

## BASE PROSPECTUS



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

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

The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms. 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 Fitch Ratings Limited or its successor (**Fitch**) (or such other ratings that may be agreed by the Rating Agencies from time to time). 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  
**National Bank of Greece S.A.**

Dealer

**National Bank of Greece S.A.**

The date of this Base Prospectus is 12 January 2011.

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

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

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

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

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

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

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

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

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

The maximum aggregate principal amount of Covered Bonds outstanding at any one time under the Programme will not exceed €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, 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 (2003/71/EC) (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 or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Base Prospectus contains references to certain measures which are not defined by International Financial Reporting Standards as adopted by the European Union (**IFRS**), namely “adjusted loans” and “profit before tax and impairment charges” and accordingly, should not be considered as an alternative to other measures derived in accordance with IFRS.

The Group defines as “adjusted loans”, loans and advances to customers excluding the amortizing 30 year loan to the Greek State with a principal amount of €5.4 billion expiring in September 2037 and excluding securities classified as “loans and receivables” that were presented within “Loans and advances to customers” in the 2008 Annual Financial Statements and as at 30 June 2009. The Group uses the measure

“adjusted loans” as at 31 December 2009 and 2008, and 30 June 2010 and 2009 to distinguish loans and advances to customers originated by the Group from those acquired from the Greek State and acquired in the form of securities and classified as “loans and receivables”. Adjusted loans amount to € 75,132.3 million, €71,592.2 million, €68,474.5 million and €66,118.0 million as at 30 June 2010, 31 December 2009, 30 June 2009 and 31 December 2008, respectively.

The Group defines as “profit before tax and impairment charges”, profit before tax excluding credit provisions and other impairment charges. The Group uses the measure “profit before tax and impairment charges” in order to enhance the comparability of its financial performance between reporting periods, particularly in light of increased impairment charge for credit losses and other impairment charges resulting from the impacts of the global financial crisis.

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

## TABLE OF CONTENTS

	<b>Page</b>
GENERAL DESCRIPTION OF THE PROGRAMME .....	6
RISK FACTORS.....	32
DOCUMENTS INCORPORATED BY REFERENCE .....	64
TERMS AND CONDITIONS OF THE COVERED BONDS .....	67
FORMS OF THE COVERED BONDS.....	99
FORM OF FINAL TERMS .....	101
INSOLVENCY OF THE ISSUER.....	117
USE OF PROCEEDS .....	118
SUMMARY OF THE GREEK COVERED BOND LEGISLATION .....	119
THE ISSUER AND THE GROUP.....	122
OVERVIEW OF THE BANKING SERVICES SECTOR IN GREECE, SEE AND TURKEY.....	166
THE MORTGAGE AND HOUSING MARKET IN GREECE .....	184
DESCRIPTION OF PRINCIPAL DOCUMENTS.....	190
TAXATION.....	205
SUBSCRIPTION AND SALE.....	208
GENERAL INFORMATION .....	212
INDEX.....	214

## GENERAL DESCRIPTION OF THE PROGRAMME

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

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

### PRINCIPAL PARTIES

<b>Issuer</b>	National Bank of Greece S.A. ( <b>NBG</b> or the <b>Issuer</b> ).
<b>Arranger</b>	National Bank of Greece S.A. (the <b>Arranger</b> ).
<b>Dealer</b>	National Bank of Greece S.A. or any other dealers appointed from time to time in accordance with the Programme Agreement.
<b>Servicer</b>	<p>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 <b>Servicer</b>) will service, the Loans and Related Security in the Cover Pool pursuant to the Servicing and Cash Management Deed.</p> <p>The Servicer shall also undertake certain notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Transaction Account and cash management activities (the <b>Servicing and Cash Management Activities</b>) in accordance with the Servicing and Cash Management Deed and the Greek Covered Bond Legislation, including the calculation of the Statutory Tests and the Amortisation Test. See “<i>Servicing and Collection Procedure</i>” below.</p>
<b>Asset Monitor</b>	<p>A reputable firm of independent auditors and accountants, not being the auditors of the Issuer for the time being, appointed pursuant to the Asset Monitor Agreement as an independent monitor to perform tests in respect of (i) the Statutory Tests when required in accordance with the requirements of the Bank of Greece and (ii) the Amortisation Test when required in accordance with the Servicing and Cash Management Deed. The initial Asset Monitor will be Ernst &amp; Young (Hellas) Certified Auditors-Accountants SA, acting through its office at 11th Klm National Road Athens-Lamia, 144 51, Metamorphosi Athens, Greece (the <b>Asset Monitor</b>).</p>
<b>Account Bank</b>	<p>Citibank, N.A., London Branch acting through its office at Citigroup Centre, Canada Square, Canary Wharf London E14 5LB has agreed to act as account bank (the <b>Account Bank</b>) pursuant to the Bank Account Agreement.</p>

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 F1 by Fitch and P-1 by Moody's.

**Principal Paying Agent** Citibank, N.A., London Branch (the **Principal Paying Agent** and, together with any agent appointed from time to time under the Agency Agreement, the **Paying Agents**). The Principal Paying Agent will act as such pursuant to the Agency Agreement.

**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.

**Listing Agent** Dexia 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**) and Moody's Investors Service Limited (**Moody's** and, together with Fitch, the **Rating Agencies**).

## PROGRAMME DESCRIPTION

**Description:** NBG €10 billion 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, supplement the Conditions and the Base Prospectus and must be read in conjunction with the Conditions and the Base Prospectus. The terms and conditions applicable to any particular Series are the Conditions as supplemented, amended and/or replaced by the relevant Final Terms.

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

It is a condition precedent to the issuance of a new Series or Tranche of Covered Bonds that (i) 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) Fitch have confirmed the then current rating of all Covered Bonds issued and outstanding under the Programme and that the ratings of such Covered Bonds will not be adversely affected or withdrawn as a result of such issuance and Moody’s has been notified of such issuance, (iv) such issuance has been approved by the Bank of Greece in accordance with paragraph II.3 of the Secondary Covered Bond Legislation and (v) if applicable, in respect of any Series or Tranche, a Hedging Agreement is entered into.

#### **Proceeds of the Issue of Covered Bonds**

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

#### **Form of Covered Bonds**

The Covered Bonds will be issued in 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),

as set out in the applicable Final Terms.

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

**Index Linked Interest Covered Bonds**

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

**Index Linked Covered Bonds**

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

<b>Dual Currency Interest Covered Bonds</b>	The Final Terms may provide that payments of interest in respect of certain Covered Bonds may be made in more than one currency ( <b>Dual Currency Interest Covered Bonds</b> ) and that such payments, whether at maturity or otherwise, will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree.
<b>Variable Interest Covered Bonds</b>	Index Linked Interest Covered Bonds, Dual Currency Interest Covered Bonds and other Covered Bonds (excluding Floating Rate Covered Bonds) where the rate of interest is variable are referred to as <b>Variable Interest Covered Bonds</b> .
<b>Other provisions in relation to Floating Rate Covered Bonds and Variable Interest Covered Bonds</b>	Floating Rate Covered Bonds and Variable Interest Covered Bonds may also have a Maximum Rate of Interest, a Minimum Rate of Interest or both (as indicated in the applicable Final Terms). Interest on Floating Rate Covered Bonds and Variable Interest Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, in each case as may be agreed between the Issuer and the relevant Dealer(s).
<b>Zero Coupon Covered Bonds</b>	The Final Terms may provide that Covered Bonds, bearing no interest ( <b>Zero Coupon Covered Bonds</b> ), may be offered and sold at a discount to their nominal amount.
<b>Partly Paid Covered Bonds</b>	Covered Bonds may be issued on a partly-paid basis ( <b>Partly Paid Covered Bonds</b> ) in which case interest will accrue on the paid-up amount of such Covered Bonds or on such other basis as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
<b>Ranking of the Covered Bonds</b>	All Covered Bonds will rank <i>pari passu</i> and 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.
<b>Taxation</b>	All payments of principal, interest and other proceeds (if any) on the Covered Bonds will be made free and clear of any withholding or deduction for, or on account of, any taxes, unless the Issuer or any intermediary that intervenes in the collection of interest and other proceeds on the Covered Bonds is required by applicable law to make such a withholding or deduction. In the event that such withholding, or deduction is required by law, the Issuer will not be required to pay any additional amounts in respect of such withholding or deduction.
<b>Status of the Covered Bonds</b>	The Covered Bonds are issued on an unconditional basis and in accordance with Article 91 of Greek Law 3601/2007 (published in the Government Gazette No 178/A/1-8-2007), as amended by Article 48 of Greek Law 3693/2008 (published in the Government Gazette No. 174/A/25-8-2008) and Article 69 of Greek Law 3746/2009 (published in the Government Gazette No. 27/A/16-2-2009) ( <b>Article 91</b> ) 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 <b>Secondary Covered Bond Legislation</b> and, together with Article 91 the <b>Greek Covered Bond Legislation</b> ). 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 91 (the **Statutory Pledge**) by virtue of registration statement(s) filed with the Athens Pledge Registry (each a **Registration Statement**) pursuant to paragraph 5 of Article 91. The form of the Registration Statement is defined in Ministerial Decree No 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. See also “*Summary of 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 Pre 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.

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

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

In order to ensure that the Cover Pool is, at any time, sufficient to meet the payment obligations of the Issuer under the Covered Bonds, the Issuer shall be 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 or partly-paid basis (in each case, the **Issue Price** for such Series or Tranche) as specified in the relevant Final Terms in respect of such Series.

**Interest Payment Dates**

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

**Cover Pool Payment Date**

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

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

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

The final maturity date for each Series (the **Final Maturity Date**) will be specified in the relevant Final Terms as agreed between the Issuer and the relevant Dealer(s). Unless specified otherwise in the Final Terms or previously redeemed as provided in the Conditions, the Covered Bonds of each Series will be redeemed at their Principal Amount Outstanding on the relevant Final Maturity Date. If the Covered Bonds are not redeemed in full on the relevant Final Maturity Date or (as described below) where the Covered Bonds are subject to an Extended Final Maturity Date, on the Extended Final Maturity Date, then the Trustee shall serve a Notice of Default on the Issuer pursuant to Condition 9 (*Events of Default and Enforcement*). Following the service of a Notice of Default the Covered Bonds of each Series shall become immediately due and payable.

The applicable Final Terms may also provide that the Issuer’s obligations under the relevant Covered Bonds to pay the Principal Amount Outstanding on the relevant Final Maturity Date may be deferred past the Final Maturity Date until the extended final maturity date (as specified in the Final Terms) (such date the **Extended Final Maturity Date**). In such case, such deferral will occur automatically if the Issuer fails to pay any amount representing the amount due on the Final Maturity Date as set out

in the Final Terms (the **Final Redemption Amount**) in respect of the relevant Series of Covered Bonds on their Final Maturity Date provided that, any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date. Interest will continue to accrue and be payable on any unpaid amounts on each Interest Payment Date up to the Extended Final Maturity Date in accordance with Condition 4 (*Interest*) and the Issuer (or the Servicer on its behalf) will make payments on each relevant Interest Payment Date and Extended Final Maturity Date.

Following service of a Notice of Default, any amount outstanding shall bear interest in accordance with Condition 6.9 (*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 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 "*Summary 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 Subscription Agreement and each Hedging Agreement will be governed by, and construed in accordance with, English law.

The Covered Bonds will be governed by and construed in accordance with English law, save that the Statutory Pledge referred to in Condition 2 (*Status of the Covered Bonds*), will be governed by and construed in accordance with Greek law.

## CREATION AND ADMINISTRATION OF THE COVER POOL

**Principal source of payments under Covered Bonds** Payments on the Covered Bonds will be direct and unconditional obligations of the Issuer.

Prior to an Issuer Event on each 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 Pre 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 (including all additional loan advances under such loans and credit facilities and including the levy of Greek Law 128/1975 but excluding any third party expenses) due or owing with respect to such loan and/or credit facilities provided that such loans and credit facilities are secured by residential real estate (the **Loans**) together with any mortgages, mortgage pre-notations, guarantees or indemnity payments which may be granted or due, as the case may be, in connection therewith (the **Related Security**, and together with the Loans the **Loan Assets**);
- (b) derivative financial instruments including but not limited to the Hedging Agreements satisfying the requirements of paragraph I. 2(b) of the Secondary Covered Bond Legislation;
- (c) deposits with credit institutions (including any cash flows deriving therefrom) provided that such deposits comply with paragraph 8(b) of Section B of the Bank of Greece Act No. 2588/20-8-2007; and
- (d) Marketable Assets (as defined below),

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

By virtue of the Registration Statement(s) filed with the Athens Pledge Registry on or prior to the Issue Date for the first Series of Covered

Bonds, the Issuer shall segregate the Cover Pool in connection with the issuance of Covered Bonds for the satisfaction of the rights of the Covered Bondholders and the other Secured Creditors.

## 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:

- (e) *Allocation of Further Assets*: allocate to the Cover Pool additional Cover Pool Assets for the purposes of issuing further Series of Covered Bonds and/or complying with the Statutory Tests and/or maintaining the initial rating(s) assigned to the Covered Bonds provided that, with respect to any Cover Pool Assets assigned after the Issue Date for the first Series of Covered Bonds which are non-Euro denominated assets and/or have characteristics other than those pertaining to the Cover Pool as of the Issue Date for the first Series of Covered Bonds (the **Initial Assets**), 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 allocation; and
- (f) *Removal or substitution of Cover Pool Assets*: prior to the occurrence of an Issuer Event and provided that no breach of any Statutory Test would occur as a result of such removal or substitution (i) remove Cover Pool Assets from the Cover Pool or (ii) substitute existing Cover Pool Assets with new Cover Pool Assets, provided that for any substitution of new Cover Pool Assets which are non-Euro denominated assets, 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 substitution.

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.

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

## Disposal of the Loan Assets

Following the occurrence of an Issuer Event, the Servicer, or any person appointed by the Servicer, acting in the name and on behalf of the Issuer, or the Trustee, as the case may be, will be obliged to sell in whole or in part the Loan Assets in accordance with the provisions of the Servicing and Cash Management Deed. The proceeds from any such sale will be credited to the Transaction Account and applied in accordance with the relevant 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 in a timely manner, any actions required in order to ensure that the servicing of the Loan Assets is conducted in accordance with the collection policy and recovery procedure applicable to the Issuer.

**Representations and Warranties of the Issuer**

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

- (i) its status, capacity and authority to enter into the Transaction Documents and assume the obligations expressed to be assumed by it therein;
- (ii) the legality, validity, binding nature and enforceability of the obligations assumed by it;
- (iii) the existence of the Cover Pool Assets, 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 mortgage pre-notation over property located in Greece that may be used for residential purposes.
- (v) Notwithstanding (iv) above, if the mortgage and/or mortgage pre-notation is of lower ranking, the loans that rank higher have also

been originated by the Issuer and are included in the Cover Pool.

- (vi) Only completed properties secure the Loan.
- (vii) All lending criteria and preconditions applied by the Issuer's credit policy and customary lending procedures and the "European Code of Conduct on Mortgage Loans" have been satisfied with regards to the granting of such Loan.
- (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 not a subsidised or state guaranteed loan.
- (xii) It is not an employee loan.

#### **Monitoring of the Cover Pool**

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

- (xiii) the Cover Pool satisfies the Nominal Value Test;
  - (xiv) the Cover Pool satisfies the Net Present Value Test; and
  - (xv) the Cover Pool satisfies the Interest Cover Test,
- (collectively, the **Statutory Tests** and each a **Statutory Test**).

The Servicer shall provide such verifications five Athens Business Days prior to the 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 the Issuer must ensure that on each Calculation Date, the Euro Equivalent of the Principal Amount Outstanding of all Series of Covered Bonds, together with all accrued interest thereon, is not greater than 95 per cent. (or any lower percentage as determined in accordance

with any alternative methodologies that the Rating Agencies may prescribe and notified to Moody's in accordance with the Servicing and Cash Management Deed) 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 plus accrued interest but not including the Hedging Agreements.

**Marketable Assets**, as defined in the Act of the Monetary Policy Council 54/27-2-2004 and which comply with the requirements for Eligible Investments, are allowed to be included in the Cover Pool and will be included in assessing compliance with the Nominal Value Test, provided that such assets in the Cover Pool do not exceed the difference in value between the Principal Amounts Outstanding of Covered Bonds then outstanding plus accrued interest and the nominal value of the Cover Pool plus accrued interest.

For the purposes of calculating the nominal value of the Cover Pool, the value of any foreign assets comprised in the Cover Pool shall be converted into euro on the basis of the exchange rate published by the European Central Bank (ECB) as at such Calculation Date.

- (b) *The Net Present Value Test:* Prior to an Issuer Event 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 is less than or equal to the net present value of the Cover Pool, including the Hedging Agreements (if included, at the discretion of the Issuer).

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

For the purposes of calculating the net present value of the Cover Pool, all amounts denominated in a currency other than euro shall be converted into euro on the basis of the exchange rate published by the ECB as at such Calculation Date.

- (c) *The Interest Cover Test:* Prior to an Issuer Event 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 the Covered Bonds does not exceed the amount of interest expected to be received in respect of the Loans comprised in the Cover Pool and the Marketable Assets which are to be included for the purpose of valuation in accordance with paragraph I.6 of the Secondary Covered Bond Legislation, in each case, during the period of 12 months from each Applicable Calculation Date. The

Hedging Agreements (if included, at the discretion of the Issuer) must be included for assessing compliance with this test.

**Calculation Date** means, in relation to a Cover Pool Payment Date, the day falling five Athens Business Days prior to such 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) each of the debt securities or other debt instruments and the issuing entity or (in the case of debt securities or other debt instruments which are fully and unconditionally guaranteed on an unsubordinated basis) the guaranteeing entity are rated at least:
  - (i) either (A) F1 by Fitch in respect of short-term debt with regard to investments having a maturity of less than one month or (B) F1+ by Fitch in respect of short-term debt with regard to investments having a maturity between one and three months, or such other rating as acceptable to Fitch from time to time; and
  - (ii) either (A) A2 by Moody's in respect of long-term debt or P-1 by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month or (B) A1 by Moody's in respect of long-term debt and P-1 by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months, or such other rating as acceptable to Moody's from time to time.

For the purposes of calculating the Nominal Value 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 higher ranking Loan if such Loan is a second or lower ranking Loan, provided that such Loan can never be given a value of less than zero; and

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

and each Loan shall be deemed to bear interest on the lower of the amounts calculated in (a), (b) and (c) above.

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

**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 Issuer or (where NBG is not the Servicer) the Servicer, as the case may be will immediately notify the Trustee of any breach of any of the Statutory Tests.

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

#### **Amortisation Test**

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

The Amortisation Test will be tested by the Servicer on each Calculation Date following an Issuer Event. A breach of the Amortisation Test will constitute an Event of Default, which 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 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*, including in the Cover Pool, Cover Pool Assets which have characteristics other than those pertaining to the Initial Assets and/or changes to the hedging policies or servicing and collection procedures of NBG without the consent of the Trustee 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. 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, or concurrent with the occurrence of an Event of Default, if any of the following events (each, an **Issuer Event**) occurs:

- (a) an Issuer Insolvency Event;
- (b) the Issuer fails to pay any principal or interest in respect of the Covered Bonds within a period of seven Athens Business Days from the due date thereof;
- (c) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of amounts due under the Covered Bonds, Receipts or Coupons of any Series) under the Trust Deed, the Deed of Charge or any other Transaction Document to which the Issuer is a party which, in the opinion of the Trustee would have a materially prejudicial effect on the interests of the Covered Bondholders of any Series, and (except where such default is or the effects of such default are, in the opinion of the Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required) such default continues for 30 days (or such longer period as the Trustee may permit) after written notice has been given by the Trustee to the Issuer requiring the default to be remedied;
- (d) any present or future Indebtedness in respect of moneys borrowed or raised in an amount of €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
- (e) 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 are effected henceforth directly to the Transaction Account, (iii) all collections of principal and interest on the Cover Pool Assets will be dedicated exclusively to the payment of interest and repayment of principal on the Covered Bonds and to the fulfilment of the obligations of the Issuer *vis-à-vis* the Secured Creditors in accordance with the relevant Priority of Payments, and (iv) if 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 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 or the Extended Final Maturity Date as 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 F1+ by Fitch and P-1 by Moody's, have a remaining period to maturity of 30 days or less and mature on or before the next following Cover Pool Payment Date and 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 F1+ by Fitch and P-1 by Moody's;
- (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 Fitch and Aaa by Moody's; 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 Fitch and Aaa by Moody's,

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

### **Servicing and collection procedures**

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

- (a) collection and recovery in respect of each Cover Pool Asset;
- (b) administration and management of the Cover Pool;

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

## ACCOUNTS AND CASH FLOW STRUCTURE:

### Segregation Event and Collection Account

Prior to the occurrence of an Issuer Event, NBG 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 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.

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 91 and by virtue of an analogous application of paragraphs 14 through 16 of Article 10 of Greek Law 3156/2003.

Prior to a reduction in the long-term senior unsecured credit rating of NBG to or below the Minimum Credit Rating (such occurrence, a **Segregation Event**), NBG will be entitled to draw sums from time to time standing to the credit of the Collection Account in addition to any funds available to it for any purpose including to make payments on the Covered Bonds.

Following the occurrence of a Segregation Event, (i) all amounts deposited shall remain in the Collection Account for the benefit of the holders of the Covered Bonds and the other Secured Creditors and (ii) NBG shall no longer be entitled to withdraw moneys from the Collection Account other than for the purposes of making payments in accordance with the Pre Event of Default Priority of Payments.

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

## Transaction Account

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

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 and (ii) provide notification to all Borrowers that any and all future payments due under the Cover Pool Assets are henceforth to be effected directly to the Transaction Account. Following an Issuer Event, the Transaction Account will be used for the crediting of, *inter alia*, moneys received in respect of the Cover Pool Assets included in the Cover Pool or to effect a payment in respect of the Covered Bonds including the following amounts:

- (a) any amounts received by the Issuer in respect of the Loan Assets and the Marketable Assets;
- (b) any amounts credited by the Issuer for effecting payments on the Covered Bonds;
- (c) any amounts deposited by the Issuer when effecting optional substitution of Cover Pool Assets (including any amount deposited by the Issuer to prevent a sale of the Loan Assets to a third party);
- (d) any amounts transferred by the Servicer in connection with the sale of Cover Pool Assets;
- (e) the Commingling Withdrawal Amount, to the extent that the same represents amounts other than principal or, as applicable, principal paid by the Borrowers or at such time as the Commingling Reserve Required Amount is zero, all amounts standing to the credit of the Commingling Reserve Ledger;
- (f) any amounts paid to the Issuer by the Hedging Counterparties under the Hedging Agreements; and
- (g) any amounts deriving from maturity of Authorised Investments carried out by the Servicer in accordance with the terms of the

## Servicing and Cash Management Deed.

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

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

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

### **Covered Bonds Available Funds**

Following the occurrence of an Issuer Event, payments on the Covered Bonds will be made from the Covered Bonds Available Funds in accordance with the 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;
- (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 Commingling Withdrawal Amount, to the extent that the same represents amounts other than principal or, as applicable, principal paid by the Borrowers or at such time as the Commingling Reserve Required Amount is zero, all amounts standing to the credit of the Commingling Reserve Ledger; 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 (A) any early termination amount received by the Issuer under a Hedging Agreement, which is applied in acquiring a replacement Interest Rate Swap or Covered Bond Swap (as applicable); (B) any Excess Swap Collateral (as defined below) or Swap Collateral (as defined below), except to the extent that the value of such Swap

Collateral has been applied, pursuant to the provisions of the relevant Hedging Agreement, to reduce the amount that would otherwise be payable by the Hedging Counterparty to the Issuer on early termination of the Interest Rate Swap or Covered Bond Swap (as applicable) and, to the extent so applied in reduction of the amount otherwise payable by the Hedging Counterparty, such Swap Collateral is not to be applied in acquiring a replacement swap (the **Swap Collateral Excluded Amounts**); (C) any premium received by the Issuer from a replacement Hedging Counterparty in respect of a replacement Interest Rate Swap or Covered Bond Swap, to the extent used to make any termination payment due and payable by the Issuer with respect to the previous Interest Rate Swap or Covered Bond Swap; and (D) any tax credits received by the Issuer in respect of an Interest Rate Swap or Covered Bond Swap (as applicable) used to reimburse the relevant Hedging Counterparty for any gross-up in respect of any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (and wherever imposed) made under the relevant Interest Rate Swap or Covered Bond Swap (as applicable).

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

**Swap Collateral** means, any asset (including, without limitation, cash and/or securities), other than Excess Swap Collateral, 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 into which such asset is transformed.

## **Event of Default**

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

- (a) on the Final Maturity Date or Extended Final Maturity Date, as applicable, in respect of any Series or on any Interest Payment Date on which principal is due and payable thereon, there is a failure to pay any amount of principal due on such Covered Bonds on such date and such default is not remedied within a period of seven Athens Business Days from the due date thereof;
- (b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series occurs and such default is not remedied within a period of 14 Athens Business Days from the due date thereof; or
- (c) breach of the Amortisation Test pursuant to the Servicing and

Cash Management Deed on any Calculation Date following an Issuer Event,

then the Trustee shall, upon receiving notice from the Paying Agent, or the Servicer in the case of (c), of the occurrence of such Event of Default, serve a notice (a **Notice of Default**) on the Issuer.

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

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

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

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

- (i) *first*, in or towards satisfaction of all amounts then due and payable or to become due and payable prior to the next Cover Pool Payment Date to the Trustee (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 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 all amounts of principal 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 (if any) on any 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, subject as set out below, any termination payments due and payable to any Hedging Counterparty under a Hedging Agreement where such termination results from (a) an Additional Termination Event “*Ratings Event*” as specified in the schedule to the relevant Hedging Agreement, (b) the bankruptcy of the relevant Hedging Counterparty, or (c) any default and/or failure to perform by such Hedging Counterparty under the relevant Hedging Agreement, other than, in the event of (a) or (c) above, the amount of any termination payment due and payable to such Hedging Counterparty in relation to the termination of such transaction to the extent of any premium received by the Issuer from a replacement hedging counterparty.

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

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

- (i) *first*, to pay any Indemnity to which the Trustee 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 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 Bond Available Funds before the delivery of a Notice of Default) and (b) following the delivery of a Notice of Default in connection with or as a result of the enforcement 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 (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 (the **Asset Monitor Agreement**), the Asset Monitor has agreed to carry out various testing and notification duties in relation to the calculations performed by the Servicer in relation to the Statutory Tests and, if required, the Amortisation Test.
- Trust Deed** Under the terms of the Trust Deed entered into on the Programme Closing Date between the Issuer and the Trustee, the Trustee will be appointed to act as the Covered Bondholders’ representative in accordance with paragraph 2 of Article 91.
- Deed of Charge** The Issuer shall, where necessary, assign its rights arising under the Hedging Agreements 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 (the **Agency Agreement**), the Agents have agreed to provide the Issuer with certain agency services and the Paying Agents have agreed, *inter alia*, to make available for inspection such documents as may be required from time to time by the rules of the Luxembourg Stock Exchange and to arrange for the publication of any notice to be given to the Covered Bondholders.
- Bank Account Agreement** Under the terms of the bank account agreement entered into on the Programme Closing Date between the Account Bank, the Servicer, the Issuer and the Trustee (the **Bank Account Agreement**), the Account Bank has agreed to operate the Transaction Account and any Collateral Swap Accounts (together with the Transaction Account, the **Bank Accounts**) in accordance with the instructions given by the Servicer.
- Hedging Agreements** The Issuer may, from time to time during the Programme, enter into Interest Rate Swap Agreements and Covered Bond Swap Agreements,

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

The Hedging Agreements shall be governed by English Law.

The Issuer's rights arising from 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, 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 Assets, including statistics relating to the financial performance of the Cover Pool Assets. Such report will be available to the prospective investors in the Covered Bonds and to Covered Bondholders at the offices of Citibank, N.A., London Branch, on Bloomberg and on the website [www.nbg.gr](http://www.nbg.gr).

## RISK FACTORS

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

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Covered Bonds issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Covered Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. 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.*

### **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.

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

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

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

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

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

### *Reliance on Hedging Counterparties*

To provide a hedge against possible variances in the rates of interest payable on the Loans in the Cover Pool (which may, for instance, include discounted rates of interest, fixed rates of interest or rates of interest which track a base rate and other variable rates of interest) and EURIBOR for 1, 3 or 6 month euro deposits, the Issuer will 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 will 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 Fitch and Moody's. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria detailed above, then the rights and obligations of that party (including the right or obligation to receive 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.

*The Issuer is vulnerable to the current disruptions and volatility in the global financial markets*

Although the global economic recovery has gained momentum since the third quarter of 2009, in many economies with which Greece has strong export links, the strength of the rebound has been moderate relative to the severity of the recession. Activity remains dependent on highly accommodative macroeconomic policies and is subject to downside risks, as room for countercyclical policy measures has sharply diminished and fiscal fragilities have come to the fore. Policymakers in many advanced economies have publicly acknowledged the need to urgently adopt credible strategies to contain public debt and excessive fiscal deficits and later bring it down to more sustainable levels. The implementation of these policies may restrict economic recovery, with a corresponding negative impact on the Issuer's business and results of operations.

Concerns about sovereign credit risks progressively intensified over the last six months, especially in the euro area, and became more acute in early May 2010. The main trigger for the markets' reappraisal of sovereign risk appeared to be the Hellenic Republic's debt burden and uncertainty surrounding the prospect

of agreeing on a credible fiscal support plan for the Hellenic Republic until late April 2010. In financial markets, worries surfaced first in a progressive widening of intra-euro area government bond and sovereign credit default swap (CDS) spreads of several euro area issuers with large fiscal imbalances. Against a background of increasing unease over the macro/financial implications of sizeable fiscal imbalances, investors have reduced their investment in a variety of asset classes, including those in the bond, stock, commodity and money markets. Continued reduction in investment flows may restrict economic recovery, with a corresponding negative impact on the Issuer's business, results of operations and financial condition, including the Issuer's ability to fund its operations. Increasing skepticism since mid-October 2010 about the ability of Ireland to cope with the substantial fiscal imbalances -- originating from the enormous financing needs of the problematic assets of its banking system -- have fuelled a new round of market tensions for peripheral euro area economies, including Greece, leading the Irish Government to formally apply to EU and the IMF for financial assistance on 21 November 2010. Nevertheless, market tensions remain unabated.

Results of the Issuer's operations, both in Greece and internationally, 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, public finances' conditions; 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 credit; inflation, the stability and solvency of financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of these factors.

*Uncertainty resulting from the Hellenic republic's economic crisis is having and is likely to continue to have a significant adverse impact on the Issuer's business, results of operations and financial conditions*

For the financial year ended 31 December 2009, 62.3% of the Group's total income, and as of 31 December 2009, 70.6% of its adjusted loans, were derived from its operations in the Hellenic Republic. For the six months ended 30 June 2010, 54.5% of its total income, and as at 30 June 2010, 68.3% of its adjusted loans, were derived from the Group's operations in the Hellenic Republic. In addition, its holdings of €20.1 billion in Greek government debt represented 16.4% of its total asset portfolio, 218.3% of its total equity and 73.1% of its fixed income portfolio as of 30 June 2010. Accordingly, the quality of the Group's assets, its financial condition and the results of its operations are heavily dependent on macroeconomic and political conditions prevailing in Greece. The Greek economy is experiencing a severe recession and the Hellenic Republic is experiencing unprecedented pressure on its public finances. Eurostate has initially estimated Hellenic Republic's 2009 budget deficit at 13.6% and in November 2010 has further revised this figure to 15.4% of GDP, reflecting the reclassification of loss-making non-market public corporations (those with revenue less than 50.0% of operating costs into the general government as well as the adjustment to the financial performance of social security funds and local governments). In the same vein General Government debt stood at, an upward revised, level of 125.0% of GDP in 2009. The substantial size of fiscal imbalances fuelled fears in global financial markets of a possible default by the Hellenic Republic and led the yield of the 10-year Greek government bonds to increase to levels above those seen before Greece's entry into the European Monetary Union, peaking in early May 2010 at 9.73% over the reference German Bund. In addition, in April 2010 the Hellenic Republic's credit rating was lowered by Fitch Ratings Limited (**Fitch** to BBB-, by Moody's to A3 and by Standard & Poor's Financial Services LLC (**Standard & Poor's**) to BB+, which is below investment grade. Each of these rating agencies has placed the Issuer on a credit watch "negative" status. On 14 June 2010, Moody's further lowered its credit rating for the Hellenic Republic by four notches from A3 to Ba1, below investment grade. The tensions relating to Greek public finance have affected the liquidity and profitability of the financial system in the Hellenic Republic and have resulted in:

- lower market values for Greek government debt;
- limited liquidity to the Greek banking system and a consequential increase in ECB funding;
- increased competition between banks to attract customer deposits, and thus increased cost of, customer deposits;

- limited credit extension to customers; and
- an increase in the amount of non-performing loans.

In early May, the Greek Government agreed to a stabilization program, jointly supported by the IMF, the ECB and the member states of the Eurozone (the **Stabilization Programme**).

As part of the Stabilization Programme, the Greek government has committed to implement measures to decrease expenses and increase revenues that could potentially reduce the general government deficit by 7.5% of GDP in 2010, 4.0% in 2011 and 2.0% in both 2012 and 2013. If the program is fully implemented, the Greek government expects its general government deficit to decline to 8.1% of GDP in 2010 and to gradually decrease to below 3.0% of GDP in 2014. Despite the lower deficit, the government debt will continue to increase and is expected to reach 149.0% of GDP in 2013 compared to 113% in 2009 and before beginning to decline.

The Stabilization Programme also contains structural measures and policy guidelines designed to boost the country's competitiveness and improve the Hellenic Republic's growth rates in the medium term with a view to repaying the large debt burden. Specifically, the programme includes measures intended to, among other things, increase revenues (through the increase of tax rates for goods and services), reduce the pension system's deficit and the public health expenditure, improve the flexibility of the labour market and open up product and service markets.

Despite the implementation of the above measures and the Greek government's commitment to implement the Stabilization Programme, certain analysts believe there are concerns as to the extent to which the Stabilization Programme's fiscal targets will be met and the immediate impact of the austerity measures on economic activity. The concerns were exacerbated by signs of re-emerging stress in international financial markets in the second quarter of 2010, which adversely affected the Issuer's results of operations. The implementation of structural reforms may also meet considerable opposition from labour unions and the general public of the Hellenic Republic.

A failure to successfully implement the provisions of the Stabilization Programme and to attain its fiscal targets may lead to the termination of the financial support by the IMF, the ECB and the EU, which would then create the conditions for a credit event on the Hellenic Republic's debt.

However, even if the Stabilization Programme is successfully implemented, it is uncertain whether it will achieve the set targets. Failure of these measures will exacerbate current macroeconomic conditions in Greece and will prolong the recession. In such a case, the market reaction will be negative and business activity will deteriorate, which will have a material adverse effect on the Issuer's business, results of operations and financial condition.

Even if the Hellenic Republic successfully implements the Stabilization Programme, government debt as a percentage of GDP is projected by the Stabilization Programme to rise in the vicinity of 160% of GDP in 2013. It remains uncertain whether, even if the Stabilization Programme is successfully implemented, the Greek economy will grow timely and sufficiently to ease the financing constraints of the Hellenic Republic in the medium term.

Any further significant deterioration of global economic conditions, including the credit profile of other EU countries, or the creditworthiness of Greek or international banks, or changes to the eurozone, may give rise to concerns regarding the ability of the Hellenic Republic to meet its funding needs. These developments would:

- directly impact the carrying amount of the Group's portfolio of Greek government debt (as of 30 June 2010, the Group's holdings of €20.1 billion in Greek government debt represents 16.4% of its total asset portfolio and 73.1% of its fixed income portfolio);

- severely affect the Issuer's ability to raise capital and meet minimum regulatory capital requirements;
- severely limit the Issuer's ability to access liquidity; and
- negatively affect the Issuer's capital positions, results of operations and its financial condition.
- *Recessionary pressures stemming from the Stabilization Programme have had and may continue to have an adverse effect on the Issuer's business, results of operations and financial condition*
- The Issuer's business activities are dependent on the level of banking, finance and financial products and services it offers, as well as its customers' capacity to repay their liabilities. In particular, their levels of savings and credit demand are heavily dependent on customer confidence, employment trends, the state of the economies in countries in which the Issuer operates, and the availability and cost of funding. Recessionary pressures may have an adverse effect on the Issuer's business, results of operations and financial condition.
- The magnitude of the fiscal adjustment agreed under the Stabilization Programme is likely to have a significant effect on economic activity in the Hellenic Republic, adding to the possible negative impact arising from the sharp drop in consumer confidence resulting from the recent economic crisis and ongoing sizeable macroeconomic imbalances. Specifically, the programme agreed with the IMF and the EU projects a decline in economic activity by 4.0% (in real terms) in 2010 and 2.6% in 2011, following the 2.0% decline in 2009. If the Stabilization Programme is not implemented successfully, economic activity may decline further in the future.

Loans to businesses and households are expected to remain under considerable pressure in Greece as the sizeable downward pressure on household disposable incomes and firms' profitability from the austerity measures as well as the resulting deterioration in the business environment against a backdrop of tighter credit conditions are likely to impair further demand for loans. In addition, the Issuer's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Issuer's fee and commission income.

Further market turmoil and worsening macro-economic conditions in the Hellenic Republic, in conjunction with the increasing signs of contagion to other peripheral euro area economies, could materially adversely affect the liquidity, businesses and/or financial conditions of the Issuer's borrowers, which could in turn further increase its non-performing loan ratios, impair its loan and other financial assets, result in decreased demand for borrowings in general and increase deposit outflows.

In the context of continued market turmoil, worsening macro-economic conditions, and increasing unemployment, coupled with declining consumer spending and business investment, the value of assets collateralizing the Issuer's secured loans, including houses and other real estate, could decline significantly. Such a decline could result in impairment of the value of the Issuer's loan assets or an increase in the level of non-performing loans, either of which may have an adverse effect on the Issuer's business, financial condition and results of operations.

*The Issuer is currently severely restricted in its ability to obtain funding in the capital markets and is heavily dependent on the ECB for funding and liquidity, which may be affected by changes in ECB rules such as the recent graduated haircuts applied to asset backed securities*

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

The severity of pressure experienced by the Hellenic Republic in its public finances has restricted the access of the Issuer to capital markets for funding, particularly unsecured funding and funding from the short-term inter-bank market because of concerns by counterparty banks. These markets are now effectively closed to

all Greek banks. Since the end of 2009, maturing inter-bank liabilities have not been renewed, or renewed only at higher costs. In addition, some deposit outflows during the first months of 2010 put pressure on the liquidity position of many Greek banks. In May 2010, the ECB announced that it would suspend certain minimum credit rating requirements in respect of Greek government bonds and would accept Greek government bonds as collateral, irrespective of their credit rating. The ECB has not yet determined the length of the period of suspension of the rating requirement. In addition, the ECB has purchased Greek government bonds in the secondary market.

As at 30 June 2010, the Issuer's net ECB funding amounted to €21.3 billion. As at 30 June 2010, the Issuer has posted total collateral with the ECB of €30.0 billion.

The liquidity the Issuer receives from the ECB may also be affected by changes in ECB rules such as the recent graduated haircuts applied to asset backed securities.

The suspension of the ECB's minimum rating requirement in respect of Greek government debt may end at any time, including when the Greek government's credit ratings make it ineligible for use in ECB liquidity operations. In addition, the amount of funding available from the ECB is tied to the value of the collateral the Issuer provides, including the market value of its holdings of Greek government bonds, which themselves may decline in response to ratings actions. If the value of the Issuer's assets decline, then the amount of funding the Issuer can obtain from the ECB will be correspondingly limited. In addition, if the ECB were to revise its collateral standards or increase the rating requirements for collateral securities such that these instruments were not eligible to serve as collateral with the ECB, this could materially increase the Issuer's funding costs and limit its access to liquidity. Furthermore, it is unclear how long the ECB will offer unlimited access to short-term repos, such regime currently being in place until January 2011. In the event this is terminated, or the terms on which such access is offered change in a way which materially prejudices the Issuer, this could adversely affect its access to liquidity and increase its funding costs significantly.

*A sudden shortage of funds from customer deposits could cause an increase in the Issuer's costs of funding and have a material adverse effect on its operating results, financial condition and liquidity prospects*

Historically, one of the Issuer's principal sources of funds has been customer deposits. Since it relies on customer deposits for a majority of the Issuer's funding, if the its depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Issuer is unable to obtain the necessary liquidity by other means, it may be unable to maintain its current levels of funding without incurring higher funding costs or having to liquidate certain of the Issuer's assets. In the first half of 2010, an outflow of customer deposits owing to concerns regarding the Hellenic Republic's economic crisis, as well as the Greek government's intensified usage of deposit data for tax audit purposes, has led to a decrease (as at 30 June 2010) in the Group's domestic deposits by 6.4% compared with the position at 31 December 2009.

The ongoing availability of deposits to fund the Issuer's loan portfolio is subject to potential changes in certain factors outside the Issuer's control, such as depositors' concerns in either the economy in general, the financial services industry or the Issuer specifically, ratings downgrades, significant further deterioration in economic conditions and the availability and extent of deposit guarantees. These factors could lead to a reduction in the Issuer's ability to access customer deposit funding on appropriate terms in the future and to sustained deposit outflows, both of which would impact on the Issuer's ability to fund its operation and meet its minimum liquidity requirements. The Issuer has continued to experience deposit outflows during the third quarter of 2010.

Any loss in consumer confidence in the Issuer's banking businesses, or in banking businesses generally, could significantly increase the amount of customer deposit withdrawals in a short space of time. If the Issuer or its subsidiaries experience an unusually high level of withdrawals, this may have an adverse effect on the Group's results, financial condition and prospects. In extreme circumstances, unusually high levels of withdrawals could prevent the Issuer or another member of the Group from funding its operations and meeting its minimum liquidity requirements. In those extreme circumstances the Issuer or another member of

the Group may not be in a position to continue to operate without additional funding support, which it may be unable to secure.

*The Stabilization Programme and receipt of state aid may subject the Issuer to additional burdens*

Declining profitability and the possibility of operating losses in what could be a drawn-out recession risks eroding the capital bases of Greek banks. The Stabilization Programme, therefore, contains a third pillar in the form of the Financial Stability Fund (the **FSF**), established by Greek law 3864/2010 as a private equity law, with the objective of helping to maintain the stability of the Greek banking system by providing support to the capital adequacy of both Greek banks and subsidiaries of foreign credit institutions lawfully operating in Greece, intended to maintain the stability of the Greek banking system by providing capital support in the form of preference or ordinary shares if a significant decline in capital buffers occurs. The FSF has been established under Greek law 3864/2010. Any credit institution which in the opinion of the Bank of Greece, runs a risk of failing to meet its capital adequacy requirements and that has not strengthened its own capital base through capital raisings from existing or new shareholders, may, either upon its own initiative or upon recommendation by the Bank of Greece, apply for the capital support available through the FSF.

If the Issuer is unable to further strengthen its capital base to meet its capital adequacy requirements, the Issuer may have to apply for capital support available through the FSF. As a result of any funds provided by the FSF to the Issuer, the FSF may exercise significant control over the operations of the Issuer and could have a material adverse effect on its profitability, capital management and financial condition. Furthermore, the Issuer and the FSF will have to jointly develop a detailed restructuring plan or amend any such plan which has already been submitted to the European Commission, according to the EU state aid rules and the subsequent European Commission practices. Such plans could lead to balance sheet management, including divestments of core and non-core operations or additional burdens on the Issuer, which could have a material effect on the Issuer's future results and financial condition and may require amendments to the terms of the Covered Bonds, including amendments which may be to the detriment of the Covered Bondholders. Any requirement to dispose of certain assets in accordance with such plans may reduce the profit otherwise obtainable for such assets by the Issuer. Additionally, in accordance with such plan, the Issuer may be required to dispose of assets currently included in the Cover Pool. In order to maintain compliance with the Statutory Tests, the Issuer may be required to allocate other assets to the Cover Pool. As at the date of this Base Prospectus, the Issuer has neither applied to nor made use of the capital support available through the FSF.

The capital support program under the Stabilization Programme would strengthen the core capital base of the banks in the form of preference shares convertible into ordinary shares (if a bank fails the stress tests and other financial targets in the restructuring plan). The preference shares issued under the Hellenic Republic bank support plan are also convertible in certain circumstances. Any such issuance of ordinary shares will dilute shareholders' interests in the Issuer and may result in shareholders losing value.

*The Issuer is subject to stress testing*

Stress tests analyzing the banking sector recently have been, and the Issuer anticipates they will continue to be, published by national and supranational regulators including the IMF, ECB and others. Loss of confidence in the banking sector following the announcement of stress tests regarding a bank or the Greek banking system as a whole or market perception that any such tests are not rigorous enough could also have a negative effect on its cost of funding and may thus have a material adverse effect on its operations and financial condition. In addition, if a bank fails to pass stress tests required by the FSF and is required to receive additional capital, the FSF may exercise significant control over the operations of that bank, which could have a material adverse affect on its profitability, capital management, and financial condition.

*The Issuer is exposed to risks faced by other financial institutions*

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 it to significant credit risk in the event of default by one of its significant counterparties. In addition, the Issuer's credit risk may be exacerbated when the collateral it holds cannot be realised upon or is liquidated at prices not sufficient for it to recover the full amount of the 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, financial condition and results of operations.

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

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

<b>Rating agency</b>	<b>Long-term foreign currency deposit rating<sup>(1)</sup></b>	<b>Short-term foreign currency deposit rating<sup>(1)</sup></b>	<b>Outlook for the Issuer's ratings<sup>(1)</sup></b>	<b>Financial strength of the Issuer—Individual<sup>(1)</sup></b>	<b>Subordinated debt of the Issuer (1)</b>	<b>Preferred Shares of the Issuer</b>
Moody's .....	Ba1	Non-Prime	Negative	D+	Ba2	B1
Standard & Poor's .....	BB+	B	Negative	—	—	B-
Fitch .....	BBB-	F3	Negative	D	BB+	B+

<sup>(1)</sup> A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

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

The Hellenic Republic has recently undergone a series of credit rating downgrades, with Fitch lowering the Hellenic Republic's credit rating to BBB- (on 9 April, 2010), Moody's to Ba1 with a stable outlook (on 14 June 2010) and Standard & Poor's to BB+ (on 27 April 2010). Moody's also downgraded Greece's short-term issuer rating to not-prime from Prime-1. The rationale for these downgrades was that a deepening recession and rising debt service costs would make it harder for the Hellenic Republic to meet its deficit-reduction targets. On 3 December 2010, Standard & Poor's placed on Credit Watch with Negative implications the long and short term ratings of all the Greek banks, including their debt and hybrid instruments. The negative CreditWatch implications reflect the potential for a sovereign downgrade and its direct and indirect impact of the banks' creditworthiness. Consequently, the Issuer's rating remains BB+ but the outlook changed to CreditWatch Negative from Negative. On 16 December 2010 Moody's placed Hellenic Republic's Ba1 local and foreign currency government bond ratings on review for possible downgrade. On 17 December 2010 Moody's placed NBG's Ba1 rating and NBG's Baa3 Covered Bond ratings on review for possible downgrade as well. On 22 December 2010 Fitch placed Hellenic Republic on Negative CreditWatch for possible downgrade. Following that decision Fitch also put on review NBG's BBB- rating and NBG's Covered Bond A- for possible future downgrade. A downgrade of the Hellenic Republic's rating may occur again in the future in the event of a more drastic deterioration in public finances

as a result of a poorer performance in economic activity or as a result of the measures proposed being perceived as insufficient. Accordingly, the cost of risk for the Hellenic Republic would increase further, with negative effects on the cost of risk for Greek banks and hence on their results. Historically, the Issuer's credit rating has been no higher than the rating for the Hellenic Republic. Further downgrades of the Hellenic Republic could result in a corresponding downgrade in the Issuer's credit rating.

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

*Deteriorating asset valuations resulting from poor market conditions may adversely affect the Issuer's future earnings.*

The global economic slowdown and economic crisis in Greece have resulted in an increase in non-performing loans and significant changes in the fair values of the Issuer's exposures. A substantial portion of the Issuer's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, vessels, term deposits and receivables. In particular, as mortgage loans are one of the Issuer's principal assets, it is currently highly exposed to developments in real estate markets, especially in Greece. From 2002 to 2007, demand for housing and mortgage financing in Greece increased significantly driven by, among other things, economic growth, declining unemployment rates, demographic and social trends, the desirability of Greece as a vacation destination and historically low interest rates in the eurozone. During late 2007, the housing market began to adjust in Greece as a result of excess supply and higher interest rates. In 2008, as economic growth came to a halt and the economy began to contract, retail interest rates continued to increase, housing oversupply persisted and demand continued to decrease, home prices began declining and mortgage delinquencies increased. Greek housing market continues to experience a protracted recession with construction activity and transactions being about 74.0% and 52.0% lower, respectively, compared with their 10-year averages. Nevertheless, residential real estate valuations remain relatively resilient as they have registered a peak-to-date (Q3-2010) contraction of about 11.0% adding to the evidence that there were no exuberances in average Greek house price valuations in previous years of booming economic activity.

Continued decline in the general Greek economy or a general deterioration of economic conditions in any industry in which its borrowers operate or in other markets in which the collateral is located, may result in decreases in the value of collateral securing the loans to levels below the outstanding principal balance on such loans. A decline in the value of collateral securing these loans or the inability to obtain additional collateral may require the Issuer to establish additional impairment charges for credit losses. In addition, a failure to recover the expected value of collateral in the case of foreclosure may expose the Issuer to losses which could have a material adverse effect on its business, financial condition and results of operations. Moreover, an increase in financial market volatility or adverse changes in the liquidity of its assets could impair its ability to value certain of the Issuer's assets and exposures. Valuations in future periods, reflecting then-prevailing market conditions, may result in significant changes in the fair values of these assets and exposures. In addition, the value ultimately realized by the Issuer will depend on the fair value as determined at that time and may be materially different from the current or estimated fair value. Any of these factors could require it to recognize additional write-downs or realize impairment charges, any of which may adversely affect its financial condition and results of operations.

*Government and inter-governmental interventions aimed at alleviating the financial crisis are uncertain and carry additional risks.*

Government and inter-governmental interventions aimed at alleviating the financial crisis could lead to increased ownership and control of financial institutions by the Hellenic Republic or other entities and further consolidation in the banking sector. In the 2008 - 2009 global financial crisis, various governments responded to credit or liquidity concerns in certain banks by nationalizing or partially nationalizing those

banks or putting them through a form of resolution or recapitalization process. During that period, even if banks were not fully nationalized, shareholders experienced significant dilution and loss of value.

*The Issuer could be subject to additional taxes.*

Due to the uncertainty regarding the success of the Stabilization Programme, new taxes may be imposed on the Group, such as the “one-off” taxation on profitable companies, and existing taxes may be increased. In the first half of 2010, the Group was subject to a €93 million windfall tax composed of a 10.0% tax on 2009 earnings and a reversal of a tax credit from withholding tax relating to Greek government bonds. In addition, at the European Council Summit held on 17 June 2010, representatives agreed that Member States should introduce a system of levies and taxes on financial institutions to promote an equitable distribution of the costs of the global financial crisis. Any additional taxes imposed on the Issuer in the future may have a material adverse effect on its business, results of operations and financial condition.

*Through its holding of preference shares in the Issuer, the Hellenic Republic is in a position to exert influence over the Issuer.*

The Hellenic Republic directly owns all 70.0 million non-transferable redeemable preference shares issued under the capital facility of the Hellenic Republic's bank support plan. This direct stake in the Issuer endows the Hellenic Republic with voting rights at the general meeting of preferred shareholders and requires the inclusion of a government-appointed representative on the Issuer's Board, who attends the general meeting of ordinary shareholders of the Issuer (the **General Meeting**). This representative has the ability to veto actions relating to the distribution of dividends and the remuneration of certain of the Issuer's directors and senior management as well as influence the strategic decisions of it. See also “*Overview of the Banking Services Sector in Greece —Plan for the Support of the Liquidity of the Greek Economy*”. In addition, the Hellenic Republic has a pre-emptive right to subscribe for new ordinary shares and convertible equity shares that are not subscribed for by holders of rights or their transferees pursuant to the rights issue currently undertaken by the Issuer, which may result in an increase in the Hellenic Republic's shareholding.

There is a risk that the Hellenic Republic might seek to exert influence over the Issuer and may disagree with certain decisions of it relating to dividend distributions, benefits policies and other commercial decisions which may ultimately limit the operational flexibility of the Issuer.

If economic conditions do not improve or continue to deteriorate or if the financial position of the Group deteriorates, further government or inter-governmental intervention may take place through the FSF. Any further government or inter-governmental intervention, including through the FSF, may have a material adverse effect on the interest of other holders of its securities, on results of operation and financial conditions. Capital shares issued under the FSF will provide it with significant management powers.

Furthermore, the Hellenic Republic 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 Issuer or its shareholders. Shareholders may disagree as to whether an action opposed or supported by the Hellenic Republic is in the best interests of the Issuer generally.

There can be no assurance that, if economic conditions do not improve or continue to deteriorate and/or if the financial position of the Issuer deteriorates, further government intervention will not take place.

*The Issuer conducts significant international activities and is expanding in emerging markets, which carries certain political, governmental or macroeconomic risks*

Apart from its operations in Hellenic Republic and Turkey, the Issuer has built up substantial operations in Bulgaria, Romania, the Former Yugoslav Republic of Macedonia (**FYROM**), Serbia and other developing economies. The Group's interational operations accounted for 12.2% of its adjusted loans as at 30 June 2010 (compared to 12.9% as at 31 December 2009) portfolio and 14.0% of its total income as at and for the six

months ended 30 June 2010 (compared to 11.6% for the year ended 31 December 2009). The Issuer's international operations 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 Greece in which the Issuer operates are emerging markets where the Issuer faces particular operating risks. These factors could have a material adverse effect on the Issuer's business, financial condition and results of operations. The Issuer's international operations also expose it to foreign currency risk. A decline in the value of the currencies in which the Issuer's international subsidiaries receive their income or hold their assets relative to the value of the euro may have an adverse effect on its financial condition and results of operations.

The economic crisis in Greece may:

- materially adversely affect the operations of the Issuer's international subsidiaries, including Turkey;
- increase depositors' concerns regarding the creditworthiness of the Hellenic Republic and the Issuer, which may affect their willingness to continue to be customers of its international subsidiaries; and
- result in local governmental or regulatory intervention.

*Applicable bankruptcy laws and other laws and regulations governing creditors' rights in Greece and various SEE countries may limit the Group's ability to obtain payments on defaulted credits.*

Bankruptcy laws and other laws and regulations governing creditors' rights vary significantly within the region in which the Group operates. In some countries, the laws offer significantly less protection for creditors than the bankruptcy regimes in Western Europe and the United States. If the current economic downturn persists or worsens, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change to limit the impact of the recession on corporate and retail borrowers. Such changes may have an adverse effect on the Group's business, results of operations and financial condition.

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

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

- *Credit Risk.* Credit risk is the risk of financial loss relating to the failure of a borrower to honour its contractual obligations. Credit risk arises in lending activities and also in various other activities where the Issuer is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Counterparty default can be caused by a number of reasons, which the Issuer may not be able to accurately assess at the time it undertakes the relevant activity. Credit risk has increased in the period since September 2007. Furthermore, the database that monitors defaulting customers across the banking system in Greece, commonly known as "Tiresias", does not monitor aggregate amounts of non-defaulted loans outstanding to a debtor. The Credit Bureau services of Tiresias are expanding and a database for non-defaulted loans is being set up but is still incomplete.
- *Market Risk.* Market risk includes, but is not limited to, interest rate, foreign exchange rate, bond price and equity price risks. 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 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 the Issuer's 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.

- *Liquidity Risk.* The inability of any bank, including the Issuer, to anticipate and provide for unforeseen decreases or changes in funding sources could have consequences on such bank's ability to meet its obligations when they fall due. The severity of pressure experienced by Greece in its public finances has restricted the access to markets for the Issuer, which currently relies almost entirely on the ECB.
- *Operational Risk.* Operational risk corresponds to the risk of loss due to inadequate or failed internal processes, 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, but are not limited to 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.* Insurance risk is the risk to earnings due to mismatches between expected and actual claims. 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, etc.

Although the Issuer believes that its risk management and risk mitigation policies are adequate, continuing volatility as a result of market forces outside of the Issuer's 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, financial condition or results of operations.

*There may be limited growth in the Issuer's loan portfolio.*

In the current economic environment, the Issuer may not be able to maintain the growth of its loan portfolio at historic rates, particularly in the Greek markets. Furthermore, there are a limited number of high credit quality customers to whom banking services may be provided in its target markets. The pace of the Issuer's loan portfolio growth may be constrained by, among other factors, the health of the Greek economy in light of the economic crisis and the Stabilization Programme and the Issuer's ability to increase lending volumes to customers that meet its credit quality standards. If the Issuer is unable to further expand its loan portfolio in general and/or its customer base in particular, the Issuer may not generate sufficient interest income to offset any decline in net interest margins, which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

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

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies and domestic and international economic and political conditions. There can be no guarantee that further events will not alter the interest rate environment. Cost of funding is especially at risk in view of increased ECB funding and the tight liquidity conditions in the domestic deposit market.

As with any bank, changes in market interest rates affect the interest rates the Issuer charges on its interest earning assets differently than the interest rates the Issuer pays on its interest bearing liabilities. This difference could reduce its net interest income. Since the majority of the Issuer's loan portfolio effectively reprices in five years or less, rising interest rates may also result in an increase in its allowance for impairment on loans and advances to customers if customers cannot refinance in a higher interest-rate environment. Further, an increase in interest rates may reduce the demand for loans and the Issuer's ability to originate loans. Conversely, a decrease in the general level of interest rates may adversely affect the Issuer through, among other things, lower net interest margins, increased pre-payments on its loan and mortgage portfolio and increased competition for deposits.

*The state of the political environment in Greece, Turkey and SEE significantly affect the Issuer's performance*

The economic and political environment in Greece, Turkey and in other countries in which the Issuer operates may be adversely affected by events outside of its control, such as changes in government policies, EU directives in the banking sector and other areas, political instability or military action affecting Europe and/or other areas abroad and taxation and other political, economic or social developments in or affecting Greece, Turkey and the countries in which the Issuer operates.

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

The general scarcity of wholesale funding has led to a significant increase in competition for retail deposits. The Issuer also faces competition from foreign banks, some of which have resources significantly greater than the Issuer's. This competition for deposits has intensified during the recent economic crisis in Greece. The Issuer may not be able to continue to compete successfully with domestic and international banks in the future. Furthermore, recent consolidation among banking institutions in the United States, the United Kingdom and Europe is changing the competitive landscape for banks and other financial institutions. This consolidation may extend into the Group's principal geographic markets, including Greece, and could increase competitive pressures on the Group.

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

Changes in consumer protection laws in Greece and/or other jurisdictions where the Group has operations could limit the fees that banks may charge for certain products and services. If introduced, such laws could reduce the Group's total income, though the amount of any such reduction cannot be estimated at this time.

*The Issuer could be exposed to significant future pension and post-retirement benefit liabilities*

In common with other large companies in Greece that are, or were, in the public sector, the employees of the Issuer and certain of its subsidiaries participate in employee-managed pension schemes. The Issuer and certain of its subsidiaries make significant contributions to these schemes. In addition, the Issuer and several of its subsidiaries offer other post-employment benefit plans, including medical benefit plans. The Issuer's consolidated net liability under these plans as at 31 December 2009 was €245.3 million, determined by reference to a number of critical assumptions. These include assumptions about movements in interest rates which may not be realised. Such variation may cause the Issuer to incur significantly increased liability in respect of these obligations.

Following legislation passed in April 2008, the Issuer's main pension plan and the main pension branch of Ethniki Hellenic General Insurance S.A.'s (EI) post employment and health plan both of which are defined-contribution plans, have been incorporated into the main pension branch of the state-sponsored social security fund IKA-ETAM as of 1 August 2008. Pursuant to this legislation, the Issuer will contribute €25.5 million into IKA-ETAM per year for 15 years starting from December 2009.

In addition, in 2005 and 2006, the Hellenic Republic passed legislation permitting bank employee auxiliary pension schemes to merge with the new Insurance Fund of Bank Employees (ETAT). The relevant legislation provides that, in connection with the merger of auxiliary schemes with ETAT, the relevant employer shall make a payment to ETAT solely in an amount to be determined by an independent financial report commissioned by the Ministry of Finance pursuant to this legislation. Subsequently, in April 2006 the Issuer applied under Law 3371/2005, as amended, to merge its Auxiliary Pension Fund into ETAT. It is possible that the Issuer may have a future requirement to make a significant cash payment to ETAT in connection with the merger of its employee pension schemes with ETAT.

In addition, Greek law 3863/2010 amended substantially the structure and operation of the Greek pension system. These developments, as well as future interpretations of existing laws and any future legislation

regarding pensions and pension liabilities or other post-retirement benefit obligations, including those under the Stabilization Programme, may increase the liability of the Issuer or its subsidiaries with respect to pension and other post-retirement benefit plan contributions to cover actuarial or operating deficits of those plans.

*The Issuer's ability to reduce staff in Greece is limited*

Part of the Issuer's strategy is to increase profitability by making its operations more efficient. The Issuer's ability to realise one component of this, reducing staff, is limited by Greek labour laws, its company collective agreement and mainly current employment regulation. As a result, the Issuer will continue to depend on voluntary redundancies and attrition to achieve staff reductions. The Issuer will continue to assess whether it will be able to reduce its staff. However, the Issuer may not always be successful in achieving such reductions.

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

The Issuer's current senior management team includes a number of executives that it believes contribute significant experience and expertise to its management in the banking sectors in which the Issuer operates. The continued success of the Issuer's business and its ability to execute its business strategy will depend, in large part, on the efforts of its senior management. For instance, a change of government in the Hellenic Republic could lead to the departure of certain senior managers. If a substantial portion of the senior management leaves the Issuer, its business may be materially adversely affected.

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

The Issuer'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 other SEE 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 minimise the possibility of their departure, the Issuer provides compensation packages consistent with evolving standards in the relevant labour markets. Under the terms of the Hellenic Republic bank support plan, as currently applicable, the Issuer is prohibited from paying bonuses to the members of the Board of Directors, the Chief Executive Officer and any general managers or their substitutes. Furthermore, as a result of the economic crisis, the Issuer is limiting or restricting the bonuses it pays its personnel, which may inhibit the retention and recruitment of qualified and experienced personnel. However, inability to recruit and retain qualified and experienced personnel in Greece, Turkey and SEE, or manage the Issuer's current personnel successfully, could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects. This risk has increased in view of the current economic situation in Greece.

*The Greek banking sector is subject to strikes*

Most of the Issuer's employees belong to a union and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Issuer employees throughout Greece went on strike for three days in 2009. Bank employees have gone on strike seven days thus far in 2010 (as of 31 August 2010), largely to express their opposition to the new austerity measures implemented in light of the Stabilisation Programme. The Participation by Greek bank unions in general strikes have increased. Prolonged labour unrest could have a material adverse effect on the Issuer's operations in Greece, either directly or indirectly, for example on the willingness or ability of the government to pass the reforms necessary to successfully implement the Stabilization Programme.

*The increase of Non-performing loans may have a negative impact on the Issuer's operations and may continue to do so*

Non-performing loans represented 6.4% of the Group's adjusted loans portfolio as at 30 June 2010 (of which 62.2% were Greek) and the Group's loans in arrears represented 7.4% of its adjusted loans as of the same date. The Issuer expects that this percentage will increase further in the third quarter of 2010. The effect of

the economic crisis, the implementation of the Stabilization Programme and negative macroeconomic conditions in the countries in which the Issuer operates, which are influenced by the economic crisis, will lead to additional non-performing loan generation during the remainder of 2010. In addition, collateral collections are more difficult in a period of economic recession and in view of existing legislation. In accordance with Greek law 3869/2010, debtors who are individuals and cannot be declared bankrupt, because they 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 them through filing of an application to the competent court. Future provisions for non-performing loans could have a materially adverse effect on its operating results.

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

In establishing the fair value of certain financial instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilize observable financial market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilized by such valuation models may not be available or may become unavailable due to changes in financial market conditions. In such circumstances, the Group's internal valuation models require the Group to make assumptions, judgments and estimates to establish fair value. In common with other financial institutions, these internal valuation models are complex, and the assumptions, judgments and estimates the Group is required to make often relate to matters that are inherently uncertain, such as expected cash flows. Such assumptions, judgments and estimates may need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Group's earnings and financial condition. Also, recent market volatility and illiquidity have challenged the factual bases of certain underlying assumptions and have made it difficult to value certain of the Group's financial instruments. Valuations in future periods, reflecting prevailing market conditions, may result in changes in the fair values of these instruments, which could have an adverse effect on the Group's results, financial condition and prospects.

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

The Issuer maintains trading and investment positions in debt, currency, equity and other markets. These positions could be adversely affected by volatility in financial and other markets and the Greek sovereign debt crisis, creating a risk of substantial losses. Significant decline in perceived or actual values of the Group's assets has resulted from previous market events. Increased volatility and further dislocation affecting certain financial markets and asset classes could further impact the Group's financial condition, results of operations and prospects. In the future these factors could have an impact on the mark-to-market valuations of assets in the Group's available-for-sale (AFS), trading portfolios and financial assets and liabilities designated at fair value through profit or loss. These include significant holdings of Greek government bonds. In addition, any further deterioration in the performance of the assets in the Group's AFS portfolio could lead to additional impairment losses. The AFS portfolio accounted for 6.3% of the Group's total assets as at 30 June 2010. Volatility can also lead to losses relating to a broad range of other trading and hedging products the Issuer uses, including swaps, futures, options and structured products.

#### *Security and insolvency considerations*

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

the Covered Bondholders would not be adversely affected by the application of insolvency laws (including Greek insolvency laws).

*The Issuer's hedging may not prevent losses*

If any of the variety of instruments and strategies that the Issuer uses to hedge its exposure to various types of risk in its businesses is not effective, the Issuer may incur losses. Many of the Issuer's strategies are based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of its hedging strategies. Moreover, the Issuer does not hedge all of its risk exposure in all market environments or against all types of risk. For example, the Issuer is exposed to Turkish lira fluctuations and does not always hedge this exposure. Finally, the methodology by which certain risks are economically hedged may not qualify for hedge accounting, which may result in additional volatility in the Group's income statement. The Issuer has not hedged the sovereign credit risk of the Hellenic Republic.

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

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

*State-related entities may have an important influence on the Issuer*

In addition to representation on the Board of Directors as a result of the Issuer's participation in the Hellenic Republic's bank support plan, and its 2.75% holding of its ordinary shares (and any additional shares it may acquire in the rights offering comprising of three rights for every eight ordinary shares held as of 23 September 2010 (the **Rights Offering**), the Hellenic Republic may exercise a degree of indirect influence on the Issuer through certain state-related entities (primarily pension funds, most of whose boards of directors are appointed by the Hellenic Republic). As of the 31 August 2010, domestic pension funds owned approximately 16.3% of the Issuer's issued share capital and other domestic public sector related legal entities and the Church of Greece owned approximately 3.5%.

If there is not full voting participation by all of the Issuer's shareholders at a given shareholders' meeting, these state-related entities, despite holding a minority of the Issuer's total shares, may have a voting majority at such meeting.

*The Issuer's Turkish operations make a significant contribution to its earnings. Operating in Turkey carries specific macroeconomic and political risks*

Turkish operations through Finansbank A.S. (**Finansbank**), the Issuer's Turkish subsidiary, represented 19.5% of the Group's adjusted loans as at 30 June 2010 (compared to 16.4% as at 31 December 2009) and accounted for 31.5% of the Group's total income and 99.1% of its total profit before tax for the six months ended 30 June 2010 (compared with 25.8% and 42.0% respectively for the year ended 31 December 2009). As a result, the Group, is subject to operating risks in Turkey, including the following:

- (i) Turkey is a parliamentary democracy and although stable, it is not free from political uncertainty and domestic terrorist acts.
- (ii) Military operations in the Middle East and elsewhere have increased the political and economic risks in the region. The current situation in the area may contribute to further tension. These risks may have an impact on the Turkish economy and the Issuer's operations there.

- (iii) Over the past two decades, the Turkish economy has undergone a transformation from a highly protected and regulated system to a more free market economy, experiencing an overall pattern of growth from 1992 to 2007. However, the Turkish economy has experienced a succession of financial crises in 2000 and 2001, as well as macroeconomic imbalances, including substantial budget deficits, significant balance of payments deficits, high inflation rates and high real interest rates. Turkey's economy is exposed to the effects of the continuing global credit difficulties, experiencing four successive quarters of deep recession between the fourth quarter of 2008 and the third quarter of 2009 after 27 quarters of strong growth. Turkey may face more financial crises, which could have a negative impact on Finansbank's operations.
- (iv) In addition, Turkey remains dependent on external financing. With domestic Turkish political uncertainties on the rise, ahead of anticipated constitutional reforms, and a new IMF program unlikely in the near term, the Issuer remains susceptible to new turmoil in domestic Turkish financial markets and a deterioration of the macroeconomic performance. Such likelihood would increase if the international market turbulence continues. These developments would have a negative impact on Finansbank's operations in Turkey.
- (v) Historically, the Turkish currency has been subject to significant volatility against the euro and other currencies. For example, the Turkish lira depreciated by 0.3% against the euro and appreciated by 3.2% against the U.S. dollar between 31 December 2008 and 31 December 2009. From the Group's acquisition of Finansbank on 18 August 2006 to 31 December 2009, the Turkish lira has depreciated by 13.9% against the euro and by 2.5% against the U.S. dollar. The Turkish lira also appreciated by 11.1% against the euro and depreciated by 5.4% against the US dollar between 31 December 2009 and 30 June 2010. These fluctuations could have a negative impact on the value of the Issuer's investment in Finansbank and on the Group's overall profitability. The Group has taken steps in the past to reduce its exposure to TL exchange rate fluctuations, and intends to continue to implement such programs; however, such protection may not be available on as favourable terms as have been available in the past or at all.
- (vi) The Issuer believes the general level of macroeconomic and political risk to be higher in Turkey than in other countries whose economies and banking markets are more developed and that already are members of the EU, but the risk levels are converging. While the Issuer believes there is potential for substantial growth in the Turkish banking market, there is no guarantee that such growth will occur or that Finansbank will be able to benefit from that growth. Adverse macroeconomic and political events, which limit economic growth in Turkey or restrict the growth of the banking market, may adversely affect Finansbank's business and could adversely affect the Issuer's business, results of operations or financial condition.

On 7 September 2010, the Issuer announced a capital plan (the **Capital Plan** of €2.8 billion comprising the Rights Offering and the possible sale a minority interest in Finansbank. A reduction in the Issuer's level of ownership in Finansbank would result in a reduction in the level of Finansbank's contribution to the Group's earnings going forward.

*Changes in the competitive environment in Turkey may adversely affect Finansbank's business*

Increased competition from existing competitors or from new entrants to the Turkish market could limit Finansbank's ability to grow or to maintain its market share and could cause downward pressure on margins, which could adversely affect the Issuer's ability to meet its strategic objectives in Turkey.

*Regulation of the Greek banking industry may change*

The Issuer is subject to financial services laws, regulations, administrative actions and policies in each location where it operates. All of these are subject to changes, particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing financial institutions. In response to the global financial crisis, national governments as well as

supranational groups, such as the EU, have been considering significant changes to current regulatory frameworks, including those pertaining to capital adequacy and scope of banks' operations. As a result of these and other ongoing and possible future changes in the financial services regulatory landscape (including requirements imposed by virtue of the Issuer's participation in any government or regulator-led initiatives, such as the Hellenic Republic's bank support plan), the Issuer expects to face greater regulation in Greece, Turkey and SEE.

Compliance with such regulations may increase the Issuer's capital requirements and costs, heighten disclosure requirements, restrict certain types of transactions, affect its strategy and limit or require the modification of rates or fees that the Issuer charges on certain loan and other products, any of which could lower the return on its investments, assets and equity. The Issuer may also face increased compliance costs and limitations on its ability to pursue certain business opportunities. The new regulatory framework may have significant scope and may have unintended consequences for the global financial system, the Greek financial system or the Issuer's business, including reducing competition, increasing general uncertainty in the markets or favoring or disfavoring certain lines of business. The Issuer cannot predict the effect of any such changes on its business, financial condition, cash flow or future prospects.

Regulation of the banking industry in Greece has changed in recent years pursuant to changes in Greek law, largely to comply with applicable EU directives and in response to the economic crisis in the Hellenic Republic. In addition, a number of regulatory initiatives have recently been proposed, which would significantly alter the Group's regulatory capital requirements. Some uncertainty remains around the implementation of certain of the proposed legislative changes. Insofar as certain of these measures are implemented as currently proposed, in particular the changes proposed by the Basel Committee and the CRD IV, they are expected to have a significant impact on the capital and asset and liability management of the Group. This in turn would be expected to have a material adverse effect on the Group's results, financial condition and prospects.

Banking regulations in Turkey are evolving in parallel to the global changes and international regulatory environment. The Group expects Turkey to adopt regulations implementing Basel II, but the timing of these regulatory changes cannot be predicted.

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

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

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

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

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

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

### ***Risks related to the Covered Bonds***

#### *Extendable obligations under the Covered Bonds*

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

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

#### *Appointment of a replacement Servicer*

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

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

- In the event of the Issuer's insolvency under Greek Law 3601/2007, the Bank of Greece may appoint a servicer, if the Trustee fails to do so. Any such person appointed shall be obliged to service the Cover Pool in accordance with the terms of the Servicing and Cash Management Deed. Such replacement might not be made immediately upon the Issuer's insolvency.
- In the event of the Issuer's insolvency under the bankruptcy provisions of Greek Law 3588/2007, the servicing will be carried out (in accordance with the terms of the Servicing and Cash Management Deed) by a bankruptcy administrator appointed by the court. At the request of the bankruptcy administrator, the court may order the carrying out of the servicing by a third party provided that such third party is in a position to perform the servicing tasks and that the rights of the Covered Bondholders are not adversely affected.

There can be no assurance that replacement of 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 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 95.0% 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*

The credit ratings assigned to the Covered Bonds address:

- (i) the likelihood of full and timely payment to Covered Bondholders of all payments of interest on each Interest Payment Date (in respect of Moody's only);
- (ii) the probability of default and loss given default; and
- (iii) the likelihood of ultimate payment of principal in relation to Covered Bonds on (a) the Final Maturity Date thereof, or (b) if the Covered Bonds are subject to an Extended Final Maturity Date in accordance with the applicable Final Terms, the Extended Final Maturity Date thereof (in respect of Moody's only).

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

#### *Rating Agency Confirmation in respect of Covered Bonds*

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

By acquiring the Covered Bonds, investors will be deemed to have acknowledged and agreed that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to Covered Bondholders, including, without limitation, in the case of a Rating Agency Confirmation, whether any action proposed to be taken by the Issuer, Servicer, the Trustee or any other party to a Transaction Document is either (i) permitted by the terms of the relevant Transaction Document, or (ii) in the best interests of, or not prejudicial to, some or all of the Covered Bondholders. In being entitled to have regard to the fact that 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*

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

- (i) the Statutory Tests will be required to be met both before and immediately after any further issue of Covered Bonds; and
- (ii) on or prior to the date of issue of any further Covered Bonds, the Issuer will be obliged to notify Moody's of the issue and obtain written confirmation from Fitch that such further issue would not adversely affect the then current ratings of the existing Covered Bonds.

### *Obligations under the Covered Bonds*

The Covered Bonds will not represent an obligation or be the responsibility of any of the 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 Pre-Event of Default Priority of Payments, the Post-Event of Default Priority of Payments, the Conditions of the Covered Bonds, the Eligibility Criteria or the Servicing and Cash Management Deed), concur with the Issuer or any person in making or sanctioning any modification to the Transaction Documents and the Terms and Conditions of the Covered Bonds:

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

and each Rating Agency has confirmed to the Issuer that such modification will not adversely affect the then current ratings of the Covered Bonds.

### *Certain decisions of Covered Bondholders taken at Programme level*

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

### *Absence of secondary market*

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

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

In addition, the current liquidity crisis has stalled the primary market for a number of financial products including instruments similar to the Covered Bonds. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Covered Bonds will recover at the same time or to the same degree as such other recovering global credit market sectors.

#### *Credit ratings may not reflect all risks*

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

#### *General legal investment considerations*

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

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

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

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

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

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

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

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

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

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

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

#### *Partly-paid Covered Bonds*

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

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

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

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

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

## ***General risk factors***

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

### *Modification, waivers and substitution*

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

### *Insurance*

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

### *Suspension of Enforcement Proceedings*

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

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

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

half years from the issue of a decision in relation to the Article 632 Suspension Petition if the Borrower requests adjournments of the hearings for the Article 632-633 Annulment Petition before the Court of First Instance and Court of Appeal, up until the decision of the latter.

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

The filing of an Article 933 Annulment Petition entitles the Borrower to file a petition for the suspension of the enforcement until the decision of the Court of First Instance on the annulment motion is issued pursuant to Article 938 of the Greek Civil Procedure Code (an **Article 938 Suspension Petition**). Again, foreclosure proceedings may be suspended until the hearing of the Article 938 Suspension Petition, which, in a normal case where the Borrower seeks the suspension of the auction, takes place five days prior to the auction and the relevant decision is issued two days prior to the auction. It should nevertheless be noted that such suspension is more difficult to obtain if the Court has already rejected a suspension requested for similar reasons under Article 632. However, it is to be noted that the initial auction price cannot be less than the taxable ("objective") value of the property (set out in accordance with articles 41 and 41a of Greek Law 1249/1982) pursuant to the recently passed Greek Law 3714/2008, article 2.

The Borrower may seek the postponement of the auction by alleging that the value of the property has been underestimated by the enforcing party or that the fixed first offer is too low. However, it is to be noted that the initial auction price cannot be less than the taxable ("objective") value of the property (set out in accordance with articles 41 and 41a of Greek Law 1249/1982) pursuant to Article 2 of Greek Law 3714/2008. While at present the "objective" values of properties are on average lower than their commercial values, there can be no assurance that in the future this will continue to be the case. Furthermore, suspension of the auction for up to six months may be sought by the Borrower, on the grounds that there is a good chance of the Borrower being able to satisfy the enforcing party or that, following the suspension period, a better offer would be received at auction.

Once the allocation of proceeds amongst the creditors of the Borrower has been determined pursuant to a deed issued by a notary public, the creditors of the Borrower may dispute the allocation and file a petition contesting the deed. The Court of First Instance will adjudicate the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the collection of proceeds for up to two and a half years. This can further delay the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a bank is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that the bank provides a guarantee securing repayment of the money in the event that such challenge is upheld. In addition, there is a period of mandatory suspension for all enforcement procedures between 1 and 31 August of each year, except for auctions, which cannot be conducted between 1 August and 15 September of each year. Finally, pursuant to Greek Law 3858/2010 (published in the Government Gazette issue No. A/102/10.7.2010) all auctions for claims of credit institutions, credit companies or their assignees not exceeding €200,000 are suspended until 31 December 2010.

#### *Rescheduling of the Business Debts of individuals and legal entities*

#### *Rescheduling of debts of distressed debtors*

The recently enacted law 3869/2010 of the Hellenic Republic (published in the Government Gazette issue No. A/130/3.8.2010) regulates the readjustment of overdue debts of individuals that do not have the ability to be declared bankrupt pursuant to general bankruptcy provisions under Greek law. Eligible individuals are

only those who are in permanent financial inability to repay their overdue debts. Debts that have been undertaken during the year preceding the filing of the application with the competent Justice of Peace and debts that derive from malicious torts, administrative fines, taxes, state levies and social security contributions are excluded from the scope of the law.

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

The law provides that from the time of notification to the creditors of a readjustment plan by the debtor until the final decision, any enforcement proceedings against such debtor may be suspended (following a relevant decision by the court) and interest stops accruing, except interest relating to secured debts that continues to accrue until the issuance of the court decision in respect of the application. Furthermore, until February 2011, all auctions against the primary residence of the debtor are suspended, provided that the total area of such residence does not exceed the limit provided by law for the non-application of transfer tax, plus 50.0%. In addition, a liquidator may be appointed in order to liquidate any property assets and distribute the proceeds to the creditors or to monitor and assist the proper consummation of the readjustment plan. The debtor, under certain circumstances, may also apply for the exclusion of his or her primary residence from liquidation and in this case the court will readjust the debt in an amount not exceeding 85.0% of the residence's commercial value as adjudicated by the court. The rights of the creditors against co-debtor(s) or guarantors remain unaffected.

It is noted that this law has yet to be tested in practice. Nevertheless, this law may have an adverse effect on the timing or the amount of collections under certain Loans concluded with borrowers that fall under its scope and make use of its provisions, which may in turn affect the Issuer's ability to meet its obligations in respect of the Covered Bonds.

#### *Auction Proceeds*

The proceeds of an auction following enforcement against a property securing a Loan must be allocated in accordance with Articles 975 and 976 of the Greek Civil Procedure Code. These Articles require the notary public which acted as the auction clerk to deduct the expenses (including legal, bailiff's and notarial fees) incurred in connection with the enforcement from the proceeds and then to satisfy, in priority to other claims, claims against the relevant Borrower pursuant to employment relationships and contracts for legal and educational services arising in the previous two years, as well as claims against the relevant Borrower of social security funds subject to the responsibility of the General Secretariat of Social Security arising until the time of the auction. Up to one-third of the remaining proceeds are allocated to the following creditors of the Borrower, to the extent applicable, in the following order:

- (i) claims for hospitalisation and funeral costs of the Borrower and his family arising in the previous 12 months;
- (ii) costs for the nourishment of the Borrower and his family arising in the previous six months;
- (iii) claims by farmers or farming partnerships arising from sale of agricultural goods arising in the previous 24 months;

- (iv) claims of the Greek state and municipal authorities that are due and payable prior to the auction; and
- (v) claims by the Athens Stock Exchange Members' Guarantee Fund (if the borrower is or was an investment services company within the meaning of Greek Law 3606/2007 of the Hellenic Republic) arising in the previous 24 months (this should not be relevant for any Borrower).

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

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

#### *Greek Covered Bond Legislation*

The Greek Covered Bond Legislation came into force over the period of approximately three years. Article 91 of the Greek Covered Bond Legislation came into force on 1 August 2007 and was amended on 25 August 2008 and on 16 February 2009, while the Secondary Covered Bond Legislation came into force on 21 November 2007 and was amended and restated on 29 September 2009. The transactions contemplated in this Base Prospectus are based, in part, on the provisions of the Greek Covered Bond Legislation. So far as the Issuer is aware, as at the date of this Base Prospectus there have been six similar issues of securities based upon the Greek Covered Bond Legislation and there has been no judicial authority as to the interpretation of any of the provisions of the Greek Covered Bond Legislation. For further information on the Greek Covered Bond Legislation, see Summary of the Greek Covered Bond Legislation. There are a number of aspects of Greek law which are referred to in this Base Prospectus with which potential Covered Bondholders are likely to be unfamiliar. Particular attention should be paid to the sections of this Base Prospectus containing such references.

#### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, deducting tax at rates rising over time to 35.0%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-European Union countries to the exchange of information relating to such payments. A number of non-European Union countries certain dependent and associated territories have adopted similar measures ( either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

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

#### *Changes of law*

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on English and Greek law, 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*

Pursuant to the Greek Code of Income Tax (Greek Law 2238/1994), payments of interest in respect of the Covered Bonds to Covered Bondholders residing in Greece shall be subject to withholding tax at a rate of 10.0% if payment is made by a paying agent in Greece. Save as discussed under “*Taxation—Greek Taxation*” below, individuals will have no further tax liability in respect of these payments.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) consolidated financial statements of National Bank of Greece S.A. as at and for the year ended 31 December 2009 (the **2009 Annual Financial Statements**), which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS**) and audited by Deloitte Hadjipavlou Sofianos & Cambanis S.A. (**Deloitte**, the Greek member firm of Deloitte Touche Tomatsu Limited);
- (b) consolidated financial statements of National Bank of Greece S.A. as at and for the year ended 31 December 2008 (the **2008 Annual Financial Statements** and together with the 2009 Annual Financial Statements, the **Annual Financial Statements**), which have been prepared in accordance with IFRS and audited by Deloitte; and
- (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 2010 (the **Six Month 2010 Financial Statements**), which have been prepared in accordance with International Accounting Standards (**IAS**) 34 Interim Financial Reporting.
- (d) unaudited interim condensed consolidated financial statements of National Bank of Greece S.A. as at and for the nine month period ended 30 September 2010 (the **Nine Month 2010 Interim Financial Statements**), which have been prepared in accordance with International Accounting Standards (**IAS**) 34 Interim Financial Reporting.

Following the publication of this Base Prospectus a supplement to this Base Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer at 86 Eolou Street, Athens, the Issuer's website [www.nbg.gr](http://www.nbg.gr) 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 ANNUAL FINANCIAL STATEMENTS OF NATIONAL BANK OF  
GREECE S.A.  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2009 AND FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2008**

	<b>31 December 2008</b>	<b>31 December 2009</b>
<b><u>Information Incorporated</u></b>		
Statement of Financial Position.....	p.20	p.21
Income Statement .....	p.19	p.22
Accounting policies and explanatory notes .....	p.25	p.28
Auditor's report.....	p.18	p.20

**CROSS-REFERENCE LIST RELATING TO THE UNAUDITED HALF YEAR CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL BANK OF GREECE S.A. AS AT  
AND FOR THE SIX MONTHS ENDED 30 JUNE 2010**

**CROSS-REFERENCE LIST RELATING TO THE UNAUDITED NINE MONTH CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL BANK OF GREECE S.A. AS AT  
AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

	<b>30 June 2010</b>	<b>30 September 2010</b>
<b>Statement of Financial Position.....</b>	p.13	p.3
<b>Income Statement .....</b>	p. 14	p.4
<b>Accounting policies and explanatory notes .....</b>	p. 21	p.11

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at specified offices of the Paying Agents and will be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purposes only.

## TERMS AND CONDITIONS OF THE COVERED BONDS

*The following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into each Global Covered Bond (as defined below) and each Definitive Covered Bond (as defined below), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Series or Tranche of Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond. Reference should be made to “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, the Receipts (as defined below) and the Coupons (as defined below) are constituted by a trust deed (such trust deed as amended and/or supplemented and/or restated from time to time, the **Trust Deed**) dated the Programme Closing Date and made between *inter alios* the Issuer, 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, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated the Programme Closing Date and made between *inter alios* the Issuer, Citibank N.A. 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. Definitive Covered Bonds repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Covered Bonds do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Covered Bond which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the

extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Covered Bond. References to the applicable Final Terms are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond.

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

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

Copies of the applicable Final Terms 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, the Receiptholders 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 (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, an Index Linked Interest Covered Bond, a Dual Currency Interest Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Covered Bond may be an Instalment Covered Bond or a Partly Paid Covered Bond, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

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

It is a condition precedent to the issuance of a new Series or Tranche of Covered Bonds that (i) there is no Issuer Event 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) Fitch have confirmed the then current rating of all Covered Bonds issued and outstanding under the Programme and that the ratings of such Covered Bonds will not be adversely affected or withdrawn as a result of such issuance and Moody's has been notified of such issuance, (iv) such issuance has been approved by the Bank of Greece in accordance with paragraph II.3 of the Secondary Covered Bond Legislation and (v) if applicable, in respect of any Series or Tranche, a Hedging Agreement is entered into.

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. Definitive Covered Bonds are issued with Receipts, only in respect of Instalment Covered Bonds, and references to Receipts and Receiptholders in these Conditions are only applicable to such Covered Bonds.

Subject as set out below, title to the Covered Bonds, Receipts 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, Receipt 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 the statutory pledge provided by paragraph 4 of Article 91 of the Greek Covered Bond Legislation (the **Statutory Pledge**). They are issued in accordance with 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

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 **Pre Event of Default Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, in or towards satisfaction of all amounts then due and payable or to become due and payable prior to the next Cover Pool Payment Date to the Trustee (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 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 all amounts of principal 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 (if any) on any 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.

Following 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 Event of Default Priority of Payments** and, together with the Pre Event of Default Priority of Payments, the **Priorities of Payments** and, each of them a **Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full) provided that any such amount has not been paid by the Issuer using funds not forming part of the Cover Pool:

- (i) *first*, to pay any Indemnity to which the Trustee 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 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 Bond Available Funds before the delivery of a Notice of Default) and (b) following the delivery of a Notice of Default in connection with or as a result of the enforcement 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 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 and Variable Interest Covered Bond Provisions

##### (a) Interest on Payment Dates

Each Floating Rate Covered Bond and Variable Interest Covered Bond bears interest on its Principal Amount Outstanding (subject to Condition 4.5 (*Partly-Paid Covered Bond Provisions*)) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

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

##### (b) Rate of Interest

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

##### (i) ISDA Determination for Floating Rate Covered Bonds

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

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

- (B) the Designated Maturity is the period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

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

When this subparagraph (i) applies, in respect of each relevant Interest Period the Principal Paying Agent or the above-mentioned person will be deemed to have discharged its obligations under Condition 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 or a Variable Interest Covered Bond specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

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

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

The Principal Paying Agent, in the case of Floating Rate Covered Bonds, and the Calculation Agent, in the case of Variable Interest Covered Bonds, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Variable Interest Covered Bonds, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

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

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

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Covered Bonds or Variable Interest Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to be published in accordance with Condition 16 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 4.7) thereafter and in the case of any notification to be given to the Luxembourg Stock Exchange on or before the first Business Day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative

arrangements will be promptly notified to the Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Covered Bonds or Variable Interest Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to Covered Bondholders in accordance with Condition 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 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, Receiptholders 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.

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 6.9 (*Late Payment*).

4.4 Dual Currency Interest Covered Bond Provisions

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

4.5 Partly-Paid Covered Bond Provisions

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

#### 4.6 Accrual of interest

Interest (if any) will cease to accrue on each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest will continue to accrue as provided in Condition 6.9 (*Late Payment*).

#### 4.7 Business Day, Business Day Convention, Day Count Fractions and other adjustments

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

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

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

- (i) in any case where Specified Periods are specified in accordance with Condition 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 4.7(e)) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of (I) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and (II) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (ii) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366, and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (iii) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

“D<sup>2</sup>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sup>2</sup> will be 30;

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

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

where:

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

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

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

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

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

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

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

- (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 and Variable Interest 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, Receipts and Coupons

Payments of principal and interest (if any) (other than instalments of principal prior to the final instalment) will (subject as provided below) be made in accordance with Condition 5.1 (*Method of payment*) only against presentation and surrender of Definitive Covered Bonds, Receipts 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)).

Payments of instalments (if any) of principal other than the final instalment, will (subject as provided below) be made in accordance with Condition 5.1 (*Method of payment*) only against presentation and surrender (or, in the case of part of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in accordance with Condition 5.1 (*Method of payment*) only against presentation or surrender (or, in the case of part of any sum due, endorsement) of the Definitive Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Covered Bond to which it appertains. If any Definitive Covered Bond is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable in accordance with Condition 5.1 (*Method of payment*) only against presentation and surrender (or, in the case of part payment of any sum, endorsement) of such Definitive Covered Bond together with all unmatured

Receipts appertaining thereto. Receipts presented without the Definitive Covered Bond to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer. On the date on which any Definitive Covered Bond becomes due and payable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect of them.

Fixed Rate Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 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 or Variable Interest 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, Receipt or Coupon is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition (unless otherwise specified in the applicable Final Terms), **Payment Day** means any day which (subject to Condition 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));
- (vi) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds; and
- (vii) in relation to any Dual Currency Interest Covered Bonds, the principal payable in any relevant Specified Currency.

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, the Receiptholders 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 and any Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond and Receipt equal to the nominal amount of that Covered Bond or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, in consultation with the Agents 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, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds, Receipts and Coupons so issued will also become void on that date although those Covered Bonds, Receipts and Coupons will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Covered Bonds, Receipts and Coupons will be issued in exchange for Covered Bonds, Receipts and Coupons denominated in the Specified Currency in such manner as the Agents may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Covered Bonds;
- (v) after the Redenomination Date, all payments in respect of the Covered Bonds, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Covered Bonds to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (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 or Variable Interest 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 an 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.

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

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

**Notice of Default** has the meaning given to it in Condition 9 (*Events of Default and Enforcement*).

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

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

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

**Redenomination Date** means (in the case of interest bearing Covered Bonds) any date for payment of interest under the Covered Bonds or (in the case of Zero Coupon Covered Bonds) any date, in each case specified by the Issuer in the notice given to the Covered Bondholders pursuant to Condition 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 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).

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

## 6. Redemption and Purchase

### 6.1 Final redemption

- (i) Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Final Maturity Date.
- (ii) If an Extended Final Maturity Date is specified in the applicable Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms, then (subject as provided below) payment of the unpaid amount by the Issuer shall be deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date.
- (iii) 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.
- (iv) Where the applicable Final Terms for a relevant Series of Covered bonds provides that such Covered Bonds are subject to an Extended Final Maturity Date, such failure to pay by the Issuer on the Final Maturity Date shall not constitute a default in payment.

### 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 a Variable Interest Covered Bond) or on any Interest Payment Date (if the relevant Covered Bond is a Floating Rate

Covered Bond or a Variable Interest Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Trustee and, in accordance with Condition 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 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 4.7) falling within the above-mentioned notice period at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise of the Investor Put in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 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 (*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 (but including an Instalment Covered Bond or a Partly Paid Covered Bond), with a Final Redemption Amount which is or may be less or greater than the Issuer Price or which is payable in a Specified Currency other than that in which the Covered Bond is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its Principal Amount Outstanding, together with interest accrued to (but excluding) the date fixed for redemption; and
- (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 Instalments

Instalment Covered Bonds will be redeemed in the instalment amount as specified in the Final Terms (the **Instalment Amount**) and on the date specified in the Final Terms (the **Instalment Date**). In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6.5 (*Early Redemption Amounts*).

#### 6.7 Purchases

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

#### 6.8 Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 6.7 (*Purchases*) and cancelled (together with, in the case of Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

#### 6.9 Late Payment

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

- (i) in the case of a Covered Bond other than a Zero Coupon Covered Bond or a Variable Interest Covered Bond (but including an Instalment Covered Bond or a Partly Paid Covered Bond) at the rate determined in accordance with Condition 4.1 (*Interest on Fixed Rate Covered Bonds*) or 4.2 (*Floating Rate Covered Bond and Variable Interest Covered Bond Provisions*), as the case may be;

- (ii) in the case of a Zero Coupon Covered Bond, at a rate equal to the Accrual Yield; and
- (iii) in the case of a Variable Interest Covered Bond, at a rate calculated by the Calculation Agent so as to compensate reasonably the holder of the Covered Bond for the cost of funding the delay in receiving the Late Payment,

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

For the purpose of this Condition 6.9, the Late Payment Date shall mean the earlier of:

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

#### 6.10 Partly Paid Covered Bonds

Partly Paid Covered Bonds will be redeemed at maturity in accordance with the provisions of the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6.5 (*Early Redemption Amounts*).

### 7. Taxation

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

### 8. Issuer Events

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

- (i) an Issuer Insolvency Event;
- (ii) the Issuer fails to pay any principal or interest in respect of the Covered Bonds within a period of seven Athens Business Days from the due date thereof;
- (iii) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of amounts due under

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

- (iv) 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
- (v) 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 are effected henceforth directly to the Transaction Account, (iii) all collections of principal and interest on the Cover Pool Assets will be dedicated exclusively to the payment of interest and repayment of principal on the Covered Bonds and to the fulfilment of the obligations of the Issuer vis-à-vis the Secured Creditors in accordance with the relevant Priority of Payments and (iv) if 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;
- (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;
- (v) a creditors' collective enforcement procedure is commenced against NBG (including such procedure under the Bankruptcy Code of the Hellenic Republic or law 3601/2007 of the Hellenic Republic) 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. Events of Default and Enforcement

### 9.1 Events of Default

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

- (a) on the Final Maturity Date or Extended Final Maturity Date, as applicable, in respect of any Series or on any Interest Payment Date on which principal is due and payable thereon, there is a failure to pay any amount of principal due on such Covered Bonds on such date and such default is not remedied within a period of seven Athens Business Days from the due date thereof;
- (b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series occurs and such default is not remedied within a period of 14 Athens Business Days from the due date thereof; or
- (c) breach of the Amortisation Test pursuant to Clause 8 of the Servicing and Cash Management Deed on any Calculation Date following an Issuer Event,

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

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

### 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) 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 and converted into Euro at the relevant Covered Bond Swap Rate), and (ii) it shall have been indemnified and/or secured to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions under this paragraph 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, Receiptholder 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 Receipts, the Coupons, or the Security unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and such failure shall be continuing.

## 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, Receipt or Coupon first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent on or prior to such date, the Relevant Date shall be the date on which such moneys shall have been so received and notice to that effect has been given to Covered Bondholders in accordance with Condition 16 (*Notices*).

#### **11. Replacement of Covered Bonds Receipts, Coupons and Talons**

If any Covered Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (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 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 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 or any other Directive or law implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any change in any of the Agents or in their specified offices shall promptly be given to the Covered Bondholders in accordance with Condition 16 (*Notices*).

- (c) Under the Trust Deed and the Deed of Charge, the Trustee is entitled to be indemnified and/or secured 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 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. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by it upon the request in writing signed by Covered Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Covered Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Covered Bonds or, at any adjourned meeting, two or more persons being or representing Covered Bondholders whatever the principal amount of the Covered Bonds 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 at which two or more persons holding or representing one more than half or, at any adjourned meeting, one-quarter of the aggregate nominal amount of the outstanding Covered Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Covered Bondholders and Couponholders, whether present or not.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Trustee to take any enforcement action pursuant to Condition 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 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 on all related Receiptholders and Couponholders in respect of such Covered Bonds.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Euro, the nominal amount of the Covered Bonds of any

Series not denominated in Euro shall be converted into Euro at the relevant Covered Bond Swap Rate.

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

- (b) *Rating Agency Confirmation and Notification:* Any such modification referred to in paragraph (a) above may only be effected provided that each of the Rating Agencies has been notified.
- (c) *Modification:* The Trustee may, without the consent or sanction of any of the Covered Bondholders or any of the other Secured Creditors (other than the Swap Providers in respect of modification to the Pre-Event of Default Priority of Payments, the Post-Event of Default Priority of Payments, the Conditions of the Covered Bonds, the 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 Receipts and/or Coupons or any Transaction Document provided that in the sole opinion of the Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series, or
  - (ii) any modification of the terms and conditions applying to Covered Bonds of any one or more Series (including these Conditions), the related Receipts and/or Coupons or any Transaction Document which is in the sole opinion of the Trustee of a formal, minor or technical nature or is to correct a manifest error,

and each Rating Agency has confirmed to the Issuer that such amendment, modification or variation will not adversely affect the then current ratings of the Covered Bonds.

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

- (i) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds other than in accordance with the terms thereof;
- (ii) alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made other than in accordance with Condition 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 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) Fitch have confirmed the then current rating of all Covered Bonds issued and outstanding under the Programme and that the ratings of such Covered Bonds will not be adversely affected or withdrawn as a result of such issuance and Moody's has been notified of such issuance, (iv) such issuance has been approved by the Bank of Greece in accordance with paragraph II.3 of the Secondary Covered Bond Legislation and (v) if applicable, in respect of any Series or Tranche, a Hedging Agreement is entered into.

## 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](http://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](http://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, Receiptholder 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 the Rating Agencies) from lawyers of recognised standing in the jurisdiction of incorporation of the New Company, in England and in Greece as to matters of law relating to the fulfilment of the requirements of this Condition 17 (*Substitution of the Issuer*) and that the Covered Bonds and any Receipts, Coupons and/or Talons are legal, valid and binding obligations of the New Company;
  - (vi) if Covered Bonds issued or to be issued under the Programme have been assigned a credit rating by Fitch and Moody's (together the **Rating Agencies** and each a **Rating Agency**), each Rating Agency has been notified of the proposed substitution and Fitch have confirmed, within 30 days of receiving such notice, that the then current rating of the then outstanding Covered Bonds would not be downgraded as a result of such substitution;
  - (vii) each stock exchange on which the Covered Bonds are listed shall have confirmed that, following the proposed substitution of the New Company, the Covered Bonds will continue to be listed on such stock exchange; 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, any Receipts, 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, Receiptholder 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, Receiptholder 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 receipts and 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 depository (the **Common Depository**) 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 receipts and 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, receipts, 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, receipts, interest coupons and talons attached upon either (a) provided the Covered Bonds have a minimum Specified Denomination, or integral multiples thereof, not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Principal Paying Agent as described therein or (b) upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) the Issuer has been notified that both Euroclear

and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the 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, Talons or Receipts 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 receipts and 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, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale or other disposition in respect of such Covered Bonds, receipts 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, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## FORM OF FINAL TERMS

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

[Date]

### 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

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

## PART A – CONTRACTUAL TERMS

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

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

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Terms and Conditions**) set forth in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [date]]. This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [date]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Terms and Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the Group and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Base Prospectus dated [original date] and [current date] [and the supplement to the Base Prospectus dated [date]]. Copies of such Base Prospectuses are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs.]

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

1. Issuer: National Bank of Greece S.A.
2. (i) Series Number:
- (ii) Tranche Number: 

*(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible).*
3. Specified Currency or Currencies:
4. Aggregate Nominal Amount of Covered Bonds: 
  - [(i)] Series:
  - [(ii)] Tranche:
5. Issue Price: [ ]% of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (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:

7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●]
8. (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, in each case falling one year after the Final Maturity Date]]*
- [If an Extended Final Maturity Date is specified and the Final Redemption Amount is not paid in full on the Maturity Date, payment of the unpaid amount will be automatically deferred until the Extended Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date may be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the relevant Extended Final Maturity Date. See Condition 5 (Payments)*
- N.B. Zero Coupon Covered Bonds are not to be issued with an Extended Final Maturity Date unless otherwise agreed with the Dealers and the Trustee*
9. Interest Basis: [[●]% Fixed Rate]
- [[LIBOR/EURIBOR] [●]%]
- [Floating Rate]
- [Zero Coupon]
- [Index Linked Interest]
- [Dual Currency Interest]
- [specify other](further particulars specified below)*
10. Redemption/Payment Basis: [Redemption at par]
- [Partly Paid]
- [Instalment]
- [specify other]*
- [N.B. If the Final Redemption Amount is other than 100.0% of the nominal value, the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex*

*XII to the Prospectus Directive Regulation will apply. This pro-forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.]*

11. Change of Interest Basis or Redemption/ Payment Basis: *[Specify details of any provision for convertibility of Covered Bonds into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. (i) [Status of the Covered Bonds:] Senior  
(ii) [Date [Board] approval for issuance of Covered Bonds obtained:] [●]  
*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Covered Bonds)*
14. Method of distribution: [Syndicated/Non-syndicated]

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

15. **Fixed Rate Covered Bond Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●]% 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)]: [●] per Calculation Amount  
*(Applicable to Covered Bonds in definitive form)*
- (vii) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]  
*(Applicable to Covered Bonds in definitive form)*

- (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  
 [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon] (This will need to be amended in the case of regular interest payment dates which are not of equal durations)  
 (N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (x) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: [Not Applicable/Specify details]
16. **Floating Rate Covered Bond Provisions** [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (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 annum*
- (xii) Minimum Rate of Interest:  *[●]% per annum*
- (xiii) Maximum Rate of Interest:  *[●]% per annum*
- (xiv) Day Count Fraction:  *[Actual/ Actual (ISDA)  
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 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(iii) and 6.9(ii) apply/*specify other*]
18. **Variable Interest Covered Bond Provisions (other than Dual Currency Covered Bonds)** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula/other variable: [*give or annex details*]
- (ii) Calculation Agent responsible for calculating the interest due: [●]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [●]
- (iv) Determination Date(s): [●]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●] (*Include a description of market disruption or settlement disruption events and adjustment provisions*)

- (vi) Interest or Calculation Period(s)/ Specified Interest Payment Dates:
- (vii) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]*
- (viii) Business Day(s):   
Additional Business Centre(s):
- (ix) Minimum Rate of Interest: % per annum
- (x) Maximum Rate of Interest: % per annum
- (xi) Day Count Fraction:  [adjusted/not adjusted]

19. **Dual Currency Covered Bond Provisions**

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

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

**PROVISIONS RELATING TO REDEMPTION**

20. **Issuer Call**

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

- (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:
  - (a) Minimum Redemption Amount:  per Calculation Amount
  - (b) Maximum Redemption Amount:  per Calculation Amount
- (iv) Notice period (if other than as set out in the Terms and Conditions) 

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

21. **Investor Put**

[Applicable/Not Applicable]

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

- (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) Notice period:

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

22. **Final Redemption Amount of each Covered Bond**

per Calculation Amount/specify other/see Appendix

*(N.B. If the Final Redemption Amount is other than 100% of the nominal value, the Covered Bonds will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the*

*Prospectus Directive Regulation will apply. This proforma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.)*

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

- (i) Index/Formula/variable: [give or annex details]
- (ii) Party responsible for calculating the Final Redemption Amount (if not the Principal Paying Agent) [●]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
- (iv) Determination Date(s): [●]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vi) Minimum Final Redemption Amount: [●] per Calculation Amount
- (vii) Maximum Final Redemption Amount: [●] per Calculation Amount

23. **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**

24. Form of Covered Bonds:

**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].”)*

25. New Global Covered Bond: [Yes/No]
26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details]. *Covered Bond that this item relates to the date and place of payment, and not interest period end dates, to which items [15(ii), 16(v) and 18(ix)] relates*
27. Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: [Not Applicable/give details]  
*(N.B. a new form of Temporary Global Covered Bond and/or Permanent Global Covered Bond may be required for Partly Paid issues)*
29. [Details relating to Instalment Covered Bonds:]
- (i) Instalment Amount(s) [Not Applicable/give details]
- (ii) Instalment Date(s) [Not Applicable/give details]
30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 18 (*Renominatisation and Reconventioning*)] apply]
31. [Consolidation provisions:] [Not Applicable/The provisions [in Condition 15 (*Further Issues*)] apply]
32. Other terms or special conditions [Not Applicable/give details]  
*(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

## **DISTRIBUTION**

33. (i) If syndicated, names of Managers: [Not Applicable/give names, addresses and underwriting commitments]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]

34. If non-syndicated, name of Dealer: [Not Applicable/*give name*]
35. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/ TEFRA D/  
TEFRA not applicable]
- Additional selling restrictions: [Not Applicable/*give details*]

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the [*specify relevant regulated market*] of the Covered Bonds described herein pursuant to the €10 billion Global Covered Bond Programme of National Bank of Greece S.A.

## **STABILISATION**

In connection with this issue, [insert name of Stabilising Manager(s)] (the **Stabilising Manager(s)**) (or any person acting for the Stabilising Manager(s)) may over-allot or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager(s) (or any agent of the Stabilising Manager(s)) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

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

*(Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings:

The Covered Bonds to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[[Fitch: [●]]

[[Other]: [●]]

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

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

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

In general, European regulated investors are restricted from

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

*(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 100.0% of the nominal value.*

### 3. [COVERED BOND SWAP]

Covered Bond Swap Provider [●]

Nature of Covered Bond Swap [●] [*NTD: To be considered*]

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

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

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.”]

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

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

(i) [Reasons for the offer [●]

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

(ii) [Estimated net proceeds:] [●]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) [Estimated total expenses:] [●]

*(Expenses are required to be broken down into each principal*

*intended “use” and presented in order of priority of such “uses”.)*

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

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

Indication of yield: [●]

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

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

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

**8. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

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

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

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

**9. PERFORMANCE OF RATE[S] OF EXCHANGE (Dual Currency Covered Bonds only)**

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

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

**10. TRADABLE AMOUNTS:**

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

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

## 11. OPERATIONAL INFORMATION

ISIN Code:

Common Code:

(insert here any other relevant codes such as CINS codes):

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

Delivery:  Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s):

Names and addresses of additional Paying Agent(s) (if any):

Intended to be held in a manner which would allow Eurosystem eligibility:  [Yes][No] [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.] [Include this text if “yes” selected in which case the Covered Bonds must be issued in NGCB form]\*

---

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

## INSOLVENCY OF THE ISSUER

The Greek Covered Bond Legislation contains provisions relating to the protection of the Covered Bondholders and other Secured Creditors upon the insolvency of the Issuer.

In the event of insolvency of the Issuer, the Greek Covered Bond Legislation (in conjunction with certain provisions of law 3588/2007 on bankruptcy) provides that the Cover Pool will at all times remain segregated from the insolvency estate of the Issuer until payment of any amounts due to the Covered Bondholders has been made in full. Upon registration of the Registration Statements with the public registry, the issue of the Covered Bonds, the creation of the Statutory Pledge and the real security governed by foreign law, the payments to Covered Bondholders and other Secured Creditors and the entry into of any agreement relating to the issue of Covered Bonds will not be affected by the commencement of insolvency proceedings in respect of the Issuer. All collections from the Cover Pool Assets shall be applied solely towards payment of amounts due to the Covered Bondholders and other Secured Creditors.

Pursuant to the Greek Covered Bond Legislation, both before and after the commencement of insolvency proceedings in respect of the Issuer, the Cover Pool may be autonomously managed until full payment of the amounts due to the Covered Bondholders and the other Secured Creditors has been made. To ensure continuation of the servicing in the event of insolvency of the Issuer acting as the Servicer the Greek Covered Bond Legislation provides that the Transaction Documents may provide for the substitution of the Servicer upon the insolvency of the Issuer.

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

- In the event of the Issuer's insolvency under law 3601/2007, the Bank of Greece may appoint a servicer, if the trustee fails to do so. Such person may either be (a) an administrator or a liquidator (under articles 63 or 68 respectively of law 3601/2007), and in such an event servicing of the Cover Pool will be included in their general powers over the Issuer's assets; or (b) in addition to such persons, a person specifically carrying out the servicing of the Cover Pool. Any such person appointed as described in paragraph (a) or (b) above shall be obliged to service the Cover Pool in accordance with the terms of the Servicing and Cash Management Deed.
- In the event of the Issuer's insolvency under the bankruptcy provisions of law 3588/2007, the servicing will be carried out (in accordance with the terms of the Servicing and Cash Management Deed) by a bankruptcy administrator appointed by the court. At the request of the bankruptcy administrator, the court may order the carrying out of the servicing by a third party provided that such third party is in a position to perform the servicing tasks and that the rights of the Covered Bondholders are not adversely affected. It should also be noted that commencement of insolvency proceedings under law 3601/2007 will result in the postponement and/or cancellation of the insolvency proceedings under law 3588/2007, if such proceedings have already been commenced.

Any of the aforementioned parties performing the role of the servicer will be required to treat the Cover Pool as a segregated pool of assets on the basis of the segregation provisions of Article 91 and in accordance with the Servicing and Cash Management Deed, the terms of which, including, *inter alia*, the termination, substitution and replacement provisions, will at all times apply.

## **USE OF PROCEEDS**

The net proceeds from each issue of Covered Bonds will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## SUMMARY OF THE GREEK COVERED BOND LEGISLATION

*The following is a summary of the provisions of the Greek Covered Bond Legislation relevant to the transactions described in this Base Prospectus and of which prospective Covered Bondholders should be aware. The summary does not purport to be, and is not, a complete description of all aspects of the Greek legislative and regulatory framework pertaining to covered bonds and prospective Covered Bondholders should also read the detailed information set out elsewhere in this Base Prospectus.*

### Introduction

The transactions described in this Base Prospectus are the subject of specific legislation, the Greek Covered Bond Legislation. As mentioned elsewhere in the Base Prospectus, the Greek Covered Bond Legislation includes Article 91 of Greek Law 3601/2007 (such law being published in the Government Gazette No. 178/A/1-8-2007 and dealing with, *inter alia*, the capital adequacy of investment firms and credit institutions, by implementation of Directive 2006/48/EC and Directive 2006/49/EC) as amended by Article 48 of Greek Law 3693/2008 (published in the Government Gazette No. 174/A/25-8-2008) and Article 69 of Greek Law 3746/2009 (published in the Government Gazette No. 27/A/16-2-2009) (defined elsewhere in this Base Prospectus as Article 91) and the Act of the Governor of the Bank of Greece No. 2598/2007 entitled “Regulatory framework for covered bonds issued by credit institutions” and published in the Government Gazette No. 2236/B/21-11-2007, as amended and restated by the codifying Act of the Governor of the Bank of Greece No. 2620/2009 (published in the Government Gazette No. 2107/B/29-9-2009). The Greek Covered Bond Legislation has been enacted, with a view, *inter alia*, to complying with the standards of article 22(4) of Directive 85/611/EEC, and entitles credit institutions to issue (directly or through a special purpose vehicle) covered bonds with preferential rights in favour of the holders thereof and certain other creditors over a cover pool comprised by certain assets discussed in further detail below.

The provisions of the Greek Covered Bond Legislation that are relevant to the Programme may be summarised as follows:

### Article 91

Covered Bonds may be issued by credit institutions pursuant to the provisions of Article 91 and the general provisions of Greek Law on bonds (articles 1-9, 12 and 14 of law 3156/2003).

In deviation from the Greek general bond law provisions, the bondholders’ representative (also referred to as the trustee) may be a credit institution or an affiliated company of a credit institution entitled to provide services in the European Economic Area. Unless otherwise set out in the terms and conditions of the bonds the trustee is liable towards bondholders for wilful misconduct and gross negligence.

### *Cover Pool – composition of assets*

Paragraph 3 of Article 91 provides that the assets forming part of the cover pool may include receivables deriving from loans and credit facilities of any nature and, on a supplementary basis, receivables deriving from financial instruments (such as, but not limited to, receivables deriving from interest rate swaps contracts), deposits with credit institutions and securities, as specified by a decision of the Bank of Greece.

Following the aforementioned authorisation, the Bank of Greece has defined, in the Secondary Covered Bond Legislation, the cover pool eligible assets as follows:

- (a) certain eligible assets set out in paragraph 8(b) of Section B of the Bank of Greece Act No. 2588/20-8-2007 (on the “Calculation of Capital Requirements for Credit Risk according to the Standardised Approach”), including claims deriving from loans and credit facilities of any nature secured by residential real estate;

- (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; 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 No. 54/27-2-2004).

*Benefit of a prioritised claim by way of statutory pledge*

Claims comprised in the cover pool are named in a document (defined elsewhere in this Base Prospectus as a Registration Statement) signed by the issuer and the trustee and registered in a summary form including the substantial parts thereof, in accordance with article 3 of Greek Law 2844/2000. The form of the Registration Statement has been defined by Ministerial Decree No. 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. Receivables forming part of the cover pool may be substituted for others and receivables may be added to the cover pool in the same manner.

Holders of covered bonds and certain other creditors having claims relating to the issuance of the covered bonds (such as, *inter alios*, the trustee, the servicer and financial derivatives counterparties) named as secured creditors in the terms and conditions of the covered bonds are secured (by operation of paragraph 4 of Article 91) by a statutory pledge over the cover pool, or, where a cover pool asset is governed by foreign law, by a security *in rem* created under applicable law.

With respect to the preferential treatment of covered bondholders and other secured creditors and pursuant to paragraph 6 of Article 91, claims that have the benefit of a statutory pledge rank ahead of claims referred to in article 975 of the Code of Civil Procedure (a general provision of Greek law on creditors' ranking), unless otherwise set out in the terms and conditions of the covered bonds. In the event of bankruptcy of the issuer, covered bondholders and other creditors secured by the statutory pledge shall be satisfied in respect of the portion of their claims that is not paid off from the cover pool in the same manner as unsecured creditors from the remaining assets of the issuer.

To ensure bankruptcy remoteness of the assets in the cover pool, paragraph 7 of Article 91 provides that upon registration of the Registration Statement with the public registry, the validity of the issue of the covered bonds, the creation of the statutory pledge and the real security governed by foreign law, if any, the payments to covered bondholders and other creditors secured by the statutory pledge, as well as of the entry into of any agreement relating to the issue of covered bonds may not be affected by the commencement of insolvency proceedings in respect of the issuer.

Paragraph 8 of Article 91 safeguards the interests of covered bondholders and other secured creditors in providing that assets included in the cover pool may not be attached/seized nor disposed by the issuer without the written consent of the trustee, unless otherwise set out in the terms and conditions of the covered bonds.

Paragraph 9 of Article 91 deals with the servicing of the cover pool. In particular, it provides that the terms and conditions of the covered bonds may specify that either from the beginning or following the occurrence of certain events, such as, but not limited to, the commencement of insolvency proceedings in respect of the issuer, the trustee may assign to third parties or carry out itself the collection of and, in general, the servicing

of the cover pool assets by virtue of an analogous application of the Greek provisions on servicing applicable to securitisations (paragraphs 14 through 16 of article 10 of Greek Law 3156/2003).

Paragraph 9 of Article 91 also provides that the trustee may also, pursuant to the terms and conditions of the bonds and the terms of its relationship with the bondholders, sell and transfer the assets forming part of the cover pool either by virtue of an analogous application of articles 10 and 14 of Greek Law 3156/2003 concerning securitisation of receivables or pursuant to the general legislative provisions and utilise the net proceeds from the sale to pay the claims secured by the statutory pledge, in deviation from articles 1239 and 1254 of the Greek Civil Code on enforcement of pledges and any other legislative provision to the contrary. For the purposes of facilitating the transfer pursuant to the above mentioned securitisation provisions of Greek Law 3156/2003 the transferor shall not be required to have a permanent establishment in Greece.

In the event of the issuer's insolvency the Bank of Greece may appoint a servicer, if the trustee fails to do so. Sums deriving from the collection of the receivables that are covered by the statutory pledge and the liquidation of other assets covered thereby are required to be applied towards the payment of the covered bonds and other claims secured by the statutory pledge pursuant to the terms and conditions of the covered bonds.

Paragraph 9 of Article 9 also deals with banking secrecy and personal data processing. In particular, it provides that the provisions of paragraphs 20 through 22 of article 10 of Greek Law 3156/2003 that regulate these issues in the securitisation transactions shall apply *mutatis mutandis* to the sale, transfer, collection and servicing, in general, of the assets constituting the cover pool

Paragraph 11 of Article 91 confirms that covered bonds may be listed on a regulated market within the meaning of paragraph 10 of Article 2 of Greek law 3606/2007, as in force, and paragraph 14 of Article 4 of Directive 2004/39/EC and offered to the public pursuant to applicable provisions.

Article 91 authorises the Bank of Greece to deal both with specific issues, such as, the definition of the cover pool, the ratio between the value of the cover pool assets and that of covered bonds, the method for the evaluation of cover pool assets and requirements to ensure adequacy of the cover pool and any details in general for the implementation of Article 91.

### **The Secondary Covered Bond Legislation**

The Secondary Greek Covered Bond Legislation has been issued by the Bank of Greece by virtue of authorisations given by Article 91 as aforesaid. To this effect, the Secondary Greek Covered Bond Legislation sets out requirements for the supervisory recognition of covered bonds, including, requirements as to the issuer's risk management and internal control systems; requirements as to a minimum amount of regulatory own funds on a consolidated basis and capital adequacy ratio; definition and eligibility criteria as to the initial cover pool and the substitution and replacement of cover pool assets; requirements in respect of the ratio between the value of the cover pool assets and the value of covered bonds, the ratio between the net present value of liabilities under the covered bonds and the net present value of the cover assets, the ratio between interest payments on covered bonds and interest payments on cover pool assets and the revaluation of the value of the real estate property mortgaged; requirements for the performance of quarterly reviews by the servicer and annual audits thereof by independent chartered accountants; requirement to appoint a trustee; provisions regarding measures to be taken in the event of insolvency procedures in respect of the issuer; procedures for the submission of documents to obtain approval by the Bank of Greece in respect of the issuance of covered bonds; provisions relating to the position weighting of covered bonds; and data reporting and disclosure requirements.

## THE ISSUER AND THE GROUP

### History and Development of the NBG Group

The Issuer and its consolidated subsidiaries (together, the **Group**) comprise a diversified financial services group engaged in a wide range of banking, financial services, insurance, stock-brokerage and finance-related activities throughout the Hellenic Republic and internationally.

National Bank of Greece S.A. was founded in 1841 and incorporated as a *société anonyme* pursuant to Greek law (registered number 6062/06/B/86/01). The Issuer's registered head office is at 86 Eolou Street, Athens; its telephone number is +30 210 334 1000. The Issuer's current corporate form will expire on 27 February 2053, but may be further extended by a shareholder resolution passed at the General Meeting. The Issuer has operated a commercial banking business for 170 years. Since the Issuer's foundation, its business has expanded to become a large, diversified financial services group that today comprises the Group. As part of the Issuer's diversification, the Issuer founded Ethniki Hellenic General Insurance S.A. in 1891 and the National Mortgage Bank of Greece S.A. (**NMB**) in 1927. Until the establishment of the Bank of Greece as the central bank of Greece in 1928, the Issuer, in addition to commercial banking activities, was responsible for issuing currency in Greece. The Issuer expanded its business further when, in 1953, it merged with Bank of Athens S.A. On 2 October 1998, the Issuer merged with National Mortgage Bank of Greece S.A. to enhance revenue generation, realise cost-saving efficiencies and provide more integrated mortgage lending services to its customers. In December 2002, the Issuer fully acquired and integrated the operations of the National Bank for Investment and Industrial Development ("ETEBA"), an investment bank that was a subsidiary of the Issuer.

As at 30 September 2010, the Group's total assets amounted to €123,516.9 million, due to customers were €70,134.4 million and loans and advances to customers (net) were € 77,202 million. As at 30 September 2010, the Issuer operated throughout Greece through 574 branches, one private banking unit, one unit for financial institutions and ten specialised banking units that deal exclusively with troubled and non-performing loans and an international network comprising 1,178 branches outside the Hellenic Republic. The Issuer has eight commercial banking subsidiaries operating in eight countries.

As at 30 September 2010, the Issuer's total equity was €9,307 million, consisting of €8,033.4 million equity attributed to ordinary shareholders, €847 million minority interest and €426.7 million preferred securities. As at 31 October 2010, the Issuer's outstanding issued share capital is €5,137,952,410 divided into:

- (a) 956,090,482 ordinary shares of €5.00 each,
- (b) 25,000,000 Series A non-cumulative, non-voting redeemable preference shares listed on the NYSE of a par value of €0.30 each, and
- (c) 70,000,000 redeemable preference shares of a par value of €5.00 each held by the Hellenic Republic in accordance with the Hellenic Republic's bank support plan (Greek Law 3723/08).

The Issuer's stock is broadly dispersed across individuals and legal entities in Greece and abroad. According to information available to the Issuer, no single shareholder beneficially owns more than 5.00% of its shares. The following table sets forth certain information regarding the Issuer's common equity shareholders.

	<b>As at 31 October 2010</b>
	<b>Common Shares</b>
Legal Entities and Individuals Outside Greece	33.2%
Domestic Private Investors	43.5%
Domestic Pension Funds	16.3%

**As at 31 October 2010**

---

	<b>Common Shares</b>
Other public sector related parties	4.7%
Treasury shares	2.3%
<b>Common Shares</b>	<b>100.0%</b>

The Issuer's efforts to further integrate its operations also led to the

- absorption-merger of its wholly-owned subsidiary National Real Estate S.A. (**National Real Estate**) on 31 March 2006 and to the spin-off of the Issuer's warehousing division into its wholly-owned subsidiary, Pronomiouhos S.A. Genikon Apothikon Hellados, which was completed on 17 March 2008.
- merger of National Management & Organization Co. through absorption, effective as at 31 March 2007.

In 2010, the Issuer formed a real estate investment company (**REIC**) under the name "NBG PANGAEA Real Estate Investment Company" into which it transferred 241 real estate properties with a net book value of €615.0 million. These properties were contributed to NBG PANGAEA in lieu of cash for share capital. The commercial value of the properties contributed €910.0 million as of 30 June 2010 and these are currently leased to the Issuer under long term leases.

The Issuer's strategy to expand through organic growth and to evaluate acquisition, joint venture and partnership opportunities as and if they arise. In keeping with this strategy, the Issuer has expanded its presence in SEE. In October 2003, the Issuer acquired Banca Romaneasca S.A. (**Banca Romaneasca**) in Romania, and in 2005 the Issuer acquired Eurial, a Romanian automobile leasing company that was subsequently renamed NBG Leasing IFN S.A., as well as Alpha Romania Insurance, which it acquired from another Greek bank. These acquisitions followed the expansion of the Issuer's banking activities through the acquisitions of Stopanska Banka A.D.-Skopje (**Stopanska Banka**) in FYROM and United Bulgarian Bank A.D.-Sofia (**UBB**) in Bulgaria in 2000. In May 2007, the Issuer acquired from TBIF Financial Services BV 100% of the share capital of TBI Lizing d.o.o., a leasing company in Serbia. In October 2009, UBB established UBB Factoring EOOD, a wholly owned subsidiary of UBB.

In August 2006, the Issuer undertook its largest international acquisition to date, acquiring 46.0% of the ordinary shares and 100.0% of the founder shares in Finansbank, a commercial and retail bank in Turkey. Finansbank was the fifth-largest private bank in Turkey in terms of total assets, loans and deposits as at 31 December 2009, according to Banks Association of Turkey data. The Issuer made a mandatory offer to the minority shareholders of Finansbank in January 2007, acquiring a further 43.44% of Finansbank's outstanding ordinary shares. As at 30 June 2010, the Group held 94.8% of Finansbank's outstanding share capital (total 99.8% including the 5% holding of IFC, which is subject to put and call agreement).

In September 2006, the Issuer entered into an agreement with the Republic of Serbia for the acquisition of 99.4% of the share capital of Vojvodjanska Banka a.d. Novi Sad (**Vojvodjanska**). The acquisition was effected on 31 December 2006. In October 2007, the Issuer exercised its minority buy-out option for Vojvodjanska and through a public tender offer acquired 1,727 common shares at a price of RSD 70 per share. After this share purchase, the Issuer became the sole shareholder of Vojvodjanska and delisted its shares from the Belgrade Stock Exchange on November 28, 2007. On 3 January 2008, the General Meetings of the Shareholders of Vojvodjanska and NBG A.D. Beograd approved the merger of the two banks through the absorption of the second by the first. The merger was approved by the Central Bank of Serbia on 5 February 2008 and was completed on 14 February 2008.

Set forth below is a chart indicating the individual companies within the Group as at 30 June 2010 and 31 December 2009:

Subsidiaries	Country	Group %		Bank %	
		30.6.2010	31.12.2009	30.6.2010	31.12.2009
National Securities S.A.....	Greece	100.00%	100.00%	100.00%	100.00%
Ethniki Kefalaïou S.A.....	Greece	100.00%	100.00%	100.00%	100.00%
NBG Asset Management Mutual Funds S.A. ....	Greece	100.00%	100.00%	81.00%	81.00%
Ethniki Leasing S.A.....	Greece	100.00%	100.00%	93.33%	93.33%
NBG Property Services S.A. ....	Greece	100.00%	100.00%	100.00%	100.00%
Pronomiouhos S.A. Genikon Apothikon Hellados .....	Greece	100.00%	100.00%	100.00%	100.00%
NBG Bancassurance S.A.....	Greece	100.00%	100.00%	99.70%	99.70%
Innovative Ventures S.A. (I-Ven).....	Greece	100.00%	100.00%	—	—
Ethniki Hellenic General Insurance S.A. ....	Greece	100.00%	100.00%	100.00%	100.00%
Audatex Hellas S.A.....	Greece	70.00%	70.00%	—	—
National Insurance Brokerage S.A. ....	Greece	95.00%	95.00%	—	—
ASTIR Palace Vouliagmenis S.A.....	Greece	85.35%	85.35%	85.35%	85.35%
Grand Hotel Summer Palace S.A.....	Greece	100.00%	100.00%	100.00%	100.00%
NBG Training Center S.A. ....	Greece	100.00%	100.00%	100.00%	100.00%
Ethnodata S.A. ....	Greece	100.00%	100.00%	100.00%	100.00%
KADMOS S.A. ....	Greece	100.00%	100.00%	100.00%	100.00%
DIONYSOS S.A. ....	Greece	99.91%	99.91%	99.91%	99.91%
EKTENEPOL Construction Company S.A. ....	Greece	100.00%	100.00%	100.00%	100.00%
Mortgage, Touristic PROTYPOS S.A.....	Greece	100.00%	100.00%	100.00%	100.00%
Hellenic Touristic Constructions S.A.....	Greece	77.76%	77.76%	77.76%	77.76%
Ethnoplan S.A. ....	Greece	100.00%	100.00%	—	—
Ethniki Ktimatikis Ekmetalefsis S.A. ....	Greece	100.00%	100.00%	100.00%	100.00%
Ethniki Factors S.A. ....	Greece	100.00%	100.00%	100.00%	100.00%
NBG Pangaea Reic .....	Greece	100.00%	100.00%	100.00%	100.00%
Finansbank A.S.(*).....	Turkey	99.79%	99.79%	82.22%	82.22%
Finans Finansal Kiralama A.S. (Finans Leasing) (*) .....	Turkey	61.68%	61.68%	2.55%	2.55%
Finans Yatirim Menkul Degerler A.S. (Finans Invest) (*).....	Turkey	99.70%	99.70%	0.20%	0.20%
Finans Portfoy Yonetimi A.S. (Finans Portfolio Management) (*) .....	Turkey	99.70%	99.70%	0.01%	0.01%
Finans Yatirim Ortakligi A.S. (Finans Investment Trust) (*).....	Turkey	75.44%	86.15%	5.30%	5.30%
IBTech Uluslararası Bilisim Ve İletisim Teknolojileri A.S. (IB Tech) (*).....	Turkey	99.70%	99.64%	—	—
Finans Emeklilik ve Hayat A.S. (Finans Pension)(*).....	Turkey	99.79%	99.79%	—	—
Finans Tuketici Finansmani A.S.(Finans Consumer Funding)(*).....	Turkey	99.79%	99.79%	—	—
Finans Faktoring Hizmetleri A.S (Finans Factoring) (*) .....	Turkey	99.79%	99.79%	—	—
NBG Malta Holdings Ltd.....	Malta	100.00%	100.00%	—	—
NBG Bank Malta Ltd.....	Malta	100.00%	100.00%	—	—
United Bulgarian Bank A.D.—Sofia (UBB).....	Bulgaria	99.91%	99.91%	99.91%	99.91%
UBB Asset Management .....	Bulgaria	99.92%	99.92%	—	—
UBB Insurance Broker .....	Bulgaria	99.93%	99.93%	—	—
UBB Factoring E.O.O.D. ....	Bulgaria	99.91%	99.91%	—	—
Interlease E.A.D., Sofia .....	Bulgaria	100.00%	100.00%	100.00%	100.00%
Interlease Auto E.A.D.....	Bulgaria	100.00%	100.00%	—	—
ETEBA Bulgaria A.D., Sofia .....	Bulgaria	100.00%	100.00%	92.00%	92.00%
NBG Securities Romania S.A. ....	Romania	100.00%	100.00%	100.00%	100.00%
Banca Romaneasca S.A. (*).....	Romania	99.28%	99.28%	99.28%	99.28%
NBG Leasing IFN S.A.....	Romania	100.00%	100.00%	100.00%	100.00%
S.C. Garanta Asigurari S.A. ....	Romania	94.96%	94.96%	—	—
Vojvodjanska Banka a.d. Novi Sad <sup>(2)</sup> .....	Serbia	100.00%	100.00%	100.00%	100.00%
NBG Leasing d.o.o. Belgrade .....	Serbia	100.00%	100.00%	100.00%	100.00%
NBG Services d.o.o. Belgrade .....	Serbia	100.00%	100.00%	—	—
Stopanska Banka A.D.-Skopje (*).....	F.Y.R.O.M.	94.64%	94.64%	94.64%	94.64%
NBG Greek Fund Ltd .....	Cyprus	100.00%	100.00%	100.00%	100.00%
National Bank of Greece (Cyprus) Ltd.....	Cyprus	100.00%	100.00%	100.00%	100.00%

Subsidiaries	Country	Group %		Bank %	
		30.6.2010	31.12.2009	30.6.2010	31.12.2009
National Securities Co (Cyprus) Ltd .....	Cyprus	100.00%	100.00%	—	—
NBG Management Services Ltd .....	Cyprus	100.00%	100.00%	100.00%	100.00%
Ethniki Insurance (Cyprus) Ltd .....	Cyprus	100.00%	100.00%	—	—
Ethniki General Insurance (Cyprus) Ltd .....	Cyprus	100.00%	100.00%	—	—
The South African Bank of Athens Ltd (S.A.B.A.) .....	S. Africa	99.67%	99.67%	94.32%	94.32%
NBG Asset Management Luxembourg S.A. ....	Luxembourg	100.00%	100.00%	94.67%	94.67%
NBG International Ltd .....	U.K.	100.00%	100.00%	100.00%	100.00%
NBGI Private Equity Ltd .....	U.K.	100.00%	100.00%	—	—
NBG Finance Plc .....	U.K.	100.00%	100.00%	100.00%	100.00%
NBG Finance (Dollar) Plc .....	U.K.	100.00%	100.00%	100.00%	100.00%
NBG Finance (Sterling) Plc .....	U.K.	100.00%	100.00%	100.00%	100.00%
NBG Funding Ltd .....	U.K.	100.00%	100.00%	100.00%	100.00%
NBGI Private Equity Funds .....	U.K.	100.00%	100.00%	—	—
Eterika Plc (Special Purpose Entity) .....	U.K.	—	—	—	—
Revolver APC Limited (Special Purpose Entity) .....	U.K.	—	—	—	—
Revolver 2008-1 PLC (Special Purpose Entity) .....	U.K.	—	—	—	—
Titlos PLC (Special Purpose Entity) .....	U.K.	—	—	—	—
NBGI Private Equity S.A.S. ....	France	100.00%	100.00%	—	—
NBG International Inc. (NY) .....	U.S.A.	100.00%	100.00%	—	—
NBG International Holdings B.V. ....	The Netherlands	100.00%	100.00%	100.00%	100.00%
CPT Investments Ltd .....	Cayman Islands	50.10%	50.10%	50.10%	50.10%

(\*) % of participation includes the effect of put and call option agreements

<sup>(1)</sup> On May 2010, National P&K Securities S.A. was renamed to National Securities S.A.

<sup>(2)</sup> National Bank of Greece a.d. Beograd which was merged with Vojvodjanska Banka a.d. Novi Sad has been tax audited up to 2000

## Board of Directors and Senior Management

The Chief Executive Officer is responsible for the management of the Issuer, under the supervision of the Board of Directors. The Board of Directors is composed of one executive member, and 12 non-executive members, of whom at least two must be independent in accordance with the provisions of Greek Law 3016/2002, and one of whom is the Hellenic Republic representative pursuant to the terms of the Issuer's participation in the Hellenic Republic's liquidity support plan. Directors are elected by the shareholders at the annual General Meeting for a term of three years and may be re-elected.

### Board of Directors

The Board of Directors meets as required by Greek law and the Issuer's Articles of Association and is convened either by its Chairman or at the request of any two Directors. The quorum for a Board of Directors meeting is a majority of all Directors. Resolutions are adopted by majority vote of those present and those who have submitted proxies. Each Director has one vote but may also represent one other director by written proxy.

The Board of Directors consists of the following:

#### Chairman of the Board (Non-Executive)

Vassilios T. Rapanos                      Chairman of the Board

#### Business Address

86 Eolou St., 10232 Athens, Greece

#### CEO

Apostolos S. Tamvakakis	Chief Executive Officer of NBG	86 Eolou St., 10232 Athens, Greece
-------------------------	--------------------------------	------------------------------------

**Deputy CEOs**

Anthimos Thomopoulos	Deputy Chief Executive Officer	86 Eolou St., 10232 Athens, Greece
Alexandros Tourkolias	Deputy Chief Executive Officer	86 Eolou St., 10232 Athens, Greece
Leonidas Theoklitos	Deputy Chief Executive Officer	86 Eolou St., 10232 Athens, Greece

**Non-Executive Members**

Ioannis C. Giannidis	Professor, University of Athens Law School and Legal Counsellor	86 Eolou St., 10232 Athens, Greece
Avraam I. Triantafyllidis	Employees' representative	86 Eolou St., 10232 Athens, Greece
Ioannis P. Panagopoulos	NBG Officer, Employees' representative, Chairman of the Greek General Confederation of Labour	86 Eolou St., 10232 Athens, Greece

**Independent Non-Executive Members**

H.E. the Metropolitan of Ioannina Theoklitos	Bishop of the Greek Orthodox Church, Ioannina prefecture	86 Eolou St., 10232 Athens, Greece
Stefanos C. Vavalidis	Member of the Board of Directors, European Bank for Reconstruction & Development ( <b>EBRD</b> )	86 Eolou St., 10232 Athens, Greece
Alexandra T. Papalexopoulou - Benopoulou	Member of the Board of Directors, TITAN Cement S.A.	86 Eolou St., 10232 Athens, Greece
Georgios P. Zanias	Economist, Chairman of the Council of Economic Advisors	86 Eolou St., 10232 Athens, Greece
Vasilios K. Konstantakopoulos	Shipowner	86 Eolou St., 10232 Athens, Greece
Petros K. Sabatacakis	Economist - Banker	86 Eolou St., 10232 Athens, Greece
Maria Frangista	Shipowner	86 Eolou St., 10232 Athens, Greece

**Greek Government Representative**

Alexandros N. Makridis	President of the Board of Directors & Managing Director of Chryssafidis S.A.	86 Eolou St., 10232 Athens, Greece
------------------------	--	------------------------------------

**Senior Management**

Below are the curricula vitae of the Chairman and the Chief Executive Officer, as well as those of the principal managers running various businesses of the Issuer.

**Chairman**

Vassilis T. Rapanos, born 1947, was appointed Non Executive Chairman of the Board of Directors of the National Bank of Greece in December 2009. Mr Rapanos has been actively involved in research in the field of Economics, not only as a Researcher at the Center of Planning and Economic Research, but also as a Professor at the University of Athens, where he has been teaching Economic Analysis and Public Economics since 1992. His research interests focus on taxation, the role of the government in the economy, as well as European Union Economics. Apart from his academic and research activity, he has also served in several posts; as Counselor at the Ministry of Economy and Finance, as Counselor to the Permanent Greek Delegation to the European Union, and as Deputy Head of the Greek Delegation to the OECD. For the period 2007-2009, he was Research Associate at the Foundation for Economic & Industrial Research. During

the years 2000-2004, he was Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance. Moreover, during the time period 1998-2000 he has served as Chairman of the Board of the Hellenic Telecommunications Organization, and in the years 1995-1998 he was appointed initially Deputy Governor and later Governor at the National Mortgage Bank of Greece. He holds a Bachelor's degree in Business Administration from the Athens University of Economics & Business, a Master's degree in Economics from Lakehead University in Canada and a PhD in Economics from Queen's University in Canada.

### **Chief Executive Officer**

Apostolos Tamvakakis, born 1957, was appointed Chief Executive Officer at the NBG Group in December 2009. In March 2009, he joined the management team of Latsis Group in Geneva as Head of Strategy and Business Development of the Group, whereas in 2004 he was appointed Executive Chairman & Managing Director at LAMDA Development. From 1998 to 2004 he served as Vice Chairman at the National Bank of Greece, whereas during the years 1996-1998 he served as Deputy Governor at the National Mortgage Bank. From 1989 to 1996 he was Deputy General Manager for Greece at ABN AMRO Bank and from 1986 to 1989 he worked at the Hellenic Investment Bank as Manager of Corporate Finance. From 1984 to 1986 he worked at Mobil Oil Hellas as a strategic planning executive. He has also served as Vice-President of Hellenic Exchanges S.A. ("HELEX"); Chairman of the Steering Committee of the Interalpha Group of Banks; Chairman of the National Management & Organization Co., National Securities S.A. and the National Investment Bank for Industrial Development; President of the Southeastern European Board of the Europay Mastercard group; and a member of various other boards and committees. He holds a Bachelor's degree in Economics from the University of Athens, and a Master of Arts in Econometrics from Saskatchewan University in Canada.

### **Deputy Chief Executive Officers**

*Anthimos Thomopoulos*, born 1961, joined the Bank in 1998 as Group Risk Director after serving as a managing partner of KPMG Greece. He is Chairman of the Board of Ethnoplan and Ethnodata, and Vice-Chairman and CEO of Astir Palace. He is a Director of EI, SABA, UBB, Finansbank, the Hellenic Deposit and Investment Guarantee Fund and ETAT, Ektenepol, Ethno Card, Standard Land Tourism and AEDAK Insurance Organization. He holds a BSc in Electrical Engineering from the University of Patras and master's degrees in Finance and Computer Science from the City University of London. He is a qualified ACA with the Institute of Chartered Accountants in England and Wales.

*Alexandros Tourkolias*, born 1946, joined the Bank in 1997. Prior, he worked for Bank of America in London and Piraeus for seven years. He then joined Bank of Nova Scotia in 1998 as Assistant General Manager for Greece. He is the President of the Association of Banking and Financial Executives of Hellenic Shipping, Vice Chairman of the Board of Directors of EI, member of the Committee of Piraeus Maritime Arbitration. He participates in Boards of Directors of affiliated banks and companies of the National Bank of Greece as well in the Board of Directors of HELEX and committees of the Hellenic Bank Association. He holds a BSc in Political Sciences and Public Administration from Pantios School, a BSc in Law from the University of Athens, a Postgraduate Diploma in Shipping Administration Management and Marine Insurance and Maritime Law and a Master's degree in Shipping Economics from the University of Wales in Great Britain.

*Leonidas Theoklitos*, born 1961, is Group Chief Operating Officer. He is also Chairman of the Board of EI since March 2010. He has served as member of the Board of Eurobank Properties S.A., Sklavenitis S.A. and the HELEX. He has also served as Executive Vice Chairman of the Hellenic Postal Savings Bank and Chairman, Vice Chairman and member of the Board in various banking companies as well as member of the Executive Committee of the Hellenic Bank Association. He holds a BSc in Chemical Engineering from the National Technical University in Athens, a BSc in Business Administration from the Athens University of Economics and Master of Business Administration from Imperial College.

## **Key Management of major subsidiaries**

**Dr. Omer A. Aras**, born 1954, is Vice-Chairman of the Finansbank's Board of Directors and Group Chief Executive Officer of Finansbank, Finans Leasing, Finans Invest and Finans Portfolio Management. Dr. Aras graduated from the Istanbul Academy of Economic and Commercial Sciences, Department of Economics. He received an MBA and a PhD in Business Administration from Syracuse University. Over the next three years, he was a faculty member at the Business Administration Department of Ohio State University and worked as a consultant. Between 1984 and 1987, he served as Credit Marketing Manager and Credit Committee Member at Citibank and worked as the Head of Yapi Kredi Securities. Dr. Aras participated in the founding of Finansbank in 1987 and served as Assistant General Manager for two years, as General Manager for six years and as an Executive Board Member of Finansbank and Vice-Chairman of Fiba Holding from 1989 to 2006. Between 2003 and 2007 he also served as Board Member of the Turkish Industrialists' Businessmen's Association.

**Stilian Vatev**, born 1956, is the Chief Executive Officer and a member of the Board of Directors of UBB. He joined UBB in 1993 after serving in several managerial positions at the Bulgarian National Bank. He is also a member of the Board of Directors of Interlease E.A.D. (**Interlease**), Interlease Auto EAD, UBB Asset Management AD and Bankservice AD. Mr. Vatev is the Chairman of the Board of Directors of UBB AIG Life Insurance Company AD and UBB AIG Insurance and Reinsurance Company AD and is a member of the SEE Regional Advisory Board of MasterCard—Europe and a Plenary Member of the European Payment Council. Mr. Vatev holds an MA in Finance and Credit from the University for National and World Economy, Sofia, Bulgaria and has attended several banking related programs in the United Kingdom, Switzerland and Japan.

**Marinos Stratopoulos**, born 1964, is the President of the Executive Board of Banca Romanesca since May 2010. He started his career in banking in 1993 in Xiosbank S.A. and then served in several managerial positions in Piraeus Bank Group, Egnatia Bank Romania S.A., Egnatia Bank S.A. and National Bank of Greece a.d. Beograd. In parallel to his banking career, he worked from 1993 to 2000 as a part-time instructor in Accounting, Mathematics of Finance, Business Administration and Business Finance at the American College of Greece. He holds a Deck Officer Diploma from the Merchant Marine, a BSc in Business Administration from the American College of Greece and an MSc from the University of Lancaster.

**Marinos Vathis**, born 1957, is the President of the Executive Board of Vojvodjanska Banka since May 2010. He started his career in banking in 1986 with Midland Bank/HSBC in Corporate and Investment Banking. From 1997 to 2002, he served in several managerial positions with Egnatia Bank S.A., initially as Head of Corporate Banking and later as Head of Consumer and Retail Banking. In 2002, he joined National Bank of Greece S.A. and served as General Manager of French operations until 2005 and as General Manager of the UK operations from 2005 to 2007. Between 2007 and 2010, he served as Director of the NBG Group, International Corporate. He holds a BA from the City of London Polytechnic, a Postgraduate Degree in Monetary Economics from Kent University and a Postgraduate Degree in Business Finance from Reading University. Between 2005 and 2010, he served as a Board Member in the Association of European Banks in the UK, representing Greece.

**Gligor Bishev**, born 1958, is the First General Manager of Stopanska Banka. He joined Stopanska Banka in 2000 after serving as Deputy Governor of the National Bank of FYROM. Mr. Bishev is an Associate Professor at the Faculty of Economics, Prilep, and Professor of Post-Graduate Studies at both the Faculty of Economics, in Skopje and the Faculty of Economics, in Ljubljana. He advised on recent monetary reforms in FYROM as well as in several research projects in banking, monetary policy, applied economics, and economic development. He holds a PhD in Economics and has attended various seminars and training courses in Austria, the United Kingdom and Switzerland.

**Nicholas Beis**, born 1952, is the Managing Director of National Bank of Greece (Cyprus) and a member of the Board of Directors since March 2010. Mr. Beis has held several management positions including General Manager and Executive Board Member at Emporiki Bank S.A., General Manager at Piraeus Bank

S.A., Corporate Manager at ABN AMRO Bank NV, Athens, and Relationship Manager at Barclays Bank PLC, Athens. He has also served as an executive Board Member in Marathon Bank of New York Inc, USA. Mr. Beis holds a Bachelor Degree in Economics from Athens University, a Bachelor of Science in Business Economics from the New York Institute of Technology and a Master of Arts in Quantitative Economics from New York University.

**Ioannis Katsouridis**, born 1967, is the Chief Executive Officer of Ethniki Issurance since November 2010. He holds a BSc from the Athens University of Economics and Business in Athens and an MSc in Money Banking and Finance from the University of Birmingham. He has served as Chief Executive Officer of National Securities S.A. between 2003 – 2007.

**Achilleas Kontogouris**, born 1960, is the Chairman and CEO of NBG Asset Management. Before joining the Group in 2007, he was the Managing Director and founding partner of P&K Securities for eleven years. He previously worked for Eurosec Securities in Athens, Interaction Business Consultants in Athens, Commercial Bank of Greece in Frankfurt and Coutinho, Caro & Co in Hamburg. He holds a BSc in Economic Sciences from Aristotle University in Thessaloniki and an MBA from INSEAD in Fontainebleau.

**Manos Drossatakis**, born 1967, is the CEO of National Securities AEPEY. He is a director of Finansinvest. He previously worked as Director of Derivatives and Fixed Income for P&K Securities which was acquired by the Issuer. He holds a BSc in Mathematics from the University of Athens and an MBA from Manchester Business School.

### **General Managers**

The General Managers, currently numbering sixteen, each report to the Chief Executive Officer and are responsible for:

- supervising and coordinating the activities of their respective units;
- monitoring progress with regard to the Issuer's business targets and goals;
- approving expenditures, investments and financing within set limits; and
- contributing to the Issuer's management regarding the design of its strategy, setting targets for the Issuer and drawing up an annual budget for their respective divisions.

The General Managers responsible for core business lines are:

**Dimitrios Dimopoulos**, born 1947, is the General Manager of Corporate Banking. He is a member of the Board of Directors of National Securities, Ethniki Leasing and Ethniki Factors. He is alternate representative of the Issuer at the Board of Directors of the Athens Chamber of Commerce. Mr. Dimopoulos holds a postgraduate degree in Economics from the University of East Anglia, United Kingdom.

**Michael Oratis**, born 1957, is the General Manager of Risk Management. Before joining the Issuer in 1999, he worked for Midland Bank, Bank of America, ABN AMRO Bank, Mytilinaios S.A. and Citibank as Country Treasurer. He is a Director of SABA, NBG Asset Management and Double Regeneration S.A. He holds a BSc in Chemical Engineering from the National Technical University of Athens, an MSc in Industrial Engineering from Columbia University and an MBA in Finance and International Business from New York University.

**Agis Leopoulos**, born 1968, is the General Manager of International. Before joining the Group, he worked for three years at the European Commission in Brussels. He is the Chairman of Banca Romaneasca, SABA, UBB, NBG Albania, Vojvodjanska, Interlease, NBG Egypt and Deputy Chairman of NBG Cyprus. He is also a member of the Board of Directors of Finansbank. He graduated from Athens College and holds a BSc and MSc the faculty of in Economics and Social Sciences from the London School of Economics.

**Miltiadis Stathopoulos**, born 1944, has been the General Counsel since February 2010. He has been a lawyer since 1970 and joined the Group in 1972 as a lawyer of ex National Mortgage Bank S.A. From 1995 he was the Director of the Legal Services of ex National Mortgage Bank S.A. until 1998 when it merged with the Bank. From 1998 to the end of January 2010 he was Director of the Legal Services of the Bank. He participates in the Legal Council, the Credit Committees and the Supreme Disciplinary Council of the Bank. He has served as Vice-Chairman and Board member of the brokerage firm DELPHI S.A and is currently Vice-Chairman of Ektenepol, and member of the Board of Directors of NBGB. Mr Stathopoulos is a member of the Legal Committee of the Hellenic Bank Association and a founding member of the Banking and Stock Exchange Law society.

**Andreas Vranas**, born 1952, is the Head of Human Resources. He is also Chairman of the Board of NBG Training Center S.A. From 1979 to 1985 he worked as investment analyst for National Investment Company S.A.. During the period 1985 - 1988 he worked at the Ministry of National Economy as economic advisor and Special Secretary for Private Investments. From 1988 to 1996 he rejoined National Investment company S.A., as a manager in the fields of project financing, equity investments and portfolio management. From 1996 to 2004 was Deputy Governor of the National Bank of Greece and Vice Chairman of the Board of Directors, responsible for Corporate Banking, Shipping and the domestic branch network of the Bank. From 2004 to 2010 was Chairman of the Board of Directors of Ethniki Leasing. He holds a degree in Business Administration from Athens University of Economics and Business, a Masters degree in Finance from Manchester University and a Ph.D. in Finance from the University of Athens.

**Paul Mylonas**, born 1958, is the Chief Economist, Chief Strategist and Head of Investor Relations, Secretary of the Executive Committee and a member of ALCO and the Finansbank Board of Directors. Before joining the Issuer, he worked at the OECD and the IMF and taught at Boston University. He is a Director of the Foundation for Economic and Industrial Research and the Hellenic Center for Investment. Mr. Mylonas holds a PhD from Princeton University and a BSc from Brown University. **NBG note: to be updated**

**George Paschas**, born 1956, is the General Manager of Business Processes, IT & Purchasing. He is a member of the Institute of Internal Auditors and the Association of Certified Fraud Examiners. He is a graduate of the University of Piraeus, holding a degree in Business Management and a degree in Money & Foreign Exchange Markets.

**Nelly Tzakou**, born 1962, is Group Head of Operations & Global Transaction Services. She is responsible for the Group Operations, e-Business & Alternative Channels and Group Head of the Global Transaction Services. She is Chairman at Ethniki Factors and Vice-Chairman at DIAS S.A., Ethnodata, Ethnoplan and National Securities. Moreover, she is a member of the Euro Banking Association, Single Euro Payments Area High Level Meeting run by the ECB and Council Member of European Financial Management and Marketing Association Operational Excellence Advisory Council. Before joining the Bank, Mrs. Tzakou was General Manager at Eurobank EFG between 1990 and 2007, responsible for the Group Operations and the Global Transaction Services business unit. Mrs. Tzakou holds a Bachelor's Degree in Economics from the University of Piraeus (with honours) and an MBA from the University of Wales & Manchester Business School (merit award).

**Charakambos Mazarakis**, is Chief Financial Officer since November 2010. Before joining NBG, he was Chief Operating Officer (COO) at the NYSE-listed Corporation Excel Maritime Carriers Ltd, while from 2008 until 2010 he was Group Chief Financial Officer (CFO) and Member of the Group Executive Committee at TITAN Cement Company (listed in the Athens Stock Exchange), where he was responsible for the financial and IT management of 70 active companies across 12 countries. From 1999 to 2008 he served in various executive positions in Vodafone Greece and Hungary; he was Group CFO and Member of the BoD in Greece (1999-2006), Interim Chief Executive Officer (CEO) in Hungary (2006-2007) and in 2007 he returned to Greece as COO and Vice-Chairman of the BoD. During the period 1997-1999 he held the position of Finance Director and Member of the BoD at Georgia Pacific-Delica, while from 1992 until 1997 he worked as Financial Analysis Group Manager at Procter & Gamble, first in Athens and then in the

European Headquarters in Brussels. Babis Mazarakis holds a Bachelor's degree in Business Administration from the University of Piraeus and an MBA from Ohio State University.

**Aristotelis Karytinis**, born 1956, is the General Manager of Real Estate. He is also Chairman and CEO of NBG Pangaea Reic and NBG Property Services S.A. of Grand Hotel Summer Palace S.A., Hellenic Tourist Constructions S.A., Dionysos S.A., Mortgage-Tourist Protypos S.A., Pronomiouhos S.A and Genikon Apothikon Hellados, Vice-Chairman of Ektenepol and Propindex S.A. and member of the Board of Directors of Astir Palace. Before joining the Group, he held senior positions within Eurobank EFG Group, including Head of Group Real Estate, Head of Mortgage Lending and CEO of Eurobank Properties REIC. In the past, he has served for several years as manager in companies in the public and private sector. Dr. Karytinis holds a degree (BSc) in economics from the University of Athens, a master's degree (MSc) in urban economics from Pantion University and a doctorate (PhD) in finance from the University of Warwick.

**Leonidas Fragkiadakis**, born 1966, is the General Manager of Treasury and Global Markets. He is a member of the Board of National Securities and the Chairman of the Hellenic Chapter of Forex Club/ACI. He obtained his Bachelors Degree in Economics from Trinity College, Cambridge University and his MBA from the Wharton School of the University of Pennsylvania. Prior to joining the Issuer, he was employed by Credit Suisse First Boston, New York.

**Maria – Ioanna Politopoulou**, born 1969, has been the General Manager of Non-Performing Retail Bank Lending since July 2010. She has been extensively involved in the fields of Retail Banking Lending and Group Strategy. Before joining the Bank she held senior positions including Chief Executive Officer of EUROBANK-Financial Planning Services. She holds a BSc in Civil Engineering from the National Technical University in Athens and MBA from Wharton School, University of Pennsylvania.

## **Executive Committees**

### *Senior Executive Committee*

The Senior Executive Committee was established by Management's Act No. 145/02.03.2007 and is the supreme body of the Issuer with approving authority. It may decide, under the authority vested in it by the Issuer's Board of Directors, on issues regarding the implementation of the Issuer's business plan which do not fall under the authority of other committees or Issuer's Executives. The business address of the Senior Executive Committee is 86 Eolou St., 10232 Athens, Greece.

The following are members of the Senior Executive Committee:

- Apostolos Tamvakakis (Chairman)
- Anthimos Thomopoulos
- Alexandros Tourkolias
- Leonidas Theoklitos
- Omer A. Aras (whose business address is 129 Buyukdere Caddesi, 80300 Istanbul, Turkey) and
- Paul Mylonas (Secretary, whose business address is 86 Eolou St., 10232 Athens, Greece)

### *Executive Credit Committee*

The Executive Credit Committee was established by Management's Act No. 244/08.04.2008. The business address of the Executive Credit Committee is 86 Eolou St., 10232 Athens, Greece and its purposes are to:

- establish the limits for all levels of credit approval for the lower level administrative bodies of the Issuer and the employees of central services and units of the Issuer's network;
- approve loans of amounts exceeding the limits of the set credit approval authorities and decide on the settlement or the undertaking of measures regarding loans of those limits that are not progressing well or are non-performing;
- implement new credit approval levels and review or abolish existing credit approval limits; and
- amend the Credit Policy rules of the credit approval levels.

The following are members of the Executive Credit Committee:

- Apostolos Tamvakakis (Chairman);
- Alexandros Tourkolias; and
- Demetrios Frangetis (whose business address is 86 Eolou St., 10232 Athens, Greece)

#### *Disclosure and Transparency Committee*

In June 2003, the Disclosure and Transparency Committee was established. The purpose of the committee is to monitor the accuracy and adequacy of the information included in public announcements and in any publications issued by the Issuer, including information submitted to the SEC. The business address of the Disclosure and Transparency Committee is 86 Eolou St., 10232 Athens, Greece.

The following are the current members of the Disclosure and Transparency Committee:

- Anthimos Thomopoulos (Chairman);
- Miltiadis Stathopoulos (whose business address is 86 Eolou St., 10232 Athens, Greece);
- Alexandros Tourkolias;
- Agis Leopoulos (whose business address is 86 Eolou St., 10232 Athens, Greece);
- Leonidas Fragkiadakis (whose business address is 68 Akadimias St., 10678 Athens, Greece);
- George Paschas (whose business address is 86 Eolou St., 10232 Athens, Greece);
- Michael Oratis (whose business address is 68 Akadimias St., 10678 Athens, Greece);
- Paul Mylonas; and
- Ioannis Kyriakopoulos (6-10 Charilaou Trikoupi St., 10679 Athens, Greece).

#### *Asset and Liability Committee*

The Issuer's asset and liability management policy is designed to structure its balance sheet in order to control exposure to liquidity, interest rate and exchange rate risks, as well as to enable the Issuer to take advantage of market opportunities which it believes may contribute to the Issuer's profitability.

Although the asset and liability management policies of the Issuer and the other subsidiaries in the Group are currently planned and implemented separately, the Issuer's Asset and Liability Committee (**ALCO**) sets the guidelines for asset and liability management used by its subsidiaries and supervises its implementation. ALCO meets monthly and is comprised of the Chief Executive Officer of the Issuer and the General

Managers and Assistant General Manager of the Issuer involved in the asset allocation functions. Day-to-day asset and liability management is delegated to the Treasury, which is divided into several operating units. The subsidiaries in the Group follow asset and liability management policies similar to those of the Issuer. The business address of ALCO is 86 Eolou St., 10232 Athens, Greece.

The members of ALCO are:

- Apostolos Tamvakakis (Chairman)
- Anthimos Thomopoulos (member)
- Paul Mylonas (member)
- Michael Oratis (member)
- Ioannis Kyriakopoulos (member)
- Leonidas Fragkiadakis (member)
- Alexandros Tourkolias (member)
- Agis Leopoulos (member)

### Board Practices

The following list summarises the terms of office of the members of the Board of Directors of the National Bank of Greece.

<u>Name</u>	<u>Start of Term</u>	<u>End of Term</u>
<b>Chairman of the Board (Non-Executive)</b>		
Vassilios T. Rapanos	02 December 2009	2013
<b>Chief Executive Officer</b>		
Apostolos S. Tamvakakis .....	02 December 2009	2013
<b>Members of the Board (Non-Executive)</b>		
Ioannis C. Giannidis .....	22 April, 2004	2013
Avraam I. Triantafyllidis .....	18 March 2010	2013
Ioannis P. Panagopoulos .....	28 June, 1994	2013
<b>Independent Non-Executive Members</b>		
H.E. the Metropolitan of Ioannina Theoklitos .....	28 June, 1994	2013
Stefanos C. Vavalidis.....	22 April, 2004	2013
Alexandra T. Papalexopoulou-Benopoulou .....	14 January 2010	2013
Georgios P. Zanias.....	14 January 2010	2013
Vasilios K. Konstantakopoulos .....	14 January 2010	2013
Petros K. Sabatacakis.....	14 January 2010	2013
Maria Frangista .....	23 November 2010	2013
<b>Hellenic State Representative*</b>		
Alexandros N. Makridis.....	26 February, 2009	2013

\* The term of the government-appointed Director will also be considered for renewal on that date but may terminate sooner if the government preference shares are repaid.

The Issuer's corporate governance practices closely follow the requirements imposed by the laws of Greece, the Bank of Greece, the Hellenic Capital Markets Commission (CMC) and other applicable regulations, as well as the Articles of Association of the Issuer. As a foreign listed entity with ADRs in the United States, the Issuer also complies with the US legal and regulatory framework, SEC regulations and New York Stock Exchange rules.

The most significant differences between the Issuer's corporate governance practices, including the provisions of the Sarbanes Oxley Act, and those followed by US-based companies under the New York Stock Exchange listing standards have been posted on the Issuer's website at the following address: [www.nbg.gr](http://www.nbg.gr).

In February 2006, the Board of Directors adopted its Corporate Governance Guidelines, which set out clearly, fully and transparently the Issuer's corporate governance structure and policy. The said Guidelines are based on best international practices and form a framework which, although not imposed by law, secures continuity, consistency and efficiency in the Board's modus operandi and the governance of the Issuer and its Group. The Guidelines concern the internal operations of the Issuer and its Board, and have been published on the Issuer's website under the section on Corporate Governance.

Pursuant to Bank of Greece Governor's Act 2577/9.3.2006 governing the organization and evaluation of Internal Control Systems overall, and with a view to achieving full compliance with the said Act, the Issuer has set up the Executive Committee and a Special Steering Committee for Information at Management level, as well as an independent Group Regulatory Compliance Unit. It has also adopted a Code of Ethics and Conduct and amended the Charter of the Audit Committee, so as to come fully into line with the provisions of the Bank of Greece Governor's Act 2577.

Over the three-year period 2007-2009 the Issuer stepped up its efforts to meet a high level of corporate governance and compliance with the international framework for banking standards and, more generally, further strengthen its risk management framework. The most important targets attained over this period include:

- Adoption of a Corporate Social Responsibility (CSR) Policy, setting out the aims and basic values governing the CSR actions of the Issuer and its Group companies..
- Adoption of the Issuer's board nomination policy.
- Adoption of a Budget Policy to support the long-term strategic goals of Management and macroeconomic, political and financial developments in the regions where the Group conducts business.
- Adoption of a policy for provisions and write-offs of financial assets.
- Deployment of policies as per Greek Law 3606/2007 on markets in financial instruments (in implementation of the Markets in Financial Instruments Directive (MiFID)).
- Adoption of an Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) Group Policy AML/AFT Policy and a New Customer Policy.

Adoption of a Policy for Averting Conflicts of Interest for NBG's managers and senior officers.

## **Board Committees**

### ***Audit Committee***

The Audit Committee of the Issuer was established in May 1999, following the Act of the Governor of the Bank of Greece 2438/1998, and at present consists of five non-executive independent members of the Board of Directors. Appointment and replacement of members of the Audit Committee is only effected by

resolution of the Issuer's General Meeting of the Shareholders. The business address of the Audit Committee is 86 Eolou St., 10232 Athens, Greece.

In March 2008, pursuant to the Bank of Greece Governor's Act 2577 of 9 March 2006, and the requirements of the Sarbanes Oxley Act, the Audit Committee Charter was amended. The purpose of the Audit Committee is to:

- review the diligent preparation of the Issuer's and the Group's financial statements and any additional material facts and information which are intended for disclosure;
- submit recommendations to the Board in relation to the appointment of the external auditors, the value of the sum of their fees, and the terms of engagement following appointment by the shareholders in a General Meeting;
- monitor and control the independence, impartiality, objectivity and effectiveness of the external auditors;
- monitor the independence and objectivity of the external auditors regarding the provision of non-audit services, and monitor the fairness of the auditors' fees;
- review the effectiveness of the Issuer's and the Group's internal control and compliance and inform the Board of Directors accordingly; and
- monitor and control the independence, adequacy and effectiveness of the Internal Audit–Inspection Division of the Issuer and the Group.

All Audit Committee members fulfil the independence criteria for the purposes of US legislation.

The following list sets forth the current members of the Issuer's Audit Committee:

- Petros Sabatacakis (Chairman & Financial Expert)
- Stefanos Vavalidis (member & Financial Expert)
- Vassilios Konstantakopoulos (member)
- Alexandra Papalexopoulou-Benopoulou (member)
- Georgios Zanias (member)

The duration of the above members' terms, who have been elected by the Bank's general assembly of 14 January 2010, is one year and can be extended until the Ordinary General Assembly of 2011.

#### *Human Resources and Remuneration Committee*

The purpose of the Human Resources and Remuneration Committee (the **HRR Committee**) is to assist the Board of Directors in fulfilling its responsibilities with regards to attracting, retaining, developing and motivating executives and employees of the Issuer, to develop a culture of fairly evaluating effort and rewarding performance and to develop and maintain a coherent system of values and incentives for human resource development throughout the Issuer. The business address of the Human Resources and Remuneration Committee is 86 Eolou St., 10232 Athens, Greece.

Ms Papalexopoulou-Benopoulou, H.E. Metropolitan of Ioannina Theoklitos and Mr Vassilios Konstantakopoulos fulfil the independence requirements of applicable Greek law and have been determined to be independent by the shareholders at the General Meeting held on 14 January 2010.

The following list sets forth the current members of the Issuer's HRR Committee:

- Vassilios Konstantakopoulos (Chairman)
- Vassilios Rapanos (member)
- H.E. Metropolitan of Ioannina Theoklitos (member)
- Alexandra Papalexopoulou-Benopoulou (member)

#### *Corporate Governance and Nominations Committee*

The purpose of the Corporate Governance and Nominations Committee (the **CGN Committee**) is to assist the Board of Directors in ensuring that its composition, structure, policies and processes meet all relevant legal and regulatory requirements, to strive to achieve global corporate governance best practice standards and to facilitate the Board and management's work to increase the long-term value of the Issuer. The business address of the Corporate Governance and Nominations Committee is 86 Eolou St., 10232 Athens, Greece.

The following list sets forth the current members of the CGN Committee:

- Vassilios Rapanos (Chairman)
- Ioannis Giannidis (member)
- George Zanias (member)
- Maria Frangista (member)

Mr. Zanias and Ms Sklavenitou fulfil the independence requirements of applicable Greek law and have been determined to be independent by the shareholders at the General Meeting held on 14 January 2010.

#### *Risk Management Committee*

In July 2006, pursuant to the Bank of Greece Governor's Act 2577 of 9 March 2006, the Issuer established the Risk Management Committee. The business address of the Risk Management Committee is 86 Eolou St., 10232 Athens, Greece. The purpose of the Risk Management Committee is to:

- develop the Issuer's risk assumption and capital management strategy in line with the business objectives and the adequacy of the available sources in technical measures and personnel;
- monitors the independence, adequacy and efficiency of the operation of the of the Group Risk Management Division;
- ensure the development and ongoing effectiveness of Issuer's internal risk management policies and their incorporation in the business decision-making process for any type of risk, including operation, in all the activities of the Issuer and the Group;
- determine the principles governing the Issuer's risk management function regarding recognition, provision, measurement, monitoring, control and treatment in accordance with the applicable business strategy and the adequacy of the available sources;
- monitor the overall risk profile of the Issuer and the Group and provide the Risk Management Division with guidance to the latter for the realisation of the risk assumption strategy and the risk management policy including the compliance with the capital adequacy regulatory framework; and

- ensure that the Board of Directors is adequately apprised of all matters relating to the Issuer's risk assumption strategy, risk bearing capacity and risk profile in the exercise of its supervisory and strategy functions.

The Risk Management Committee places emphasis on capital adequacy issues. It approved a set of related risk management policies to assist the Group's effect in the implementation of Basel II rules within the timeframe stipulated by the Bank of Greece.

The following list sets forth the current members of the Risk Management Committee:

- Apostolos Tamvakakis (Chairman)
- Vassilios Rapanos (member)
- Stefanos Vavalidis (member)
- Petros Sabatacakis (member)

#### *Strategy Committee*

In September 2009, the Issuer established the Strategy Committee. The purpose of the committee is to assist the Board of Director's executive team in developing the Group's strategic options; assist the Issuer's Board in making decisions in all issues related to the NBG Group strategy; and review regularly the implementation of the Group's strategy by the Group's executive team. The business address of the Strategy Committee is 86 Eolou St., 10232 Athens, Greece.

The following list sets forth the current members of the Strategy Committee:

- Vassilios Rapanos (Chairman)
- Apostolos Tamvakakis (member)
- Stefanos Vavalidis (member)
- Alexandra Papalexopoulou-Benopoulou (member)
- Petros Sabatacakis (member)

#### ***Potential Conflicts of Interests***

There are no potential conflicts of interests between any duties to the Issuer of any members of the Issuer's Board of Directors, Senior Management of Board Committees and their private interests and/or other duties.

#### **Employees**

As of 30 September 2010, the Issuer employed a total of 12,769 staff of which 579 are occupied in the Issuer's foreign branches, compared to 13,066 and 535 respectively, as of 31 December 2009. Additionally, the Group's subsidiaries in Greece and abroad employed approximately 24,035 employees as of 30 September 2010, compared to 23,248 as of 31 December 2009. The Issuer also employed approximately 673 temporary employees Group-wide as of 30 September 2010. The table below sets forth the average number of the Group's employees by geographic location as of 30 September 2010:

<b>Country</b>	<b>Average number of Group employees (30 September 2010)<sup>(1)</sup></b>
Greece.....	14,964
Turkey.....	11,583
Bulgaria.....	3,164
Serbia.....	2,607
Romania.....	1,696
FYROM.....	1,110
Albania.....	312
Cyprus.....	322
South Africa.....	195
United Kingdom.....	128
Egypt.....	193
Malta.....	20
<b>Total</b> .....	<b>35,294</b>

(1) The average number of employees on a Group-wide basis during the financial years/periods ending 31 December 2008, 2009 & 30 September 2010 was 35,860, 36,381 and 36,294 respectively.

The table below sets forth the main categories of activity in which the Group's employees were engaged, domestically and internationally, during 2010:

<b>Division</b>	<b>Average number of Group employees (30 September 2010)</b>
Commercial and retail banking.....	33,562
Insurance.....	1,198
Investment banking.....	294
Asset management.....	100
Other Group companies.....	1,140
<b>Total</b> .....	<b>36,294</b>

Approximately all of the Issuer's staff are members of one of the various unions operating within the banking sector. A high level of union membership is common in most Greek industries. Each union that represents the Issuer's employees is affiliated with a larger, general union of employees in the banking sector known as the Union of Greek Bank Employees (OTOE). OTOE, in turn, is part of a multi-industry union, the General Confederation of Greek Workers. Accordingly, almost all of the Group's Greek employees, including those not employed in the banking sector, are ultimately affiliated with the General Confederation of Greek Workers. Collective bargaining arrangements were concluded in the past between representatives of the Greek banks and OTOE based on the Hellenic Republic's inflation estimates, and then implemented by each bank (including the Issuer) in agreement with its own unions.

Most of the Issuer's employees belong to a union and the Greek banking industry has been subject to strikes over the issues of pensions and wages. Issuer employees throughout Greece went on strike for three days in 2009 and seven days in 2010 (up to 31 August 2010). In light of the Group's strategy to streamline its operations and maximize efficiency, voluntary retirement schemes have been implemented in the past and continue to be implemented. The Issuer's subsidiary EI has implemented a voluntary retirement scheme under which a total of 250 employees have subscribed to the scheme to date (not including those who had initially subscribed and subsequently withdrew their interest), all of which had either already left or had been approved to leave by 30 September 2010. Subsequently, in 2008, Vojvodjanska implemented a voluntary retirement scheme under which 293 employees participated at a total cost of €1.5 million. It has also

commenced a voluntary retirement scheme during the second half of 2010, which is expected to be completed within 2010 with 201 employees' participation.

Following legislation passed in April 2008, the Issuer's main pension plan and the main pension branch of EI's post-retirement and health plan, both of which are defined-contribution plans, have been incorporated into the main pension branch of the state sponsored social security fund IKA - ETAM as of 1 August 2008. Pursuant to this legislation, the Issuer will contribute €25.5 million into IKA - ETAM per year for 15 years starting from December 2009. The April 2008 legislation also prescribed that employer contributions made by the Issuer to the existing funds that are to be merged into IKA - ETAM will be reduced every three years in equal increments starting from 26.5% in 2013 until they reach 13.3%. This rule applies to employees who joined any social security plan prior to 1 January 1993. Employer contributions made by EI to the existing funds that are to be merged with IKA - ETAM will also be reduced every three years in equal increments until they reach 13.3% (from 20.0%) for employers who joined any social security plan prior to 1 January 1993.

In addition, in 2005 and 2006, the Hellenic Republic passed legislation permitting bank employee auxiliary pension schemes to merge with the new Insurance Fund of Bank Employees (ETAT). The relevant legislation provides that, in connection with the merger of auxiliary schemes with ETAT, the relevant employer shall make a payment to ETAT solely in an amount to be determined by an independent financial report commissioned by the Ministry of Finance pursuant to this legislation. Subsequently, in April 2006 the Issuer applied under Greek Law 3371/2005, as amended, to merge its Auxiliary Pension Fund into ETAT.

### **Stock Options**

At the General Meeting held on 22 June 2005, a stock option program was approved for the executive Directors, executive management and personnel of the Group (**Program A**). The maximum number of new ordinary shares to be issued under Program A was set at 2.5 million and adjusted to 3.5 million as a consequence of the four to ten share capital increase in 2006. Program A is set to last for five years and expires in 2010. Under the terms of Program A, the exercise price range is between €5.00 and 70.0% of the average market price for the ordinary shares over a period starting on 1 January of the financial year during which such rights were granted until and including the first exercise date.

At the repeat General Meeting held on 1 June 2006, a new Group-wide stock option program was approved for the Issuer's executive Directors, executive management and personnel of the Group (**Program B**). The maximum number of new ordinary shares to be issued under Program B was set at 2.5 million and adjusted to 3.5 million as a consequence of the four to ten share capital increase in 2006. Program B shall last five years and expires in 2011. Under the terms of Program B, the exercise price range is between €5.00 and 70.0% of the average market price for the ordinary shares over a period starting on 2 June 2006 until the date at which such rights are first exercised.

At the repeat General Meeting held on 28 June 2007, the shareholders of the Issuer approved a new Group-wide stock option plan for the Issuer's executive Directors, executive management and personnel of the Group (**Program C**). Program C is set to last eight years and expires in 2015. The stock options must be granted up until 2010. The maximum number of new ordinary shares to be issued under Program C was originally set at 12.0 million and adjusted to 12,479,495 shares on 29 May 2008 by a decision of the Issuer's Board of Directors, as a consequence of the Issuer's share capital increase by €95,399,190 through the issue of 19,067,838 new ordinary shares each having a nominal value of €5.00, that were issued to the Issuer's shareholders free of charge in lieu of an additional dividend, in accordance with the resolution passed at the repeat General Meeting held on 15 May 2008. The maximum number of options that can be granted per year cannot exceed 1.0% of the total number of ordinary shares outstanding. The strike price shall be within the range of €5.00 to 85.0% of the average market price of the ordinary shares within the time period from 1 January of the year the options are granted until 31 October of that same year. No stock options have been granted under this program.

In all three stock option programs, adjustments to the number of options not yet granted or exercised, the ordinary shares underlying those options, and the strike price for exercising those will be made to maintain the economic value of those options in cases where the Issuer's share capital has changed.

On 29 November 2006, the Board of Directors approved the issue of 2,992,620 share options under Program A. The exercise price was set at €23.8 per share. and has been subsequently adjusted to €21.15 due to the share capital increase resolved by the shareholders of the Issuer at the General Meeting held on 15 May 2008 and the share capital increase resolved by the Board of Directors of the Issuer on 18 June 2009. Up to 30 June 2010, 100.0% of the options had vested, 45.8% of the options had been exercised and 7.8% of the options had been cancelled. Outstanding options may be exercised between 1 and 10 December 2009 and 1 and 10 December 2010. On 1 November 2007, the Board of Directors approved the issue of a further 496,500 share options under Program A at the original exercise price which was also adjusted to €21.15 due to the share capital increase resolved by the shareholders of the Issuer at the General Meeting held on 15 May 2008 and the share capital increase resolved by the Board of Directors of the Issuer on 18 June 2009. Up to 30 June 2010 (the most recent practicable date) 100.0% of the options had vested, 10.1% of the options had been exercised and 7.4% of the options have been cancelled. The remaining 50.0% of the options had vested on 30 November 2010, subject to the beneficiary remaining within the Group. The exercise period has lapsed on 10 December 2010.

After 10 December 2010, the unexercised options were cancelled.

On 1 November 2007, the Board of Directors approved the issuance of 3,014,100 share options under Program B. The exercise price was originally set at €23.00 per share and has been subsequently adjusted to €20.45 due to the share capital increase resolved by the shareholders of the Issuer at the General Meeting held on 15 May 2008 and the share capital increase resolved by the Board of Directors of the Issuer on 18 June 2009. Up to 31 December 2009 (the most recent practicable date) 60.0% of the options had vested, 25.1% of the options have been exercised and 7.8% of the options had been cancelled. Outstanding options that have already vested may be exercised after 1 December 2009 and all outstanding options may be exercised between 1 and 10 June 2010 and 1 and 10 June 2011.

After 10 June 2011, the unexercised options are cancelled. The options are forfeited if the employee is fired with cause and may be forfeited or maintained pursuant to a discretionary decision of the Issuer's Board of Directors if the employee resigns from the Group before the options are exercised.

Following a resolution by the Board of Directors of the Issuer on 28 August 2009, the number of all outstanding options under both Programs A and B is to be multiplied by a factor of 1.082 (rounded to the nearest integer) due to the share capital increase resolved by the Board of Directors of the Issuer on 18 June 2009.

As at the date hereof, the Issuer has issued an aggregate of 1,480,358 ordinary shares under Program A and 798,590 ordinary shares under Program B.

At the General Meeting held on 25 May 2007, the shareholders of the Issuer approved the distribution to the Issuer's staff of bonus shares with the issuance of 350,000 new ordinary shares of a par value of €5.00, by capitalizing profits of €1.75 million, resulting in a share capital increase of an equal amount. For a period of three years following their issuance, such new ordinary shares may be transferred only pursuant to approval granted at the General Meeting.

### **Banking Activities in Greece**

Most of the Issuer's banking business is domestic and includes mainly retail, corporate and investment banking. As at 30 June 2010, 41.4% of the Group's segment assets were attributable to the Greek Retail Banking and Greek Corporate & Investment Banking segments. The Issuer's Greek Banking Operations include the Issuer's domestic operations, Ethniki Leasing S.A. (**Ethniki Leasing**), NBG Factors S.A. (**NBG Factors**) and loans granted by Ethniki Hellenic General Insurance S.A. (**EI**) and National Securities S.A.

(formerly National P&K Securities) (**National Securities**). The Group's Greek Banking operations account for 68.3% of its adjusted loans as at 30 June 2010. Adjusted loans before allowance for impairment attributable to Greek banking activities were €51.3 billion as at 30 June 2010, a 1.4% increase compared with €50.6 billion at 31 December 2009.

The tables below set forth details of the Bank's domestic operations (in terms of adjusted loans and deposits) as at 30 June 2010 and 31 December 2009, 2008 and 2007:

	Period ended 30 June 2010				Year ended 31 December 2009			
	Adjusted loans		Deposits		Adjusted loans		Deposits	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(€ billion <sup>(1)</sup> , except for percentages)							
Retail <sup>(2)</sup> .....	32.5	63.4	44.4	83.5	32.5	64.2	48.9	86.1
Corporate.....	15.3	29.8	5.3	9.9	14.6	28.9	5.9	10.4
Public Sector <sup>(3)</sup> .....	3.5	6.8	3.5	6.6	3.5	6.9	2.0	3.5
<b>Total</b> .....	<b>51.3</b>	<b>100.0</b>	<b>53.2</b>	<b>100.0</b>	<b>50.6</b>	<b>100.0</b>	<b>56.8</b>	<b>100.0</b>

	Year ended 31 December 2008				Year ended 31 December 2007			
	Adjusted loans		Deposits		Loans		Deposits	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(€ billion <sup>(1)</sup> , except for percentages)							
Retail <sup>(2)</sup> .....	29.6	64.2	46.9	85.0	25.8	66.3	40.0	82.8
Corporate.....	13.8	29.9	6.1	11.0	11.3	29.1	6.3	13.1
Public Sector <sup>(3)</sup> .....	2.7	5.9	2.2	4.0	1.8	4.6	2.0	4.1
<b>Total</b> .....	<b>46.1</b>	<b>100.0</b>	<b>55.2</b>	<b>100.0</b>	<b>38.9</b>	<b>100.0</b>	<b>48.3</b>	<b>100.0</b>

(1) Totals are subject to differences as a result of rounding.

(2) Retail loans include consumer loans, personal loans, mortgages, automobile financing, small business loans and credit cards.

(3) Comprises public utilities and entities governed by Greek public law.

The Issuer believes that it has a significant advantage in attracting domestic deposits from retail and corporate clients due to the:

- Wide coverage of the Issuer's domestic branch network;
- Respected status of the Issuer's brand name amongst a large segment of the population; and
- Broad range of services and products offered by the Issuer.

#### *Greek Banking Distribution Channels*

As at 31 December, 2009, the Issuer operated in Greece through 575 branches, one private banking unit, one unit for financial institutions and 10 specialized banking units that deal exclusively with troubled and non-performing loans. As at 30 June 2010, the Issuer had 1,504 ATMs, of which at least 657 were situated in key locations outside of its branches, such as supermarkets, metro stations, shopping centres, hospitals and airports (55.0% of the Issuer's ATMs are equipped with cash deposit devices). During 2009, the total number of ATM transactions reached approximately 90 million transactions with a total value of €18 billion. In addition, the Issuer has developed alternative distribution channels, such as an e-banking platform targeted at both corporate and retail clients. During 2009, the total number of phone and internet banking users increased by 29.0% reaching approximately 434 thousand, out of whom 228 thousand were also phone banking users. The total number of electronic transactions during 2009 was approximately 30 million with a total value of approximately €17.3 billion. The Issuer operates a contact centre, through which it provides information and transaction services through the use of a voice portal and a manned help desk, which began operation in 2007, and "Fast Line", a telephone service unit of consumer lending through which loan requests of up to €50,000 may be instantly addressed by phone.

The Issuer's branches are located in almost every major city and town in Greece. Approximately 45.0% of the Issuer's branches are located in Athens, Piraeus and Thessaloniki, the major population centres in Greece. The Issuer is engaged in a continuous process of rationalizing the organization 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 Issuer is continuing to consolidate redundant branches in order to maintain equivalent geographic coverage at a lower cost. As at 31 December, 2009, the Issuer operated 232 full banking branches and 343 retail banking branches.

The Issuer participates in DIAS Interbanking Systems S.A., which currently has 47 banks as shareholder-participants, including the Issuer. DIAS Interbanking Systems provides interbank services such as check clearing, ATM networking, fund transfers and payroll and pension services for the benefit of customers of shareholder-participants.

The Issuer uses a variety of marketing channels to maintain and enhance its market position, including telemarketing (particularly for credit card sales and consumer loans), radio, television, press and internet advertising and distributing promotional information brochures in its branches. As part of the Issuer's marketing strategy, it seeks to capitalize on its existing relationships with individual customers through cross-selling efforts aimed at increasing such customers' awareness of other products that are offered by Group companies. For instance, the Issuer's mortgage customers are informed of its insurance products, through which they may insure against damage to their property and against events and circumstances that might cause them to default on their mortgage loans. The Issuer's marketing strategy also includes indirect marketing, pursuant to which the Issuer has entered into agency agreements with retailers, such as automobile dealers and electronics chain stores, who agree to offer the Issuer's consumer loan products to their customers in connection with purchases of consumer goods.

In addition, the Issuer employs various alternative distribution methods, such as cooperation with real estate agents and construction businesses in the sale of mortgage loans and with accountants and consultants in the sale of small business loans. The Issuer has also entered into contractual arrangements with mobile telephone service providers in Greece that enables it to offer to its customers certain banking services, such as balance inquiries, through their mobile telephones. The Issuer provides certain banking services over the internet, including the transfer of funds between accounts, balance inquiries, bill payments, stock brokerage services and subscriptions to initial public offerings on the Athens Exchange (**ATHEX**).

Recently, the Issuer has introduced "i-bank", a new web-based portal which allows its clients to select the ideal place and method to transact with the Issuer in order to achieve immediate and reliable service at low cost. The Issuer's "i-bank" is being implemented at Group level in all countries where the Issuer operates, which will create convergence across its distribution channels through the utilization of a common platform for trans-border products and services.

### *Retail Banking*

The Group's retail banking activities in Greece are mainly conducted by the Issuer. The Issuer offers retail customers a number of different types of deposit and investment products, as well as a wide range of traditional services and products.

As a result of the credit and economic crisis, the Issuer has adopted a more conservative approach to new consumer lending, with a greater emphasis on risk-averse lending criteria.

The following table illustrates the Issuer's estimated market share in Greece for certain categories of retail banking activities as at the dates indicated:

	<b>As at 31 December</b>	
	<b>2009</b>	<b>2008</b>
Mortgage lending (balances).....	25.1%	23.8%
Consumer loans and credit cards (balances) .....	19.9%	17.8%
Core deposits <sup>(1)</sup> .....	28.6%	31.0%

(1) Core deposits consist of sight deposits and savings accounts and exclude repos and time deposits.

### *Savings and Investment Products*

Savings and investment products of the Issuer are offered both in euro and in other currencies. In Greece, the Issuer had €53.2 billion in total deposits as at 30 June 2010, compared with €56.9 billion as at 31 December 2009. In response to customer demand, the Issuer offers investment products with high yields. These products include capital guaranteed principal products, government bonds from the Issuer's proprietary portfolio, repurchase agreements between the Issuer and its clients (backed by Greek government bonds) and a wide range of mutual funds and unit trust products provided by NBG Asset Management, which is 100.0% owned by Group companies.

### *Consumer Credit Products*

Despite the Greek economic crisis, the Issuer has maintained its strong position in consumer retail banking, offering a wide range of reliable consumer finance solutions such as: credit cards, revolving loans, amortized personal loans and consumer loans for vehicles and durable goods. Since 2009, the Issuer focused on increasing its customer base through the expansion of sales channels while at the same time implementing credit criteria, and implementing a more effective and targeted portfolio management.

The Issuer's Greek banking portfolio of consumer credit products amounted to €7,269.3 million as at 30 June 2010 an 0.8% decrease compared to €7,328.9 million at 31 December 2009. In the first half of 2010 disbursements of new consumer credit products amounted to €0.5 billion. As at 30 June 2010, consumer credit product balances accounted for 12.7% of the Issuer's lending portfolio and 14.2% of the Issuer's adjusted loans.

During 2009, the Issuer focused on implementing more stringent credit criteria as well as a more effective and targeted portfolio management. At the same time important deals were made with car distributors such as Toyota and successful marketing campaigns were implemented to improve the profitability, product penetration and activity level of existing customers.

The Issuer's basic goal for 2010 is the redefinition of its relationship with customers by adopting a pricing policy that will enhance transparency of transactions and developing products that correspond to its customers' real needs and are based on their capacity to repay. The Issuer is among the most active credit cards issuers in Greece, having circulated more than 1.1 million cards and managing a total credit card portfolio of €1,930.0 million as at 30 June 2010, compared with €1,950.1 million as at 31 December 2009. Despite competition in the Greek credit cards market, the Issuer maintained a strong position during the first half of 2010 by issuing 61.3 thousand new credit cards.

### *Mortgage Lending*

As at 30 June 2010, the Issuer's outstanding mortgage balances amounted to €20.9 billion, compared to €20.5 billion as at 31 December 2009, posting an increase of 2.0%. The volume of new loan disbursements amounted to €1.0 billion in the first half of 2010.

Mortgage products are offered through the Issuer's extensive branch network, although strong emphasis is also placed on expanding the use of alternative distribution channels such as real estate agents, construction companies and insurance brokers. The share of loans generated through such alternative channels has been steadily rising, accounting for approximately 24% of new disbursements in the first half of 2010.

The Issuer offers a wide range of mortgage products, with floating, fixed, or a combination of fixed and floating interest rates. In February 2009, the Issuer introduced a new floating rate product, the ESTIA MIKTO with flexible payment terms, offering the possibility of skip payments as well as instalment ceiling at 110.0% of the initial payment. This new product constituted 10.0% of 2009's new disbursements. Floating rate mortgages are indexed, based on three-month EURIBOR plus a maximum spread of 3.0%, depending predominantly on the customer's credit profile, loan-to-value and the amount borrowed. Such products accounted for approximately 60.0% of total 2009 loan disbursements. Consumer preference for variable rate mortgages was justified by low EURIBOR levels.

In addition to fire and earthquake property insurance, the Issuer began offering an optional life insurance plan together with mortgages in 2008, improving the quality of its mortgage credit. This option has been very successful, with almost 80.0% of new mortgages in 2008 and 2009 carrying a life insurance plan. In July 2009 the Issuer's range of insurance products was further enriched with the introduction of a mortgage payment insurance plan, guaranteeing up to 18 monthly loan instalments in case of a borrower's involuntary unemployment or temporary disability due to illness or accident. This new insurance product is complementary to life insurance plan and further improves the safety of mortgage payments.

During 2009, the Issuer further improved its underwriting policy by implementing more stringent criteria on loan applications, such as lower loan-to-value and payment-to-income ratios, as well as by adopting a more granular and refined pricing model based on factors including, among others, the customer's credit profile, the amount borrowed and the purpose of the loan.

The Issuer offer loans subsidized by the Hellenic Republic or Workers' Housing Organization to special groups. In aggregate, these loans accounted for approximately 12.7% of new loan disbursements in 2009 and 19.2% of new loan disbursements in the first half 2010. The Issuer has frozen for six months all foreclosure proceedings on loans up to €300,000 relating to a customer's first home. For unemployed lenders, the Issuer has postponed for twelve months, payments on mortgage loans.

#### *Small Business Lending Unit*

The Small Business Lending Unit (**SBL Unit**), a part of the Issuer's Retail Banking Division consisting of three credit centres situated in Athens, Thessaloniki and Patras, manages the provision of credit to businesses with annual turnover of up to €2.5 million. The SBL Unit offers lending solutions as outlined below, which cover the full range of business credit needs:

- (a) "Open Business Plan", a revolving credit facility limited at up to 100.0% of total annual turnover (depending on the creditworthiness and industry performance of the borrower);
- (b) "Amesos" ("Right Now"), a revolving line of credit with same-day approval and disbursement, which covers a wide range of a small and medium sized enterprise (**SME**) financing needs up to €50,000, with a longer repayment period and a wider choice of interest rates than the "Open Business Plan" facility; and
- (c) "Business Multiloan—Development", a medium- or long-term loan either for the purchase of tangible and intangible assets such as real property, mechanical equipment and vehicles or for the enhancement of business liquidity. Since 2007, this product has also been offered to businesses that invest in real estate.

In addition, customized financing products are targeted at certain categories of businesses and professionals such as medical practices, trade unions and car dealers. Furthermore, the SBL Unit offers term loans geared towards medium- and long-term working capital needs for the financing of asset purchases.

For the promotion of the aforementioned products, the SBL Unit continues to cooperate with alternative sale channels such as financial and tax advisors, brokers and insurance agents on a commission fee basis. These affiliations are based on strict service level agreements and sales performance monitoring, however now are limited to the existing partners only

The SBL Unit has recently adopted new agile procedures governing its active participation in the Institute of Financing Small & Medium Sized Enterprises (“TEMPME S.A.”), which facilitates small and medium sized enterprise financing by issuing state guarantees on loans to SMEs covering up to 80.0% of loan principal. In 2009, the SBL Unit’s participation in TEMPME S.A. has appraised approximately 26,000 applications resulting in over € 1.3 billion in disbursements. The programme expires on 31 December 2010.

### *Corporate & Investment Banking*

The Issuer’s commercial loan portfolio in Greece comprises approximately 50,000 corporate clients, including SMEs, and most of the largest corporate groups in Greece. As a Group, the Issuer is able to offer 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.

As a result of the recent credit crisis, the Issuer has adopted a more conservative approach to new commercial lending, with a greater focus on larger corporate borrowers that it perceives to be lower-risk. As a result, the Issuer expects slower credit expansions in its commercial lending portfolio during 2010 compared with 2009.

The Issuer lends to all sectors of the economy. As at 30 June 2010, domestic commercial adjusted loans amounted to €18.8 billion and represented 36.6% of the domestic adjusted loans of the Issuer, compared with €18.2 billion or 36.0% as at 31 December 2009. The Issuer’s lending exposure to the ten largest performing loans to non-affiliated enterprises amounted to €3,660.7 million as at 30 June 2010, representing approximately 7.1% of its domestic adjusted loans.

The Issuer offers:

- corporate accounts with overdraft facilities;
- foreign currency loans;
- variable rate loans; and
- currency swaps and options (mostly euro-related) for corporate customers.

The Issuer lends primarily in the form of credit lines, which are generally at variable rates of interest with payment terms of up to 12 months for working capital purposes whereas for financing of investments, payment terms exceed 12 months. In addition, the Issuer provides letters of credit and guarantees for its clients. At 30 June 2010, the Issuer had standby letters of credit and financial guarantees written amounting to €3.8 billion and commercial letters of credit of €0.2 billion, compared with €3.9 billion and €0.1 billion, respectively, at 31 December 2009. Most loans are collateralized to a certain degree, although Greek law imposes significant delays to foreclosing on collateral.

The table below sets forth certain key interest rates charged by the Issuer:

<b>Interest rate on:</b>	<b>As at</b>				
	<b>31 July, 2008</b>	<b>30 September 2008</b>	<b>30 November 2008</b>	<b>31 December 2008</b>	<b>2 January 2008</b>
Prime lending rate for working capital .....	7.50%	7.50%	7.50%	7.50%	7.50%
Prime lending rate for fixed assets .....	7.75%	7.75%	7.75%	7.75%	7.75%
Variable rate mortgages .....	7.15%	7.15%	7.65%	7.15%	6.65%
Personal loans .....	12.50%	13.00%	13.00%	13.00%	13.00%
Consumer loans .....	11.00%	11.50%	11.50%	11.50%	11.50%
Open revolving credit facility .....	7.75–13.20%	8.25–13.70%	9.10–13.95%	9.10–13.95%	9.10–13.95%

<b>Interest rate on:</b>	<b>As at</b>				
	<b>9 February 2009</b>	<b>16 March 2009</b>	<b>27 April 2009</b>	<b>1 June 2009</b>	<b>30 June 2010</b>
Prime lending rate for working capital .....	7.50%	7.50%	7.50%	7.50%	7.50%
Prime lending rate for fixed assets .....	7.75%	7.75%	7.75%	7.75%	7.75%
Variable rate mortgages .....	6.15%	5.65%	5.40%	5.15%	5.15%
Personal loans .....	12.50%	12.50%	12.50%	12.50%	12.50%
Consumer loans .....	11.00%	11.00%	11.00%	11.00%	11.00%
Open revolving credit facility .....	9.10–13.95%	9.10–13.95%	9.10–13.95%	9.10–13.95%	9.10–13.95%

The above interest rates have remained unchanged between 1 June 2009 and 30 June 2010.

### *Shipping Finance*

Greece is a maritime nation with a long tradition in ship-owning and is one of the world's largest ship-owning and ship-flagging nations. Shipping remains one of the most important sectors of the Greek economy and the Issuer is one of the most active participants in the local market, as well as one of the strongest competitors to foreign banks involved in shipping finance in Greece. The Issuer's shipping finance activities are carried out almost exclusively through its Piraeus-based operation.

The Issuer has traditionally provided financing for many of the largest Greek shipping companies. As at 30 June 2010, outstanding shipping loans were €2,026.3 million, representing 3.9% of the Group's adjusted loans compared to €1,663.9 million or 3.3% of the Group's adjusted loans as at 31 December 2009. Of the Issuer's shipping finance portfolio 8.8% and 11.8% as at 30 June 2010 and 31 December 2009 respectively, concerned the financing of new vessels (new buildings), with the remainder relating to financing purchases of second hand vessels.

The Issuer's conventional shipping finance and syndicated loan portfolio consists of first-tier shipping groups involved in diversified shipping activities (e.g., dry, wet, liner or ferry shipping) in a continuous effort towards maintaining quality, spreading risk and enhancing the profitability of its shipping loan portfolio. Nearly all of the Issuer's shipping loans are secured by 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. The demand for vessels is influenced by, among other factors, global and regional economic conditions, developments in international trade and changes in seaborne and other transportation patterns which are not within the Issuer's control. During 2009, freight rates in the dry bulk market kept close to historical average, wet bulk underperformed whereas the container

business (where the Issuer has minimal exposure) was heavily influenced by the lower consumption of the US and the EU. During 2010, the shipping markets are expected to remain at lower-than-average historical levels (with variations between dry and wet sub-markets) due to increased tonnage supply (new-building vessel deliveries) and modest demand for shipping services, as a consequence of macro economic conditions. As at 30 June 2010, the Issuer's non-performing loans attributable to this sector stood at €11.3 million, compared with €10.7 million as at 31 December 2009. All aforementioned figures for non-performing loans relate entirely to facilities provided in the 1980s and 1990s, and the Issuer's portfolio of active clients still had relatively low levels of non-performing loans as at 30 June 2010.

In terms of the outlook for 2010, the Issuer is focusing on closely monitoring existing shipping facilities while at the same time supporting existing clientele through facilities provided under terms fully aligned with current market conditions. The Issuer's management believes that this effort will result in maintaining its solid presence in this sector in the years to come.

### *Other Services*

#### Private Banking

The Issuer launched its private banking operations ("Private Banking") in 2003 and currently offers services domestically and internationally from its international private banking units in London.

Private Banking provides high net worth clients with a variety of investment products and services tailored to the customer's own investment profile. Advisory and discretionary asset management services are provided by NBG Asset Management, adding important solutions to the Issuer's investment services.

Private Banking received the "Best Private Banking in Greece" award as the result of a 2010 survey conducted by Euromoney magazine.

### *Treasury*

The Issuer 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 deposits;
- foreign exchange forwards trading;
- repurchase agreements;
- corporate bonds; and
- derivative products, such as options and interest rate and currency swaps.

The Group's 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 the client base includes institutions, large corporations, insurance funds and large private-sector investors. In general, the Issuer and its subsidiaries enter into derivative transactions for economic hedging purposes or in response to specific customer requirements. The Issuer also trades actively on a proprietary basis, primarily in euro-denominated Greek government securities and, to a lesser extent, in the spot foreign exchange market and is a general clearing member in the Eurex derivatives exchange.

In recent years, the Issuer's treasury-related activities have represented a significant source of revenues. In 2009, total turnover for foreign exchange trading and money market transactions by the Issuer's central dealing room in Athens was approximately €265 billion and €599 billion respectively (compared with €257 billion and €734 billion, respectively, in 2008).

The Issuer is active in the primary and secondary trading of Greek government securities, as well as in the international Eurobond market. The Issuer is a founding member of the Group of Greek Government Securities Primary Dealers which was established by the Bank of Greece in early 1998.

The Issuer also conducts a portion of its treasury activities through its subsidiary CPT, which the Issuer includes in its consolidated financial statements. As at 30 June 2010, CPT's portfolio comprised Greek government bonds and corporate bonds, with a total fair value of €1.9 billion. The non-controlling interest in the equity accounts of CPT, which was €732.6 million as at 30 June 2010, is consolidated within the Issuer and included in the Issuer's Upper Tier I capital after a regulatory haircut of 50%, which will increase to 100% by the end of 2010.

### *Investment Banking*

On 31 August 2009, a reorganization of the Group's investment banking activities was completed. As a result, the Group's investment banking activities are presently conducted through NBG's Investment Banking Division (**NBG IB**), which has taken on the investment banking activities of wholly owned subsidiary NBG International Ltd (**NBGI**). Prior to the reorganization, NBGI's domestic and international activities comprised Debt & Equity Capital Markets and Corporate Finance, complemented by cross border M&A transactions, in cooperation with Finansbank's investment banking team.

In 2009, NBG IB, among other advisory roles, acted as an advisor to the Hellenic Republic for the privatization of Olympic Airways. During the first quarter of 2010, NBG IB acted as ATE bank's advisor on its tender offer to acquire all the shares in ATE Insurance it did not already own.

During 2009 and the first months of 2010, the domestic equity capital markets activity has been subdued due to the economic crisis. In June 2009 NBGI assisted the Issuer in raising €1.2 billion through a rights issue, the largest equity raising during 2009 on the Athens Exchange and in December 2009 NBG IB acted as an underwriter on Citigroup Inc.'s USD 19.5 billion common stock offering.

With regards to the Debt Capital Markets, the Issuer acted as a Joint Lead Manager on five Hellenic Republic Public Bond issues in 2009 and on two in 2010. The Issuer supported the transactions by providing coverage to foreign institutional investors and syndicate advice. The Issuer also acted as underwriter on the €300 million Coca-Cola Hellenic Bottling Co. Bond issue in November 2009.

### *Project Finance*

The Issuer is also active in project finance and, during 2009, provided project finance advisory services to the Hellenic Republic on two important infrastructure projects, namely the new Attica Motorway and Kasteli International Airport. The Issuer is also a leading advisor to the Hellenic Republic for many of the new PFI Projects, and specifically in five projects regarding schools, hospitals, university buildings, regional government buildings and student accommodation facilities for two regional universities. As of February 2010, the Issuer is leading a group of specialized institutions in acting as financial advisor to Hellenic Public Real Estate Corporation for the development of public real estate properties through international tenders. The Issuer also provides finance to major infrastructure projects both in Greece and abroad through its participation in the respective syndicated loan facilities.

### *Leasing*

The Issuer began leasing activities in 1990 through its subsidiary, Ethniki Leasing. Ethniki Leasing leases land and buildings, machinery, transport equipment, furniture and appliances, computers and

communications equipment. As at and for the six month period ended 30 June 2010, Ethniki Leasing had assets of €807.4 million (compared with €829.0 million at 31 December 2009) and revenues of €7.5 million (compared with €6.2 million for the six month period ended 30 June 2009), before elimination of intercompany transactions and balances.

#### *Payment Services*

The Issuer offers payment services to its clients participating in all local interbank payment channels. The Issuer is also a direct member of the euro interbank channels of TARGET, TARGET2, EBA for Euro 1, Step 1 and Step 2. As a member of Step 2, the Issuer is the main Greek entry point for Eurozone payments. For payments, especially outside the Eurozone, the Issuer maintains a global network of correspondent banks. The Issuer is currently in the process of implementing a program to centralize its payment operations.

#### *Factoring*

The Issuer has been active in the provision of factoring services since 1994. In May 2009, Ethniki Factors a wholly-owned factoring subsidiary of the Issuer was established, as part of the strategic decision to expand its factoring operations in Greece. This new company is a specialist factoring agency that meets fully the changing and demanding requirements of the market. Ethniki Factors offers a comprehensive range of factoring services including prepayment (discounting), management and collection of receivables, credit control, and protection for credit risk. Ethniki Factors provides both domestic and international factoring services.

#### *Banking Activities outside of Greece*

The Issuer operates, as a Group, in eleven countries outside Greece. As at 30 June 2010, its international network comprised 1,180 branches outside Greece (including foreign subsidiaries and Issuer branches in the United Kingdom, Albania, Egypt and Cyprus) and subsidiaries, which offer traditional banking services and financial products and services. The Issuer currently has seven commercial banking subsidiaries in Turkey, Bulgaria, Romania, FYROM, Serbia, Cyprus and South Africa. Further, the Group has a presence in Malta through its subsidiary, NBG Bank Malta Ltd (formerly Finansbank Malta Ltd). Lastly, the Bank also operates through its branch network in Albania and Egypt.

The Group's policy, since the early 1990s, has been to focus on the Issuer's regional strength in SEE by strengthening its existing network and expanding into growing markets that present low banking penetration and greater profit margins and also to withdraw from mature markets where growth prospects are limited. In particular, the Issuer seeks to develop its wholesale banking business by targeting major financial centres to which it can offer Greek and Balkan lending exposure. The Issuer's retail banking presence in some geographical areas may only be justified by its success in niche markets in which it has the ability to exploit significant advantages.

Since 2000, the Issuer has expanded its presence in SEE through acquisitions and greenfield start-ups. The Issuer's regional strategy aims at diversifying its operations and enlarging its footprint to cover a region with attractive economic prospects. The Issuer offers commercial banking services to customers in the region through its branches and subsidiaries in Turkey, Bulgaria, Serbia, Romania, FYROM and Albania.

#### *Turkish Operations—FinansbankGroup*

##### *Overview*

On 18 August 2006, the Issuer acquired 46.0% of the ordinary share capital and 100.0% of the founder shares of Finansbank, a Turkish commercial bank headquartered in Istanbul. On 29 January 2007, the Issuer acquired a further 43.44% of Finansbank's outstanding ordinary shares in public hands. In April 2007, following an agreement signed in January of the same year, the Issuer disposed of 5.0% of Finansbank's shares to IFC (the relevant agreement includes put and call options). Following the mandatory tender offer

and the disposal of shares to IFC, the Issuer acquired from February 2007 to December 2007 a further 0.45% of the outstanding share capital of Finansbank. As of 30 June 2010 the Group held 94.8% of the ordinary capital of Finansbank (total 99.8% including the 5% holding of IFC, which is subject to put and call agreement). Finansbank's group of companies includes Finans Invest, Finans Leasing, Finans Portfolio Management, Finans Investment Trust, Finans Pension, Finans Consumer Funding and IBTech.

On 2 August 2010, the Board of Directors of the Finansbank approved the increase of the Issuer's share capital by TL551.3 million (or €285 million). The increase will be provided mainly through the capitalisation of the subordinated bond loan of USD325 million (TL496 million) issued in 2008 by the Bank to Finansbank, and by the cash participation of IFC, owning 5% (TL27 million), as well as by the capitalisation of dividends and reserves (TL27 million). The share capital increase is expected to be effected at the end of September 2010 after receiving the required approvals from the Capital Markets Commission of Turkey. After the share capital increase, the share capital of Finansbank will be increased from TL1,653.8 million to TL2,205.0 million and the total own funds will exceed TL5.5 billion (approximately €2.85 billion). Upon completion of the share capital increase, the basic capital adequacy index of Finansbank is expected to increase by 170 bps to approximately 14%, which should allow for the bank's further growth.

### *Finansbank*

Finansbank was the fifth-largest private bank in Turkey in terms of total assets, loans and deposits as at 30 June 2010, according to data from the Banks Association of Turkey, and it offers a wide range of retail, commercial, corporate, private banking and international trade finance services. In addition, financial leasing, capital market, corporate finance, portfolio management and brokerage services are provided by Finansbank's subsidiaries. As at 30 June 2010, Finansbank operated through a network of 465 branches in 57 cities, of which 3 were opened during 2009 and 4 in the second quarter of 2010, making it the fifth largest private Turkish bank by size of branch network. On 30 June 2010, Finansbank Group had 11,854 employees, compared with 11,181 at 31 December 2009.

Selected financial information with respect to Finansbank's group is provided in the table below:

	<u>As at 30 June 2010</u>	<u>As at 31 December 2009<sup>(1)</sup></u>
	(€ millions)	(€ millions)
Total assets.....	19,164	15,873
Net Loans.....	14,068	11,281
Total deposits.....	10,049	8,785
	<u>For the six months ended</u>	<u>For the six months ended</u>
	<u>30 June 2010</u>	<u>30 June 2009<sup>(1)</sup></u>
	(€ millions)	(€ millions)
Impairment charge for credit losses.....	(81)	(116)
Profit before tax.....	314	281
Profit for the period.....	251	218

In the analysis that follows of Finansbank's and its subsidiaries' business, all amounts are before elimination of intercompany transactions and balances with the rest of the Group.

For the six months ended 30 June 2010, Finansbank's group contributed €314.4 million in profit before tax to the Group compared with €281.1 million for the six months ended in 30 June 2009. For the year ending 31 December 2009, Finansbank's group contributed €528.2 million in profit before tax and €529.8 million as at 31 December 2008. As at 30 June 2010, total gross lending was €14,683 million while total deposits reached €10,049 million, compared to €11,763 million and €8,785 million, respectively, as at 31 December 2009. Total assets of Finansbank's group as at 30 June 2010 were €19.2 billion (of which €2.7 billion were Turkish sovereign securities), accounting for 15.7% of the Group's total assets compared to €15.9 billion and 14.0% as at 31 December 2009.

### *Corporate Banking*

Finansbank Corporate Banking serves large corporations through its eight branches in the four largest cities in Turkey.

Finansbank Corporate Banking has benefited from integration into the Group in 2007, taking advantage of the Issuer's reputation and experience in international markets to launch post-delivery finance products in the shipping sector and to enhance its credibility in the local syndication market.

Corporate Banking succeeded in maintaining and developing its profitability and trading volume it draws despite the recession in trading activities caused by the economic crisis that persisted throughout 2009. It delivered performance that surpassed its targets in each type of product especially in Project Finance and Syndication Loans.

The number of groups served by the Key Account Management team, which was established in 2008 to provide customized banking services to large local conglomerates and leading multinational groups in Turkey, increased to 20 in 2010. The successful activities of the team, especially Investment Project Financing, i.e. the financing of Key Account customers' large scale projects, led to the strengthening of good relationships between Finansbank and the large corporations it serves.

### *Commercial Banking*

Finansbank Commercial Banking serves medium-sized companies located in 23 cities in Turkey through its head office, four regional offices (three in Istanbul and one in Ankara) and an extensive distribution network that includes 59 branches. The strategy of Commercial Banking is to serve a range of customers while maintaining sustainable profitability.

Finansbank Commercial Banking loan volumes grew by 23.5% from the end of 2009 to June 2010. Despite adverse economic conditions in 2009, Commercial Banking was able to realize its main goal of maintaining a healthy and sustainable growth thanks to its activity in multiple business sectors, its broad customer base, wide range of banking products, efficient product management, and excellence in service.

Finansbank Commercial Banking is capable of meeting banking needs of medium-sized companies in keeping with its strategies and establishing long-term relationships with its customers.

A new organizational framework was set up in the last quarter in order to provide a holistic approach to the banking industry and the customers. Four new units were established; namely, Strategic Product Management, Sales Support Management, Credit Process Management, and Credit Follow-Up Management.

### *Investment Banking*

Finansbank Investment Banking consists of Project Finance, Corporate Finance and Consulting. Investment Banking acts as a client relations specialist while providing medium- to long-term loans and other products.

### *SME Banking*

Finansbank SME Banking has been serving Finansbank's SME clients since 2003. Finansbank was the first bank in Turkey to provide sector support packages, such as tourism and agriculture support packages, and it also pioneered the "Kobifinans" project to serve its clients' information and consultancy needs through magazines, internet portals and call centres. As of 30 June 2010, SME Banking was active in 356 branches. As at 30 June 2010, SME Banking reached TL 4.7 billion total credit volume with an increase of 11.3% compared to 31 December 2009. Micro segment (including companies with turnover of up to TL 2.0 million) data is also included in this result. Finansbank's share in the instalment commercial credit market decreased from 7.9% at the end of 2009 to 7.8% in June 2010.

## *Retail Banking*

Finansbank Retail Banking continued to record significant loan growth in the first half of 2010. Finansbank mortgage portfolio increased 9.7% from TL 4.7 billion as at 31 December 2009 to TL 5.2 billion as at 30 June 2010. Retail deposits (households including Malta) increased by 4.0% during the same period, from TL 12 billion at 31 December 2009 to TL 12.5 billion as at 30 June 2010.

Mortgage lending market share decreased to 10.3% in June 2010 compared to 10.8% in 2009.

As of 30 June 2010, 75.4% of all transactions were made through alternative distribution channels (the internet, phone banking, ATM, IVR and point-of-sale "POS" machines). The number of online banking customers exceeded 1.2 million, an increase of 0.5% compared with December 2009. The total number of transactions through Finansbank Internet Banking reached 58.1 million. Finansbank's ATM network grew by 7.3% in the first half of 2010, as the number of ATMs reached 1,509 compared with 1,406 at 31 December 2009.

## *Credit Cards*

In the period ended 30 June 2010, CardFinans Nakit debit card strengthened its share in the market with a 39.1% increase in number of cards compared to the previous year, reaching 3.0 million cards and a 4.5% market share, compared to the period ended at 30 June 2009, in accordance with data from the Interbank Card Center (BKM). The debit cards' POS sales in the period ended 30 June 2010 grew sixfold with respect to the previous years respective period, with a 9.2% market share. The increase is mostly due to the recently added "Debit Card with Instalment" feature which enables CardFinans Nakit POS purchases to be paid for in instalments. This feature not only helped to increase the card's market shares, but also brought recognition to Finansbank at the Cards International Awards 2010, where the bank was awarded the "Best New Debit Card Product Launch" Award for CardFinans Nakit.

The CardFinans member brand system expanded its network with many new brands from various sectors in the period ended at 30 June 2010, while instalment sales market share grew to 10.1%.

The number of POS sales reached 157,911 and POS market share climbed to 5.9% in the first half of 2010, according to data from the Interbank Card Center (BKM), rendering Finansbank one of the fastest growing banks in the POS market with a 30.0% increase in the number of POS sales as compared to the period ended 30 June 2010.

In April 2010, "Postpone Purchase" service was launched which enables customers to postpone their transactions above TL 100 to the next statements. In 2009 CardFinans credit cards' leading features were relaunched under the "CardFinans Beauty" concept. In addition, to penetrate cardholders' social life, CardFinans has introduced new campaigns, services and programs, such as the Food and Gas Program, Education and Health Program, Prepaid GSM Minutes with SMS and Statement Insurance service.

The CardFinans credit card kept its place among the top five players in the Turkish credit card market with 3.7 million cards and 8.2% of the market share as at the end of June 2010, in accordance with data from the Interbank Card Center (BKM). In the period ended 30 June 2010, total sales reached TL 10.0 billion with a 28.0% increase with respect to the period ended 30 June 2009. Credit card total outstanding balance increased by 22.8% to TL 4.8 billion with respect to the period ended 30 June 2009 and reached a market share of 12.0%.

In the last half of May 2010, a new credit card, Fix Card was launched. Fix Card has no annual fee but it has regular instalment and money point features at member stores. Nearly 280,000 applications have been accumulated in less than 2 months, until the end of June 2010.

CardFinans SME Business Card was differentiated to address SME's needs, pushing the number of commercial credit cards up to 26,500. This growth in numbers shifted Finansbank's commercial cards market share from 2.0% to 4.0%.

### *Private Banking*

Finansbank Private Banking has been providing investment products and asset management services to high net worth individuals in the first half of 2010 through eight private banking centres and 26 private banking corners located in Finansbank's branches in all major cities throughout Turkey. As of 30 June 2010, Finansbank Private Banking had approximately USD3.9 billion in assets under management.

Following internal forecasts on the performance of domestic and international markets and an analysis of the global political and economic situation, domestic and international investment instruments are offered by Private Banking to meet clients' needs. Recommended instruments include time deposits, mutual funds, emerging market bonds, US Treasury bills and bonds, domestic and international equities and bonds, corporate bonds, currency exchange, forward contracts, futures, options and structured products.

### *Finansbank Subsidiaries*

The most significant subsidiaries of Finansbank include the following:

#### *Finans Invest*

Finans Invest was established in December 1996 and began operations in January 1997. The company provides a wide range of financial services to both individual and institutional investors, including investment counselling and brokerage services, portfolio management, fund investment services and corporate finance and international investment services. The company ranks fourth by volume of stocks traded on the Istanbul Stock Exchange (ISE) with a 5.3% market share, according to a breakdown of stock market transactions by ISE members, in the six-month period ended 30 June 2010. Finans Invest's client portfolio amounted to TL 1.2 billion as at 30 June 2010.

#### *Finans Leasing*

Finans Leasing was established in March 1990. As at 30 June 2010 Finans Leasing ranked fourth in the leasing sector in Turkey, with a total business volume representing a market share of 8.9%, according to the Turkish Leasing Association. Finans Leasing's target customer segment is SMEs, and it was one of the first leasing companies in Turkey to identify the investment needs of SMEs, targeting them as a distinct market segment. Finans Leasing has a lease portfolio that is diversified across several industries, with the proportion of finance lease receivables as at 30 June 2010 of: textile (16.7%), building and construction (14.9%), manufacturing (12.4%), health and social activities (10.5%), agriculture, hunting and forestry (8.0%), chemical (6.3%), mining and quarrying (5.1%) and transportation, storage and communication (5.0%). As at 30 June 2010, total assets of Finans Leasing reached TL 1,300.6 million and its net income for the period was TL 19.8 million compared to TL 1,341.8 million and TL 20.1 million respectively, in 2008.

On 13 August 2010, the Issuer concluded a tender offer for the sale of Finans Finansal Kiralama A.S. (Finans Leasing), a Group company traded on the Istanbul Stock Exchange. As a result of that transaction, the Issuer acquired a percentage of 27.3% of the share capital of Finans Leasing for €42 million (TL81.7 million). NBG Group owns approximately 89.0% of Finans Leasing.

#### *Finans Portfolio Management*

Finans Portfolio Management, established in September 2000, currently manages six ETFs, ten mutual funds, four principal protected funds, three absolute return fund, five pension funds, two funds of funds and one closed-end fund. Finans Portfolio Management also manages discretionary portfolios for high net worth individuals and selected institutional clients.

As at 30 June 2010, the total assets of Finans Portfolio Management amounted to TL 15.2 million and profit for the period (including ETFs) was TL 3.7 million. In 2010, Finansbank and Finans Portfolio Management introduced four principal protected funds. The market share stood at 3.2% as of 30 June 2010, compared with 3.1% as of 31 December 2009. As at 30 June 2010 the company's assets under management exceeded TL 1.1 billion.

#### *Finans Investment Trust*

Finans Investment Trust, established in 1995, is a closed-end investment company, managing portfolios composed of capital and money market instruments. Its shares have been traded on the ISE since 1996. Finans Investment Trust's total assets amounted to TL 22.9 million as at 30 June 2010, and its net income as at 30 June 2010 was TL 1.4 million.

#### *Finans Factoring*

Finans Factoring was established on 8 June 2009 with the aim to be active in both the Turkish and the international markets and is owned 99.9% by Finansbank A.S. Its factoring license was obtained on October 2009 and the company has become a member of Factors Chain International since January 2010. According to the three-year Business Plan, Finans Factoring is aiming to become one of the top five factoring companies in the Turkish market.

As of 30 June 2010, total assets of Finans Factoring amounted to TL 178.1 million and its net income/(loss) was TL 1.0 million compared to TL 116.2 million and TL (1.3) million, respectively, in 31 December 2009. As at 30 June 2010, total factoring receivables of Finans Factoring amounted to TL 123.5 million compared to TL 37.0 million as at 31 December 2009. The distribution of factoring receivables by industry as at 30 June 2010 was as follows: building and construction (29.7%), textile (9.8%), events, entertainment & sports (7.4%), brick, stone and related consumer material, merchant wholesalers (6.1%), electrical equipment (5.3%).

#### *Finans Consumer Funding*

Finans Consumer Funding was established on 9 September 2008 aiming to provide loans to consumers at the point of sale. The company received the right to own the activity licence in a Turkish market of ten consumer companies as of October 2009 to be activated at the latest within one year of approval date.

#### *Finans Pension*

For information regarding Finans Pension, see “—Insurance – Finans Pension” below.

#### *NBG Bank Malta Limited*

Finansbank (Malta) Ltd. was established on 30 June 2005 and changed its name to NBG Bank Malta Limited (**Finansbank Malta**) with effect from the 15 March 2010.

As at 31 December 2009, Finansbank Malta experienced an increase of 70.0% in its interest income margin compared to 2008 mainly as a result of the Issuer's policy to reduce its deposit pricing and effective interest rate risk management. Finansbank Malta does not have any branches or ATM's. During the last quarter of 2009, Finansbank Malta filed an application with the Malta Financial Services Authority for an Investment Services License that would allow it to provide investment advice. This will enable the Issuer to provide a full range of financial products and services that meet the constant changing needs of corporate customers and private individuals.

## International Banking Operations

The Issuer's international banking operations include the Issuer's branches in Albania, Egypt and Cyprus as well as banking subsidiaries in seven countries: NBG Bank Malta, NBG Cyprus based in Nicosia, Cyprus; Stopanska Banka A.D.–Skopje, based in Skopje, FYROM; United Bulgarian Bank AD–Sofia based in Sofia, Bulgaria; Banca Romaneasca S.A., based in Bucharest, Romania; Vojvodjanska based in Novi Sad, Serbia; and the South African Bank of Athens, based in Johannesburg, South Africa as well as other subsidiaries, primarily in the leasing sector. The Issuer also has foreign branches in four countries. The Group's international operations contributed €53.6 million in profit after tax to the Group for the six months ended 30 June 2010 and accounted for €10.9 billion or 8.9% of Group total assets as at 30 June 2010. Total gross loans were €9.1 billion at 30 June 2010, compared with €9.2 billion at 31 December 2009, whereas deposits surpassed €5.5 billion at 30 June 2010 in comparison to €5.5 billion at 31 December 2009.

The Issuer's international network is described below. In the analysis that follows, all amounts are before elimination of intercompany transactions and balances.

### National Bank of Greece S.A.: Foreign Branches

As at 30 June 2010, the Issuer had 47 foreign branches in four countries, including one in the United Kingdom, 30 in Albania, one in Cyprus and 15 in Egypt. At 30 June 2010 net loans of the Issuer's Albania, Cyprus and Egypt operations were €265.2 million, €208.5 million and €73.6 million, respectively. Currently, the Issuer's branches in Albania lend primarily to certain of the Issuer's established Greek corporate clients operating in that country, but also to certain local corporate clients that have significant liquid assets and other collateral. The table below provides selected financial information of the Issuer's foreign branches as at 30 June 2010 and as of and for the year ended 31 December 2009, and for the six-month periods ended 30 June 2010 and 2009:

	<b>As at 30 June 2010</b>	<b>As at 31 December 2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Total assets .....	736	699
Net loans.....	547	517
Total deposits.....	295	252
	<b>For the six months ended 30 June,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Impairment charge for credit losses.....	(1)	(5)
Profit before tax .....	2	(2)
Profit for the period .....	2	(2)

The table above relates solely to the business of the Issuer's foreign branches (with the exception of the United Kingdom branch, which is considered part of either domestic or other international operations) and not to the branches of the Issuer's non-Greek subsidiaries.

### United Bulgarian Bank AD—Sofia

United Bulgarian Bank AD–Sofia (**UBB**) is a commercial bank with headquarters in Sofia, which provides retail and corporate finance services in Bulgaria. The Issuer acquired UBB in 2000 and as at 30 June 2010 hold a 99.91% interest in it. During 2009, the UBB branch network continued to expand, opening 4 branches in cities and towns throughout Bulgaria. At 30 June 2010, the UBB distribution network included 257 units: 141 “Type 1” (retail business), 60 “Type 2” (retail and micro business), 23 “Type 3” (retail, micro and SME business), 9 “Type 4” (SME business) and 24 offices). At 31 December 2009, UBB's market share in Bulgaria was 12.0% for corporate loans, 15.8% for consumer loans and 16.1% for mortgage loans, while its

market share in non-bank customer deposit base was 10.8% according to data published by the National Bank of Bulgaria. As at 30 June 2010, UBB operated over 800 ATMs and over 11,000 POS terminals in Bulgaria, representing an estimated market share of 16.2% and 18.8%, respectively.

Following the recommendations of the National Bank of Bulgaria, UBB has developed procedures for Internal Capital Adequacy Assessment Process and submitted to the National Bank of Bulgaria the first ICAAP report at the beginning of April 2009. UBB also has written policies to ensure regular stress tests are conducted in connection with liquidity management.

Selected financial information with respect to UBB as at 30 June 2010 and as of and for the year ended 31 December 2009, and for the six-months periods ended 30 June 2010 and 2009, respectively, is provided in the table below

	<u>As at 30 June 2010</u>	<u>As at 31 December 2009</u>
	(€ millions)	(€ millions)
Total assets .....	4,004	4,186
Net loans.....	3,204	3,352
Total deposits.....	2,120	2,169
	<b>For the six months ended 30 June</b>	
	<u>2010</u>	<u>2009</u>
	(€ millions)	(€ millions)
Impairment charge for credit losses.....	(55)	(42)
Profit before tax .....	28	22
Profit for the period.....	25	19

#### Banca Romaneasca S.A.

Banca Romaneasca is a universal bank which provides a range of retail, SME and corporate banking services in Romania. The Issuer acquired Banca Romaneasca in October 2003 and as at 30 June 2010 holds 89.1% of its share capital (99.3% including call options). The European Bank for Reconstruction and Development (**EBRD**) is the second-largest shareholder of Banca Romaneasca, holding 10.2% of its share capital. A share capital increase of RON 355 million was approved in March 2008 and completed in December 2008. The Issuer and EBRD subscribed proportionally.

As at 30 June 2010, Banca Romaneasca had a nationwide distribution network of 146 banking units and was the first bank in Romania to provide money transfer services. Banca Romaneasca launched several new products and services during 2008, primarily dedicated to SME and retail activity.

Selected financial information with respect to Banca Romaneasca as at 30 June 2010 and as of and for the year ended 31 December 2009, and for the six-month periods ended 30 June 2010 and 2009, is provided in the table below.

	<u>As at</u> <u>30 June 2010</u>	<u>As at</u> <u>31 December 2009</u>
	(€ millions)	(€ millions)
Total assets .....	2,430	2,597
Net loans.....	1,823	1,804
Total deposits.....	940	1,070
	<b>For the six months ended 30 June</b>	
	<u>2010</u>	<u>2009</u>
	(€ millions)	(€ millions)

Impairment charge for credit losses.....	(17)	(17)
Profit before tax .....	13	9
Profit for the period .....	12	9

*Stopanska Banka A.D.—Skopje*

Stopanska Banka is a universal bank headquartered in Skopje and registered in FYROM that provides payment transfers, brokerage, credit and deposit-taking services in FYROM and abroad. In 2000, the Issuer acquired Stopanska Banka and as at 30 June 2010 hold a 73.0% stake, while the EBRD and the IFC hold stakes of 10.8% each. The remaining 5.4% is held by other minority shareholders.

On 17 August 2010, the Issuer increased its shareholding in Stopanska Banka by 21.6%, acquiring the related shareholdings from EBRD and IFC through put and call arrangements.

Stopanska Banka operates the largest branch network in FYROM, with a dense nationwide network of ATMs and POS terminals. Following its latest reorganization activities, as at 30 June 2010, Stopanska Banka had 68 branches, and continues the transformation of its branch network into modern sales outlets. Stopanska Banka is also a leader in e-banking within FYROM, promoting internet and SMS-based and offering its clients electronic payment facilities. Stopanska Banka aims to continue improving its loan portfolio by targeting high net worth customers, such as SMEs and large companies.

Selected financial information with respect to Stopanska Banka as at 30 June 2010 and for the year ended 31 December 2009, and for the six-month periods ended 30 June 2010 and 2009, is provided in the table below:

	<b>As at 30 June 2010</b>	<b>As at 31 December 2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Total assets .....	1,049	1,074
Net loans .....	679	681
Total deposits.....	837	832
	<b>For the six months ended 30 June</b>	
	<b>2010</b>	<b>2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Impairment charge for credit losses.....	(13)	(5)
Profit before tax .....	2	9
Profit for the period .....	2	9

*National Bank of Greece (Cyprus) Ltd.*

NBG Cyprus, which has its headquarters in Nicosia, had 17 branches, four satellite branches and one foreign exchange bureau as at 30 June 2010. NBG Cyprus provides a range of commercial and retail banking services. In 2009, NBG Cyprus followed a policy of loan portfolio quality improvement and growth, introducing relationship initiatives with new and existing customers it views as reliable.

Selected financial information with respect to NBG Cyprus as at 30 June 2010 and for the year ended 31 December 2009, and for the six-month periods ended 30 June 2010 and 2009, is provided in the table below:

	<b>As at 30 June 2010</b>	<b>As at 31 December 2009</b>
	<b>(€ millions)</b>	
Total assets .....	2,371	1,421

Net loans .....	807	817
Total deposits.....	741	678

**For the six months ended 30 June**

	<b>2010</b>	<b>2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Impairment charge for credit losses.....	(5)	(4)
Profit before tax .....	5	8
Profit for the period .....	4	7

*The South African Bank of Athens Ltd.*

SABA was founded in 1947 originally to serve the Hellenic Community in South Africa. Since then SABA has expanded beyond this mandate and operates a full retail banking offering to all sectors of the economy. It currently has 11 branches across South Africa, primarily in urban centres. SABA offers traditional commercial and retail banking services, with particular emphasis on the SME market.

Selected financial information with respect to SABA as at 30 June 2010 as of and for the year ended 31 December 2009, and for the six-month periods ended 30 June 2010 and 2009, is provided in the table below:

	<b>As at 30 June 2010</b>	<b>As at 31 December 2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Total assets .....	131	119
Net loans.....	110	96
Total deposits.....	97	87

**For the six months ended 30 June**

	<b>2010</b>	<b>2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Impairment charge for credit losses.....	(0)	(0)
Profit before tax .....	(1)	1
Profit for the period .....	(1)	1

*Vojvodjanska Banka a.d. Novi Sad*

In December 2006, the Issuer acquired a 99.4% stake in Vojvodjanska and, in October 2007, the Issuer became the sole shareholder. Following relevant decisions of the shareholders' general assemblies of Vojvodjanska and NBG Beograd, dated 3 January 2008, the latter was absorbed by the former and the merger was completed in February 2008. The merger strengthened the footprint of the NBG Group in the Serbian market, where 177 business units serve over 940,000 private accounts and 110,000 SME and large company accounts. Vojvodjanska is also the second largest issuer of Visa debit and credit cards and Dina Cards and had a market share of approximately 6.0% of Serbia's domestic payments as at 31 December 2009.

Vojvodjanska ranked ninth in the Serbian market in terms of total assets and third in terms of branch network in accordance with data from the National Bank of Serbia. As at 31 December 2009, Vojvodjanska's retail market shares were 5.5% for consumer loans 4.9 % for credit cards and 3.4% for mortgage loans according to an analysis of internal data and data from the Serbian Credit Bureau and the National Bank of Serbia, and 5.2 % for retail deposits in accordance with an analysis of internal data and data from the National Bank of Serbia. Its corporate market shares as at the same date were 3.5% for corporate lending and 4.3% for

corporate deposits in accordance with analysis of internal data and data from the Serbian Credit Bureau and the National Bank of Serbia respectively.

Selected financial information with respect to Vojvodjanska as at 30 June 2010 and as of and for the year ended 31 December 2009, and for the six-month periods ended 30 June 2010 and 2009, is provided in the table below:

	<b>As at 30 June 2010</b>	<b>As at 31 December 2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Total assets .....	1,019	1,132
Net loans .....	675	694
Total deposits.....	525	576
	<b>For the six months ended 30 June</b>	
	<b>2010</b>	<b>2009</b>
	<b>(€ millions)</b>	<b>(€ millions)</b>
Impairment charge for credit losses.....	(2)	2
Profit before tax .....	1	10
Profit for the period.....	1	10

### *Leasing Services*

As part of its international banking operations, the Group offers leasing services through certain of its foreign subsidiaries.

## **Global Investment & Asset Management**

### *Private Banking*

The Issuer launched its private banking operations (**Private Banking**) in 2003 and currently offers its services domestically and internationally from its international private banking units in London.

Private Banking provides high net worth clients with a variety of investment products and services tailored to the customer's own investment profile. Advisory and discretionary asset management services are provided by NBG *Asset Management*, adding important solutions to the Issuer's investment services. For information related to NBG *Asset Management*.

Private Banking received the "Best Private Banking in Greece" award as the result of a 2010 survey conducted by Euromoney magazine.

### *Treasury*

The Issuer 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 deposits;
- foreign exchange forwards trading;
- repurchase agreements;
- corporate bonds; and

- derivative products, such as options and interest rate and currency swaps.

The Group's 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 the client base includes institutions, large corporations, insurance funds and large private-sector investors. In general, the Issuer and its subsidiaries enter into derivatives transactions for economic hedging purposes or in response to specific customer requirements. The Issuer also trades actively on a proprietary basis, primarily in euro-denominated Greek government securities and, to a lesser extent, in the spot foreign exchange market and is a general clearing member in the Eurex derivatives exchange. In recent years, the Issuer's treasury-related activities have represented a significant source of revenues. In 2009, total turnover for foreign exchange trading and money market transactions by the Issuer's central dealing room in Athens was approximately €265 billion and €599 billion respectively (compared with €257 billion and €734 billion, respectively, in 2008).

The Issuer is active in the primary and secondary trading of Greek government securities, as well as in the international Eurobond market. The Issuer is a founding member of the Group of Greek Government Securities Primary Dealers which was established by the Bank of Greece in early 1998.

The Issuer also conducts a portion of its treasury activities through its subsidiary CPT, which the Issuer includes in its consolidated financial statements. As at 31 December 2009, CPT's portfolio comprised Greek government bonds and corporate bonds, with a total book value of €1.8 billion.

#### *Custodian Services*

The Issuer offers custodian services to its foreign and domestic institutional clients who hold equity securities listed on the ATHEX or listed Greek State debt, as well as remote settlement and custody services on the Cyprus Stock Exchange. The Issuer offers trade settlements, safekeeping of securities, corporate action processing, income collection, proxy voting, tax reclamation, brokerage services, customized reporting, regular market flashes and information services. The Issuer also acts as global custodian to its domestic institutional clients who invest in securities outside of Greece.

The Issuer acts as an agent for approximately 70 domestic institutional clients (four mutual funds, three investment companies, 14 insurance companies and 49 pension funds) and 33 foreign institutional clients, including several leading global custodians, as of 31 December 2009. The Issuer also offers custodian services to private Greek investors and had approximately 260,000 active custody accounts as of 31 December 2009.

#### *Asset Management*

The Issuer's domestic fund management business is operated by NBG Asset Management M.F.M.C. (**NBG Asset Management**), which is wholly owned by the Group. NBG Asset Management manages funds that are made available to customers through the Issuer's extensive branch network.

As of 30 June 2010, NBG Asset Management's total assets under management were €1.8 billion, compared with €1.9 billion at 31 December 2009. Its market share in Greece was 17.5% as of 30 June 2010, compared to 17.8% as at 31 December 2009, according to the Association of Greek Institutional Investors.

NBG Asset Management offers 27 investment funds under the brand name Delos, one under the NBGAM brand name and nine under the NBG International SICAV and NBG Synesis SICAV brand names, which are registered in Luxemburg. NBG Asset Management offers a wide range of investment products that provide to institutional and private investors access to significant markets in stocks, bonds and money market products, in Greece and internationally.

Additionally, since 2008, NBG Asset Management has expanded its range of investment services. The company 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.

Furthermore NBG Asset Management launched the first Exchange Traded Fund (ETF) on the Athens Stock Exchange General Index on 29 June 2009 under the name NBGAM ETF General Index.

As of 30 June 2010, NBG Asset Management had approximately 421 institutional and over 60,565 private investors, totalling €1.8 billion assets under management. The total value of funds managed since 2005 is set forth in the table below:

	As at 31 December					As at 30
	2005	2006	2007	2008	2009	June
	(€ in billions, except percentages)					
Funds under management .....	6.92	6.96	7.64	2.77	1.90	1.77
Market share.....	24.75%	29.11%	31.13%	26.59%	17.78%	17.53%

#### *Stock Brokerage*

National P&K Securities, renamed as National Securities S.A. on 20 May 2010, is the Issuer's brokerage arm and was founded in 2007 following the merger of the Issuer's former subsidiary companies National Securities S.A. and P&K Securities S.A. National Securities S.A. offers a spectrum of investment services to both individual and institutional customers.

As at 31 December 2009, National Securities S.A. had a market share of 14.8% of trades brokered by total trading volume on the ATHEX, ranking third in terms of total trading volume, according to ATHEX data.

The provision of capital markets and advisory services in Greece has become increasingly competitive, with a number of banks and brokerage houses participating actively in this area.

In July 2009, National Securities S.A. opened a branch in London and has assumed most of NBGI's brokerage business relating to institutional clients.

In September 2009, National Securities S.A. opened a branch in Nicosia, Cyprus, to provide brokerage services to local private investors.

#### *Private Equity and Venture Capital*

With offices in London, Athens, Paris, Istanbul and Bucharest, NBGI subsidiary NBGI Private Equity Limited ("NBGI Private Equity") manages the private equity funds described below. In 2009, NBGI Private Equity continued to grow, increasing its funds under management including undrawn amounts to approximately €822 million as at December 31, 2009, compared with €800 million at December 31, 2008.

<b>Fund</b>	<b>Closing Date</b>	<b>Funds Under Management</b>	<b>Drawdown amounts</b>	<b>Geographic Focus</b>
		<b>(in millions)</b>	<b>(in millions)</b>	
NBG Private Equity Fund LP	August 2000	GBP 61	GBP 55	UK
NBGI Private Equity Fund II LP	June 2007	GBP 62 (*)	GBP 34	UK
NBG South Eastern Europe Fund LP	March 2006	€100	€41	SEE
NBGI SEE Development Capital Fund LP	March 2007	€100	€13	SEE
NBGI SEE Real Estate Fund LP	October 2009	€80	€16	SE and Central Europe
NBGI SEE Energy Fund LP	October 2008	€100	€2	Predominantly Central & Eastern Europe, and selectively Western Europe
NBGI Private Equity France Fund LP	December 2009	€101	€6	France and other French speaking countries
NBGI Turkish Private Equity Fund LP	October 2008	€100	€2	Turkey
NBG Technology LP	October 2001	€42	€41	Predominantly Europe
NBGI Technology Fund II LP	October 2009	€60	€21	Predominantly Europe & US

(\*) NBGI Private Equity Fund II LP (“UK Fund II”) is expected to grow to approximately GBP 100 million.

NBG is the sole investor in the funds, with the exception of NBGI Private Equity Fund II LP and NBG Technology LP where external investors also participate.

### Main Financial Highlights

NBG Private Equity Fund LP (“UK Fund I”) has an established track record, having exited nine of its thirteen investments to realize an overall gross 44.2% internal rate of return and a money multiple of 4.2.

The NBGI SEE Development Capital Fund LP successfully exited an investment in October 2008, realizing €3.7 million in capital gains and dividend income for the fund. NBGI SEE Development Capital Fund has not made further investments.

NBG Technology LP completed its first and only exit in 2007.

### Insurance

The Issuer provides insurance services primarily through its wholly-owned subsidiary, Ethniki Hellenic General Insurance S.A. (EI), the leader in the Greek insurance market in terms of Gross Written Premiums according to data published by the Greek Private Insurance Supervisory Committee. Ethniki Insurance offers a full range of products such as life, accident and health insurance for individuals and groups, fire, calamity, credit, motor, marine hull and cargo insurance, and general third party liability. Through the expertise of its personnel and the professionalism of its sales force, Ethniki Insurance provides advanced insurance solutions that can meet the demands of the increasingly competitive Greek insurance market.

EI operates through a network of over 2,800 tied agents and over 2,600 independent insurance brokers, in addition to selling bancassurance products through the Issuer’s network.

For the six-month period ended 30 June 2010, Ethniki Insurance reinforced its leading position in the Greek insurance market, despite adverse financial conditions, with a 24.1% market share in life insurance and 18.0% in non-life insurance, compared to 23.4% and 17.1% respectively in 2009, according to data published by the Greek Private Insurance Supervisory Committee on 30 June 2010.

In EI's non life insurance business, gross written premiums reached €290.9 million, for the six-month period ended 30 June 2010, compared to €230.4 million for the six-month period ended 30 June 2009. Gross written premiums for the years ended 31 December 2009 and 2008 were €493.4 million and €379.2 million, respectively.

In EI's life insurance business, gross written premiums for the six-month period ended 30 June 2010 reached €240.8 million compared with €237.3 million for the six-month period ended 30 June 2009. Gross written premiums for the years ended 31 December 2009 and 2008 were €488.9 million and €475.3 million, respectively.

*Bancassurance* premiums for life and fire insurance amounted to €94.4 million and €16.9 million respectively for the six-month period ended 30 June 2010 compared to €94.7 million and €16.8 million respectively for the six-month period ended 30 June 2009. For more information on its bancassurance business, see below “—Bancassurance.

EI is also active in SEE focusing on bancassurance business. Ethniki Insurance operates two Cypriot subsidiaries in collaboration with NBG Cyprus which are active in life and non-life insurance. Ethniki Insurance also operates in Romania, where it holds a 95% share in Societate Comerciala Asigurari Garanta S.A. (**Garanta**). Garanta offers consumer credit insurance and personal accident products through the network of four banks, namely Pireaus Bank Romania, Romextera, ATE Bank and Credit Europe.

In Bulgaria, Ethniki Insurance operates two insurance companies jointly with UBB and AIG: UBB Alico Life Insurance Company and jointly with UBB and Chartis Central Europe and CIS Insurance Holdings Corporation, UBB Chartis Insurance Company A.D., for life and non-life insurance, respectively. These companies promote bancassurance products in the Bulgarian market. Additionally in partnership with UBB, Ethniki Insurance operates UBB Insurance Broker AD holding 20.0% of the share capital.

National Insurance Brokerage S.A., a subsidiary specializing in maritime brokerage, contributes to the further expansion of services provided in the maritime and aviation insurance markets.

#### *Bancassurance*

EI provides bancassurance products through the Issuer's insurance brokerage subsidiary NBG Bancassurance S.A. (**NBGB**) and the Issuer's extensive network in Greece.

NBGB provides products in two categories:

- Insurance products bundled with banking products, which reduce risk for Issuer customers. These products are:
  - Real estate insurance on properties for which a mortgage loan has been granted by the Issuer;
  - Payment protection insurance for consumer loan customers of the Issuer;
  - Life and disability insurance for mortgage loan customers of the Issuer; and
  - Life and disability insurance for small business loan customers.
- Investment-saving-retirement insurance products, such as “Prostheto+” and “Frontizo”, which are either lump sum or monthly instalment policies. The customer selects the amount of the guaranteed pension as well as the age at which he wishes to receive such pension. “Frontizo” is targeted to customers who wish to secure a lump sum payment for their children when they reach a specific age.

#### *Finans Pension*

Finans Pension was established on 4 July 2007. As at 30 June 2010 Finans Pension ranked seventh in the Turkish life insurance industry measured by gross written premiums, with a market share of 3.6%, according to data from the Association of the Insurance and Reinsurance Companies of Turkey. As at 30 June 2010,

the total assets of Finans Pension reached €47.1 million. The Company goes on its current operations with 238 personnel as of 30 June 2010, compared to as at 30 June 2009 of 178 personnel.

## **Other**

### *Real Estate Management*

The Issuer *engages* in real estate management activities, including warehousing and third-party property management. As at 31 December 2009, the Issuer owned 1,132 real estate units, 723 of which were buildings the Issuer acquired for its own business purposes or through seizure of collateral on loan foreclosures. The net book value of the Issuer's land and buildings as at 30 June 2010 was €290.3 million including repossessed assets.

In addition, NBG Pangaea, a newly formed Real Estate Investment Group (REIC), wholly owned by the Issuer, owned 241 properties with a net book value of €615.0 million. These properties were contributed to the REIC in lieu of cash for share capital. The commercial value of the properties contributed was €910.9 million as of 30 June 2010, and these are currently leased to the Issuer under long term leases.

In addition, Ethniki Kefalaïou S.A., a wholly owned subsidiary of the Issuer that is engaged in asset and liability management, including asset liquidation, managed 44 properties with an aggregate book value of €15.4 million as at 30 June 2010. Most of these properties have been bought in recent years from the Issuer, which acquired them on realization of collateral under non-performing loans. In line with its strategy of streamlining its activities, the Issuer intends to continue to dispose of certain non-core real estate holdings through Ethniki Kefalaïou S.A. For the year ended 31 December 2009, proceeds from the sale of land and buildings by the Issuer amounted to €19.3 million and €nil Ethniki Kefalaïou S.A compared to € 68.8 million and €1.7 million for the year ended 31 December 2008.

National Real Estate performed warehousing functions and held real estate property as a subsidiary. On 31 March 2006, the Issuer absorbed National Real Estate and on 17 March 2008 completed the spin-off of the general warehouses branch to its wholly owned subsidiary Pronomiouchos S.A. Genikon Apothikon Ellados. See "*History and Development of the NBG Group*" for information regarding our principal real estate divestitures in recent years. The Issuer intends to continue to divest real estate holdings as part of its non-core asset divestment strategy.

### *Consulting and Professional Training*

Ethnodata S.A. (**Ethnodata**) and its subsidiary, Ethnoplan S.A. (**Ethnoplan**), provide consulting and development in the area of information systems and software to other companies in the Group and to third parties. In addition, the Issuer runs a training centre for its employees as well as for other banks in Greece and abroad. The Issuer's training centre offers training courses and participates in programs funded by the EU.

The Issuer also engages in business consultancy services through Planet S.A., a business consultancy firm based in Athens in which the Issuer held a 31.18% stake, as at 30 June 2010.

### *Hotel Management*

The Issuer's presence in the tourism sector is through the Issuer's subsidiary, Astir Palace, owner of the Astir Palace Hotel Complex, which is currently under the management of Starwood Hotels & Resorts Worldwide Inc.

In 2009, Astir Palace invested more than €5 million in renovations. Major investment projects completed include the conversions of the hotel's bungalows into luxury villas and the "Club House" restaurant into the "Matsuhisa" restaurant, the renovation of "Astir Beach" restaurant, "Restaurant 37", the renovation of beach facilities and several other upgrades. The Afrodite Hotel has not been operational during past years and is

currently being rebuilt. Additionally, Astir Palace is contemplating a new conference center and events space.

## OVERVIEW OF THE BANKING SERVICES SECTOR IN GREECE, SEE AND TURKEY

### *The Banking Services Sector in Greece*

The Greek banking sector has expanded rapidly in recent years, due to both deregulation and technological advances. As of July 2010, the date of the most recent available information from the Bank of Greece, there were 64 credit institutions in Greece made up of 19 Greek banks, 16 cooperative banks and 28 foreign banks, as well as one specialized credit institution.

### *Universal Banks*

Traditionally, commercial banks have dominated the Greek financial services market. However, specialized credit institutions have expanded into commercial banking thereby increasing competition in the market. The distinction between commercial and investment banks has ceased to formally exist and the Bank of Greece classifies all banks operating in Greece as “universal banks”, with the exception of the Consignment Deposits and Loans Fund (which is a legal entity under Greek public law, fully owned and controlled by the Hellenic Republic). Universal banks have been shielded to some degree from the deteriorating interbank lending conditions, as they are able to access funding through deposits, compared with institutions that are unable to draw on such deposit bases.

There are three banks that are controlled, directly or indirectly, by the Hellenic Republic: Bank of Attica, Hellenic Postbank and ATE Bank (formerly the Agricultural Bank of Greece). Over the last ten years, the Hellenic Republic has proceeded with privatizing a large number of credit institutions. The most recent development was the disposal of a majority stake of Geniki Bank to Société Générale in early 2004 and of Emporiki Bank to Crédit Agricole in August 2006. In addition, the Hellenic Republic proceeded with the partial privatizations of the Postal Savings Bank and ATE Bank through the listing of their shares on the ATHEX.

In recent years, many of the major Greek banks have expanded internationally, establishing or enhancing their presence in SEE. In addition to NBG's acquisition of controlling stakes in Finansbank and Vojvodjanska during 2006 and the first months of 2007, other Greek banks have proceeded with acquisitions of banks in the region. Eurobank EFG became the owner of 100.0% of the shares of Nacionalna Stedionica Banca in Serbia in March 2007 and took control of over 90.0% of DZI Bank in Bulgaria in December 2006. Also, in March 2007, Eurobank EFG concluded the purchase of a 99.0% stake of Universal Bank in Ukraine, and completed the acquisition of the majority of shares in Tekfenbank in Turkey. Piraeus Bank acquired a nearly 100.0% stake in International Commerce Bank JSC in the Ukraine in 2007, and Alpha Bank acquired the majority of shares of the Ukrainian OJSC Astra Bank in 2008. ATE Bank made its first expansion steps in SEE by acquiring a 20.0% stake in AIK Bank in Serbia and a stake of MindBank in Romania during the same year (source: banks' financial statements for 2006 and 2007).

### *Foreign Banks*

In July 2010, according to data published by the Bank of Greece, there were 28 foreign-owned or incorporated credit institutions that were well established in the Greek banking market. These include Citibank, Bank of Cyprus and HSBC. The majority of foreign banks operating in Greece have little presence in retail banking services.

### *Specialized Credit Institutions*

The Consignment Deposits and Loans Fund, an autonomous financial institution organized as a public law legal entity under the supervision of the Ministry of Finance, is the only remaining specialized credit institution in Greece. Its activities include the acceptance of consignments in cash or in kind, the granting of housing loans to qualifying borrowers, primarily civil servants, and the support of regional development.

### ***Non-Banking Institutions***

As of April 2002, Greek law allows non-banking institutions that are licensed by the Bank of Greece to extend consumer credit or loan facilities. These institutions are in direct competition with universal banks in the consumer credit sector.

### ***The Banking Services Sector in SEE & Turkey***

In 2009, the macroeconomic performance of Turkey and SEE countries in which the Group has a presence (Albania, Bulgaria, Romania, Serbia, Cyprus and FYROM) deteriorated, in line with the synchronised global recession and the global financial crisis. In particular, the real GDP growth rate, which had fluctuated around its 6.0% potential between 2002 and 2008, fell sharply in SEE and Turkey (-5.2% and -4.7%, respectively), due to weaker external demand, depressed domestic demand, and scarce and more expensive external financing. Inflation declined significantly in 2009, mainly due to weak domestic demand and favourable international commodity prices to 4.0% y-o-y and 6.5% y-o-y, respectively, in SEE and Turkey in 2009, compared with 6.3% y-o-y and 10.1% y-o-y, respectively, in 2008.

The global economic and financial crisis has led to an adjustment in the external imbalances of these economies. The current account deficit narrowed significantly in 2009, due to weakening domestic demand, a decrease in international oil and commodity prices and the curtailed credit to governments, banks and corporations. The current account deficit-to-GDP ratio narrowed to 6.5% and 2.3%, respectively, in SEE and Turkey in 2009 from 14.8% and 5.7%, respectively, in 2008. A large part of the current account gap in SEE and Turkey was financed by non-debt-generating foreign direct investment (FDI) inflows despite the ongoing global liquidity crisis. Net FDI inflows coverage of the current account deficit stood at 73.9% and 49.8%, respectively in SEE and Turkey in 2009.

Financial intermediation continued to deepen in SEE and in Turkey in 2009, albeit at a very low pace compared with the previous years, mainly due to very tight liquidity conditions and banks' need to preserve their asset quality and capital in an adverse macroeconomic environment.

In 2009, loans and deposits in SEE recorded low growth rates of 4.5% y-o-y and 9.9% y-o-y, respectively, while the corresponding penetration rates stood at 66.9% and 59.9%. Lending to corporations was the main driver of credit activity in SEE as a whole, growing by 4.8% y-o-y in December 2009 and bringing the loans to corporates to GDP ratio to 37.2%.

In 2009, ratios that are reflective of the level of financial intermediation by banking institutions in Turkey have also increased. In 2009, bank deposits and loans increased by 12.0% y-o-y and 4.7% y-o-y, respectively, while their corresponding penetration rates stood at 50.9% and 38.0% of GDP.

### ***Regulation and Supervision of Banks in Greece***

The Bank of Greece is the central bank in Greece. It is responsible for the licensing and supervision of credit institutions in Greece, in accordance with Greek Law 3601/2007 on licensing, operation, supervision and control of credit institutions, Greek Law 3746/2009 on the Greek deposit and investment guarantee fund, Greek Law 3691/2008 on anti-money laundering provisions, Greek Law 3862/2010 on payment services and credit institutions and other relevant laws of Greece, each as amended and in force. It also has regulatory and supervisory powers relating to the operation of credit institutions in Greece.

Regulation of the banking industry in Greece has changed in recent years pursuant to changes in Greek law, largely to comply with applicable EU directives. In August 2007, the EU directives regarding the adoption of the new Basel Capital Accord, known as Basel II, were incorporated into Greek law relating to the business of credit institutions and to the capital adequacy of investment firms and credit institutions. Following this, on 20 August 2007, the Bank of Greece issued ten Governor's Acts specifying the details for the implementation of Basel II, which took effect from 1 January 2008. A number of regulatory initiatives which have recently been proposed or are shortly to be implemented would alter the Group's capital

requirements, including the EU Directive on Capital Adequacy II (CRD II) and the EU Directive on Capital Adequacy III (CRD III) discussed below under “*Guidelines for Capital Requirements*”.

In November 2008, the Greek government implemented the Hellenic Republic's bank support plan to strengthen Greek banks' capital and liquidity positions. For more information concerning the bank's participation in this plan, see below “—Plan for the Support of the Liquidity of the Greek Economy”. In addition, in response to the unprecedented economic downturn in the Hellenic Republic, in early May 2010, the Greek government agreed to the IMF/eurozone Stabilization and Recovery Program. For more information, see “*The IMF/eurozone Stabilization and Recovery Program*” below.

Credit institutions operating in Greece are obliged to observe the liquidity ratios prescribed by the Bank of Greece (Act No. 2614/2009 of the Governor of the Bank of Greece), maintain efficient internal audit, compliance and risk management systems and procedures (Act No. 2438/1998 and No. 2577/2006 of the Governor of the Bank of Greece, as amended and supplemented by Acts Nos. 2597/2007 and 2614/2009 of the Governor of the Bank of Greece and Decision No. 242/2007 of the Banking and Credit Affairs Committee of the Bank of Greece), submit to the Bank of Greece periodic reports and statements (Act No. 2606/2008 of the Governor of the Bank of Greece), provide the Bank of Greece with such further information as it may require, and make (in connection with certain operations or activities) notifications to or request the prior approval (as the case may be) of the Bank of Greece, in each case in accordance with the applicable laws of Greece and the relevant Acts, Decisions and Circulars of the Bank of Greece (each as in force from time to time).

Pursuant to Greek Law 3601/2007, the Bank of Greece Governor's Acts and other relevant laws of Greece, the Bank of Greece has the power to conduct audits and inspect the books and records of credit institutions. In case of breach, the Bank of Greece is empowered to require the relevant credit institution to take appropriate measures to remedy the breach, impose fines (Act No. 2602/2008 of the Governor of the Bank of Greece), appoint an administrator and finally (where the breach cannot be remedied or in case of insolvency) revoke the license of the credit institution and place it into special liquidation under its supervision. In the case of insufficient liquidity of a credit institution, the Bank of Greece may order a mandatory extension of its due and payable obligations for a period not exceeding two months (which can be extended for a further one-month period) and appoint an administrator under its supervision.

In accordance with the Statute of the Bank of Greece, as amended and ratified by, *inter alia*, Greek Law 2832/2000, in cases of breach of the regulatory framework, in addition to other powers to impose sanctions under specific laws, the Bank of Greece has the general power to impose sanctions against credit institutions.

### ***Plan for the Support of the Liquidity of the Greek Economy***

In November 2008, the Greek Parliament passed Greek Law 3723/2008 setting forth a €28 billion support plan for the liquidity of the Greek economy, referred to as the “Hellenic Republic bank support plan” in this Prospectus. The law was passed with the goal of strengthening Greek banks' capital and liquidity positions in an effort to safeguard the Greek economy from the adverse effects of the international financial crisis. Recently, the Hellenic Republic bank support plan was revised by Greek laws 3844/2010, 3845/2010 and 3872/2010 and ministerial decisions no. 132624/B.527 and 29850/B.1465, which, respectively, increased the return on the preference shares of the first pillar referred to below, amended the payment of dividends prohibition, increased the total amount that can be provided by the Hellenic Republic under the second pillar referred to below, extended the duration of the plan until 31 December 2010 and increased the commission paid to the Hellenic Republic for Hellenic Republic guarantees provided for under the second pillar from 1 July 2010 onwards.

The Hellenic Republic's bank support plan is comprised of the following three pillars:

- (1) Up to €5 billion in non-dilutive capital designed to increase Tier I ratios. The capital will take the form of non-transferable voting redeemable preference shares with a 10.0% fixed return, which must be redeemed at the issue price five years after their issuance or, at the election of a participating

bank, earlier with the approval of the Bank of Greece. If the preference shares are not redeemed within five years from their issuance or if the participating bank's general meeting of shareholders has not approved their redemption, the Greek Minister of Finance shall impose, pursuant to a recommendation by the Bank of Greece, a gradually cumulative increase of 2.0% per year on the 10.0% fixed return provided for during the first five years from the issuance of the shares to the Hellenic Republic. The issue price of the preference shares must be the nominal value of the common shares of the last issue of each bank. Pursuant to Decision No. 54201/B2884 of the Minister of Economy and Finance, the banks will be required to convert the preference shares into common shares or another class of shares at the end of the five-year period if the redemption of the preference shares is impossible, because the Tier I capital of those banks after such redemption would be less than the level set by the Bank of Greece.

- (2) Up to €55 billion in Hellenic Republic guarantees for new borrowings (excluding interbank deposits) concluded until 31 December 2010 (whether in the form of debt instruments or otherwise) and with a maturity of three months to three years. These guarantees shall be granted to banks that meet the minimum capital adequacy requirements set by the Bank of Greece as well as criteria set forth in Decision No. 54201/B2884-26.11.2008 of the Minister of Economy and Finance and Decision No. 29859 B1469/9.7.2010 of the Minister of Finance regarding capital adequacy, market share size and maturity of liabilities and share in the mortgage and SME lending market. The terms under which guarantees will be granted to financial institutions are included in Decision No. 2/5121/0025/26.2.2009 of the Minister of Finance.
- (3) Up to €8 billion in loans of debt instruments (the maturity of which may not exceed three years) issued by the Hellenic Republic through the Public Debt Management Agency until 31 December 2010 to participating banks meeting the minimum capital adequacy requirements set by the Bank of Greece. The debt instruments bear no interest, are issued at their nominal value in denominations of € 1 million and are listed on the ATHEX. They are lent to a participating bank by virtue of a bilateral agreement executed between the participating bank and the Hellenic Republic. At the applicable termination date of the bilateral agreement (irrespective of the maturity date of the debt instruments), the debt instruments must be returned to the Hellenic Republic. The participating banks must use the debt instruments received only as collateral for refinancing, in connection with fixed facilities from the ECB or for purposes of interbank financing. The proceeds of such financing must be used to finance mortgage loans and loans to SMEs at competitive terms.

Participating banks that utilize either the capital or guarantee facility will have to accept a government-appointed director. Such director shall be additional to the existing directors of the participating banks and will have veto power on corporate decisions both at board and shareholder assembly level pertaining to directors and senior management compensation and dividend policy. However, the government-appointed director may only utilize his/her veto power following a decision of the Minister of Finance or if he/she considers that the relevant corporate decisions may jeopardize the interests of depositors or materially affect the solvency and effective operation of the participating bank. In addition, those banks will be required to limit maximum executive pay to that of the Governor of the Bank of Greece, and must not pay bonuses to senior management as long as they participate in the Hellenic Republic's bank support plan. Also, during that period, dividend payouts for those banks, in respect of the year 2008, are disallowed, and, in respect of the financial year 2009 and any following years of participation in the plan, will be limited to up to 35% of distributable profits of the participating bank (at the parent company level). According to Greek Law 3756/2009, participating banks may only distribute stock dividends in relation to financial years 2008 and 2009, which must not be from treasury shares, and may not purchase their own shares. These provisions do not apply to the payment of dividends in respect of preference shares issued by credit institutions and offered outside of Greece.

Furthermore, participating banks are obliged not to pursue aggressive commercial strategies, including advertising the support they receive from the plan in an attempt to compete favorably against competitors that do not enjoy the same protection. Participating banks are also obliged to avoid expanding their activities

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

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

To oversee the implementation and regulation of the plan, Greek Law 3723/2008 provides for the establishment of a supervision council (the “Council”). The Council will be chaired by the Minister of Finance. Members will include the Governor of the Bank of Greece, the Deputy Minister of Finance, who is responsible for the Greek General Accounting Office, other public officials and the government-appointed directors at each of the participating banks. The Council will convene on a monthly basis with a mandate to supervise the correct and effective implementation of the plan and ensure that the resulting liquidity will be used for the benefit of the depositors, the borrowers and the Greek economy overall. Participating banks which fail to comply with the terms of the plan will be subject to certain sanctions, while the liquidity provided to them may be revoked in whole or in part.

Towards the end of 2008, the Issuer, along with Eurobank EFG, Alpha Bank, Piraeus Bank and ATE Bank, among others, announced that it would participate in the plan. The deadline for inclusion in the plan was 1 February 2009, but was subsequently extended to 31 December 2010.

The Issuer agreed to participate in the plan although it believes it has adequate liquidity and sound capital ratios. The Issuer’s main reasons for participating are:

- (a) to maintain and source new liquidity facilities given the current dysfunctional interbank markets and the closure of senior debt and securitization markets;
- (b) to continue to expand domestic credit in Greece as part of a coordinated effort to maintain liquidity in the Greek economy;
- (c) to increase its Tier I capital and further strengthen its capital position; and
- (d) to remain competitive with its domestic and other European competitors, who participate in other European bank support plans.

According to a resolution adopted by shareholders at an extraordinary General Meeting held on 22 January 2009, the Issuer issued 70 million redeemable preference shares at a par value of €5 each, with the cancellation of the pre-emptive rights of the existing shareholders in favour of the Hellenic Republic. The issue was fully subscribed by the Hellenic Republic, through the transfer by the latter to the Issuer of an equivalent amount of Greek government bonds, in accordance with Greek Law 3723/2008.

On 3 May 2010, the Greek parliament passed Greek Law 3844/2009 amending Greek Law 3723/2008 by rendering preference shares not mandatorily redeemable. If not redeemed after five years following their issuance, the coupon rate will be increased by 2.0% per annum.

Greek Law 3844/2009 also extends the obligation not to distribute a cash dividend for profits relating to fiscal year 2009.

### ***The IMF/eurozone Stabilization and Recovery Programme***

In response to the unprecedented economic downturn in the Hellenic Republic, which accelerated in the first few months of 2010, the government of the Hellenic Republic and the Bank of Greece entered into the

Memorandum of Economic and Financial Policies on 3 May 2010 (the **Memorandum**). The Memorandum provides for certain stabilizing and other measures to be adopted in the Greek financial sector including measures related to banking supervision. The Memorandum states that financial sector policies need to maintain stability and that, despite its current strong solvency position, the Greek banking system faces challenges. According to the Memorandum, while current capital buffers in the banking system are reassuring, bank supervisors will need to closely monitor liquidity and non-performing loans at individual banks. The Bank of Greece and the Greek government will further strengthen and clarify the key elements of Greece's supervisory and financial crisis framework to assist the banking system through this period of lower growth.

The Memorandum discusses liquidity and the creation of a financial stability fund (the **Financial Stability Fund** or the **FSF**). Within the existing euro system framework, national central banks may give support to temporarily illiquid, but solvent credit institutions. If such support is given by the Bank of Greece, it will be fully guaranteed by the Greek state in a manner that is consistent with relevant European Central Bank and European Union requirements. In addition, the Greek government and the Bank of Greece are putting a new safety net in place intended to preserve the sound level of bank equity, and thus improve conditions to support the real economy. Anticipating that banks' profits may decline further, possibly impacting their equity position, the government has established, under Greek law 3864/2010 and in consultation with the International Monetary Fund (the **IMF**), the European Commission and the ECB, the fully independent FSF. The Bank of Greece, in its capacity as supervisor of financial institutions, and the FSF is entitled to the maximum possible exchange of confidential information permitted under community legislation.

The Bank of Greece will increase the resources dedicated to, and intensify, banking supervision. This will include an increase in the frequency and speed of data reporting, and the further development of a comprehensive framework for regularly stress-testing financial institutions. Staffing will be increased both for on-site inspections and off-site review, while also taking into account the new responsibilities of the Bank of Greece with respect to the supervision of insurance organizations. Additional flexibility will be introduced in the management of human resources, and Bank of Greece staff will be granted legal protection for actions performed in good faith.

### ***The Financial Stability Fund***

The FSF was established by Greek law 3864/2010 as a private law entity, with the objective of helping to maintain the stability of the Greek banking system by providing support to the capital adequacy of both Greek banks and subsidiaries of foreign credit institutions lawfully operating in Greece. Management and supervision of the liquidity support provided under the Hellenic Republic bank support plan in accordance with Greek law 3723/2008 and the Bank of Greece does not fall under the scope of the FSF. The FSF will cease to exist on 30 June 2017.

*FSF's capital:* In accordance with Greek law 3864/2010, the FSF's capital is €10 billion, consisting of funds that shall be raised by the IMF/eurozone Stabilization and Recovery Programme (the **Stabilization Programme**), it shall be gradually paid in by the Greek State and shall be evidenced by certificated instruments which shall not be transferrable until the expiration of the term of the FSF. The operational expenses of the FSF shall be paid by the FSF itself. After the expiration of the FSF's term and the completion of the liquidation process, the FSF's capital and assets will be transferred to the Greek State by operation of law.

*Organizational issues:* The FSF is managed by board of directors consisting of seven members, appointed by a decision of the Minister of Finance upon the recommendation of the Bank of Greece. The board of directors is composed of one Chairperson and two Vice-Chairpersons, each of which are executive members of the board, and four non-executive members. The Chairperson, Vice-Chairpersons and two non-executive members will be chosen by the Governor of the Bank of Greece among persons of known reputation and experience in banking, financial matters or accounting. The remaining two non executive members are appointed *ex officio* by the General Secretary of the Minister of Finance and the Director of Financial

Stability of the Bank of Greece. The members of the board of directors are not permitted to directly or indirectly participate in, or be members of the board of directors, executives, or external counsels of, a Greek or foreign credit or financial institution, with the exception of the members that come from the Bank of Greece.

The term of the members of the board of directors is five years, renewable until 30 June 2017. The term of the *ex officio* members expires when they cease to be the General Secretary of the Minister of Finance and the Director of Financial Stability of the Bank of Greece, respectively.

The non *ex officio* members may lose their position before the expiration of their term, pursuant to a decision of the Minister of Finance upon recommendation of the Governor of the Bank of Greece, provided that a charge or conviction has impeached the member and would prohibit the appointment of the member in the Greek public sector or on due cause consisting especially of an objective inability to exercise the member's relevant duties, hiding or lying about an incompatible capacity or violating the confidentiality duty.

In addition, one representative from each of the European Commission and the ECB, together with their substitutes, will participate in the meetings of the board of directors without a right to vote. The board of directors will present semi-annual reports to the Greek Parliament, which shall be communicated to the Minister of Finance, the European Commission, the ECB, the Bank of Greece and the IMF. In exercising their powers and carrying out the tasks and duties conferred upon them under the legislation, the members of the Board enjoy full independence. Neither the Governor of the Bank of Greece nor the members of the board of directors of the FSF shall seek or take instructions from the Hellenic Republic, or any other state entity, institution, body or undertaking, or be subject to influence of whatever nature.

### ***Provision of Capital Support by FSF***

*Activation of the Capital Support Provision Process:* This process will be activated with the submission of an application by a credit institution (such institution being in compliance with the requirements for evaluating and maintaining its capital against the level of undertaken risks in accordance with Greek legislation), either (a) pursuant to the relevant recommendation of the Bank of Greece or (b) under the initiative of the credit institution (such initiative to be also supported by the Bank of Greece under the following conditions: (i) if under conservative assumptions of the Bank of Greece it is estimated that there is a reasonable risk of the credit institution being unable to continue to comply with capital adequacy requirements under Greek legislation, and (ii) if the credit institution's efforts to increase its own capital through the participation of its existing or new shareholders have not been successful).

The process of providing capital support may also be activated by a credit institution submitting an application following the Bank of Greece's written and justified recommendation in cases where (a) the credit institution is not compliant with the requirements for evaluating and maintaining its funds relative to the level of risks it has undertaken in accordance with Greek legislation or (b) the credit institution is not compliant with the requirements for maintaining its own funds on a continuous basis in accordance with the capital adequacy requirements of Greek legislation, and, in each case, where the credit institution's efforts to increase its own capital through the participation of its existing or new shareholders have not been successful. In these cases, the Bank of Greece may request the dismissal of the persons who are responsible for the direction of the operations of the credit institution, if the Bank of Greece considers such persons did not undertake all measures and necessary actions within their competence to meet the recommendations of Bank of Greece for the increase of the credit institution's capital adequacy. If the credit institution does not submit an application to the FSF for provision of capital support despite the recommendation of the Bank of Greece, the Bank of Greece may either appoint an administrator or revoke the credit institution's license in accordance with the Greek legislation.

Applications for the provision of capital support that are submitted pursuant to the Bank of Greece's recommendation must be submitted within one month from receipt of the recommendation and must necessarily be accompanied by:

- (a) a business plan substantiating the amount of the necessary capital support and containing a detailed description of the measures that the credit institution intends to take as soon as possible in order to maintain and enhance its solvency through, among other things, a share capital increase, or reinstating its profitability through decreasing expenses or risks and supporting other companies of the group. This plan may also include possible perspectives relating to mergers, absorptions or transfer of business units or activities to other credit or financial institutions; and
- (b) a detailed timetable for applying the measures with a specific reference to the time within which the credit institution estimates that it will be able repurchase of the preference shares that shall have been disposed to the FSF within the above framework.

The FSF, following consultation with or recommendation from the Bank of Greece, may suggest amendments to the credit institution's business plan, which must be adopted by the credit institution.

If the FSF considers the amended business plan to be viable, following consultation with or recommendation from the Bank of Greece, it will approve the provision of the capital support, provided that the European community legislation on state aid and the practice followed by the European commission are observed. The amount of the capital support is approved by the FSF following recommendation of the Bank of Greece. The FSF and the applicant credit institution must jointly present a detailed restructuring plan or amend the plan that has been submitted to the European Commission, in accordance with the European Union legislation on state aid and the practice followed by the European Commission. Within six months from the provision of capital support, the restructuring plan shall be submitted for approval by the Minister of Finance to the European Commission. The implementation of the plan must not exceed three years. Extension of the three-year duration of the plan may be given for a maximum of an additional period of two years by a decision of the FSF following consultation with Bank of Greece, provided that the extension is approved by the European Commission.

*Issue of Shares for the Provision of Capital Support:* The FSF provides capital support through the issue of preference shares. These preference shares are not transferrable to third parties and may not be listed until the FSF ceases to exist. However, if the applicant credit institution does not comply with the requirements of maintaining own funds on a continuous basis in accordance with the capital adequacy requirements under Greek legislation and the efforts of the credit institution to increase its own capital through the participation of its existing or new shareholders are not successful, then the preference shares issued to the FSF for the provision of capital support shall become ordinary shares.

Both share capital increases mentioned above shall be subscribed in cash and any pre-emption rights in favor of existing shareholders shall not apply. Any legal or constitutional restrictions on the relationship between preference and common shares shall not apply.

The subscription price of the above-mentioned preference shares must reflect their fair or market commercial value, the latter being determined without the support or potential support of the credit institution by the Hellenic Republic, the FSF or the Bank of Greece outside the framework of euro system actions. In order to calculate the above-mentioned value, the average of two evaluations from two independent auditing companies (conducted under commonly acceptable methods and criteria), will be taken into account. Such accounting companies shall be appointed by the FSF and the credit institution respectively. In case of divergence between the two valuations exceeding 10%, the value shall be finally determined by a third independent auditing company, which shall be appointed by a joint decision of the Minister of Finance and the Governor of the Bank of Greece. The evaluations must also comply with the relevant guidelines of the European Commission on similar valuations.

*Repurchase of the Preference Shares:* The preference shares issued upon the FSF's provision of capital support shall be repurchased in their entirety by the applicant credit institution within five years, following approval by the Bank of Greece. The repurchase price shall be the higher of the issue price (plus any non-paid but payable dividends) and the price at the time the decision to convene the general meeting of shareholders for the repurchase of the preference shares is made. This latter price is calculated pursuant to the valuation procedures described above. Partial repurchase of the preference shares is not permitted. The repurchase of the preference shares is conditional upon the approval of the Bank of Greece and is granted under the condition that the solvency and financial stability of the credit institution is not at risk. In case the five-year period lapses without the credit institution having repurchased the preference shares, a cumulative annual increase of 2% is imposed on the return of the preference shares.

*Conversion of the Preference Shares to Ordinary Shares:* The above mentioned preference shares are converted to ordinary transferrable shares upon decision of the FSF following recommendation of the Bank of Greece if: (a) specific objectives of the business plan are not fulfilled including the objective pertaining to the capital adequacy of the credit institution, or (b) the minimum required ratio for the credit institution's Core Tier I funds or the capital adequacy ratio under Greek legislation is not met.

The conversion price is determined at the time the capital support is provided on the basis of the issue price of the preference shares, as the latter is determined by the FSF and the applicant credit institution, taking into account the valuations of the auditing companies on the fair or the market value of the shares. However, this determination does not take into account the support or potential support, of the credit institution by the FSF, the Greek State or the Bank of Greece, with the exception of the euro system actions and the regulatory framework of the European Union and the practices followed by the European Commission in matters relating to state aid, as described above.

*Rights of the Preference Shares:* The preference shares are issued with voting rights at the General Meeting of the preference shareholders and provide the following privileges:

- The right of non-cumulative return, the amount of which shall be determined by decision of the FSF in accordance with the European Commission's legislation on state-aid and the relevant practices of the European Commission. These shares shall fulfill all the requirements to qualify as Supplementary Tier I Capital in accordance with Greek legislation. In case the percentage of the preference shares exceeds the maximum limit of Tier I Capital provided by law, the exceeding amount is calculated in the Tier II Capital of the credit institution.
- The right to participate in the credit institution's board of directors with one additional member as representative of the FSF. Such representative shall have:
  - (a) the right to request that general meeting of shareholders be convened and
  - (b) veto right on any decision of the board of directors of the credit institution (i) regarding the distribution of dividends and the policy regarding rewards to the Chairman, the Managing Director and the other members of the board of directors, as well as to the General Managers and their substitutes, or (ii) if the decision in question is capable of putting at risk the interests of the depositors or may substantially affect the liquidity or solvency or in general the prudent and proper operation of the credit institution (such as business strategy or asset and liability management).

The remuneration of the Chairman, the Managing Director and the remaining members of the board of directors of the credit institution, as well as of its General Managers and their substitutes may not exceed the total of remuneration received by the Governor of the Bank of Greece. No bonus payments are permitted to such management members during the participation of the credit institution in the capital support plan of the FSF. The provisions governing dividends pursuant to Greek law 3723/2008, are similarly applicable to the credit institutions that shall receive capital support by the FSF, as described above.

- (c) The right to request the postponement for three business days of the meeting of the credit institution's board of directors, in order to receive instructions from the board of directors of the FSF. The FSF's representative will be present at the meetings of the general meeting of ordinary shareholders and has a veto right at the discussion and the taking of a resolution on the matters referred to above. The representative will have free access to the books and data of the credit institution.
- In case of liquidation of the credit institution, the FSF, in its capacity as shareholder, will be satisfied preferentially from the proceeds of liquidation over all other shareholders, including the Hellenic Republic as beneficiary of the preference shares of Greek law 3723/2008.

During the participation of the FSF in the share capital of a credit institution, the buy back of treasury shares by such credit institution is prohibited without the FSF's approval.

### ***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.

Limitations apply to the compounding of interest. 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 amended by article 42 of Greek Law 2912/2001 and article 47 of Greek Law 2873/2000) and article 39 of Greek Law 3259/2004 (as supplemented by article 8 of Greek Law 3723/2008).

### ***Secured Lending***

Since 1992, Greek Law 2076/1992, now replaced by Greek Law 3601/2007, has permitted mortgage banks to grant to customers loans and credit that are secured by Greek real and personal property and certain types of personal security, such as cash.

Mortgage lending is extended mostly on the basis of mortgage pre-notations, which are less expensive and easier to record than actual mortgages, and may be converted into full mortgages upon receipt of a final non-appealable court judgment (ie. a judgement that can only be subject to an application for annulment before the Hellenic Supreme Court (*Areios Pagos*) from the relevant Greek court in the event of default.

### ***Compulsory Deposits with the Central Bank***

The compulsory commitments framework of the Bank of Greece has been amended in line with Eurosystem regulations. Since 10 July 2000, commitment ratios are determined by category of deposits to clients instead of a single ratio of 12.0% previously in force for commercial banks. The commitment ratio is set at 2.0% for all categories of deposits to clients comprising the commitment base, with the exception of the following categories to which a zero ratio applies:

- (a) deposits with agreed maturity over two years;
- (b) deposits redeemable at notice over two years;
- (c) repos; and
- (d) debt securities with agreed maturity over two years.

This commitment applies to all credit institutions.

## ***Guidelines for Risk-based Capital Requirements***

After a long period of consultation and cooperation among international banks and regulatory authorities, in June 2004 the Basel Committee on Banking Supervision issued a revised capital adequacy framework and, in November 2005, the Basel Committee on Banking Supervision issued its final proposals on the new capital standards, known as the new Basel Capital Accord or Basel II. Basel II promotes the adoption of certain enhanced risk management practices. It introduces risk-sensitive, conceptually sound approaches for the calculation of capital requirements that take into account the sophistication of risk management systems and methodologies applied by banks.

The revised framework retains key elements of the 1988 capital adequacy framework, including the general requirement for banks to hold a minimum 8.0% own funds to risk-weighted asset ratios, the basic structure of the 1996 Amendment regarding the treatment of market risk and the definition of assets eligible for own capital purposes.

A significant innovation of the revised framework is the greater use of assessments of risk provided by banks' internal systems as inputs to capital calculations. In taking this step, the framework also puts forward a detailed set of minimum requirements designed to ensure the integrity of these internal risk assessments. The revised framework introduces capital requirements for operational risk and also directs banks to establish an internal capital adequacy assessment process. This process accounts for market, credit and operational risks as well as other risk, including, but not limited to, liquidity risk, concentration risk, interest rate risk in the bank's investment portfolio, business risk and strategic risk.

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

The Basel II framework was implemented in June 2006 by means of EU Directives 2006/48EC and 2006/49EC. These EU directives were transposed in Greece in August 2007 by means of Greek Law 3601/2007. Following the adoption of Greek Law 3601/2007 on 20 August 2007, the Bank of Greece issued ten Governor's Acts related to the implementation of Basel II, which took effect from 1 January 2008.

On 9 November 2007, the Issuer applied to the Bank of Greece requesting authorisation to implement the Basel II capital adequacy framework. Specifically, the Bank of Greece's approval was sought for permission to use:

- the Foundation Internal Ratings-Based Approach with respect to its exposures to corporate customers, including specialised lending exposures, and
- the Internal Ratings-Based Approach (**IRB**) with respect to its mortgage portfolio, i.e. "receivables from individual customers, fully covered with real estate", as defined in Bank of Greece Governor's Act 2589/2007, Section B, §9a).

The Issuer's request was granted by the relevant Bank of Greece authority in charge of bank supervision.

The Issuer is in compliance with the new Basel II regulations and consistently applies all relevant rules, guidelines and Bank of Greece Governor's Acts since 1 January 2008, at Bank level and at Group level. The Issuer uses both the option for gradual implementation of IRB in its portfolios and the option for permanent exemption of certain categories of exposures from the application of IRB.

The Issuer has developed a comprehensive and well-documented roll-out plan that should enable the Group to gradually implement IRB with respect to the aggregate loan exposures included in the banking book (except those permanently exempted) within four years. At the initiation of IRB implementation, 50% of the

nominal amount of the Issuer's aggregate loan exposures were included in IRB, and over 75% is expected to be included within the first two years.

In 2008, the European Commission submitted a Proposal for a Directive of the European Parliament and the European Council amending Directives 2006/48/EC and 2006/49/EC regarding banks affiliated with central institutions, certain own funds items, large exposures, supervisory arrangements and crisis management which led to the adoption of Directive 2009/111/EC of the European Parliament and of the Council dated 16 September 2009. Greece is required to enact the laws, regulations and administrative provisions necessary to comply with this Directive by 31 October 2010, and shall implement these measures as from 31 December 2010.

A number of regulatory initiatives have recently been proposed or are expected to be applied shortly, which would significantly alter the Group's capital requirements. These proposed initiatives include:

- EU Directive 2009/111/EC (**CRD II**): CRD II is due to be implemented by 31 December 2010. In particular it will make changes to the criteria for assessing hybrid capital eligible to be included in Core Tier I Capital and may require the Group to replace, over a transitional period, existing capital instruments that do not fall within these revised eligibility criteria. Pending the transposition of CRD II into Greek law, there is still significant uncertainty around the interpretation and the implementation of CRD II as it relates to the Bank.
- The EU Capital Requirements Directive III (**CRD III**): the EU's finance ministers are expected to approve the European Parliament's text of CRD III in October 2010 and implementation of the rules is expected by 1 January 2012. It will introduce a number of changes in response to the recent and current market conditions, which may:
  - Increase the capital requirements for trading books to ensure that a Firm's assessment of the risks connected with its trading book better reflects the potential losses from adverse market movements in stressed conditions;
  - Limit investments in re-securitizations and impose higher capital requirements for re-securitizations to make sure that firms take proper account of the risks of investing in such complex financial products; and
  - Increase disclosure standards.
- On 16 December 2009, the Basel Committee on Banking Supervision (the **Basel Committee** published a consultation paper entitled "Strengthening the resilience of the banking sector". The consultation paper contains proposals to strengthen the global capital framework by, among other things, raising the quality of the Core Tier I Capital base in a harmonized manner (including through changes to the items which give rise to adjustments to that capital base), strengthening the risk coverage of the capital framework and promoting the build up of capital buffers. The consultation paper was open for consultation until 16 April 2010 and any changes are not expected to be implemented until after 2012.
- On 26 February 2010, the European Commission issued a public consultation document on further possible changes to the Capital Requirements Directive IV (**CRD IV**) which is closely aligned with the proposals of 16 December 2009 from the Basel Committee.
- The Solvency II Directive (Directive 2009/138/EC), adopted by the European Parliament on 22 April 2009 and endorsed by the Council of Ministers on 5 May 2009 is a fundamental review of the capital adequacy regime for the European insurance industry. When implemented (required by 31 October 2012) the capital structure and overall governance of the Group's life assurance business will alter significantly and this may have an impact on the capital structure of the Group.

In September 2010, the Basel Committee reached an agreement on capital reforms for banks as well as an implementation schedule which is summarized below:

- *Minimum Common Equity Ratio of 4.5% and Tier I Ratio of 6.0%.* The reform increases the minimum common equity (after deductions) requirements from the current level of 2.0% to 4.5% and the minimum Tier I requirements from 4.0% to 6.0%. These requirements will be subject to a two year transitioning period starting 1 January 2013. On 1 January 2013, the minimum capital requirements will be a Common Equity Ratio of 3.5% and Tier I Ratio of 4.5%. On 1 January 2014, the minimum capital requirements will be a Common Equity Ratio of 4.0% and Tier I Ratio of 5.5%. On 1 January 2015, banks will have to meet the 4.5% common equity and the 6.0% Tier I requirements.
- *Staggered Implementation of the Capital Conservation Buffer.* In addition to the Minimum Common Equity Ratio and Tier I Ratio, banks will be required to hold an additional buffer of 2.5% of common equity as part of the capital conservation buffer. Depletion of the capital conservation buffer will trigger limitations on dividends, distributions on capital instruments and compensation and it is designed to incentivize banks to operate above their minimum requirements. The capital conservation buffer will be phased in between 1 January 2016, increasing each subsequent year by an additional 0.625 percentage points, to reach its final level of 2.5% of risk weighted assets on 1 January 2019.
- *Compliance during the transition period.* Banks that remain below the 7.0% common equity target (minimum plus conservation buffer) during the transition period will be required to maintain prudent earnings retention policies with a view to meeting the conservation buffer as soon as reasonably possible and their ability to pay dividends or to make discretionary bonuses may be restricted.
- *Deductions from Common Equity to be phased out until 2018.* Regulatory deductions and prudential filters, (including investments in financial institutions, mortgage servicing rights, and deferred tax assets) will be fully deducted from common equity starting 1 January 2018. Regulatory adjustments will be phased in starting 1 January 2014 with annual increments by 20.0%.
- *A Grandfathering Period equal to the Shorter of 10 years or the Step-up Date.* Capital instruments that no longer qualify as non-common equity Tier I capital or Tier II capital will be phased out over a 10 year horizon beginning 1 January 2013. The regulatory treatment of existing capital instruments will be reduced by 10% in each subsequent year. Step-up instruments will be phased out at their effective maturity date (i.e. their call and step up date). Existing public sector capital injections will be grandfathered until 1 January 2018.
- *No Grandfathering for Instruments issued after 12 September 2010.* Only those instruments issued before the date of the announcement will likely qualify for the transition arrangements discussed above.
- *Countercyclical Buffer.* To protect the banking sector from excess aggregate credit growth the Basel Committee will implement an additional buffer of 0%–2.5% of common equity or other fully loss absorbing capital according to national circumstances. The countercyclical buffer, when in effect, will be introduced as an extension of the conservation buffer range.

### ***Additional Reporting Requirements***

Following the adoption of Basel II guidelines, the Bank of Greece issued a Governor's Act (2606/2008) determining the new reporting requirements for credit institutions in Greece. The new requirements include reports on the following:

- (a) Capital structure, special participations, persons who have a special relationship with the credit institution and loans or other types of credit that have been provided to these persons by the credit institution;
- (b) Own funds and capital adequacy ratios;

- (c) Capital requirements for credit risk and counterparty credit risk;
- (d) Capital requirements for market risk of the trading book – (including foreign exchange risk);
- (e) Information on the composition of the trading book;
- (f) Capital requirements for operational risk;
- (g) Large exposures and concentration risk;
- (h) Liquidity risk;
- (i) Financial statements and other financial information;
- (j) Covered bonds;
- (k) Combat money laundering and terrorist financing;
- (l) Information systems; and
- (m) Other information.

The new reporting framework is put into effect for data with reference date from 31 March 2008.

The Issuer submits to the Bank of Greece a full set of the regulatory reports both at Issuer level and at Group level, on a quarterly basis. In addition, in accordance with Decision No. 297/25.5.2010 of the Banking and Credit Committee of the Bank of Greece certain of the above references are submitted quarterly at Bank level.

#### ***Capital Requirements in the Issuer's Foreign Markets***

Banking regulations in Turkey are evolving in parallel to the global changes and international regulatory environment. The Issuer expects Turkey to adopt regulations implementing Basel II, but the timing of these regulatory changes has not yet been specified. The Issuer expects Serbia to fully adopt the Basel II framework from 1 January 2011, according to the recently released “Action Plan for Basel II implementation” issued by the National Bank of Serbia. Romania, Bulgaria and Cyprus, as EU members, have already adopted the Basel II framework.

### ***Deposit and Investment Guarantee Fund***

A Greek deposit guarantee fund (the **Deposit Guarantee Fund**) commenced its operations in September 1995. Currently, pursuant to Greek law 3746/2009, the Deposit and Investment Guarantee Fund operates as a private law entity and a general successor of the Deposit Guarantee Fund provided for by article 2 of Greek law 2832/2000. The Deposit and Investment Guarantee Fund has its registered seat in Athens, is supervised by the Minister of Economy and Finance, is not a State organization or a State owned legal entity and does not belong to the Greek public sector, as the latter is defined from time to time. It is managed by a nine-member board of directors. The Chairman of its board of directors is appointed by one of the Deputy Governors of the Bank of Greece. Out of the remaining eight members, one comes from the Ministry of Finance and Economics, three from the Bank of Greece, three from the Hellenic Bank Association and one from the Union of Cooperative Banks of Greece. The above board of directors is appointed by a decision of the Minister of Economy and Finance and has a five-year tenure. The Deposit and Investment Guarantee Fund's founding organizations are the Bank of Greece and the Hellenic Bank Association, which participate in the fund's constitutive capital at 60.0% and 40.0%, respectively.

The Deposit and Investment Guarantee Fund aims to indemnify depositors of credit institutions participating to the Deposit and Investment Guarantee Fund obligatorily or at their own initiative and are unable to fulfill their obligations to their depositors and to compensate investors that are their clients, in case they are unable to fulfill their obligations from the provision of covered investment services governed by Greek law 3746/2009. The maximum indemnity limit for each depositor under Greek law 3746/2009 is € 100,000, not taking into account exempted deposits but taking into consideration the total of each such depositor's deposits with a credit institution minus any due and payable obligations that such depositor owes to the latter. This amount is paid to each depositor as an indemnity irrespective of the number of accounts, the currency, or the country of operation of the branch in which it holds the deposit. The above mentioned maximum amount of indemnification is readjusted by way of a decision of the board of directors of the Deposit and Investment Guarantee Fund at the currently minimum applicable limit under the relevant provisions of the European Union. The Deposit and Investment Guarantee Fund also indemnifies the investors-clients of credit institutions that participate in the Deposit and Investment Guarantee Fund's pool relating to claims from investment services falling within the scope of application of Greek law 3646/2009, up to the amount of €30,000 for the total of the claims that the investor-client has against a participating credit institution, irrespective of covered investment services, number of accounts, currency and place of provision of the relevant investment services. In order for the Deposit and Investment Guarantee Fund to serve the above mentioned purposes, it is funded by the following sources: its constitutive capital, the initial and annual contributions of credit institutions obligatorily participating in the Deposit and Investment Guarantee Fund and extraordinary resources coming from donations, liquidation of the fund's claims, additional contributions and loans.

### ***Prohibition of Money Laundering and Terrorist Financing***

Greece, as a member of the Financial Action Task Force (**FATF**) and as a member state of the EU, fully complies with FATF recommendations and the applicable EU legal framework.

In August 2008, the Greek Parliament adopted Law 3691/2008 on the prevention and suppression of money laundering and terrorist funding, which implemented EU Council Directives 2005/60/EC and 2006/70/EC. The main provisions of Greek legislation on money laundering and terrorist financing are as follows:

- (a) money laundering and terrorist financing are made criminal offences;
- (b) persons subject to the law include credit institutions, financial institutions, and certain insurance undertakings;
- (c) credit institutions (and other persons) are required to identify customers, retain documents and report suspicious transactions;

- (d) provisions of banking confidentiality do not apply to money laundering activities; and
- (e) a Committee for the Combating of Anti-Money Laundering and Terrorist Financing was established and given responsibility for examining reports filed by banks and other individuals or legal persons with respect to suspicious transactions. Among others, representatives of various ministries, the Bank of Greece, the Hellenic Capital Markets Commission, tax authorities and the police participate in the administration of the Committee.

In July 2002, the Greek Parliament adopted Law 3034/2002, which implemented the International Convention for the Suppression of the Financing of Terrorism, with which the Issuer is fully compliant. Additionally, the Issuer complies with the USA PATRIOT Act of 2001, which took effect in October 2001 and which has implemented a range of new anti-money laundering requirements on banks and other financial services institutions worldwide.

The Bank of Greece, through its Banking and Credit Committee, has also issued Decision No. 281/5/2009 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”. Decision No. 281/5/2009 takes into account the principle of proportionality, and includes the obligations of all credit and financial institutions and FATF recommendations. The decision also reflects the common understanding of the obligations imposed by the European Regulation 1781/2006 on the "Information on the Payer Accompanying Transfer of Funds".

Finally, Greek credit institutions are bound to observe Regulation (EC) 1781/2006 of the European Parliament and the European Council of 15 November 2006 on “Information on the Payer Accompanying Transfers of Funds”.

### ***Payment Services Directive***

Directive 2007/64/EC on payment services (the **Payment Services Directive** or **PSD**) provides for common rules on electronic payments (e.g. payments through the use of debit card or money transfers) in the European Union, Iceland, Norway and Lichtenstein. The PSD regulates 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 permits to the new entities called “payment institutions” (e.g. companies of money transfers, retailers, telecommunication companies) to provide payment services in parallel to banks as “payment services providers”. The PSD covers any kind of payment through electronic means and no cash, 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 with cash and checks. Payments in every European currency, not only euros, are covered, under the condition that the payment service providers of both the payer and the payee are located in one of the 30 European countries.

The PSD was transposed into Greek legislation by Greek law 3862/2010, in accordance with which every payment service provider, among which the Bank is included, is obliged to ensure in accessible form a minimum level of information and transparency regarding the provided payment services, under specific terms and conditions provided for by Greek law 3862/2010. The new legislative regime also provides further protection regarding the rights of the users of the payment services.

### ***Consumer Services Directive***

Directive 2008/48/EC on credit agreements for consumers and repealing Council Directive 87/102/EC 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.

It was transposed into Greek legislation by Ministerial Decision Z1-699 (Government Gazette B; 917/23.6.2010) with effect from 23 June 2010. Credit institutions must have complied with the provisions of the relevant articles of the Ministerial Decision by 31 August 2010.

### ***Equity Participation by Banks***

Banks must follow certain procedures regarding holdings in other companies. Pursuant to Greek Law 3601/2007 credit institutions may not have a qualifying holding, the amount of which exceeds 15.0% of its own funds in an undertaking, that is not a credit institution, a financial institution, an insurance or re-insurance company, an investment firm or an undertaking carrying on activities which are a direct extension of banking or concern services ancillary to banking. The total amount of a credit institution's qualifying holdings in such undertakings may not exceed 60.0% of its own funds. A "qualifying holding" means a direct or indirect holding in an undertaking which represents 10.0% or more of the capital or the voting rights, or which makes it possible to exercise a significant influence over the management of that undertaking.

For the calculation of the above thresholds, the following shares or holdings are not taken into account:

- (a) shares or holdings that are held by the credit institution as a result of credit support to an undertaking in distress for a period of one year (that may be extended for one more year following a resolution of the Bank of Greece),
- (b) shares or holdings that are held as a result of underwriting services provided by the credit institution for a period of six months following the end of the subscription period,
- (c) shares or holdings that are held on behalf of a third party; and
- (d) shares or holdings included in the trading book of the credit institution.

The above thresholds or the time limits referred to above may be exceeded in exceptional cases following a decision of the Bank of Greece to that effect, provided that the credit institution either increases its own funds or takes equivalent measures. The Bank of Greece may also allow the thresholds and the time limits to be exceeded, provided that the excess is fully covered by own funds which are not taken into account for the calculation of the capital adequacy ratio.

According to the Bank of Greece Act No. 2604/2008, credit institutions must obtain central bank prior approval to acquire or increase a qualifying holding in the share capital of credit institutions, financial institutions, insurance and re-insurance companies, investment firms, information technology companies, financial data collection and processing companies, asset and liability management companies, real estate property management companies, paying systems management companies and external credit assessment institutions. The provisions of the Bank of Greece Act No. 2604/2008 do not apply to branches of credit institutions with their registered seat in a country of the European Economic Area, or outside the European Economic Area provided that the Bank of Greece has recognized the equivalency of their supervisory regime.

Prior approval for the acquisition or increase of a qualifying holding is not required in any of the following circumstances:

- (a) The value of the qualifying holding does not exceed in the aggregate, taking into account any increases effected within the same calendar year, 2.0% of the credit institution's own funds, as calculated on the basis of the data for the immediately preceding calendar quarter.
- (b) The value of the qualifying holding amounts to, in the aggregate and taking into account any increases effected within the same calendar year, between 2.0% and 5.0% of its own funds as calculated on the basis of the data for the immediately preceding calendar quarter, provided that:

- (i) the capital adequacy ratio (on a consolidated basis), after calculating the influence of such qualifying holding, exceeds the minimum ratio required by law plus (i) one percentage point in case of credit institutions having the status of a société anonyme and (ii) five percentage points in case of cooperative banks; and
  - (ii) the ratio of the basic own funds to the assets of the credit institution amount at least to 6.0%.
- (c) The acquisition or increase of the qualifying holding:
  - (i) is a result of investments made by investment companies of Greek Law 3371/2005, or real estate investment companies of Greek Law 2778/1999;
  - (ii) is the result of underwriting services provided by the credit institution for a period of six months following the end of the subscription period;
  - (iii) is effected without the direct or indirect disposal of funds, with the exception of exchange of shares in case of credit institutions' mergers; in such case the provisions of paragraphs (a) and (b) above apply;
  - (iv) the value of qualifying holdings under this paragraph is not taken into account for the calculation of the qualifying holdings for the purposes of paragraphs (a) and (b) above.
- (d) The acquisition or increase of the qualifying holding in an undertaking is supervised by the Bank of Greece, provided that such holding is subject to approval pursuant to the general provisions regarding the establishment and operation of such undertaking and the suitability of its shareholders. The value of such qualifying holding is not taken into account for the calculation of the qualifying holdings for the purposes of paragraphs (a) and (b) above.

Subject to EU regulations, new and significant holdings (concentrations) must be reported to the Greek Competition Commission according to Greek Law 703/1977, as in force.

The CMC and the ATHEX must be notified once certain ownership thresholds are exceeded with respect to listed companies.

## THE MORTGAGE AND HOUSING MARKET IN GREECE

The first mortgage lending institution, the National Mortgage Bank of Greece, was established in 1927, followed by the National Housing Bank in 1930. Both institutions were under government control, but have since been merged with the National Bank of Greece. Since then, another three institutions under government control have become active in the field of mortgage lending: the Postal Savings Bank (*Tachydromiko Tamieftirio*); the Consignment Deposits and Loans Fund (*Tamio Parakatathikon kai Daneion*); and Agricultural Bank, the first two providing loans to civil servants and the latter providing loans mainly to 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 2009, the seven largest lenders in the Greek residential mortgage market were NBG, Alpha Bank AE, Eurobank EFG, Emporiki Bank, Piraeus Bank, Agricultural Bank of Greece and Hellenic Postbank, together accounting for around 82.0% of the total market.

Households took advantage of lower borrowing costs and the stable macroeconomic environment – the first in a very long period of time -- to increase their leverage; mortgage credit increased from 10.0% of GDP in 2001 to 34.2% by end-2009 and has broadly stabilised to 34.5% on October 2010, although total household leverage still remains far lower than the euro area average (50.7% compared with 62.0% on October 2010).

This process took place against a backdrop of macroeconomic stability, rapidly declining interest rates (from 25.0% in the early 1990s to less than 6.0% in 2003 and to less than 5.0% until the end of 2008), and strong residential construction activity which supported a residential mortgage market growth of 25.0% annually during the period 2000-2008. Nevertheless, macroeconomic conditions had deteriorated after the outburst of the international financial crisis which compressed mortgage lending market to below 20.0% year on year in first half of 2007, in tandem with an increase in mortgage lending costs from an almost uninterrupted downward trend between 2001 and 2006.

Mortgage lending growth, which remained relatively resilient until H1:2008, followed a steep downward trend after the intensification of international financial crisis following the Lehman Brothers and the high pressures on peripheral economic crisis valuations in Q1:2009. Financial market conditions have deteriorated further since Q4:2009 and especially during 2010 when worries about Greece creditworthiness and the sizeable fiscal credibility deficit in conjunction with turbulent market conditions drove sovereign financing costs at pre-EMU levels. Against this backdrop credit mortgage expansion slowed to 3.7% y-o-y in December 2009 and to 0.7% in October 2010 falling for the first time below the euro area average since August 2010.

The activation of the joint EU/IMF financial support mechanism by Eurogroup in May 2010 in conjunction with the renewal of liquidity enhancement measures by the ECB and the effective implementation of the fiscal austerity measures, had contributed to the amelioration of uncertainty about the country's near term economic prospects during Q3:2010. Nevertheless, renewed tensions on peripheral euro area economies had emerged in October leading to a new round of pressures originating from widening banking and fiscal problems in Ireland suggesting that the normalisation of financing conditions and the restoration of confidence will be a very arduous progress. Nevertheless, the timely and effective implementation of necessary structural reforms in conjunction with the tangible progress in fiscal consolidation in 2010 (with the deficit declining by about 6.0% of GDP) are expected to gradually contribute to an improvement of financing conditions and the speeding up of credibility gains. Under this scenario demand for loans and financing conditions for Greek credit institutions are expected to improve gradually during 2011, while the still healthy domestic deposit base will return on a slightly upward path after a sizeable contraction of about 11% registered in the first 9 months of 2010.

### *Mortgage Products*

The Greek mortgage market is characterised as an emerging 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 of up to 6 years, converting to a floating rate thereafter;
- (c) floating rate mortgages, based on EURIBOR or ECB refinancing rates (currently forming the majority of new originations); and
- (d) loans in Foreign Currency, mainly CHF.

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. Indeed, 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 (though this may also reflect the relatively larger size of the underground economy in Greece). Moreover, private residential investment (even after the significant correction in 2008-2009) comprises about 30.0% of gross fixed capital formation, remaining broadly in line with the euro area average (excluding Germany) of 29.0%. The most common type of property available is the apartment, with maisonettes and detached houses being 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 (to an estimated 10.0% of the total population) have prompted an acceleration of the pace of new household formation. Further support for household formation has arisen from the change in the traditional family structure during the same period with younger members preferring living on their own and by the growth in holiday homes. The average household size has decreased to 2.6 persons in 2006 from 2.8 in 1999 and 3.1 in 1994. This level is still above the corresponding euro area average of 2.1 persons. Overall, the number of households continues to grow at a higher rate than the natural growth of the resident population (increasing by 6.7% cumulatively from 2000 to 2009 compared with a growth rate of just 1.2% for the population as a whole). Moreover, significant infrastructure projects, in conjunction with increasingly sophisticated housing needs, emerged also as additional determinants of strong housing demand sustaining residential real estate prices in recent years.

Nevertheless the significant drop of economic activity in 2009 which has intensified in 2010 (-3.7 % y-o-y on average, between Q1 and Q3:2010) and is going to continue in 2011) is expected to take an additional toll on household budgets and the concomitant decisions for household formation while public investment activity will remain subdued compared with the previous decade.

In this respect, after a decade of rapid expansion during which the housing market has contributed almost one percentage point to annual GDP growth, the Greek residential sector, as in other euro area countries, has been undergoing a significant shrinkage, with construction activity declining by 26.0% y-o-y in 2008, 22.0% in 2009 and by -20.0% y-o-y in the first 9 months of 2010, and subtracting more than 1.3 percentage points

from annual output growth. Residential investment as a percentage of GDP has declined to 20-year low of 3.9% of GDP in 2010 from an average of 7.1% between 1999 and 2007.

The economy is expected to fall deeper in recession in H2:2010, with GDP contracting by -4.0% y-o-y, on average, for the whole year as domestic demand continues to be held back by the widespread uncertainty about the measures needed to alleviate the sizeable fiscal imbalances in view of the accumulated implementation credibility deficit, as well as the ambitious consolidation programme, which was augmented by supplementary austerity measures in March and May 2010 (in total corresponding to an additional direct fiscal drag of around 2.8% y-o-y) amplifying the negative impact on domestic demand from the decline in household disposable income. The double-digit decline in disposable income will reflect the effective decline in nominal wages of public servants by about 15% annually (as a result of the cuts in the 13th and 14th salaries and in other allowances of public servants, in conjunction with the implementation of the higher direct and indirect taxes and the abolishment of unique taxation rules) and the decline in compensation in the private sector of 3.0% y-o-y (reflecting zero wage changes and the implementation of higher direct and indirect taxes), as well as an estimated decline in employment of 2.0% y-o-y and increased VAT and excise taxes.

Nevertheless, the activation of the joint EU/IMF financial support mechanism by Eurogroup in May 2010 and the effective implementation of a complementary austerity package are expected to gradually ameliorate the uncertainty about the country's near and medium-term economic prospects. This will improve financing conditions considerably and speed up credibility gains, especially if accompanied in their implementation by the acceleration of structural reforms. In this event, a bottoming-out in economic activity is expected in H2:2011, although economic growth, on a y-o-y basis, will remain in negative territory for the most part of 2011, due to a sizeable negative carry (-1.4 pps in 2011 from -0.9 pps in 2010).

Against this background, the contraction in private construction activity is expected to continue for a 3rd successive year (with residential construction declining by another 10.0% on an annual basis), against a backdrop of a still sizeable backlog of unsold houses (of about 85,000 housing units versus an estimated annual sale of 37,000 units most of them reflecting the unprecedented surge in construction of new dwellings which peaked in the 2006 -2008 period and exceeded by a significant margin the average absorption capacity of the housing market during the same period) reflecting poor demand conditions (partly due to the envisaged increase of the effective tax burden), while support from public investment activity will remain relatively weak, as the state of public finances requires their rationalization.

Most notably, house prices have shown considerable resilience, compared with other euro area countries in which valuations were extremely stressed (e.g. Spain, Ireland and the UK), declining by about 9.0% from their peak in mid-2008 until 2010. As house price valuations in Greece were not characterised by the exuberances of other euro area counties which witnessed dramatic declines in house prices since 2008 – it is expected that downside risks for residential prices in Greece are limited in following years, even under a scenario of economic recession that lasts until the end of 2011 (with real GDP contracting by about 7.0% cumulatively).

### *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 mortgage will be secured, but is only granted pursuant to a court decision. The procedures adopted by lenders of housing loans in practice has led to an arrangement whereby pre-notations are granted "by consent", where both the lending bank and the borrower appear before the competent court and consent to the establishment of the pre-notation on the specific real estate property. The court issues the decision immediately (in fact, the decision is drafted beforehand by the lending bank and is certified and signed by the judge who hears the claim). Having certified the court decision and a summary thereof, the lawyer of the lending bank takes them to the Cadastre or the Land Registry, where applicable, along with a written request for the issuance (by the Cadastre or the Land Registry) of certificates confirming:

- (a) the ownership by the borrower of the mortgaged property;
- (b) the registration and class of the pre-notation;
- (c) the absence of (judicially raised) claims of third parties against the current and all previous owner(s) of the mortgaged property; and
- (d) any other mortgages, pre-notations or seizures preceding the pre-notation registered by the bank.

At the same time the bank's lawyer conducts a search in the Cadastre or the Land Registry, in order to confirm the uncontested ownership of the borrower and the first priority nature of the mortgage or pre-notation, before the loan can be disbursed. Once the certificates are issued, they are reviewed by the bank's legal department and are included in the borrower's file. The legal review of both the ownership titles and the pre-notation registration is based on public documents, i.e. on notarial deeds and certificates issued by the competent land registries. The history of the ownership titles for the previous 20 years is examined (which is the period for adverse possession). Examination of the period extending beyond 20 years is advisable in case one of the former proprietors has been either the Hellenic Republic or the Greek Orthodox Church, as adverse possession over their property can only be claimed under exceptional circumstances. 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*

It is NBG's policy to commence enforcement proceedings once an amount exceeding €2,000 remains unpaid under a loan for more than 180 days, at which point, the loan is terminated. Once a loan is in default and terminated, a notice is served on the borrower and on the guarantors, if any, informing them of this fact and requesting the persons indebted to 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 First Instance Court 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 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 Court of First Instance in accordance with articles 632-633 of the Greek Code of Civil Procedure (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 3 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 and 686 *et seq.* of the Greek Code of Civil Procedure (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. 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 ten working days is granted to the borrower to contest the procedure. 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 Article 632-633 Annulment Petition is usually scheduled to be heard within 12 to 14 months after its filing and another six to eight months are usually required for a decision to be issued by the court, upon which either the enforcement procedures are continued due to the decision to reject the Article 632-633 Annulment Petition, or the legal process before the Court of Appeal is continued by the bank until a final decision is reached regarding the contested order of payment. The defeated borrower may also continue the legal process but, in the experience of the Originator, it is highly unusual that a suspension of enforcement proceedings will be granted by the Court of Appeal if the initial suspension was granted up until the decision of the First Instance Court.

The borrower (being, in respect of a Loan Asset, the individual specified as such in the relevant mortgage terms together with each individual (if any) who assumes from time to time an obligation to repay such Loan Asset (the **Borrower**)) or any part of it may also file with the relevant Court of First Instance a petition in accordance with article 933 of the Greek Code of Civil Proceedings (the Article 933 Petition) the annulment of certain actions of the foreclosure proceedings based on reasons pertaining to both the validity of the order for payment and to procedural irregularities. Both Article 632-633 and Article 933 Annulment Petitions may be filed either concurrently or consecutively, but it should be noted that the Article 933 Annulment Petition may not be based on reasons pertaining to the validity of the order for payment, once the order of payment has become final as mentioned above. The time for the filing of an Article 933 Annulment Petition varies depending on the foreclosure action that is being contested. The filing of an Article 933 Annulment Petition entitles the Borrower to file a suspension petition in accordance with article 933 of the Greek Code of Civil Procedure (the Article 938 Suspension Petition) in relation to the enforcement until the decision of the Court of First Instance on the annulment motion is issued. Again, foreclosure proceedings may be suspended until the hearing of the Article 938 Suspension Petition, which, in a normal case where the Borrower seeks the suspension of the auction, takes place five days prior to the auction and the relevant decision is issued two days prior to the auction. It should nevertheless be noted that such suspension is more difficult to obtain if the Court has already rejected a suspension requested for similar reasons under Article 632.

The actual auction process is started with seizure of the property, which takes places three working days after the order for payment is served on the borrower. The seizure statement that is issued by the bailiff who performs it, contains the auction date (a Wednesday from 16.00 hours to 17.00 hours Athens time) and place and the notary public who will act as the auction clerk. At this point all mortgagees (including those holding a pre-notation) are informed of the upcoming auction.

The minimum auction price is at least equal to the taxable (“objective”) value of the property (set out in accordance with articles 41 and 41a of Greek law 1249/1982) pursuant to Greek law 3714/008 and can be contested by the borrower or any other lender if supported by evidence that the property value is significantly higher or lower than the proposed auction value. In such case, the auction is postponed until a date not exceeding six months from the initial auction date and for a new reserve price, both as determined by the judge.

In the auction, the property is sold to the highest bidder who then has 15 days to make the relevant payment. Once the price of the property is paid, the notary public prepares a special deed listing all the creditors and

allocating the proceeds of the auction. Each creditor must announce its claim to the notary public within 15 days of the auction. Once the allocation of proceeds amongst the creditors of the Borrower has been determined pursuant to a deed issued by a notary public, the creditors of the Borrower may dispute the allocation of proceeds and file a petition contesting the deed. The Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the collection of proceeds for up to two and a half years. This can further delay the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a bank is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that the bank provides a letter of guarantee securing repayment of the money in the event that such challenge is upheld.

After deducting any enforcement expenses, any claims arising from employment relationships and contracts for legal and educational services arising in the previous two years and employee's indemnities due to the termination of the employment contract, as well as claims against the relevant Borrower of social security funds subject to the responsibility of the General Secretariat of Social Security arising until the time of the auction are ranked before any other creditor. Then deducting such claims, one-third of the remaining proceeds is allocated to claims of the public sector and other preferential claims listed in Article 975 of the Greek Civil Procedure Code and the remaining two-thirds to the secured creditors, i.e. mortgagees, with any excess being available to satisfy the claims of unsecured creditors. Once the list of creditors is confirmed and adjudicated, the proceeds are distributed according to the deed setting out the allocation of proceeds.

## DESCRIPTION OF PRINCIPAL DOCUMENTS

### **Servicing and Cash Management Deed**

The Servicing and Cash Management Deed, made between the Issuer, the Trustee and the Servicer contains provisions relating to, *inter alia*:

- the Issuer's obligations when dealing with any cash flows arising from the Cover Pool and the Transaction Documents;
- the servicing, calculation, notification and reporting services to be performed by the Servicer, together with cash management services and account handling services in relation to moneys from time to time standing to the credit of the Transaction Account and the Collection Account;
- the terms and conditions upon which the Servicer will be obliged to sell in whole or in part the Loan Assets;
- the Issuer's right to prevent the sale of a Loan Asset to third parties by removing the Loan Asset made subject to sale from the Cover Pool and transferring within ten Business Days from the receipt of the offer letter, to the Transaction Account, an amount equal to the price set forth in such offer letter, subject to the provision of a solvency certificate;
- the covenants of the Issuer;
- the representations and warranties of the Issuer regarding itself and the Cover Pool Assets;
- the responsibilities of the Servicer following the service of a Notice of Default on the Issuer or upon failure of the Issuer to perform its obligations under the Transaction Documents; and
- the circumstances in which the Issuer or the Trustee will be obliged to appoint a new servicer to perform the Servicing and Cash Management 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 duties under the Servicing and Cash Management Deed, provided that it will nevertheless remain responsible for the performance of those duties to the Issuer and the Trustee and, in particular, will remain liable at all times for servicing the Loans and their Related Security and for the acts or omissions of any delegate or sub-contractor. Any such subcontracting or delegation may be varied or terminated at any time by the Servicer.

### *Appointment of Replacement Servicer*

Upon the occurrence of any of the following events (each a **Servicer Termination Event**):

- default is made by the Servicer in the payment on the due date of any payment due and payable by it under the Servicing and Cash Management Deed and such default continues unremedied for a period of three Athens Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Trustee requiring the same to be remedied;
- default is made by the Servicer in the performance or observance of any of its other covenants and obligations under the Servicing and Cash Management Deed, which is materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of 20 Business Days after the Servicer becoming aware of such default, PROVIDED THAT where the relevant default occurs as a result of a default by any person to whom the Servicer has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if, within such period of 20 Business Days of awareness of such default by the Servicer, the Servicer terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Trustee may approve to remedy such default;
- the occurrence of an Insolvency Event in relation to the Servicer; or
- the occurrence of an Issuer Event (where the Issuer and the Servicer are the same entity),

then the Trustee may at once or at any time thereafter while such default continues 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. Upon the termination of the Servicer as servicer, the Trustee shall, subject to first having obtained approval from the Covered Bondholders, use its reasonable endeavours to appoint a substitute servicer. In addition, the Bank of Greece may appoint a substitute servicer, if the trustee fails to do so.

**Insolvency Event** means in respect of the Issuer and the Servicer (a) an order is made or an effective resolution passed for the winding up of the relevant entity; or (b) the relevant entity stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business; or (c) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or against the whole or any 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 (d) the relevant entity is unable to pay its debts as they fall due, other than where the Issuer or the Servicer is NBG and any of the events set out in (a) to (c) above 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 so providing, to:

- (a) allocate to the Cover Pool additional Cover Pool Assets for the purposes of issuing further Series of Covered Bonds and/or complying with the Statutory Tests and/or maintaining the initial rating(s) assigned to the Covered Bond provided that with respect to any Cover Pool Assets allocated after the Issue Date for the first Series of Covered Bonds which are non-Euro denominated assets and/or have characteristics other than those pertaining to the Cover Pool as of the Issue Date for the first Series of Covered Bonds (the Initial Assets), 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 allocation; and

- (b) prior to the occurrence of an Issuer Event and provided that no breach of any Statutory Test would occur as a result of such removal or substitution (i) remove Cover Pool Assets from the Cover Pool or (ii) substitute Cover Pool Assets with additional Cover Pool Assets, provided that for any substitution of additional Cover Pool Assets which are non-Euro denominated assets 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 removal or substitution.

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 will be obliged to sell Loan Assets and their Related Security in the Cover Pool having the Required Outstanding Principal Balance (the **Selected Loans**) in accordance with the Servicing and Cash Management Deed, subject to the rights of pre-emption in favour of the Issuer to remove the Selected Loans from the Cover Pool.

Prior to the Servicer making any offer to sell Selected Loans and their Related Security to third parties, the Servicer will serve on the Issuer a loan offer notice in the form set out in the Servicing and Cash Management Deed (a **Selected Loan Offer Notice**) giving the Issuer the right to prevent the sale by the Servicer of the Selected Loans to third parties, by removing the Selected Loans made subject to sale from the Cover Pool and transferring an amount equal to the then Outstanding Principal Balance of the Selected Loans and all arrears of interest and accrued interest relating to such Selected Loans to the Transaction Account.

If the Issuer validly accepts the Servicer's offer to remove the Selected Loans and their Related Security from the Cover Pool by signing the duplicate Selected Loan Offer Notice in a manner indicating acceptance and delivering it to the 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 from the Cover Pool in the manner and on the terms set out in the Servicing and Cash Management Deed.

Upon receipt of the Selected Loan Removal Notice duly signed on behalf of the Servicer, the Issuer shall (i) promptly sign and return a duplicate copy of the Selected Loan Removal Notice, (ii) deliver to the Servicer and the Trustee a solvency certificate stating that the Issuer is, at such time, solvent and (iii) will remove from the Cover Pool the relevant Selected Loans (and any other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Selected Loan Removal Notice. Completion of the removal of the Selected Loans by the Issuer will take place on the Calculation Date next occurring after receipt by the Issuer of the Selected Loan Removal Notice or such other date as the Servicer may direct in the Selected Loan Removal Notice (provided that such date is not later than the earlier to occur of the date which is (a) 10 Athens Business Days after receipt by the Servicer of the returned Selected Loan Removal Notice and (b) the Final Maturity Date of the Earliest Maturing Covered Bonds) when the Issuer shall pay to the Transaction Account an amount in cash equal to the price specified in the relevant Selected Loan Removal Notice.

On the date of completion of the removal of the Selected Loans and their Related Security in accordance with the above, the Issuer shall ensure that the Selected Loans are removed from the Registration Statement.

Upon such completion of the removal of the Selected Loans and their Related Security in accordance with above or the sale of Selected Loans and their Related Security to a third party or third parties, the Issuer shall cease to be under any further obligation to hold any Customer Files or other documents relating to the Selected Loans and their Related Security to the order of the Trustee and, if the Trustee holds such Customer Files or other documents, it will send them to the Issuer at the cost of the Issuer.

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

*Method of Sale of Selected Loans*

If the Servicer is required to sell Selected Loans and their Related Security to third-party purchasers following an Issuer Event which is continuing, the Servicer will be required to ensure that before offering Selected Loans for sale:

- (a) the Selected Loans have been selected from the Cover Pool on a random basis; and
- (b) the Selected Loans have an aggregate Outstanding Principal Balance in an amount (the **Required Outstanding Principal Balance Amount**) which is as close as possible to the amount calculated as follows:

$$N \times \frac{\text{Outstanding Principal Balance of all Loans in the Cover Pool}}{\text{the Euro Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding}}$$

where N is an amount equal to the Euro Equivalent of the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the Transaction Account (other than amounts standing to the credit of the Commingling Reserve Ledger) and the principal amount of any Marketable Assets or Authorised Investments (other than Authorised Investments acquired from amounts standing to the credit of the Commingling Reserve Ledger) (excluding all amounts to be applied on the next following Cover Pool Payment Date to repay higher ranking amounts in the Pre Event of Default Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds).

For the purposes hereof:

**Required Redemption Amount** means, in respect of a Series of Covered Bonds, the amount calculated as follows:

$$\text{the Principal Amount Outstanding of the relevant Series of Covered Bonds} \times (1 + \text{Negative Carry Factor} \times (\text{days to maturity of the relevant Series of Covered Bonds} / 365))$$

Where **Negative Carry Factor** is a percentage calculated by reference to the weighted average margin of the Covered Bonds and will, in any event, not be less than 0.50 per cent.

**Euro Equivalent** means, relation to a Series of Covered Bonds which is denominated in (a) a currency other than Euro, the Euro equivalent of such amount ascertained using the relevant Covered Bond Swap Rate relating to such Series of Covered Bonds and (b) Euro, the applicable amount in Euro.

The Servicer will offer the Selected Loans for sale to third parties for the best price reasonably available but in any event following, for an amount not less than the Adjusted Required Redemption Amount.

The **Adjusted Required Redemption Amount** means the Euro Equivalent of the Required Redemption Amount, plus or minus

- (i) any swap termination amounts payable to or by the Issuer under a Covered Bond Swap Agreement in respect of the relevant Series of Covered Bonds less (where applicable) the principal balance of any Marketable Assets and Authorised Investments (excluding all amounts to be applied on the next following Cover Pool Payment Date to pay or repay higher ranking amounts in the Pre Event of Default Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds); and 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.

Following the occurrence of an Issuer Event which is continuing, if the Selected Loans have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to, as applicable, if the Earliest Maturing Covered Bonds are not subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Final Maturity Date of the Earliest Maturing Covered Bonds or, if the Earliest Maturing Covered Bonds are subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Extended Final Maturity Date in respect of the Earliest Maturing Covered Bonds, then the Servicer will offer the Selected Loans for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

Following the occurrence of an Issuer Event which is continuing, in addition to offering Selected Loans for sale to third-party purchasers in respect of the Earliest Maturing Covered Bonds, the Servicer (subject to the rights of pre-emption enjoyed by the Issuer) is permitted to offer for sale a portfolio of Selected Loans, in accordance with the provisions summarised above, in respect of other Series of Covered Bonds.

The Servicer will appoint through a tender process a portfolio manager of recognised standing on a basis intended to incentivise the portfolio manager to achieve the best price for the sale of the Selected Loans (if such terms are commercially available in the market) and to advise it in relation to the sale of the Selected Loans to third-party purchasers (except where the Issuer exercises its right of pre-emption).

In respect of any sale of Selected Loans and their Related Security following the occurrence of an Issuer Event which is continuing, the Servicer will instruct the portfolio manager to use all reasonable endeavours to procure that Selected Loans are sold as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager) taking into account the market conditions at that time and, where relevant, the scheduled repayment dates of the Covered Bonds and the terms of the Servicing and Cash Management Deed.

The Trustee, or its authorised attorney, will not be required to release the Selected Loans and their Related Security from the Registration Statement unless the conditions for Security release under applicable law (other than the Statutory Pledge) are satisfied.

Following the occurrence of an Issuer Event which is continuing, if third parties accept the offer or offers from the Servicer so that some or all of the Selected Loans shall be sold prior to the Final Maturity Date of the Earliest Maturing Covered Bonds or, if the Earliest Maturing Covered Bonds are subject to an Extended Final Maturity Date in accordance with the relevant Final Terms, the Extended Final Maturity Date in respect of the Earliest Maturing Covered Bonds, then the Servicer will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant third-party purchasers which will require, *inter alia*, a cash payment from the relevant third party purchasers. Any such sale will not include any representations and warranties from the Servicer or the Issuer in respect of the Loans and their Related Security unless expressly agreed by the Servicer.

### *Amendment to definitions*

Under the Servicing and Cash Management Deed, the parties have agreed that the definitions of Cover Pool, Cover Pool Asset, Statutory Test and Amortisation Test may be amended by the Issuer from time to time as a consequence of, *inter alia*, including in the Cover Pool, Cover Pool Assets which have characteristics other than those pertaining to the Initial Assets and/or changes to the hedging policies or servicing and collection procedures of NBG.

Any such amendment may be effected provided that each of the Rating Agencies confirm in writing to the Issuer that the then current ratings of any outstanding Series of Covered Bonds is not negatively affected as a result thereof.

### *Commingling Reserve Ledger*

The Servicer will establish a ledger on the Transaction Account to be called the **Commingling Reserve Ledger**.

If at any time the Issuer's short term debt rating falls below (i) P-1 as determined by Moody's or (ii) its long term debt rating falls below BBB+ or its short term debt rating falls below F2, in each case as determined by Fitch (the **Issuer Rating Downgrade**) then as soon as reasonably practicable, and in any event within ten (10) calendar days, and on each Calculation Date thereafter until an Issuer Rating Upgrade the Issuer will be required to make a Commingling Reserve Advance in an amount equal to the difference between amounts standing to the credit of the Commingling Reserve Ledger and the Commingling Required Amount. Such amount paid pursuant to the Commingling Reserve Advance will be paid to the Transaction Account and credited to the Commingling Reserve Ledger.

**Commingling Required Amount** means on each Calculation Date, from and including the Calculation Date immediately preceding the occurrence of an Issuer Rating Downgrade, to (but excluding) the occurrence of an Issuer Rating Upgrade, an amount equal to the sum of the two highest monthly collections received during the twelve consecutive full calendar months immediately preceding such Calculation Date, and at all other times shall be equal to zero.

**Commingling Reserve Advance** means each advance from NBG following the occurrence of an Issuer Rating Downgrade to (but excluding) the occurrence of a Issuer Rating Upgrade in an amount equal to the difference between the Commingling Required Amount and amounts standing to the credit of the Commingling Reserve Ledger.

Upon the Issuer Rating Downgrade, and whilst the Issuer Rating Downgrade is continuing, amounts standing to the credit of the Commingling Reserve Ledger shall:

- (a) be applied on each Cover Pool Payment Date as Covered Bonds Available Funds, if and to the extent the Servicer has during the immediately preceding Cover Pool Payment Period failed to transfer to the Issuer any collections received by the Servicer during or with respect to such Cover Pool Payment Period and such amounts represent amounts other than principal or, as applicable, principal paid by the Borrowers; or
- (b) be applied on each Cover Pool Payment Date as Covered Bonds Available Funds if and to the extent that amounts standing to the credit of the Commingling Reserve Ledger (taking into account any withdrawals from the Commingling Reserve Ledger on such Cover Pool Payment Date under (a) above) would exceed the Commingling Required Amount.

In the event that the Issuer's (i) short term debt rating increases to P-1 as determined by Moody's and (ii) its long term debt rating increases to BBB+ or its short term debt rating increases to F2, in each case as determined by Fitch (the **Issuer Rating Upgrade**) or in the event that there are no outstanding liabilities

under the Covered Bonds, all amounts standing to the credit of the Commingling Reserve Ledger will be applied as Covered Bonds Available Funds.

Whilst the Issuer Rating Downgrade is continuing the Issuer (or the Servicer on its behalf) will on the day falling two Athens/London Business Days prior to each Cover Pool Payment Date pay the proceeds of each Commingling Reserve Advance to the Transaction Account and credit the same to the Commingling Reserve Ledger.

The Servicer shall, prior to the occurrence of an Event of Default, invest all amounts standing to the credit of the Commingling Reserve Ledger in Authorised Investments.

#### *Law and Jurisdiction*

The Servicing and Cash Management Deed will be governed by English law.

#### **Asset Monitor Agreement**

The Asset Monitor has agreed, subject to due receipt of the information to be provided by the Servicer to the Asset Monitor, to conduct tests in respect of the arithmetical accuracy of the calculations performed by the Servicer, prior to service of a Notice of Default, on the Calculation Date immediately prior to each anniversary of the Programme Closing Date with a view to confirmation of compliance by the Issuer with the Statutory Tests or the Amortisation Test, as applicable, on that Calculation Date. If and for so long as the long-term ratings of the Issuer or the Servicer are below Baa2/BBB- (by Moody's or Fitch, respectively) or following the occurrence of an Issuer Event, the Asset Monitor will, subject to receipt of the relevant information from the Servicer within the agreed timeframe, be required to conduct such tests following each Calculation Date.

Following a determination by the Asset Monitor of any errors in the arithmetical accuracy of the calculations performed by the Servicer such that the Statutory Tests have failed on the Applicable Calculation Date (where the Servicer had recorded it as being satisfied), or the Nominal Value or the Net Present Value is misstated by an amount exceeding two per cent. of the Nominal Value (as at the date of the relevant Nominal Value Test or the relevant Amortisation Test), the Asset Monitor will be required to conduct such tests following each Calculation Date for a period of six months thereafter.

The Asset Monitor is entitled to assume that all information provided to it by the Servicer for the purpose of conducting such tests is true and correct and not misleading, and is not required to conduct a test or otherwise take steps to verify the accuracy of any such information. The Asset Monitor will deliver a report (the **Asset Monitor Report**) to the Servicer, the Issuer and, if so requested, to the Trustee.

The Issuer or the Servicer will ensure that a copy of the Asset Monitor Report is sent to the Bank of Greece for the purposes of the Greek Covered Bond Legislation at the minimum once per annum.

As at the Programme Closing Date, the Issuer or the Servicer, as applicable, will pay to the Asset Monitor a fee for the tests to be performed by the Asset Monitor.

The Issuer (or after the occurrence of an Issuer Event, the Servicer) may, at any time, but subject to the prior written consent of the Trustee, terminate the appointment of the Asset Monitor by giving at least 30 days' prior written notice to the Asset Monitor, provided that such termination may not be effected unless and until a replacement asset monitor has been found by the Issuer (or after the occurrence of an Issuer Event, the Servicer) (such replacement to be approved by the Trustee (such approval to be given if the replacement is an accountancy firm of international standing)) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Agreement (or substantially similar duties).

The Asset Monitor may, at any time, resign by giving at least 30 days' prior written notice to the Issuer and the Trustee (copied to the Rating Agencies), and may resign by giving immediate notice in the event of a professional conflict of interest caused by the action of any recipient of its reports.

Upon the Asset Monitor giving 30 days' prior written notice of resignation, the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall immediately use all reasonable endeavours to appoint a replacement (such replacement to be approved by the Trustee (such approval to be given if the replacement is an accountancy firm of international standing)) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Agreement. If a replacement is not appointed by the date which is 30 days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the Issuer (or following the occurrence of an Issuer Event, the Servicer) shall use all reasonable endeavours to appoint an accountancy firm of national standing to carry out the relevant tests on a one-off basis, provided that such appointment is approved by the Trustee.

The Trustee will not be obliged to act as Asset Monitor in any circumstances.

#### *Law and Jurisdiction*

The Asset Monitor Agreement will be governed by English law.

#### **Trust Deed**

The Trust Deed, made between the Issuer and the Trustee on the Programme Closing Date appoints the Trustee to act as the bondholders representative in accordance with paragraph 2 of Article 91. The Trust Deed contains provisions relating to, *inter alia*:

- (a) the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under Terms and Conditions of the Covered Bonds above);
- (b) the covenants of the Issuer;
- (c) the enforcement procedures relating to the Covered Bonds; and
- (d) the appointment powers and responsibilities of the Trustee and the circumstances in which the Trustee may resign or be removed.

#### *Law and Jurisdiction*

The Trust Deed will be governed by English law.

#### **Agency Agreement**

Under the terms of an Agency Agreement to be entered into on the Programme Closing Date between the Issuer, the Trustee, the Principal Paying Agent (together with any paying agent appointed from time to time under the Agency Agreement, the **Paying Agents**) (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 foregoing provisions of this Clause, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

#### *Law and Jurisdiction*

The Agency Agreement will be governed by English law.

For the purposes of this section "Agency Agreement" any capitalised terms have the meanings given to them in the Terms and Conditions of the Covered Bonds above.

#### **Deed of Charge**

Pursuant to the terms of the Deed of Charge entered into on the Programme Closing Date by the Issuer, the Trustee and the other Secured Creditors, the Secured Obligations of the Issuer and all other obligations of the Issuer under or pursuant to the Transaction Documents to which it is a party are secured, *inter alia*, by the following security over the following property, assets and rights (the **Deed of Charge Security**):

- (a) an assignment by way of first fixed security over all of the Issuer's interests, rights and entitlements under and in respect of any 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 91, created a pledge over the Cover Pool (which consists principally of the Issuer's interest in the Loan Assets and certain Marketable Assets). The Deed of Charge will also provide that (other than in certain limited circumstances) only the Trustee may enforce the security created under either the Deed of Charge or paragraph 10 of Article 91. The proceeds of any such enforcement of the Deed of Charge and paragraph 10 of Article 91 will be required to be applied in accordance with the order of priority set out in the Post Event of Default Priority of Payments.

The Trustee shall at all times be a credit institution (or 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 91 (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 will be governed by English law.

#### **Interest Rate Swap Agreement**

Some of the Loan Assets in the Cover Pool will pay from time to time a variable rate of interest for a period of time that may either be linked to the standard variable rate of the Issuer (the **Issuer Standard Variable Rate**) or linked to an interest rate other than the Issuer Standard Variable Rate, such as EURIBOR or a rate that tracks the ECB base rate. Other Loan Assets will pay a fixed rate of interest for a period of time. However, the Euro payments to be made by the Issuer under each of the Covered Bond Swaps may vary. To provide a hedge against the possible variance between:

- (a) the rates of interest payable on the Loan Assets in the Cover Pool; and
- (b) 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 will 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 6.7 (*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 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 short term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank cease to be rated F1 by Fitch and P-1 by Moody's (or such other ratings that may be agreed between the parties to the Bank Account Agreement and the relevant Rating Agency from time to time), then unless the Account Bank within 30 calendar days of such occurrence obtains an unconditional and unlimited guarantee (in a form acceptable to Moody's) of its obligations under the Bank Account Agreement from a financial institution whose short term, unsecured, unsubordinated and unguaranteed debt obligations are rated F1 by Fitch and P-1 by Moody's and provided that each of the Rating Agencies rating the Covered Bonds has provided confirmation in writing that the ratings on the Covered Bonds would not be adversely affected thereby, then:

- the Bank Account Agreement will be terminated in respect of the Account Bank; and
- the Bank Accounts will be closed and all amounts standing to the credit thereof shall be transferred to accounts held with a bank whose short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least F1 by Fitch and P-1 by Moody's.

The costs arising from any remedial action take by the Account Bank, following its short term, unsecured, unsubordinated and unguaranteed debt obligations ceasing to be rated at least F1 by Fitch and P-1 by Moody's shall be borne by the Account Bank.

The Bank Account Agreement will be governed by English law.

**Issuer-ICSDs Agreement**

The Issuer 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 Tax**

#### **Greek tax residents**

Interest on the Covered Bonds earned by Greek resident holders or holders with a permanent establishment in Greece will be subject to withholding tax at 10.0% if payment is made by a paying agent in Greece. In the case of holders who are individuals, partnerships, joint ventures or non profit entities, such withholding extinguishes their income tax liability in respect of this income. In the case of holders (mainly companies limited by shares (*anonimi eteria*) limited liability companies (*eteria periorismenis efthinis*) and branches of foreign entities operating in Greece, interest on the Covered Bonds will be reported as part of their taxable base of the year in which such interest arose and will be subject to tax at the applicable corporate income tax rate (currently 24.0%) while the 10.0% tax withheld at source will be offset against the income tax liability of the year or refunded if the tax due is not sufficient to absorb tax withheld. In the case of banks and insurance companies interest is fully taxable at the applicable corporate income tax rate (24.0%) however special rules apply as to the time of taxation. Institutional investors (mutual funds, portfolio investment companies and real estate investment companies) are exempt from the 10.0% withholding tax on condition that the holder acquires the interest coupon at least 30 days prior to maturity.

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

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

The corporate income tax rate currently applying to Greek companies limited by shares (*anonimi eteria* (AE)) and Greek limited liability companies (*eteria periorismenis efthinis* (EPE)) is, for non distributed earnings, 24.0% for the year 2010 and will be reduced annually from 2011 to 2014 by 1 percentage point until it reaches 20.0%. Distributed earnings are taxed at 40.0%..

#### **Foreign tax residents**

Foreign tax residents (individuals or legal entities) are exempt from any withholding on the total interest amount of coupon on the coupon maturity date, according to paragraphs 1 and 3 of Article 31 of law 2682/1999 in conjunction with paragraph 8 of Article 26 of law 2789/2000. A similar tax exemption is also specifically provided for foreign tax residents who hold covered bonds pursuant to paragraph 9 of Article 69 of law 3746/2009.

### **Value Added Tax**

No value added tax is payable upon disposal of the Covered Bonds (pursuant to Article 22(1)(ka) of 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 1.0% 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 1.0% to 40% depending on the relationship between the donor and the beneficiary.

### ***Stamp Duty***

Pursuant to Article 14 of Greek Law 3156/2003 the issuance or transfer of Covered Bonds is exempt from Greek stamp duty.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income (which has been implemented by Greek law 3312/2005), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in the Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments deducting tax at rates rising to 35.0%. The transitional period is to terminate at the end of the full fiscal year following agreement by certain non-European countries to the exchange of information relating to such payments. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

### **Luxembourg Taxation**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Covered Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

### ***Withholding Tax***

#### **(a) Non-resident holders of Covered Bonds**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of the Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Covered Bonds held by non-resident holders of Covered Bonds.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the Territories), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it has been levied at a rate of 15.0% during the first three-year period starting 1 July 2005, and it will be levied at a rate of 20.0% for the subsequent three-year period and at a rate of 35.0% thereafter. Responsibility for the withholding of the tax will be assumed by the paying agents. Payments of interest under the Covered Bonds coming within the scope of the Laws would at present be subject to withholding tax of 20.0%.

(b) Resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the Law) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Covered Bonds held by Luxembourg resident holders of Covered Bonds.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10.0%. 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 Law would be subject to withholding tax of 10.0%.

## 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 (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 in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

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

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

Until 40 days after the commencement of the offering of any Series of Covered Bonds, an offer or sale of such Covered Bonds within the United States by any dealer (whether or not participating in the offering of such Covered Bonds) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Each issuance of Index Linked Interest Covered Bonds or Dual Currency Covered Bonds shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Covered Bonds, which additional selling restrictions shall be set out in the applicable Final Terms.

### Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and

including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Covered Bonds specifies that an offer of those Covered Bonds may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Covered Bonds which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 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
- (e) 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 (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a base prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Covered Bonds to the public in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

## **The Hellenic Republic**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with (i) the Public Offer Selling Restrictions under the Prospectus Directive, described above in this section; (ii) all applicable provisions of Greek Law 3401/2005, implementing into Greek law the Prospectus Directive; and (iii) all applicable provisions of Greek Law 876/1979 as currently in force, with respect to anything done in relation to any offering of any Covered Bonds in, from or otherwise involving the Hellenic Republic.

## **Japan**

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended; the FIEA) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **The Grand Duchy of Luxembourg**

In addition to the cases described in the European Economic Area selling restrictions in which the Dealers can make an offer of Covered Bonds to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the Dealers can also make an offer of Covered Bonds to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July, 2005 on prospectuses for securities implementing the Directive 2003/71/EC (the Prospectus Directive) into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the Commission de surveillance du secteur financier as competent authority in Luxembourg in accordance with the Prospectus Directive.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

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

## GENERAL INFORMATION

### **Listing and admission to trading**

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for the Covered Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

However, Covered Bonds may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

### **Authorisations**

The establishment, implementation and operation of the Programme and the issue of Covered Bonds have been duly confirmed and authorised by a resolution of the Board of Directors of the Issuer dated 28 January 2010.

### **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](http://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 this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer's or the Group's financial position or profitability.

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

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 2009. Since 30 September 2010 there has been no significant change in the financial or trading position of the Issuer or the Group other than the increase in the share capital increase of the Issuer in October 2010 through the issuance of 121,408,315 ordinary shares and short-term non-listed common registered convertible equity notes which were converted on into 227,640,590 new ordinary shares on 25 October 2010. The Issuer raised a total of €1,815,054,306 in new capital.

### **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 2008 and 31 December 2009 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith;

- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (with an English translation thereof), together with any audit or review reports prepared in connection therewith;
- (d) the Programme Agreement, the Trust Deed, the Agency Agreement, and the forms of the Global Covered Bonds, the Covered Bonds in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Base Prospectus; and
- (f) any future offering circulars, prospectuses, information memoranda 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](http://www.bourse.lu).

### **Clearing Systems**

The Covered Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Series of Covered Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of Covered Bonds to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Independent Auditors**

The 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 2008 and 31 December 2009 incorporated by reference in this Base Prospectus have been audited by Deloitte & Touche Hadjipavlou Sofianos & Cambanis S.A., being certified public accountants and auditors. Deloitte & Touche Hadjipavlou Sofianos & Cambanis S.A is a member of the Institute of Certified Auditors and Accountants of Greece.

## INDEX

€.....	3	Covered Bond Swap Agreement.....	201
30/360, 360/360.....	77	Covered Bond Swap Early Termination	
30E/360.....	78	Event.....	202
30E/360 (ISDA).....	78	Covered Bond Swap Provider.....	7
Account Bank.....	6	Covered Bondholder.....	69
Accrual Period.....	77	Covered Bondholders.....	2
Accrual Yield.....	85	Covered Bonds.....	1
Actual/360.....	77	Covered Bonds Available Funds.....	25
Actual/365 (Fixed).....	77	CRA Regulation.....	1, 113
Actual/365 (Sterling).....	77	CRD II.....	177
Actual/Actual.....	77	CRD III.....	177
Actual/Actual (ICMA).....	77	CSSF.....	1
Actual/Actual (ISDA).....	77	Day Count Fraction.....	77
adjusted.....	79	Dealer.....	1
Adjusted Required Redemption Amount.....	194	Dealers.....	1
AFS.....	48	Deed of Charge.....	30
Agency Agreement.....	30, 67, 197	Deed of Charge Security.....	198
Amortisation Test.....	20	Definitive Covered Bond.....	67
Amortised Face Amount.....	88	Designated Maturity.....	73
Applicable Calculation Date.....	17	Determination Date.....	79
Arranger.....	6	Determination Period.....	79
Article 632 Suspension Petition.....	58	Dispute.....	98
Article 632-633 Annulment Petition.....	58	Documents.....	97
Article 91.....	10	Dual Currency Interest Covered Bonds.....	10
Article 933 Annulment Petition.....	59	Earliest Maturing Covered Bonds.....	85, 193
Article 938 Suspension Petition.....	59	Early Redemption Amount.....	85
Asset Monitor.....	6	EEA Credit Institution.....	199
Asset Monitor Agreement.....	30	EI.....	46
Asset Monitor Report.....	196	Eligible Institution.....	7
Athens Business Day.....	12	Eligible Investments.....	19
Authorised Investments.....	22	EMU.....	3
Bank Account Agreement.....	30	Established Rate.....	85
Bank Accounts.....	30	ETAT.....	46
Base Prospectus.....	1	Ethniki Hellenic General Insurance.....	140
Basel Committee.....	177	Ethniki Leasing.....	140
Bond Basis.....	77	EUR.....	3
Borrower.....	33, 188	EURIBOR.....	73
Broken Amount.....	72	euro.....	85
Business Day.....	76	Euro.....	3
Business Day Convention.....	76	Euro Equivalent.....	193
Calculation Agent.....	73	Eurobond Basis.....	78
Calculation Amount.....	85	Euroclear.....	69, 99
Calculation Date.....	19	Euro-zone.....	73
Capital Plan.....	50	Event of Default.....	26
Charged Property.....	11	Excess Swap Collateral.....	25
Clearstream, Luxembourg.....	69, 99	Exchange Date.....	99
Collection Account.....	23	Exchange Event.....	99
Commingling Required Amount.....	195	Exchange Notice.....	84
Commingling Reserve Advance.....	195	Extended Final Maturity Date.....	12, 52
Commingling Reserve Ledger.....	195	Extraordinary Resolution.....	85
Common Depository.....	99	Final Maturity Date.....	12
Common Safekeeper.....	99	Final Redemption Amount.....	12, 52, 83
Conditions.....	2, 8, 67	Final Terms.....	1, 8
Couponholders.....	68	Finansbank.....	49
Coupons.....	67	Fitch.....	1, 7, 36
Cover Pool.....	1, 14	Fixed Coupon Amount.....	71
Cover Pool Asset.....	14	Fixed Interest Period.....	72, 79
Cover Pool Payment Date.....	12	Fixed Rate Covered Bonds.....	9
Covered Bond Swap.....	201	Floating Rate.....	73

Floating Rate Convention .....	76	Luxembourg Act .....	1
Floating Rate Covered Bonds.....	9	Luxembourg Listing Agent.....	7
Floating Rate Option .....	73	Margin .....	9
Following Business Day Convention.....	76	Marketable Assets .....	18
Former Residence.....	97	Markets in Financial Instruments Directive .....	1
Forward Starting Covered Bond Swap .....	201	Master Definitions and Construction Schedule .....	68
FSF .....	40, 171	Member State.....	3
FYROM.....	43	Memorandum.....	171
General Meeting.....	43	Minimum Credit Rating.....	15
Global Covered Bond .....	99	Minimum Rate of Interest.....	85
Global Covered Bond .....	67	Modified Following Business Day Convention.....	76
Global Covered Bonds.....	99	Moody's.....	1, 7
Greek Covered Bond Legislation .....	10	National Securities .....	141
Group.....	122	NBG .....	6
Hedging Agreements .....	30	NBG Factors .....	140
Hedging Counterparties .....	7	Negative Carry Factor .....	193
Holder of Covered Bonds .....	69	Net Present Value Test .....	18
IFRS .....	3, 64	New Company.....	96
IMF.....	171	New Residence.....	97
Indebtedness.....	22	NGCB.....	99
Indemnity.....	29	NMB.....	122
Index Linked Covered Bond .....	9	Nominal Value Test.....	17
Index Linked Interest Covered Bond .....	9	Non-exempt Offer .....	209
Individual Eligibility Criteria .....	16	Non-Forward Starting Covered Bond Swap.....	201
Initial Assets.....	15	not adjusted .....	79
Insolvency Event.....	191	Notice of Default.....	27, 85, 92
Instalment Amount .....	89	Optional Redemption Amount .....	85, 87
Instalment Covered Bonds .....	85	Optional Redemption Date.....	87
Instalment Date .....	89	Partly Paid Covered Bonds .....	10
Interest Amount.....	74	Paying Agents .....	7, 67, 197
Interest Commencement Date .....	79	Payment Day.....	82
Interest Cover Test .....	18	Permanent Global Covered Bond.....	99
Interest Payment Date.....	72, 79	Post Event of Default Priority of Payments.....	28, 71
Interest Payment Dates .....	12, 79	Potential Event of Default.....	85
Interest Period .....	72, 79	Pre Event of Default Priority of Payments .....	70
Interest Rate Swap.....	200	Preceding Business Day Convention.....	76
Interest Rate Swap Agreement .....	200	Principal Amount Outstanding .....	79
Interest Rate Swap Provider.....	7, 200	Principal Paying Agent .....	67
Interest Rate Swap Termination Event .....	200	Principal Paying Agent .....	7
Investor Put.....	88	Priority of Payments .....	28
Investor Report.....	31	Programme.....	1
Investor Report Date.....	31	Programme Agreement .....	208
Investor's Currency .....	62	Programme Closing Date.....	29
ISDA Definitions.....	72	Programme Resolution .....	94
ISDA Determination.....	72	Prop Index Valuation.....	20
ISDA Rate.....	72	Prospectus Directive .....	1, 101
Issue Date.....	8	Put Notice .....	88
Issue Price.....	12	Rate of Interest .....	85
Issuer .....	6, 67	Rating Agencies .....	7, 97
Issuer Accounts .....	198	Rating Agency.....	97
Issuer Call .....	87	Rating Agency Confirmation .....	54
Issuer Event.....	21, 90	Receiptholders.....	68
Issuer Insolvency Event .....	91	Receipts .....	67
Issuer Rating Downgrade.....	195	Receiver .....	11
Issuer Rating Upgrade .....	195	Redeemed Covered Bonds .....	87
Issuer Standard Variable Rate .....	199	Redenomination Date .....	86, 98
Late Payment.....	89	Reference Price .....	86
LIBOR .....	73	Registration Statement.....	10
Loan Assets.....	14	Regulation S.....	3
Loans .....	14		
Long Maturity Covered Bond .....	81		

Related Security .....	14	Specified Denomination .....	67
Relevant Date .....	93	Specified Period .....	72
Relevant Dealer .....	1	Stabilising Manager(s).....	112
Relevant Factor .....	56	Stabilization Programme.....	171
Relevant Member State.....	3, 101, 208	Stabilisation Programme.....	40
Required Outstanding Principal Balance Amount.....	193	Standard & Poor's.....	36
Required Redemption Amount.....	193	Statutory Pledge .....	10, 70
Reset Date .....	73	Statutory Test.....	17
Rights Offering.....	49	Subordinated Termination Payment .....	28
Risk Factors .....	1	Subscription Agreement .....	31
Screen Rate Determination .....	86	Sub-unit .....	79
Secondary Covered Bond Legislation.....	10	Swap Collateral.....	25
Secured Creditors .....	11, 86	Swap Collateral Excluded Amounts .....	25
Securities Act.....	3	Talons .....	67
Segregation Event.....	23	TARGET2.....	76
Selected Loan Offer Notice.....	192	TARGET2 System .....	76
Selected Loan Removal Notice .....	192	Temporary Global Covered Bond .....	99
Selected Loans .....	192	Terms and Conditions.....	101
Selection Date .....	87	Tranche.....	8, 68
Series .....	8, 68	Transaction Account.....	24
Series Reserved Matter .....	95	Transaction Documents .....	31
Servicer.....	6	Treaty .....	86
Servicer Termination Event .....	191	Trust Deed .....	67
Servicing and Cash Management Activities.....	6	Trustee .....	7, 67
Servicing and Cash Management Deed .....	29	Variable Interest Covered Bonds.....	10
Specified Currency .....	67	Zero Coupon Covered Bonds.....	10

**REGISTERED OFFICE OF THE ISSUER**

**National Bank of Greece S.A.**

86 Eolou Street  
102-32 Athens  
Greece

**ARRANGER**

**National Bank of Greece S.A.**

86 Eolou Street  
102-32 Athens  
Greece

**DEALER**

**National Bank of Greece S.A.**

86 Eolou Street  
102-32 Athens  
Greece

**TRUSTEE**

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB

**PRINCIPAL PAYING AGENT**

Citibank N.A., London Branch  
Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB

**LEGAL ADVISERS**

*To the Issuer as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD

*To the Issuer as to Greek law*

**Dracopoulos & Vassalakis LP**  
6 Omirou Str.  
Athens 105 64  
Greece

*To the Arranger, the Trustee and the Dealers as to English law*

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ

*To the Arranger and the Dealer as to Greek law*

**Your Legal Partners**

11 Omirou & 1 Vissarionos Str.  
GR-10672  
Athens  
Greece

**AUDITORS TO THE ISSUER**

**Deloitte & Touche Hadjipavlou  
Sofianos & Cambanis S.A.**  
250-254 Kifissias Ave  
Halandri 15231 Athens  
Greece

**AND LUXEMBOURG LISTING AGENT**

**Dexia - Banque Internationale à Luxembourg**  
69, route d'Esch  
L-2953 Luxembourg