30.3% cumulatively (Source: Bank of Greece, Monetary and Banking Statistics).

However, in 2018 the real estate market showed consistent signs of revival, accompanied by a pick-up in market transactions (mostly self-financed) and a joint increase in rents and prices in both commercial and residential market segments. On that note, house prices increased by 1.5% year-over-year in FY:2018, for the first time since 2008, whereas prime commercial property prices (average of prime retail and office spaces) rose, on average, by 5.3% year-over-year in H1:2018 and by 1.7% year-over-year in FY:2017 (Source: Bank of Greece, Real estate statistics). It should be noted that the observed pick-up in real estate valuations in 2018 took place in an environment of continuing deleveraging, with households' disposable income stabilizing during this year for the first time in 10 years (3.4% year-over-year in Q3:2018, Source: EL.STAT., Quarterly non-financial sector accounts, 3rd Quarter 2018, January 2019).

Mortgage Products

The Greek mortgage market is characterised as a matured market, with fairly standard products on offer, although, in the last few years, this has further expanded to include a variety of newer and more sophisticated products, due to increasing demand from borrowers and strong competition among lenders. Currently, most banks offer the following mortgage products:

(a) long-term fixed rate mortgages (accounting for a small percentage of the market);

(b) medium-term fixed rate mortgages for an initial period up to 15 years, converting to a floating rate thereafter;

(c) floating rate mortgages, based on EURIBOR or ECB refinancing rates;

(d) mortgages with floating rates which are subsidised up to a certain amount and for a specific period of time by the Greek States; and

(e) preferential floating rate mortgages granted in favor of the banks' employees.

Typically, mortgage loans have a term of 15 to 30 years, although the maximum term is 40 years. Annuity loans are the most common form of repayment, while interest-only loans account for only a very small proportion of total loans.

The Greek Housing Market

Real estate has long been one of the pillars of economic growth in Greece in previous decades. In this respect, the residential property market traditionally played a relatively more important role in the Greek economy, compared with most other euro area countries. The estimated value of household wealth held in residential real estate was 510.0% GDP by end-2009, compared with 430.0% of GDP for the euro area as a whole (Source: Bank of Greece estimates) and residential investment accounted for a relatively large share of total investment for almost 5 decades. In 2007, the share of residential investment in GDP reached the highest point for this decade of 9.9% of GDP (Source: EL.STAT., Quarterly Gross fixed capital formation database). Apartments are the most common type of property available, with maisonettes and detached houses being, usually, restricted to the more affluent city areas.

Strong disposable income growth and low real interest rates, in addition to positive demographic trends between the early 1990s and 2006, related mainly to the significant increase in the immigrant population (which has reached an estimated 7.0% of the total population in 2001 from 0.6% in the late 1980s, Source: EL.STAT., Population and Housing census 2001 database and Population and Housing census 1991 database) and an acceleration in the pace of new household formation during the 1990s, contributed to the observed dynamism of the real estate market. This trend also reflected other supportive socioeconomic factors, relating to changes in the traditional family structure during the same period, with younger members preferring to live on their own and the growth in

secondary/holiday homes. The average household size decreased to 2.7 persons in 2006 from 3.1 in 1994, remaining above the euro area average of 2.4 (Source: Eurostat Database).

In this vein, the average growth in the private sector disposable income reached 6.6% per year, on average, in the period 1996-2007 (a cumulative growth of 96.5% between 1996 and 2007 and 58.5% between 2000 and 2007, Source: EL.STAT., Annual Non-Financial Sector Accounts, November 2018 and Quarterly non-financial sector accounts, 3rd Quarter 2018, January 2019) and financial conditions showed an unprecedented improvement, reflected in rapidly falling lending interest rates and strong credit expansion to the private sector that followed the participation in the euro area since 2000. In particular, mortgage lending showed a steady expansion of 26.8% per year, on average, in 2003-2007, starting from a very low base in the early 2000s (Source: Bank of Greece, Monetary and Banking Statistics). The sharp decline in lending rates that has accompanied the EMU participation (about 800 bps between 1998 and 2002) and higher growth in disposable income have been the main drivers of mortgage credit expansion. At the same time, the sufficient liquidity buffers of the Greek banking system reflected in the relatively low loan-to-value (LTV) ratio for the most part of the previous decade 74.2% between 2001 and 2008, Source: Bank of Greece, Monetary and Banking Statistics) permitted bank loan supply to keep up with strong demand. Against this backdrop, house prices increased by 66.1% cumulatively at an economy-wide level between 2001 and 2008, being broadly in line with cumulative increases in nominal GDP and private sector disposable income of 59.0% and 55.8%, respectively, in the same period (Sources: ECB, Statistical Data Warehouse, EL.STAT., Quarterly National Accounts, 4th Quarter 2018, March 2019 and Quarterly Non-Financial Sector Accounts, 3rd Quarter 2018, January 2019). Moreover, significant infrastructure projects, in conjunction with demand for dwellings of higher quality, have also supported demand and translated into a solid upward trend in construction activity until 2007.

The first signs of significant weakening in residential construction activity, credit demand and a slowing in house price growth were recorded by end-2007, along with the occurrence of the international financial crisis. The slowdown has been transformed into a sharp market adjustment, following the eruption of the Greek crisis in 2009, which took a severe toll on economic activity, household incomes and decisions for new household formation, as well as on liquidity conditions and economic sentiment. The reduction in residential valuations and activity has been particularly protracted and continued until 2017, with the market, eventually, showing the first signs of recovery during 2018.

House prices declined by 42.2% cumulatively between Q3:2008 and Q4:2017, reflecting a broad based deterioration in the private sector's financial position, increasing property taxes and deleveraging. The above adjustment in the residential market already exceeds the cumulative contraction in key drivers of residential valuations, such as the real GDP and nominal disposable income of households, which recorded cumulative declines of 24.7% and 33.5%, respectively, between Q3:2008-and Q4:2017 (Sources: EL.STAT., Quarterly National Accounts, 4th Quarter 2018, March 2019 and EL.STAT., Quarterly Non-Financial Sector Accounts, 3rd Quarter 2018, January 2019). According to the quarterly national accounts data on fixed investment, total investment in construction declined by 66.3%, cumulatively, between Q3:2008 and Q4:2017, with residential construction declining by 93.1%, cumulatively, in the same period (Source: EL.STAT., Quarterly Gross fixed capital formation by Asset, Chain-linked volumes, reference year 2010, 4th Quarter 2018, March 2019).

House prices showed some signs of stabilization in late 2017 and recorded the first annual increases in 10½ years in 2018 rising by 2.5% year-over-year (0.7% quarter-over-quarter) in Q4:2018 and by 1.5% year-over-year in FY:2018, responding gradually to improving macroeconomic conditions. Positive annual growth has been recorded in all market segments (new and old apartments) and regions, with the Athens area outperforming the market average (4.2% year-over-year in Q4:2018 and 2.4% year-over-year in FY:2018), supported by a pick-up in demand for premium properties (which suffered a sharper price adjustment during the crisis) and tourism-related demand (mainly for renting, Source: Bank of Greece, Real estate statistics). In this vein, prices of prime commercial

spaces (average of retail and office prices) increased by a solid 5.3%, year-over-year, on average, in H1:2018. More specifically, office and retail prices increased by 7.4% year-over-year and 3.1% year-over-year, respectively, in H1:2018 from 3.5% year-over-year and 2.1% year-over-year, respectively, in H2:2017. As in the case of the residential market, the Athens area outperformed the commercial real estate market average in H1:2018 (increase in office and retail prices of 8.4% year-over-year and 4.9% year-over-year, respectively, latest available data, Source: Bank of Greece, Bulletin of Conjunctural Indicators, November-December 2018).

The joint share of total construction and residential investment in GDP declined steadily in the 9 years to 2016, with total construction reaching a historical low of 4.3% of GDP in 2015. In 2016, non-residential construction recorded a recovery, leading to an increase in the share of total construction in GDP to 5.5% in 2016 and 5.8% in 2017. However, residential investment reached a historical low of 0.6% of GDP in 2017. A turnaround in residential construction activity has been recorded in 2018, when residential construction increased for the first time in a decade (17.4% year-over-year, Source: EL.STAT., Quarterly Gross fixed capital formation by Asset, Chain-linked volumes, reference year 2010, 4th Quarter 2018, March 2019), signaling the end of the longest adjustment cycle in the market. In this vein, the increase in the issuance of residential construction permits of 30.4% year-over-year in 11M:2018 (Source: EL.STAT., Building activity database, calculations based on surface of new dwellings data, in square meters) presages a further increase in building activity during the course of 2019, which is also related to increasing renovation of houses and commercial properties in high demand areas.

On the demand side, the sharp adjustment in prices reflected a significant reduction in households' disposable income between 2009 and 2017 (-33.4%, per annum, Source: EL.STAT., Quarterly Non-Financial Sector Accounts database), mainly due to the decline in employment (-17.5%, per annum, in the same period, Source: EL.STAT. Labor Force Survey database) and a sharp contraction in economy-wide wages of 19.6%, cumulatively in the same period (Source: EL.STAT., Press release, Index of Wages Cost, December 2018). Similarly, corporate profitability, as approximated by national accounts data (gross operating surplus of non-financial corporates), contracted by 24.4% cumulatively in this period (Source: EL.STAT., Quarterly Non-Financial Sector Accounts database), weighing negatively on non-residential construction. The significant increase in property taxation (from 0.2% of GDP in 2009 to 1.8% of GDP in 2017 and to 1.7% of GDP in 2018, Source: Ministry of Finance, State Budget Execution Monthly Bulletin, December 2009, December 2017, December 2018 and NBG estimates), in conjunction with high risk aversion and expectations of a further decline in prices, weighed further on investment decisions and amplified the downward pressures on prices.

However, during 2018 real estate market recovery gained traction, responding to improving macroeconomic conditions, buoyed by the increase in employment, the supportive impact on disposable income from the continuing recovery of the Greek labor market (employment growth of 2.0% year-over-year in 2018, Source: EL.STAT. Labor Force Survey database) and a pick-up in hourly compensation, through the increase in the national minimum wage and new collective agreements in specific sectors, as well as the declining country risk, reflected in the gradual improvement in sovereign debt valuations, on the basis of increased fiscal credibility and the implementation of new debt relief measures. Moreover, the finalization of the first round of revisions in the zonal values of property, used for tax purposes with relatively small changes, reduced uncertainty and possibly mobilized new demand from potential buyers over the course of 2018 (including foreigners). Investors' interest for the Greek market strengthened further in 2018, as exemplified by the fact, that the Greek golden visa programme – which grants a five year residency visa in return for an investment of €250,000 in real estate (either residential or commercial properties) – led to the issuance of about 3,600 residency grants in 2018, almost 45% higher than the respective performance in 2017 (Source: Ministry for Migration Policy). The above developments clearly signal the bottoming out of the market.

Supply-side tensions have been also considerable, as the eruption of the crisis coincided with the completion of a significant number of projects related to the historical peak in building permit issuance in late 2006. This supply, in conjunction with sales of secondary residences and/or property held for investment purposes (including rented) under the pressure of falling incomes and higher taxation, amplified the adjustment in prices. Nonetheless, in 2018, the market absorbed the first round of controlled supply related to the initiation of e-auctions. The operation of a web-based auction platform since January 2018 contributed to a speeding up of foreclosures, which does not appear to have intensified the pressure on prices in during the course of 2018, since banks' participation in some of these operations mitigated the downside pressure on prices, mainly, through a signaling effect. The above developments on the supply side of the market, along with the positive developments on the demand side of the market, clearly suggest that there is sufficient demand, at least in specific market sub-segments, which will be gradually translated into new higher-quality additions in the market stock. These upgrades will also support future valuations, along with increasing renovation activity, especially in Athens. Finally, increasing demand for properties by non-residents through online accommodation-sharing platforms already contributed to a reduction in effective supply and an increase in rents in high demand areas (especially in Athens), and is expected to support a further market rebalancing and higher real estate prices in 2019.

The turbulent financial environment has also weighed on real estate market conditions. Self-reinforcing pressures from recession and high uncertainty, in conjunction with a broad-based restructuring of the Hellenic Republic's sovereign debt (PSI, private sector initiative in February 2012, Source: Eurogroup Statement, 21 February 2012) and a subsequent debt buyback (December 2012, Source: Eurogroup Statement on Greece, 27 November 2012), which included the government bond holdings of Greek banks, and a substantial impairment of debtors debt serving capacity and rising strategic default motives, have taken a severe hit on Greek banking system liquidity conditions and portfolio quality. The successful restoration of Greek systemic banks' capital adequacy on the basis of three successive rounds of bank recapitalisations, which have been financed mainly through earmarked funding under the economic support programs, has not resolved the liquidity pressures from the sizeable deposit flight and the very limited access to market financing. Moreover, the protracted recession impaired borrowers' debt servicing capacity, leading to a sharp increase in non-performing loans of Greek banks. In this environment, the deposit base of Greek banks contracted by €144.8 billion cumulatively (between December 2009 and July 2015 and then recorded an increase of € 27.3 billion until December 2018, Source: Bank of Greece, Monetary and Banking Statistics) creating – in conjunction with the loss of access to market financing – a sizeable funding gap which exceeded €125 billion in periods of intensification of the Greek crisis (May-June 2012 and June-July 2015, Source: Bank of Greece, Financial Statement, May 2012, June 2012, June 2015 and July 2015). This gap was covered through an analogous increase in Greek banks' access to Eurosystem financing and especially to the ELA facility (emergency liquidity assistance facility provided by the Bank of Greece, following approval by the ECB's governing council). As a result of improving confidence, additional deleveraging and write-offs and the small increase in bank deposits, the funding gap has narrowed sharply in 2017 and 2018, with the total dependence in Eurosystem funding (including ELA) declining to a pre-crisis level of €11.1 billion in December 2018 from €126.6 billion in June 2015 (Source: Bank of Greece, Financial Statement, June 2015 and December 2018).

The above trends, in conjunction with the turbulent macroeconomic environment, led to a sharp reduction in supply and demand of mortgage loans and triggered a protracted period of deleveraging which continued until December 2018 (annual change in the outstanding stock of mortgage loans of -2.8% year-over-year in December 2018 and -3.0% year-over-year in December 2017), during which the outstanding stock of mortgage loans declined by €24.7 billion cumulatively, to €56.8 billion in December 2018 from its peak of €81.5 billion in 2010 (Source: Bank of Greece, Monetary and Banking Statistics). The relatively strong pass-through of the ECB's monetary policy easing on market rates in this segment (as most mortgages are with a floating rate) was insufficient to provide satisfactory support to demand and/or a material relief on household debt servicing capacity until today.

Conditions in the Greek real estate are likely to show a further improvement in 2019, as a result of a significant number of coincident and forward looking indicators of economic activity which followed an upward trend in late-2018 and early-2019. In particular components of consumer confidence reflecting the assessment by households of the general economic situation and their willingness to proceed with major purchases over the coming months have increased sharply to multi-year highs.

Household spending is expected to receive additional support from the increasing household disposable income, on the back of healthy employment growth (2.0% year-over-year in FY:2018 and an estimated 1.3% year-over-year in 2019) and a pick-up in hourly wages related to new collective wage agreements in specific sectors of the economy in H2:2018 (e.g. a number of tourism and transportation services) and the legislated increase in the minimum wage of 11% by February 2019, along with the abolition of the sub-minimum wage for individuals aged under 25 (Source: Ministry of Labour, Social Insurance and Social Solidarity, Press Release, 29 January 2019, in Greek). The above developments are expected by the IMF and the European Commission to support consumer spending and households' investment decisions, in conjunction with expansionary measures of 0.5% of GDP included in the 2019 Budget (Sources: Ministry of Finance, Budget 2019, November 2018, European Commission, Enhanced Surveillance Report - Greece, February 2019 and IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019). The legislation of a weighted average reduction in the single property tax of 10% – the first since the beginning of the crisis – as part of the set of expansionary measures included in the Greek Government budget for 2019, is estimated to support market activity in 2019, especially for medium-to-low value properties (Source: Ministry of Finance, Budget 2019, November 2018).

Although the contraction in mortgage lending continued until December 2018, there was a notable pick-up in demand for housing loans in Q4:2018, according to the latest bank lending survey (Source: Bank of Greece, Bank Lending Survey, 4th Quarter 2018, January 2019). It is also notable that, according to the Bank of Greece, the gross investment flows to the Greek real estate market, recorded in the Balance of Payments, stood at €2.4 billion between 2013 and 2017 (Source: Bank of Greece, External Sector database), which, combined with the acceleration of the Golden visa programme in 2018 (almost 45% higher permit issuance than in 2017), provide some indication that the real estate market receives additional support through foreign demand, as macroeconomic conditions and country risk assessment improve.

The official prospects for a healthy GDP growth in 2019 will also support the real estate market. In this respect, the European Commission and the IMF envisage a continuance of the economic recovery in 2019 (GDP growth of 2.3% year-over-year, on average, from an estimated 2.0% year-over-year, on average, in 2018, Sources: European Commission, Enhanced Surveillance Report - Greece, February 2019 and IMF, Country Report No 19/73 – Greece, First Post-Program Monitoring Discussions, March 2019). Real estate market activity is also expected to be benefited, to some extent, by a small reduction in the effective tax burden on property (Source: Ministry of Finance, Budget 2019, November 2018).

However, near-term risks for the real estate market still exist, mainly, relating to the still high taxation – and especially the high progressiveness of the property tax system – the still sizeable stock of unsold properties maintained by banks and related to non-performing loans, which add to the risk of new supply, and concomitant pressure on prices, along with accelerating foreclosures for tax arrears or non-serviced private debt under the stricter legal framework. Moreover, a weaker-than-expected increase in disposable income or a slowing in the improvement of liquidity conditions could be translated into declining market activity and new pressures on real estate valuations. It should be also noted that Greece's commercial real estate market remains highly heterogeneous and, thus, the observed recovery in prime properties has not been transmitted to the rest of the property stock, with downward pressures on prices in specific (lower demand – lower quality) areas remaining significant. Elevated tax pressure, liquidity factors and the still high oversupply of low quality properties in low demand areas are likely to continue weighing on the recovery process of

the commercial segment. Moreover, potential delays in the completion of key structural reforms subject to the post-programme surveillance framework, the inability to safeguard the objectives of the adopted reforms, or the failure in reaching the primary surplus targets could delay further the improvement in liquidity conditions and could increase uncertainty, taking an additional toll on collateral valuations – especially real estate. These negative factors could translate into a further adjustment in prices in the near-term, by hitting consumer confidence and discouraging or deferring investors' decisions despite the attractive valuations.

Security for Housing Loans

In Greece, security for housing loans is created by establishing a mortgage. A mortgage can be established by a notarial deed (or by a judicial decision, or by law in special cases). The establishment of a mortgage by notarial deed is quite costly and it is therefore not the preferred method of establishing a mortgage 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. In relation to enforceability, ranking of the security and preferred right to the proceeds of the auction, there is no difference between a holder of a mortgage and a holder of a pre-notation of a mortgage, since the latter is treated as a secured creditor of the property. Both the holder of a pre-notation of a mortgage and a mortgagee need an enforcement right before being able to commence enforcement procedures. The difference between holding a mortgage and holding a pre-notation of a mortgage 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 pre-notation will be established, but is only granted pursuant to a court decision. The procedures adopted by lenders of housing loans in practice have led to an arrangement whereby pre-notations are granted "by consent", where both the lending bank and the owner of the property over which the pre-notation will be established (i.e. the Borrower, the Guarantor or a third party) appear before the competent court and consent to the establishment of the pre-notation on the specific real estate property. The court issues the decision immediately (in fact, the decision is drafted beforehand by the lending bank and is certified and signed by the judge who hears the claim). Having certified the court decision and a summary thereof, the lawyer of the lending bank takes them to the Cadastre or the Land Registry, where applicable, along with a written request for the issuance (by the Cadastre or the Land Registry) of certificates confirming:

(a) the ownership by the person that consented to the granting of the pre-notation (i.e. the Borrower, the Guarantor or a third party) of the mortgaged property;

(b) the registration and class of the pre-notation;

(c) the absence of (judicially raised) claims of third parties against the current and all previous owner(s) of the mortgaged property; and

(d) any other mortgages, pre-notations or seizures preceding the pre-notation registered by the bank.

At the same time the bank's lawyer conducts a search in the Cadastre or the Land Registry, where applicable, in order to confirm the uncontested ownership of the person that consented to the granting of the pre-notation (i.e. the Borrower, the Guarantor or a third party, as the case may be) 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 title search in the Cadastre or the Land Registry, precedes the approval of the loan. Upon registration of the pre-notation, a second titles search is made to confirm the status quo.

Enforcing Security

Following the amendment of Greek Civil Procedure Code by virtue of Law 4335/2015, as in force, the following apply in relation to enforcement proceedings commencing from 1 January 2016 onwards and in respect of demands for immediate payment served to the debtor after 1 January 2016:

Without prejudice to the procedures required under the Code of Conduct, it is NBG's policy to commence enforcement proceedings once an amount exceeding €2,000 remains unpaid under a non-restructured loan for more than 270 days in arrears and under a restructured loan for more than 180 days in arrears, at which point, the loan is terminated. Once a Loan is in default and terminated, a notice is served on the Borrower and on the Guarantors, if any, informing them of this fact and requesting the persons indebted to make a payment of all amounts due within a limited period of time (usually 10 days). Following notification and in the case of continued non-payment, a judge of the competent court of first instance (i.e. the Single-Member Court of First Instance or the Magistrate's Court, as the case may be, the "**Competent Court of First Instance**") is presented with the case upon which the judge may issue an order for payment to be served on the borrower together with a demand for immediate payment. Service of the order and demand for payment is the first action of enforcement proceedings. Three working days after serving the payment order and demand, the property can be seized and the auction process starts (see below for a description of the auction process). The Borrower, after being served the order for payment, is granted 15 working days (or within 30 working days if the Borrower is of an unknown address or resides abroad) to contest the validity of the order for payment, either on the merits of the case or on the ground of procedural irregularities. This can be done by filing an annulment petition before the Competent Court of First Instance or Magistrate's Court in accordance with articles 632-633 of the Greek Civil Procedure Code (the "**Article 632-633 Annulment Petition**"). The said 15 working days period does not *per se* suspend the enforceability of the payment order, which can be enforced following the lapse of the three working days period as of the date of service of the payment order. At the same time, the Borrower can file, as a provisional measure, a suspension petition in accordance with articles 632 of the Greek Civil Procedure Code (the "**Article 632 Suspension Petition**") for the suspension of the enforcement proceedings. At the time of filing the Article 632 Suspension Petition, in most cases, immediate suspension is granted up until the hearing of the Article 632 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. Suspension of enforcement against a Borrower of an unknown address or residing abroad is granted by law during the 30 day period to file an Article 632 Annulment Petition. If the Borrower has not filed an Article 632-633 Annulment Petition and subsequent suspension within 15 working days after serving the payment order, then the bank may again serve the order for payment whereby a second period of 15 working days is granted to the Borrower to contest the payment order. Failure to contest the order for payment will result in the bank becoming the beneficiary and holder of a final deed of enforcement and the conversion of the pre-notation into a mortgage.

The Borrower may also file with the relevant Court of First Instance a petition in accordance with article 933 of the Greek Civil Procedure Code (the "**Article Annulment 933 Petition**") the annulment of certain actions of the foreclosure proceedings based on reasons pertaining to the validity of the order for payment, and/or to the relevant claim and/or 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. In particular, the Article 933 Annulment Petition should be filed within 45 days as from the date of attachment of the Borrower's property, except for an Article 933 Annulment Petition contesting the auction which should be filed within 60 days as from registration with the competent land registry or cadastre of the relevant auction deed. The hearing of the Article 933 Annulment Petition is scheduled within 60 days from the date of the filing of such petition and the relevant decision must be issued within 60 days from the hearing before the court.

According to the provisions of Law 4335/2015, as in force, the ability of the Borrower to challenge the compulsory enforcement actions, which are carried out by the creditor, is significantly restricted. In particular, by virtue of the provisions of the Code of Civil Procedure, as in force until 31 December 2015, the Borrower was entitled to challenge each compulsory enforcement action separately and as a result the completion of the enforcement procedure was significantly delayed. However, by virtue of Law 4335/2015, as in force, the Borrower is entitled to oppose defects of the compulsory enforcement procedure in just two stages: the first one is set before the auction and is related to any reason of invalidity of the claim and the compulsory enforcement actions carried out before the auction, whereas the second one is set after the auction until the publication of the seizure report and is related to any defects, which arose from the auction until the awarding. In case that the compulsory enforcement procedure is based on a court's judgment or payment order, the litigant parties are only entitled to file an appeal issued against the judgment, which has been issued in relation to the Article 933 Annulment Petition. The possibility to file an appeal in cassation against the decision is abolished.

The filing of an Article 933 Annulment Petition entitles the Borrower to file a suspension petition in accordance with article 937 of the Greek Civil Procedure Code (the "**Article 937 Suspension Petition**") in relation to the enforcement until the decision of the Competent Court of First Instance on the annulment motion is issued. Again, foreclosure proceedings may be suspended until the hearing of the Article 937 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 by 12.00 pm on the Monday prior to the auction date, provided that the Borrower pays at least one quarter of the claimed capital and the enforcement expenses and also that there is no risk to the creditor's interests, on the grounds that the Borrower will be able to satisfy the enforcing party or that, following the suspension period, a better offer would be achieved at auction.

The actual auction process starts with seizure of the property, which takes places 3 working days after the order for payment is served on the Borrower. The seizure statement that is issued by the bailiff who performs it, contains the auction date which, in respect of demands for immediate payment served to the debtor after 1 January 2016, should take place within seven months from the date of completion of the seizure and in any case no later than eight months from the completion of the seizure (or within a deadline of three months since the continuation statement, in case the auction does not take place on the initial date) and place and the notary public who will act as the auction clerk. At this point all mortgagees (including those holding a pre-notation or mortgage) are informed of the upcoming auction.

Auctions may not take place between 1-31 August and the weeks before and after the date of any national, municipal or European elections (pursuant to Article 998 para. 2 of the GCCP, as replaced by Article 207 para. 15 of Law 4512/2018).

Following the amendment of the GCCP by Greek Law 4512/2018 (published in Government Gazette 5/A/17.1.2018), as from 21 February 2018 onwards, the auction takes place exclusively through the use of electronic means, in particular through the use of the electronic auction platform (e-auctions.gr), under the responsibility of a certified notary public (acting as auction clerk) of the district of seized property (or if not available for any reason, of the district of the district of the place of execution place or, if again not available for any reason, before an Athens notary public) under the

responsibility of a competent notary public acting as auction clerk. The relevant process is detailed in Article 959 of the GCCP (as replaced by para. 6 of Article 207 of Greek Law 4512/2018), as further specified by Decision no. 41756/26.5.2017 of the Minister of Justice, Transparency and Human Rights (published in Government Gazette 1884/B/30.5.2017). It is noted that the very first e-auction in Greece, was conducted on 27 April 2018.

Each bidder must submit a bank guarantee or banker's draft for an amount equal to 30 per cent. of the starting price of the auctioned property and declare his/her attendance in the auction by 15.00 2 business days prior to the auction date. By 17.00 on the date preceding the auction date, the auction clerk registers with the electronic auction platform a list of the bidders entitled to participate in the auction.

In the auction, the property is sold to the highest bidder who then has 10 business days to pay the auction price along with the fees for the use of the electronic auctioning platform which burden the highest bidder. 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 by no later than 15 days after the auction and submit all documents proving such claims, otherwise the notary public will not take his claim into account. 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 are invited by the notary public to be informed respectively and may dispute the allocation by filing a petition contesting the deed within 12 business days as from the service of such invitation. The competent Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal (or the Single Member Court of First Instance acting as a Court of Appeal, as the case may be). The hearing date of the petition contesting such deed must be obligatory set within 60 days from its filing (or within 120 days in case of the creditor residing abroad). This procedure may delay the collection of proceeds. This can further delay the time at which the Bank finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a creditor is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that such creditor provides a letter of guarantee securing repayment of the money in the event that such challenge is upheld.

If no bidders appear at the auction, the immoveable property is awarded at the minimum auction price to the person in favour of whom the enforcement proceedings were initiated, upon the latter's request. The date for hearing of such request is scheduled in priority within eight (8) days from its filing and is served at least three (3) days before the date of hearing, while the relevant court decision is issued within 8 business days as from the hearing date. A recent valuation report of the auction property, dated after the date of the last auction, should be submitted on the hearing date before the competent Court. If no such request is submitted, a repetitive auction takes place within forty (40) days. If such repetitive auction is unsuccessful, the competent court, upon request of persons having legal interest, may order the conduct of another auction within thirty (30) days, at the same or a reduced auction price or allow the sale of the property to the person in favour of whom the enforcement proceedings were initiated or to third persons at a price determined by the court, which may also provide that part of the consideration may be paid in instalments. Following two unsuccessful auctions, a petition may be filed by any interested party for a new auction date to be set, with the same or a lower fixed first price, or for a permission for a direct sale of the property at a price to be determined by the court (in accordance with para. 2 of Article 966 as amended by Article 23 of Greek Law 4549/2018).

Pursuant to Article 954 of the Greek Civil Code, the minimum auction price is determined within the statement of the court bailiff and can be contested by the Borrower or any other lender or anyone having a legal interest by filing an annulment petition against such court bailiff statement at the latest fifteen working days before the auction date. The relevant court's decision should be published at the latest by 12.00 p.m. eight days before the auction date. However, as regards the movable property, it is to be noted that the initial auction price cannot be less than 2/3 of the estimated value of the seized movable property (in accordance with par. 2 of Article 993, in conjunction with par. 2 of Article 954

of the Greek Civil Procedure Code, as amended and in force) and as regards the immovable property, the initial auction price cannot be less than the seized property's "commercial value". The evaluation of the immovable property is calculated in accordance with presidential decree 59/2016 (published in Government Gazette 95/A/27.5.2016). In particular, pursuant to such presidential decree, the immovable property's "commercial value" is determined by the relevant bailiff who is obliged to appoint a certified appraiser for this purpose, namely an individual or legal person that shall be included in the Certified Appraisers Registry held at the General Directorate for Financial Policy of the Ministry of Finance and published on the Ministry of Finance's website. The latter submits to the bailiff an appraisal report in accordance with the European or international recognised appraising standards and in accordance with the Code of Conduct issued by the Bank of Greece on the management of non-performing loans. Appraisal's fees are borne by the creditor who ordered the enforcement proceedings, but ultimately burden the Borrower.

Once the list of creditors is confirmed and adjudicated, the proceeds are distributed according to the deed setting out the allocation of proceeds (see for further details "*Auction Proceeds*" above) in accordance with Article 975 (as recently replaced by Article 1 Article eighth par. 2 of Greek Law 4335/2015 with respect to enforcement proceedings initiated from 1 January 2016 onwards), Article 976, Article 977 (as recently replaced by Article 1 Article eighth par. 2 of Greek Law 4335/2015 with respect to enforcement proceedings initiated from 1 January 2016 onwards) and Article 977A (added through Article 176 para. 1 of Greek Law 4512/2018) of the GCCP.

DESCRIPTION OF PRINCIPAL DOCUMENTS

Servicing and Cash Management Deed

The Servicing and Cash Management Deed (as amended and restated), made between the Issuer, the Trustee and the Servicer contains provisions relating to, *inter alia*:

(i) the Issuer's obligations when dealing with any cash flows arising from the Cover Pool and the Transaction Documents;

(ii) 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 and the Collection Account;

(iii) the terms and conditions upon which the Servicer will be obliged to sell in whole or in part the Selected Loan;

(iv) the Issuer's right to prevent the sale by the Servicer of all of part of the Selected Loan to third parties by removing all of part of the Selected Loan made subject to sale from the Cover Pool and transferring within ten Athens Business Days from the receipt of the offer letter, to the Transaction Account, an amount equal to the price set forth in such offer letter, subject to the provision of a solvency certificate;

(v) the covenants of the Servicer;

(vi) the representations and warranties of the Issuer regarding itself and the Cover Pool Assets;

(vii) 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

(viii) the circumstances in which the Issuer or the Trustee will be obliged to appoint a new servicer to perform the Servicing and Cash Management Activities.

Servicing

Pursuant to the Servicing and Cash Management Deed, the Servicer has agreed to service the Loans and their Related Security comprised in the Cover Pool and provide cash management services.

The Servicer will be required to administer the Loans and their Related Security in accordance with the Issuer's administration, arrears and enforcement policies and procedures forming part of the Issuer's policy from time to time as they apply to those Loans.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Issuer in relation to the Loans and their Related Security that it is servicing pursuant to the terms of the Servicing and Cash Management Deed, and to do anything which it reasonably considers necessary, convenient or incidental to the administration of the Loans and their Related Security.

Right of delegation by the Servicer

The Servicer may from time to time subcontract or delegate the performance of its powers and 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**"):

(i) default is made by the Servicer in the payment on the due date of any payment due and payable by it under the Servicing and Cash Management Deed and such default continues unremedied for a period of 3 Athens Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Trustee requiring the same to be remedied;

(ii) default is made by the Servicer in the performance or observance of any of its other covenants and obligations under the Servicing and Cash Management Deed, which is materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of 20 Business Days after the Servicer becoming aware of such default, PROVIDED THAT where the relevant default occurs as a result of a default by any person to whom the Servicer has subcontracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if, within such period of 20 Business Days of awareness of such default by the Servicer, the Servicer terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may approve to remedy such default;

(iii) the occurrence of an Insolvency Event in relation to the Servicer; or

(iv) the occurrence of an Issuer Event (where the Issuer and the Servicer are the same entity),

then the Trustee shall, following consultation with the Bank of Greece and while such Servicer Termination Event continues, use its best endeavours to (a) appoint an independent investment or commercial bank of international repute (the "**Investment Bank**") to select an entity to act as a Replacement Servicer and (b) by notice in writing to the Servicer terminate its appointment as Servicer under the Servicing and Cash Management Deed with effect from a date (not earlier than the date of the notice) specified in the notice, provided that no action will need to be taken by the Trustee if (i) the Bank of Greece is in the process of appointing (A) a Replacement Servicer pursuant to Article 152 or (B) an administrator or liquidator to the Issuer pursuant to the Greek Banking Legislation or (ii) the Trustee is informed by the Bank of Greece that it intends to take any such actions listed in this paragraph or to adopt other steps that are more appropriate in the circumstances to protect the interests of the Covered Bondholders.

"**Insolvency Event**" means in respect of the Issuer and the Servicer:

(d) an order is made or an effective resolution passed for the winding up of the relevant entity; or

(e) 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

(f) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon against the whole or any material 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

(g) the relevant entity is unable to pay its debts as they fall due,

(h) a creditors' collective enforcement procedure is commenced against the Servicer (including such procedure under the Bankruptcy Code and articles 137 and 145 of the Greek Banking Legislation),

other than where the Servicer is NBG and any of the events set out in paragraphs (a) to (c) occurs in connection with a substitution in accordance with Condition 17;

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 signed by the Issuer and the Trustee 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 rating(s) assigned to the Covered Bond provided that, in respect of any New Asset Type: (A) Moody's (to the extent it is rating any Covered Bonds at that time) 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 addition of the New Asset Type to the Cover Pool (and in the case of any other Rating Agency (to the extent it is rating any Covered Bonds at that time), such Rating Agency has been notified of such addition) and the risk weighting of the Covered Bond will not be negatively affected;

(b) prior to the occurrence of an Issuer Event and provided that no breach of any Statutory Test has occurred and is continuing or 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 Type Moody's (to the extent it is rating any Covered Bonds at that time) 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 in the case of any other Rating Agency (to the extent it is rating any Covered Bonds at that time), such Rating Agency has been notified of such addition).

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, which is continuing, the Servicer shall be obliged to sell Loan and their Related Security in the Cover Poolin respect of the relevant Series of Pass-Through Covered Bonds on or before the First Refinance Date or before each Refinance Date thereafter having the Required Outstanding Principal Balance (the "**Selected Loans**") in accordance with the Servicing and Cash Management Deed, subject to the rights of preemption in favour of the

Issuer to remove the Selected Loans from the Cover Pool provided, (i) in the case of the sale of Selected Loans following an Issuer Event and prior to a breach of the Amortisation Test, where the Amortisation Test was met immediately prior to the proposed sale, the Amortisation Test will continue to be met following any sale of Selected Loans or the removal of such Selected Loans from the Cover Pool and (ii) where the Amortisation Test has been breached prior to such Selected Loans being sold the Servicer may sell Selected Loans even where the Amortisation Test will not be satisfied after such sale provided that the amount by which the Amortisation Test is breached is not worsened or further reduced as a result of sale of such Selected Loans.

Prior to the Servicer making any offer to sell Selected Loans and their Related Security to third parties, the Servicer shall serve on the Issuer a loan offer notice in the form set out in the Servicing and Cash Management Deed (a "**Selected Loan Offer Notice**") giving the Issuer the right to prevent the sale by the Servicer of all of part of the Selected Loans to third parties, by removing all of part of the Selected Loans made subject to sale from the Cover Pool and transferring an amount equal to the then Outstanding Principal Balance of the relevant portion of the Selected Loans and the relevant portion of all arrears of interest and accrued interest relating theretoto the Transaction Account.

If the Issuer validly accepts the Servicer's offer to remove all of part of the Selected Loans and their Related Security from the Cover Pool by signing the duplicate Selected Loan Offer Notice in a manner indicating acceptance and delivering it to the Trustee and the Servicer within 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 form the Cover Pool in the manner and on the terms set out in the Servicing and Cash Management Deed.

Upon receipt of the Selected Loan Removal Notice duly signed on behalf of the Servicer, the Issuer shall promptly (i) sign and return a duplicate copy of the Selected Loan Removal Notice to the Servicer, (ii) deliver to the Servicer and the Trustee a solvency certificate stating that the Issuer is, at such time, solvent and shall remove from the Cover Pool the relevant portion of Selected Loans (as specified in the signed Selected Loan Removal Notice (and any other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Selected Loan Removal Notice and where that portion is less than all of the Selected Loans the Loans and the Related Security in the portion that is removed shall be chosen from the Selected Loans on a random basis. Completion of the removal of all or part 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 Extended Final Maturity Date of the relevant Series of Covered Bonds) when the Issuer shall, prior to the removal from the Cover Pool of all or part of the relevant Selected Loans (and any other Loan secured or intended to be secured by that Related Security or any part of it), pay to the Transaction Account an amount in cash equal to the price specified in the relevant Selected Loan Removal Notice.

On the date of completion of the removal of all or part of the Selected Loans and their Related Security in accordance with the above, the Issuer shall ensure that the corresponding portion of the Selected Loans and their Related Security are removed from the Registration Statement.

Upon such completion of the removal of all or part of the Selected Loans and their Related Security in accordance with above or the sale of all or part of Selected Loans and their Related Security to a

third party or third parties, the Issuer shall cease to be under any further obligation to hold any Customer Files or other documents relating to the relevant removed or sold Selected Loans and their Related Security to the order of the Trustee and, if the Trustee holds such Customer Files or other documents, it will send them to the Issuer at the cost of the Issuer.

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

Method of Sale of Selected Loans

If the Servicer is required to sell Selected Loans and their Related Security to third parties following an Issuer Event which is continuing, the Servicer shall seek to sell such Selected Loans on or prior to the First Refinance Date and/or prior to each Refinance Date thereafter and the Servicer will be required to ensure that before offering Selected Loans for sale:

(a) unless the Selected Loans comprise the entire Cover Pool:

 (i) the Selected Loans have been selected from the Cover Pool on a random basis and such obligation in relation to random selection also applies where part but not all Selected Loans in relation to any Series are sold;

 (ii) following an Issuer Event but prior to a breach of the Amortisation Test, the Selected Loans to be sold in any sale together (i) constitute all Selected Loans in relation to the relevant Series of Pass-Through Covered Bonds; or (ii) where the Outstanding Principal Balance in relation to such Selected Loans is greater than or equal to EUR 150 million (one hundred fifty million) or the Euro Equivalent Amount, such Selected Loans to be sold together have an Outstanding Principal Balance of at least EUR 150 million (one hundred fifty million); and

 (iii) following the sale of the Selected Loans, not less than 5 (five) per cent. of the Outstanding Principal Balance of Selected Loans in respect of that Series of Pass Through Covered Bonds would remain in the Cover Pool (other than in respect of a sale of all Selected Loans in relation to the Relevant Series); 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 relevant Series of Covered Bonds (being each Series of Pass-Through Covered Bonds) less amounts standing to the credit of the Transaction Account (other than amounts standing to the credit of the General Reserve Ledger) and the principal amount of any Marketable Assets or Authorised Investments (other than Authorised Investments acquired from the amounts standing to the credit of the General Reserve Ledger) (excluding all amounts to be the Principal Amount Outstanding of the relevant Series of Covered Bonds) and all Sale

Proceeds received from the sale of other Selected Loans or removal of Selected Loans under the right of pre-emption.

Required Redemption Amount means, in respect of any relevant Series of Covered Bonds, the amount calculated as follows:

the Principal Amount Outstanding of the relevant Series of Covered Bonds

multiplied by

(1 + Negative Carry Factor x (days to maturity of the relevant Series of Covered Bonds/365)).

For the purposes of Clause 6.4 of the Servicing and Cash Management Agreement reference to a relevant Series of Covered Bonds shall be a reference to one or more Series of Covered Bonds in respect of which the Servicer is required to sell Selected Loans, which shall for the avoidance of doubt, be all Series of Pass Through Covered Bonds.

(c) The Servicer will offer the Selected Loans for sale to third parties for the best price reasonably available but (subject to Clause (d) below) 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 (without double counting):

(i) any swap termination amounts payable to or by the Issuer under a Covered Bond Swap Agreement in respect of the relevant Series of Covered Bonds less (where applicable) the principal balance of any Marketable Assets and Authorised Investments (excluding all amounts which have been set aside to pay the relevant Series of Covered Bonds); and plus or minus

(ii) any swap termination amounts payable to or by the Issuer under an Interest Rate Swap Agreement in respect of the relevant Series of Covered Bonds; plus

(iii) reasonable costs and expenses associated with sale of Selected Loans and their Related Security and the reasonable costs and expenses of the Portfolio Manager connected with the sale of Selected Loans and their Security; plus

(iv) the Series Share of Expenses.

(d) Following the occurrence of an Issuer Event, the Servicer will as soon as possible and in any event within one calendar month of the First Refinance Date and, if applicable within one calendar month of the occurrence of any further Refinance Date (if applicable) appoint a Portfolio Manager of recognised standing, and which is not an affiliate of the Issuer, on a basis intended to incentivise the Portfolio Manager to achieve the best price for the sale of the Selected Loans (if such terms are commercially available in the market) via a market auction process and to advise it in relation to the sale of the Selected Loans to third-party purchasers via a market auction process (except where the Issuer exercises its right of pre-emption). Only one Portfolio Manager may be appointed at any one time in respect of the Programme. If a Portfolio Manager has already been appointed in respect of a sale of Selected Loans and that appointment is continuing, the Servicer will appoint the same Portfolio Manager in respect of all other Series of Covered Bonds. Where the Servicer has not appointed the Portfolio Manager within one calendar month of the First Refinance Date or, if applicable, within one calendar month of any further Refinance Date (if applicable),

the Servicer will send notice to all of the Covered Bondholders (with a copy of the notice to be provided to the Trustee) informing them that no Portfolio Manager has been appointed and will appoint the Portfolio Manager selected (pursuant to Condition 6.9 (Portfolio Manager)) by the Covered Bondholders on the same basis as if the appointment had been made by the Servicer. For the avoidance of doubt, the Trustee shall not be obliged to appoint a Portfolio Manager should the Servicer fail to do so (and shall have no liability for such failure) and shall not be responsible for determining the identity of, or approving, the Portfolio Manager to be appointed by the Servicer following a nomination or determining or approving the terms of appointment of a Portfolio Manager.

(e) In respect of any sale of Selected Loans and their Related Security following the occurrence of an Issuer Event, the Servicer will instruct the Portfolio Manager to use all reasonable endeavours to procure that Selected Loans are sold as quickly as reasonably practicable (in accordance with the recommendations of the Portfolio Manager) taking into account the market conditions at that time and, where relevant, the scheduled repayment dates of the Covered Bonds and the terms of this Deed. The Servicer will ensure that the terms of the appointment of the Portfolio Manager require the Portfolio Manager's actions in respect of any sale of Selected Loans and their Related Security to be in accordance with the provisions summarised above, including the rights of pre-emption in favour of the Issuer to remove the Selected Loans from the Cover Pool. The Servicer will also ensure that the terms of the appointment of the Portfolio Manager require that the costs and expenses incurred by the Portfolio Manager are (which shall be borne by the Issuer) reasonable.

(f) The Trustee will grant a power of attorney to the Servicer to release the Selected Loans and their Related Security from the Registration Statement but the Servicer, acting in the name of and on behalf of the Trustee, shall not do so unless and until completion of the removal of the Selected Loans and their Related Security in accordance with Clauses 6.3 (d) and 6.3 (e) of the Servicing and Cash Management Deed has taken place.

(g) Following the occurrence of an Issuer Event, if third parties accept the offer or offers from the Servicer (or the Portfolio Manager on behalf of the Servicer, if a Portfolio Manager has been appointed), then the Servicer will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant third-party purchasers which will require, inter alia, a cash payment from the relevant third-party purchasers. Any such sale will not include any representations and warranties from the Servicer, the Portfolio Manager or the Issuer in respect of the Loans and their Related Security unless expressly agreed by the Servicer.

(h) Any Sale Proceeds received from the sale of the Selected Loans and their Related Security will be applied by the Servicer on the next following Cover Pool Payment Date as Cover Bonds Available Funds.

Amendment to definitions

Under the Servicing and Cash Management Deed, the parties have agreed that the definitions of Cover Pool, Cover Pool Asset, 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 the inclusion in the Cover Pool of a New Asset Type provided that each of the Rating Agencies 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.

General Reserve Ledger

The Servicer will establish a ledger on the Transaction Account to be called the "**General Reserve Ledger**".

On each Calculation Date the Issuer shall pay an amount into the General Reserve Ledger sufficient to cause the General Reserve Ledger to have a balance equal to the General Reserve Required Amount into the relevant Transaction Account on such date (with a corresponding credit to the relevant General Reserve Ledger).

On each Cover Pool Payment Date, an amount equal to the General Reserve Withdrawal Amount will be debited from the General Reserve Ledger and applied as Covered Bonds Available Funds.

"**General Reserve Required Amount**" means:

(a) on each Calculation Date when the Issuer has Covered Bonds outstanding, an amount equal to the sum of (i) the amount of interest due on all Series of Covered Bonds then outstanding over the next twelve months (calculated on a rolling basis), and (ii) the amounts due over the next twelve months under paragraphs (i) to (iv) (both inclusive) of the Post Issuer Event Priority of Payments (without double counting); and

(b) at all times from and including the date on which the Issuer has no outstanding liabilities in respect of the Covered Bonds, shall be equal to zero.

"**General Reserve Withdrawal Amount**" means:

(a) on each Cover Pool Payment Date, a drawing from the General Reserve Ledger to be applied as Covered Bonds Available Funds, if and to the extent that Covered Bonds Available Funds (disregarding for such purposes any amount comprising Covered Bond Available Funds in accordance with paragraph (d) of the definition of Covered Bond Available Funds) would not be sufficient to pay items (i) to (iv) of the Post Issuer Event Priority of Payments; and

(b) on each Cover Pool Payment Date, a drawing from the General Reserve Ledger to be applied as Covered Bonds Available Funds if and to the extent that amounts standing to the credit of the General Reserve Ledger (taking into account any withdrawals from the General Reserve Ledger on such Cover Pool Payment Date under (a) above) would exceed the General Reserve Required Amount.The Servicer shall, prior to the occurrence of an Event of Default, invest all amounts standing to the credit of the General Reserve Ledger in Authorised Investments.

Law and Jurisdiction

The Servicing and Cash Management Deed is governed by English law (provided that any terms of the Servicing and Cash Management Deed which are particular to the laws of the Hellenic Republic shall be construed in accordance with Greek 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 on the First Issue Date and no later than the 31st day of March in each year with a view to confirmation of the arithmetical accuracy or otherwise of such calculations. If and for so long as the long-term ratings of the Issuer or the Servicer are below Baa2 by Moody's or (BBB)(low) by DBRS or BBB- by S&P (respectively (or such other ratings that may be agreed by the parties to the Bank Account Agreement and the Rating Agencies then rating any Covered Bonds), or following the occurrence of an Issuer Event, which is continuing, The Asset Monitor shall, subject to receipt of the relevant information from the Servicer within the agreed timeframe, be required to conduct such tests in each Applicable Calculation Date (and in any case not later than 10 Athens Business Days following receipt of the relevant information

from the Servicer). The Issuer undertakes to notify S&P in case of changes to the frequency of the tests pursuant to Clause 2(c) of the Asset Monitor Agreement.

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 or Amortisation Test, as applicable, have been failed on the relevant Applicable Calculation Date (where the Servicer had recorded it as being satisfied), or the reported Nominal Value of the Cover Pool or the reported Net Present Value of the Cover Pool or the reported amount of interest expected to be received in respect of the Loans comprised in the Cover Pool was mis-stated by the Servicer by an amount exceeding two per cent. of the Nominal Value of the Cover Pool or the reported Net Present Value of the Cover Pool or the reported amount of interest expected to be received in respect of the Loans comprised in the Cover Pool, as applicable (as at the date of the relevant Statutory Test or Amortisation Test, as applicable), the Asset Monitor will be required to conduct such tests following each Applicable Calculation Date for a period of six months thereafter.

The Asset Monitor is entitled to assume that all information provided to it by the Servicer for the purpose of conducting such tests is true and correct and not misleading, and is not required to conduct an audit or similar examination in respect of or otherwise take steps to verify the accuracy or completeness of any such information. The Asset Monitor will deliver a report (the "**Asset Monitor Report**") to the Servicer, the Issuer and, if so requested, to the Trustee.

The Issuer or the Servicer will ensure that a copy of the Asset Monitor Report is sent to the Bank of Greece for the purposes of the Greek Covered Bond Legislation at the very minimum on an annual basis.

The Issuer or the Servicer, as applicable, will pay to the Asset Monitor an annual 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 approval to be given by the Trustee 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 written 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 substitute asset monitor provided that such appointment to be approved by the Trustee (such approval to be given by the Trustee if the substitute 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 substitute 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 anycircumstances.

Law and Jurisdiction

The Asset Monitor Agreement is governed by English law.

Trust Deed

The Trust Deed, made between the Issuer and the Trustee on the Programme Closing Date (as subsequently amended and supplemented) appoints the Trustee to act as the bondholders representative in accordance with paragraph 2 of Article 152. The Trust Deed contains provisions relating to, *inter alia*:

(a) the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under Terms and Conditions of the Covered Bonds above);

(b) the covenants of the Issuer;

(c) the enforcement procedures relating to the Covered Bonds; and

(d) the appointment powers and responsibilities of the Trustee and the circumstances in which the Trustee may resign or be removed.

Law and Jurisdiction

The Trust Deed is governed by English law.

Agency Agreement

Under the terms of an Agency Agreement to be entered into on the Programme Closing Date (as subsequently amended and restated) 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 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 4.2(b)(ii) of the Terms and Conditions, the Agency Agreement provides that if the Relevant Screen Page is not available or if, no offered quotation appears or if fewer than three offered quotations appear, in each case as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR (the "**Specified Time**"), the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

For the purposes of Condition 4.2(b)(ii) 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 Agency Agreement of this Clause, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Law and Jurisdiction

The Agency Agreement is governed by English law.

For the purposes of this section "**Agency Agreement**" any capitalised terms have the meanings given to them in the Terms and Conditions of the Covered Bonds above.

Deed of Charge

Pursuant to the terms of the Deed of Charge entered into on the Programme Closing Date by the Issuer, the Trustee and the other Secured Creditors, the Secured Obligations of the Issuer and all other obligations of the Issuer under or pursuant to the Transaction Documents to which it is a party are secured, *inter alia*, by the following security over the following property, assets and rights (the Deed of Charge Security):

(a) an assignment by way of first fixed security over all of the Issuer's interests, rights and entitlements under and in respect of any 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 the Collection Account (the Issuer Accounts) and all amounts standing to the credit of the Issuer Accounts; and

(c) a first fixed charge (which may take effect as a floating charge) over the rights and benefits of the Issuer in respect of all Authorised Investments and Marketable Assets (to the extent governed by English law) purchased from time to time from amounts standing to the credit of any Issuer Account.

In addition, to secure its obligations under the Covered Bonds the Issuer has, pursuant to paragraph 10 of Article 152, created a pledge over the Cover Pool (which consists principally of the Issuer's interest in the Loan Assets and certain Marketable Assets). The Deed of Charge will also provide that (other than in certain limited circumstances) only the Trustee may enforce the security created

under either the Deed of Charge or paragraph 10 of Article 152. The proceeds of any such enforcement of the Deed of Charge and paragraph 10 of Article 152 will be required to be applied in accordance with the order of priority set out in the Post Event of Default Priority of Payments.

The Trustee shall at all times be a credit institution (or a subsidiary company of a credit institution) that is entitled to provide services in the European Economic Area in accordance with paragraph 2 of Article 152 (an "**EEA Credit Institution**"). If at any time the Trustee ceases to be an EEA Credit Institution it will notify the Issuer immediately and take all steps necessary to find a replacement Trustee that is an EEA Credit Institution.

Release of Security

In accordance with the terms of the Deed of Charge all amounts which the Servicer (on behalf of the Issuer and the Trustee or its appointee) is permitted to withdraw from the Transaction Account pursuant to the terms of the Deed of Charge will be released from the Deed of Charge Security. In addition, upon the Issuer or the Servicer making a disposal of an Authorised Investment or Marketable Assets (to the extent governed by English law) charged under the Deed of Charge and provided that the proceeds of such disposal are paid into the Transaction Account in accordance with the terms of the Servicing and Cash Management Deed, that Authorised Investment or Marketable Assets (to the extent governed by English law) will be released from the Deed of Charge Security.

At such time that all of the obligations owing by the Issuer to the Secured Creditors have been discharged in full, the Trustee will, at the cost of the Issuer, take whatever action is necessary to release the Charged Property from the Deed of Charge Security to, or to the order of, the Issuer.

Enforcement

If a Notice of Default is served on the Issuer, the Trustee shall be entitled to appoint a Receiver, and/or enforce the Deed of Charge Security constituted by the Deed of Charge, and/or take such steps as it shall deem necessary, subject in each case to being indemnified and/or secured to its satisfaction. All proceeds received by the Trustee from the enforcement of the Deed of Charge Security will be applied in accordance with the Post Event of Default Priority of Payments.

Law and Jurisdiction

The Deed of Charge is governed by English law.

Interest Rate Swap Agreement

Some of the Loan Assets in the Cover Pool will pay from time to time a variable rate of interest for a period of time that may either be linked to the standard variable rate of the Issuer (the "**Issuer Standard Variable Rate**") or linked to an interest rate other than the Issuer Standard Variable Rate, such as EURIBOR or a rate that tracks the ECB base rate. Other Loan Assets will pay a fixed rate of interest for a period of time. However, the Euro payments to be made by the Issuer under each of the Covered Bond Swaps may vary. To provide a hedge against the possible variance between:

(a) the rates of interest payable on the Loan Assets in the Cover Pool; and

(b) payments by the Issuer under the Covered Bond Swaps,

the Issuer, the provider of the Interest Rate Swaps (each such provider, an Interest Rate Swap Provider) and the Trustee will enter into one or more an interest rate swap transactions in respect of

each Series of Covered Bonds under the 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.

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.

Any tax credits or Swap Collateral Excluded Amounts will be paid to the Interest Rate Swap Provider directly and not via the Priorities of Payments.

The Interest Rate Swap Provider may transfer all its interest and obligations in and under the relevant Interest Rate Swap Agreement to a transferee with minimum ratings in line with the criteria of by 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, to the extent that such Selected Loans include Fixed Rate Loans, the Issuer may either:

(a) require that the Interest Rate Swaps in connection with such Selected Loans partially terminate to the extent that such Selected Loans include Fixed Rate Loans and any breakage costs payable by or to the Issuer in connection with such termination will, following the occurrence of an Issuer Event, be taken into account in calculating the Cover Pool Payment Date for the sale of the Selected Loans; or

(b) request that the Interest Rate Swaps in connection with such Selected Loans be partially novated to the purchaser of such Fixed Rate Loans to the extent that such Selected Loans include Fixed Rate Loans, such that each purchaser of Selected Loans will thereby become party to a separate interest rate swap transaction with the Interest Rate Swap Provider.

Law and Jurisdiction

The Interest Rate Swap Agreement (and each Interest Rate Swap thereunder) will be governed by English law.

Covered Bond Swap Agreements

The Issuer may enter into one or more covered bond swap transactions with one or more Covered Bond Swap Providers and the Trustee in respect of each Series of Covered Bonds (each such transaction a Covered Bond Swap). Each Covered Bond Swap may be either a Forward Starting Covered Bond Swap or a Non-Forward Starting Covered Bond Swap and each will constitute the sole Transaction under a single Covered Bond Swap Agreement (such Covered Bond Swap Agreements, together, the Covered Bond Swap Agreements).

Each Forward Starting Covered Bond Swap will provide a hedge (after the occurrence of an Issuer Event) against certain interest rate, currency and/or other risks in respect of amounts received by the Issuer under the Loans and the Interest Rate Swaps (if any) and amounts payable by the Issuer under 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 the Interest Rate Swaps (if any) and amounts payable by the Issuer under 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 Terms and Conditions, the Covered Bond Swap(s) in connection with such Covered Bonds will terminate or partially terminate, as the case may be. Any breakage costs payable by or to the Issuer in connection with such termination will be taken into account in calculating:

(a) the Cover Pool Payment Date for the sale of Selected Loans; and

(b) the purchase price to be paid for any Covered Bonds purchased by the Issuer in accordance with Condition 6.6 (*Purchases*).

Law and Jurisdiction

The Covered Bond Swap Agreement (and each Covered Bond Swap thereunder) will be governed by English law.

Bank Account Agreement

Pursuant to the terms of the Bank Account Agreement entered into on the Programme Closing Date (as amended and restated) 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 rating of the Account Bank cease to satisfy the requirements of an Eligible Institution (or such other ratings that may be agreed between the parties to the Bank Account Agreement and the relevant Rating Agency then rating any Covered Bonds) and the Account Bank does not, within 30 calendar days of such occurrence, obtain an unconditional and unlimited guarantee (in a form acceptable to each of the Rating Agencies to the extent it is rating any Covered Bond at that time) of its obligations under the Bank Account Agreement from a financial institution satisfying the requirements of an Eligible Institution and such guarantee is to be provided in accordance with the relevant Rating Agencies' guarantee criteria provided that the Rating Agencies then rating the Covered Bonds confirm that 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 which is an Eligible Institution.

The costs arising from any remedial action take by the Account Bank, following the circumstances specified above shall be borne by the Account Bank.

The Bank Account Agreement is governed by English law.

Custody Agreement

The Issuer may enter into any Custody Agreement after the Programme Closing Date with, inter alios, the Custodian (as any of the same may be amended, restated, supplemented, replaced or novated from time to time).

Issuer-ICSDs Agreement

The Issuer has entered into an Issuer-ICSDs Agreement with Euroclear Bank S.A./N.V. and Clearstream Banking SA (the ICSDs) in respect of any Covered Bonds issued in NGCB form. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any such NGCBs, maintain their respective portion of the issue outstanding amount through their records.

The Issuer-ICSDs Agreement is governed by English law.

TAXATION

Greece

The following summary of the principal Greek taxation consequences of the purchase, ownership and disposal of Covered Bonds by Greek or foreign tax resident holders, 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.

Income – Withholding Tax

The Greek income taxation framework is regulated by Greek law 4172/2013, as amended from time to time.

Interest payments to the Covered Bondholders who are individuals or legal entities residing or having a permanent establishment in Greece for Greek tax law purposes (the "**Greek Tax Residents**"), made by the Issuer or a paying agent residing or having a permanent establishment in Greece for Greek tax law purposes, will be subject to Greek withholding tax at a flat rate of 15%. The relevant paying agent is liable to make the relevant withholding. This withholding exhausts the tax liability of Greek Tax Residents who are individuals (par.3 of article 64 of Greek law 4172/2013), while it may not for other types of Covered Bondholders.

Pursuant to par. 9 of article 69 of Greek law 3746/2009, in conjunction with Article 152, interest payments made on Covered Bonds: (i) have the same tax treatment as interest payments made on bonds issued by the Hellenic Republic; and (ii) are, in any case, exempted from Greek income tax when made to foreign tax residents. Accordingly, it could be argued that interest payments to Covered Bondholders who are individuals and legal entities who neither reside nor have a permanent establishment in Greece for Greek tax law purposes (the "**Foreign Tax Residents**") are exempt from any withholding, on the grounds of par. 9 article 69 of Greek law 3746/2009, in conjunction with par. 9 of article 64 of Greek law 4172/2013. In such case, exemption from withholding would be subject to submission of relevant documentation (i.e. certificate of the competent authorities certifying the Foreign Tax Resident's registered office or articles of association).

However, it is doubtful whether the above provision of par. 9 of article 69 of Greek law 3746/2009 remains in force following enactment of the aforementioned Greek income tax code. In particular, though the provision of par. 9 of article 69 of Greek law 3746/2009 is, indeed, specific to Covered Bonds, it should be noted that relevant Interpretative Circular No. 1042/2015 issued with respect to income tax over (amongst other) interest payments (including withholding tax) makes no reference to either par. 9 of article 69 of Greek law 3746/2009 or Covered Bonds, while it is explicitly clarified therein that the exemption from withholding tax provided for in par. 9 of article 64 of Greek law 4172/2013 does not apply to interest income arising from corporate bonds (paragraph 11).

Therefore, it may be the case that the interest income realised by Covered Bondholders who are Foreign Tax Residents will be considered by the tax authorities as falling under the scope of Greek law 4172/2013, thus being subject to withholding tax. If this were the case, the following would apply:

Interest payments to the Covered Bondholders who are Foreign Tax Residents, made by the Issuer or a paying agent residing or having a permanent establishment in Greece for Greek tax law purposes, will be subject to Greek withholding tax at a flat rate of 15%. The relevant paying agent is liable to make the relevant withholding. This withholding exhausts relevant income tax liability (par.3 of article 64 of Greek law 4172/2013) of both individuals and legal entities Foreign Tax Residents, subject to submission of relevant documentation as mentioned above.

This withholding tax is, however, subject to the provisions of any applicable tax treaty for the avoidance of double taxation of income and the prevention of tax evasion entered into between the Hellenic Republic and the relevant foreign jurisdiction.

Capital gains realised from the transfer of Covered Bonds

Pursuant to the provisions of article 14 of Greek law 3156/2003 that are applicable to Covered Bonds by virtue of Article 152, capital gains realised by Covered Bondholders from the transfer of Covered Bonds are not subject to taxation in Greece. This has been explicitly confirmed through recent Interpretative Circular No. 1032/2015 (item (iii) of paragraph 2). If the capital gains' beneficiaries are Greek legal persons or legal entities, or foreign legal persons or legal entities which have a permanent establishment in Greece to which the capital gains are attributable, no exemption is granted but the corporate taxation is under conditions deferred up to their distribution to the shareholders or capitalization.

Solidarity Levy

Covered Bondholders who are individuals are subject to a tax called "Solidarity Levy" as regards any interest paid under the Covered Bonds and any capital gains realised from the transfer thereof. Such levy is imposed on the overall annual income in Greece, both taxable and tax exempt, at a progressive tax scale starting from 2.2 per cent, with a tax free bracket of EUR 12,000 and a top marginal rate of 10 per cent.

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 a Greek national.

However, if the Covered Bonds were located abroad and the deceased Greek national holder of Covered Bonds had been residing abroad for at least 10 successive years prior to his/her death, the Covered Bonds shall be exempt from inheritance tax.

The rates of inheritance tax vary from 0% to 40.0%, 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 0% to 40% depending on the relationship between the donor and the beneficiary.

Stamp Duty

Pursuant to Article 14 of Greek law 3156/2003, in conjunction with Article 152, the issuance or transfer of Covered Bonds is exempt from Greek stamp duty.

Tax reporting by country for Multinational Groups

Law 4484/2017 adapts Greek legislation to Directive (EU) 2016/881 as regards mandatory automatic exchange of information in the field of taxation. The relevant provisions introduce clarifications regarding the compulsory automatic exchange of information, as well administrative penalties and the competent enforcement bodies. Specifically, it is provided that the ultimate parent entity of a multinational enterprise having its tax residence in Greece or any other reporting entity, i.e. an entity with a tax residence in Greece that is not a ultimate parent entity of a group and fulfils specific conditions set out in the new provisions, shall submit a Report by Country for the relevant Reporting Year. This Report is submitted within twelve months from the last day of the Group's Reporting Tax Year. The competent authorized body receiving the Country Report shall exchange automatically the Country Report with any Member State in which, based on the information provided by the Country Report, one or more constituent entities of the reporting group have their tax residence or are subject to taxation for business activities carried out through a permanent establishment.

EU Financial Transaction Tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission's proposal**) for a financial transaction tax (**FTT**) to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, although Estonia has since stated that it will not participate (the **participating member states**)). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

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

It should also be noted that the FTT could be payable in relation to relevant financial transactions by investors in respect of the Covered Bonds (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between participating member states. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate.

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

Luxembourg Taxation

The following paragraph 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.

(b) Resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23rd December 2005, as amended, (the "**Relibi Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of 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 Relibi 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 20.0%. 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 Relibi Law would be subject to withholding tax of 20.0%.

U.S. Taxation

U.S. Foreign Account Tax Compliance Act Withholding

Pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Greece) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Further, and Covered Bonds characterised as debt (or which are not otherwise

characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Covered Bonds (as described under "Terms and Conditions of the Covered Bonds—Further Issues") that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of withholding.

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 26 November 2008 (as amended and restated, 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.

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 certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

In connection with any Covered Bonds which are offered outside the United States in reliance on Regulation S ("**Regulation S Covered Bonds**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver such Covered Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Series of Covered Bonds of which such Covered Bonds are a part, as determined and certified by the relevant Dealer(s), in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue and except in either case in accordance with Regulation S of te Securities Act. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree that it will send to each dealer to which it sells 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Covered Bonds, an offer or sale of such Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer represents and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (1) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive); and

(b) the expression an offer includes 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.

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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 the Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a base prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Covered Bonds to the public in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds

to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (as amended including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

The Hellenic Republic

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with (i) the Public Offer Selling Restrictions under the Prospectus Directive, described above in this section; (ii) all applicable provisions of Greek Law 3401/2005 implementing into Greek law the Prospectus Directive, as amended by Greek law 4099/2012, implementing into Greek law Directive 2010/73/EU amending the Prospectus Directive.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended; the **FIEA**) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it has not, directly or indirectly, offered or sold and will not offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

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 Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the Commission de surveillance du secteur financier as competent authority in Luxembourg in accordance with the Prospectus Directive.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with (in the best of its knowledge and belief) all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations or directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Listing and admission to trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for the Covered Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

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 31 May 2018.

Post-issuance information

The Issuer provides quarterly Investor Reports detailing, among other things, compliance with the Statutory Tests. This information will be available at the offices of Citibank, N.A., London Branch, on Bloomberg and on the website www.nbg.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 approval 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. For further details, please see Section "*Business Overview*", paragraph "*Litigation*".

No significant or material change

There has been no material adverse change, or any development reasonably likely to involve material adverse change, in the prospects of the Issuer since 31 December 2018. Since 31 December 2018, there has been no significant change in the financial 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 consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2017 and 31 December 2018 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith;

(c) the unaudited interim condensed consolidated financial statements of the Issuer as at and for the six-month period ended 30 June 2018 (with an English translation thereof);

(d) the unaudited interim condensed consolidated financial statements of the Issuer as at and for the nine-month period ended 30 September 2018 (with an English translation thereof);

(e) 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;

(f) the Programme Agreement, the Trust Deed, the Agency Agreement, and the forms of the Global Covered Bonds, the Covered Bonds in definitive form, the Coupons and the Talons;

(g) a copy of this Base Prospectus; and

(h) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Covered Bond which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Covered Bond and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Covered Bonds and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, any supplement to the Base Prospectus, any documents incorporated by reference and each Final Terms relating to Covered Bonds which are admitted to trading on the official list of the Luxembourg Stock Exchange will also be available for inspection free of charge from the internet site of the Luxembourg Stock Exchange, at www.bourse.lu.

Clearing Systems

The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Series of Covered Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Covered Bonds to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Independent Auditors

The Consolidated Financial Statements of National Bank of Greece S.A. prepared in accordance with International Financial Reporting Standards as adopted by the EU as of and for the years ended 31 December 2017 and 31 December 2018 incorporated by reference in this Base Prospectus have been audited by PricewaterhouseCoopers S.A.. PricewaterhouseCoopers SA, with registered office at 268 Kifissias Avenue, 15232 Halandri is a member of the Institute of Certified Auditors and Accountants of Greece.

The Six Months 2018 Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the EU as at and for the six months period ended 30 June 2018 incorporated by reference in this Base Prospectus have been reviewed by PricewaterhouseCoopers SA, with registered office at 268 Kifissias Avenue, 15232 Halandri, is a member of the Institute of Certified Auditors and Accountants of Greece.

Any websites included in the Base Prospectus are for information purposes only and do not form part of the Prospectus.

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