

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 have been 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 "*Summary 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 Covered Bonds issued under the Programme are expected on issue to be assigned an Aaa rating by Moody's Investors Service Limited (**Moody's**) and an AAA rating by Fitch Ratings Limited (**Fitch**). 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.

Arrangers

Deutsche Bank
NBG International
UniCredit (HVB)

Dealers

Deutsche Bank
Morgan Stanley
NBG International
Société Générale Corporate & Investment Banking
UniCredit (HVB)

The date of this Base Prospectus is 26 November 2008.

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.

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

earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation or over allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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GENERAL DESCRIPTION OF THE PROGRAMME

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

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

PRINCIPAL PARTIES

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

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

Eligible Institution means any bank whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least 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 €50,000 (or, if the Covered Bonds are denominated in a currency other than Euro, the equivalent amount in such currency) or such other higher amount as is required from time to time by the relevant central bank (or equivalent

body) or any laws or regulations applicable to the relevant Specified Currency.

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.

Dual Currency Interest Covered Bonds

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

Variable Interest Covered Bonds

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 **Variable Interest Covered Bonds**.

Other provisions in relation to Floating Rate Covered Bonds and Variable Interest Covered Bonds	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).
Zero Coupon Covered Bonds	The Final Terms may provide that Covered Bonds, bearing no interest (Zero Coupon Covered Bonds), may be offered and sold at a discount to their nominal amount.
Partly Paid Covered Bonds	Covered Bonds may be issued on a partly-paid basis (Partly Paid Covered Bonds) 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).
Ranking of the Covered Bonds	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.
Taxation	All payments of principal, interest and other proceeds (if any) on the Covered Bonds will be made free and clear of any withholding or deduction for, or on account of, any taxes, unless the Issuer or any intermediary that intervenes in the collection of interest and other proceeds on the Covered Bonds is required by applicable law to make such a withholding or deduction. In the event that such withholding, or deduction is required by law, the Issuer will not be required to pay any additional amounts in respect of such withholding or deduction.
Status of the Covered Bonds	The Covered Bonds are issued on an unconditional basis and in accordance with Article 91 of Law 3601/2007 (published in the Government Gazette No 178/A/1-8-2007), as amended by Article 48 of law 3693/2008 (published in the Government Gazette No. 174/A/25-8-2008 (Article 91) and the Act of the Governor of the Bank of Greece No. 2598/2007 (the Secondary Covered Bond Legislation and, together with Article 91 the Greek Covered Bond Legislation)). The Covered Bonds are backed by assets forming the Cover Pool of the Issuer and have the benefit of a statutory pledge established by virtue of registration statement(s) filed with the Athens Pledge Registry (each a Registration Statement) pursuant to paragraph 4 of Article 91 (the Statutory Pledge). The form of the Registration Statement is defined in Ministerial Decree No 95630/8-9-2008 (published in the Government Gazette No 1858/B/12-9-2008) of the Minister of Justice. See also “ <i>Summary of Greek Covered Bond Legislation</i> ” below.
Payments on the Covered Bonds	<p>Payments on the Covered Bonds will be direct and unconditional obligations of the Issuer.</p> <p>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</p>

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:	<p>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 (<i>Events of Default and Enforcement</i>). Following the service of a Notice of Default the Covered Bonds of each Series shall become immediately due and payable.</p> <p>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 (<i>Interest</i>) and the Issuer (or the Servicer on its behalf) will make payments on each relevant Interest Payment Date and Extended Final Maturity Date.</p> <p>Following service of a Notice of Default, any amount outstanding shall bear interest in accordance with Condition 6.9 (<i>Late Payment</i>).</p>
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; and
- (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,

(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:

- (a) *Allocation of Further Assets*: allocate to the Cover Pool additional Cover Pool Assets for the purposes of issuing further Series of Covered Bonds and/or complying with the Statutory Tests and/or maintaining the initial rating(s) assigned to the Covered Bonds provided that, with respect to any Cover Pool Assets assigned after the Issue Date for the first Series of Covered Bonds which 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) *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:

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

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

The Servicer shall provide such verifications 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.

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 such Calculation Date. The Hedging Agreements 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 the relevant 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.

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 Reserve 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 Reserve 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 any asset (including, without limitation, cash or securities) which is paid or transferred by any Hedging Counterparty to the Issuer as collateral to secure the performance by such Hedging Counterparty of its obligations under a Hedging Agreement together with any income or distributions received in respect of such asset and any equivalent or replacement of such asset into which such asset is transferred but which may not be applied at such time in satisfaction of the obligations of the relevant Hedging Counterparty under the terms of such Hedging Agreement (the **Swap Collateral Excluded Amounts**).

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	<p>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).</p> <p>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.</p> <p>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.</p> <p>The Deed of Charge shall be governed by English Law.</p>
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, <i>inter alia</i> , 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, <i>inter alia</i> , 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 form part of the Cover Pool.

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.

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 Arrangers, the Dealers or the Listing Agent (as defined below). No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Covered Bonds shall be accepted by any of the Arrangers, the Dealers, the Hedging Counterparties the Trustee, the Agents, the Account Bank, any company in the same group of companies as such entities or any other party to the transaction documents relating to the Programme.

Maintenance of the Cover Pool

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

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

Default by Borrowers in paying amounts due on their Loans

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

Changes to the Lending Criteria of the Issuer

Each of the Loans originated by the Issuer will have been originated in accordance with its Lending Criteria at the time of origination. 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 state of the political and economic environment, particularly in Greece, significantly affects the Issuer's performance

The majority of the Issuer's operations and loan portfolio is concentrated in Greece. For the financial year ended 31 December, 2007, approximately 54.6% of the Issuer's total income from continuing operations, and as of 31 December, 2007, 64.4% of the Issuer's gross loans were derived from the Issuer's operations in Greece. As a result, the state of the Greek economy significantly affects the Issuer's financial performance as well as the market price and liquidity of the Bank's shares. To an increasing extent, the Issuer's performance

is affected by the economic conditions and levels of economic activity in other countries in which the Issuer operates, especially Turkey, from which 22.5% of the Issuer's total income and 17.3% of the Issuer's gross loan portfolio were derived in 2007, and South East Europe (**SEE**) countries from which 8.1% of the Issuer's total income and 11.0% of the Issuer's gross loan portfolio were derived in 2007. Consequently, an economic slowdown, a deterioration of conditions in Greece or other adverse changes affecting the Greek economy or the economies of other countries in which the Issuer operates, could result in, among other things, higher rates of credit defaults on loans or declines in new borrowing, which could adversely impact the Issuer's business, financial condition, cash flows and results of operations. Moreover, the political environment both in Greece and in other countries in which the Issuer operates may be adversely affected by events outside the Issuer's 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 and the countries in which the Issuer operates or may plan to expand. Finally, global economic conditions such as the level and liquidity of the global financial and other assets markets, investor sentiment and the availability and cost of credit may adversely affect the Issuer's business, results of operations or financial condition.

The Issuer conducts significant international activities and is expanding in emerging markets

Apart from the Issuer's operations in Greece 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 Issuer's international operations are exposed to the risk of adverse political, governmental or economic developments in the countries in which the Issuer 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 the Issuer to foreign currency risk. A decline in the value of the currencies in which the Issuer's international subsidiaries receive their income or hold their assets relative to the value of the euro may have an adverse effect on the Issuer's financial condition and results of operations.

The Issuer is actively pursuing expansion of its international market position, principally through acquisitions in Egypt, Russia and the Ukraine. The Issuer is currently evaluating a number of acquisition candidates in these regions and, consequently, the Issuer anticipates that its operations and its shareholders will increasingly be exposed to risks associated with acquisitions generally, as well as specific risks relating to business operations in these emerging markets.

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

As a result of the Issuer's 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 the Issuer's 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 the Issuer undertakes the relevant activity. The database that monitors defaulting customers across the banking system in Greece (**Teiresias**) does not monitor aggregate amounts of non-defaulted loans outstanding to a debtor. Consequently, the Bank is subject to the risk that its customers may have borrowed unsustainably large amounts from other banks. While Teiresias is in the process of setting up a database for non-defaulted loans, this database is incomplete, and the Issuer cannot assure you if and when a reliable database of non-defaulted loans will be available to the Issuer.

- *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 and the value of the Issuer's assets in foreign currencies and may affect income from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios. The Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is 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.
- *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 floods, fires, earthquakes or terrorist attacks, fraud by outsiders and equipment failures. Finally, the NBG Group 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 (earthquake, industrial disaster, terrorism, etc.).

Impact of Regulatory Changes

The Issuer is subject to financial services laws, regulations, administrative actions and policies in the locations in which it operates. Changes in supervision and regulation, in particular in Greece, could materially affect the business of the Issuer, the products and services offered or the value of its assets. Although the Issuer works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer

Other Risks Associated with the Issuer

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. As with any bank, changes in market interest rates could 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 the Issuer's allowance for loan losses 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, increased pre-payments on the Issuer's loan and mortgage portfolio and increased competition for deposits. Likewise, a decrease in interest rates may affect the Issuer's ability to issue mortgage backed securities, securities parts of the Issuer's balance sheet or otherwise issue debt securities.

The Issuer's lending margins may decline

The Greek banking industry has historically enjoyed high loan margins compared to other EU member states. However, as Greece's economy converges with those of other countries in the European Union, margins have been declining. Such a decline has been accentuated by the recent increase in time deposits, which have interest rates closer to EURIBOR/LIBOR than those of sight deposits. In addition, the adoption of rules for the enhancement of transparency in the financial services market by the Bank of Greece and recent court judgments on consumer protection are expected to result in lower margins with respect to consumer loans and credits for banks operating in Greece. A further decline in lending margins would have a negative impact on the Issuer's results from operations.

The Issuer faces significant competition from Greek and foreign banks

Deregulation has led to increased competition in the Greek banking sector. In addition, consolidation among Greek banks has led to increased competition resulting from the increased efficiency and greater resources of these combined entities. The Issuer also faces competition from foreign banks, some of which have resources significantly greater than the Issuer's. The Issuer may not be able to continue to compete successfully with domestic and international banks in the future.

The Issuer 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 Bank and certain of the Issuer's subsidiaries participate in employee-managed pension schemes. The Bank and certain of the Issuer's subsidiaries make significant contributions to these schemes. In addition, the Bank and several of the Issuer's subsidiaries offer other post-retirement benefit plans, including medical benefit plans. The Issuer's consolidated net liability under these plans as at 31 December, 2007 was €239.4 million, determined by reference to a number of critical assumptions that are subject to potential variation. Such variation may cause the Issuer to incur significantly increased liability in respect of these obligations. For more information on the Issuer's current obligations under pension plans and the assumptions by reference of which they are determined, please refer to Note 38 to the U.S. GAAP financial statements for the year ended 31 December, 2007, included in this Annual Report.

Following legislation passed in April 2008, the Bank's main pension plan and the main pension branch of Ethniki Hellenic General Insurance S.A.'s (EH) post retirement and health plan has 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 Bank will contribute €25.5 million into IKA-ETAM per year for 15 years starting from December 2009. Although the Bank has contested these payments as unfair compared to those imposed to other banks and has reserved all legal rights, it may be unsuccessful in these efforts.

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 Bank 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 the Bank's employee pension schemes with ETAT.

The foregoing developments, as well as future interpretations of existing laws and any future legislation regarding pensions and pension liabilities or other post-retirement benefit obligations, may increase the liability of the Bank 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, current employment regulation and its desire to maintain good relations with its employees. 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 the Issuer believes contribute significant experience and expertise to the Issuer's management in the banking sectors in which the Issuer operates. The continued success of the Issuer's business and the Issuer's ability to execute its business strategy will depend, in large part, on the efforts of the Issuer's senior management. If a substantial portion of the Issuer's 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 growth 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. However, inability to recruit and retain qualified and experienced personnel in Greece 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.

The Greek banking sector is subject to strikes

Most of the Issuer's employees belong to a union and the Greek banking sector has been subject to strikes, mainly over the issues of pensions and wages. Bank employees throughout Greece went on strike for three days in 2007 and nine days in 2008 (up to 14 October 2008), mainly on the grounds of pension reforms proposed by the Greek Government in March 2008. Prolonged labour unrest could have a material adverse effect on the Bank's operations in Greece.

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

Non-performing loans represented approximately 3.0% of the Issuer's total loan portfolio as at 31 December, 2007. As a result of certain tax and legal considerations, non-performing loans generally remain on the Issuer's balance sheet significantly longer than for other banks in the EU.

The Issuer's current credit approval and monitoring procedures focus on the borrower's cash flow and ability to repay in an effort to improve the quality of the Issuer's loan assets and mitigate future allowances for loan losses. However, the Issuer cannot assure you that these credit approval and monitoring procedures will reduce the amount of provisions for loans that become non-performing in the future. Future provisions for non-performing loans could have a materially adverse effect on the Issuer's operating results. In addition, a downturn in the global economy would potentially result in a higher proportion of non-performing loans.

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, creating a risk of substantial losses. Volatility can also lead to losses relating to a broad range of other trading and hedging products the Issuer uses, including swaps, futures, options and structured products.

Security and insolvency considerations

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

The Issuer's hedging may not prevent losses

If any of the variety of instruments and strategies that the Issuer uses to hedge its exposure to various types of risk in its businesses is not effective, the Issuer may incur losses. Many of the Issuer's strategies are based on historical trading patterns and correlations. Unexpected market developments therefore may adversely affect the effectiveness of its hedging strategies. Moreover, the Issuer does not hedge all of its risk exposure in all market environments or against all types of risk. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Issuer's reported earnings.

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

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

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

Although the Hellenic Republic does not directly own any of the Issuer's shares, it 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), which on 26 September 2008, owned shares representing approximately 16.5% of the Issuer's issued share capital.

The Issuer's Articles of Association do not provide any special voting rights to any class of shares or shareholders and there is no law in Greece that gives control over the Issuer to the Hellenic Republic. However, if there is not a 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. For instance, this could allow them to influence the election of members of the Issuer's Board of Directors.

Future acquisitions may result in unexpected losses

Typically, when the Issuer acquires a banking business, it acquires all of its liabilities as well as its assets. The Issuer's acquisition procedures may fail to identify all actual or potential liabilities of a company prior to its acquisition, and it may be unable to obtain sufficient indemnities to protect itself against such acquired liabilities. For example, the failure to identify and accurately determine the level of credit risk or market risk to which an acquired bank is exposed prior to its acquisition may lead to unexpected losses following the acquisition, which may have a significant adverse effect on the Issuer's results of operations and financial condition.

Operating in Turkey carries specific macroeconomic and political risks

As a result of the Issuer's acquisition of Finansbank in August 2006, the Issuer is subject to operating risks in Turkey, including the following:

- (i) Turkey is a parliamentary democracy, and, although stable, is not free from political uncertainty. Political risk has significantly increased since early March 2008, when the Chief Prosecutor of the High Court of Appeals filed a case against the governing party, the Justice and Development Party (AKP), in the Constitutional Court. The Chief Prosecutor has demanded the disbandment of AKP and a five-year ban from involvement in politics for 71 senior AKP leaders, on the grounds that the AKP has become "a focus of anti-secular activities". The political uncertainty is likely to remain high throughout the case, which may last up to three years.
- (ii) Political instability in the Middle East and military operations in neighbouring Iraq have increased the political and economic risks in the region. These risks may have an impact on the Turkish economy and the Issuer's operations there.
- (iii) Turkey has many characteristics of a developing economy. 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. The Turkish economy has, in general, responded well to this transformation, showing an overall pattern of growth from 1992 to 2007. However, the Turkish economy has experienced a succession of financial crises, including 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. In addition, Turkey has experienced hyperinflation until recently. There can be no assurance that Turkey will not face more financial crises, which could have a negative impact on Finansbank's operations.
- (iv) Historically, the Turkish currency has been subject to significant volatility against the euro and other currencies. For example, the Turkish lira depreciated by 17.0% against the euro and by 12.6% against the U.S. dollar in the first quarter of 2008. From the Issuer's acquisition of Finansbank on 18 August, 2006 to 31 March, 2008 the Turkish lira has depreciated by 10.3% against the euro but has appreciated by 8.8% against the U.S. dollar. These fluctuations could have a negative impact on the value of the Issuer's investment in Finansbank and on the Issuer's overall profitability.
- (v) Relations between Greece and Turkey have gone through periods of tension. Finansbank may be adversely affected by negative perceptions of Greece that may be held by certain of Finansbank's customers. A significant loss of customers could have a material adverse effect on the development of the Issuer's business in Turkey and on the Issuer's overall profitability.
- (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 are members of the EU. 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, would adversely affect Finansbank's business and could adversely affect the Issuer's business, results of operations or financial condition.

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 A.S. (**Finansbank**) 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. At the same time, convergence with the economies of existing EU member states could result in decreasing interest rate levels in Turkey, which could lead to a decline in Finansbank's interest margins.

Regulation of the Greek banking industry is changing

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 (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 January 1, 2008. The Issuer cannot predict what regulatory changes may be imposed in the future, either as a result of regulatory initiatives in the European Union, by the Bank of Greece or by U.S. securities regulators.

The banking regulations in Turkey are evolving parallel to the global changes and international regulatory environment. Even though no official statements have been made, the Issuer expects the local regulations regarding Basel II to be published within 2008; requiring banks to be Basel II standardised approach compliant by the beginning of 2009. Adopting the Basel II standardised approach will decrease the capital requirement for the retail loans; whereas corporate and commercial loans will be adversely affected. The Issuer cannot predict the timing for the advanced methods of Basel II; however the Issuer has already started working on developing and implementing the models required for advanced approaches. If the Issuer is required to make additional significant provisions or increase the Issuer's reserves, as may result from potential regulatory changes, this could adversely affect the Issuer's financial condition or results of operations.

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

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

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

- (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.

Greek Withholding Tax

Interest on the Covered Bonds earned by Greek resident Covered Bondholder or Covered Bondholders with a permanent establishment in Greece will be subject to withholding tax at 10 per cent. if payment is made by a paying agent in Greece. See also "*Taxation – Income Tax*".

Risks related to the Covered Bonds

Extendable obligations under the Covered Bonds

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

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

Appointment of a replacement Servicer

In the event of insolvency of the Issuer, the Greek Covered Bond Legislation (in conjunction with certain Greek insolvency law provisions) provides that the Cover Pool will at all times remain segregated from the

insolvency estate of the Issuer until payment of all amounts due to the Covered Bondholders have been made in full. To ensure continuation of the servicing of the Cover Pool in the event of insolvency of the Issuer (acting as the Servicer) the Greek Covered Bond Legislation provides that the Transaction Documents may provide for the substitution of the Servicer upon the insolvency of the Issuer.

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

- In the event of the Issuer's insolvency under 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 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 per cent. of the Nominal Value of the Cover Pool for so long as Covered Bonds remain outstanding (although there is no assurance that it will do so) and the Asset Monitor will provide 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 the one or more of the Rating Agencies have confirmed that the then current ratings of the Covered Bonds would not be adversely affected or withdrawn, each of the Issuer, the Trustee and the other Secured Creditors (including the Covered Bondholders) is deemed to have acknowledged and agreed that the above does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the Trustee, the Secured Creditors (including the Covered Bondholders) or any other person or create any legal relations between the Rating Agencies and the Issuer, the Trustee, the Secured Creditors (including the Covered Bondholders) or any other person whether by way of contract or otherwise.

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

Covered Bonds issued under the Programme

Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds or have different terms to an existing Series of Covered Bonds (in which case they will constitute a new Series). All Covered Bonds will rank *pari passu* 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 Dealers, the Trustee or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer. The Issuer will be liable solely in its corporate capacity for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

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

Pursuant to the terms of the Trust Deed and the Deed of Charge, the Trustee may, without the consent or sanction of any of the Covered Bondholders or any of the other Secured Creditors (other than the Swap Providers in respect of modification to the Pre-Event of Default Priority of Payments, the Post-Event of Default Priority of Payments, the Conditions 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 develop. The Arrangers are not obliged to and do not intend to make a market for the Covered Bonds. None of the Covered Bonds has been, or will be, registered under the Securities Act or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set forth under Subscription and Sale and Transfer and Selling Restrictions. If a secondary market does develop, 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 and Dual Currency 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. 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 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 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. 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.

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. 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;
- (v) claims of social security funds arising prior to the day of the auction; and
- (vi) claims by the Athens Stock Exchange Members' Guarantee Fund (if the borrower is or was an investment services company within the meaning of law 2396/96 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 a year. Article 91 of the Greek Covered Bond Legislation came into force on 1 August 2007 and was amended on 25 August 2008, while the Secondary Covered Bond Legislation came into force on 21 November 2007. The transactions contemplated in this Base Prospectus are based, in part, on the provisions of the Greek Covered Bond Legislation. So far as the Issuer is aware, as at the date of this Base Prospectus there have been two 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. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-European Union countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

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 (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%. 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 in, and form part of, this Base Prospectus:

- (a) the audited consolidated financial statements of National Bank of Greece S.A. as at and for the year ended 31 December 2007;
- (b) the audited consolidated financial statements of National Bank of Greece S.A. as at and for the year ended 31 December 2006; and
- (c) the unaudited condensed consolidated financial statements of National Bank of Greece S.A. as at and for the six months ended 30 June 2008.

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

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

The 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 2006 AND 2007

	31 December 2007	31 December 2006
<u>Information Incorporated</u>		
Balance Sheet	(a) p.6	(b) p.6
Income Statement	(a) p.5	(b) p.5
Accounting policies and explanatory notes	(a) p.11	(b) p.10
Auditor's report	(a) p.4	(b) p.3

**CROSS-REFERENCE LIST RELATING TO THE AUDITORS' REVIEW REPORT AND THE
AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL BANK
OF GREECE S.A. AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2008**

**30 June
2008**

Information Incorporated

Balance Sheet	(f) p.9
Income Statement	(f) p.7
Accounting policies and explanatory notes	(f) p.13

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). 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 alia* 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 alia* 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 €50,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

It is a condition precedent to the issuance of a new Series or Tranche of Covered Bonds that (i) there is no Issuer Event outstanding and that such issuance would not cause an Issuer Event, (ii) such issuance would not result in a breach of any of the Statutory Tests, (iii) 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) 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:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

- (d) **Determination Date** has the meaning given in the applicable Final Terms.
- (e) **Determination Period** means each period from (and including) a Determination Date to (but **excluding**) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).
- (f) **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
- (g) **Interest Commencement Date** means in the case of interest-bearing Covered Bonds, the date specified in the applicable Final Terms from (and including) which the relevant Covered Bonds will accrue interest.
- (h) **Interest Payment Date** means, in respect of Fixed Rate Covered Bonds, the meaning given in the applicable Final Terms and in respect of Floating Rate Covered Bonds 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 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 euro 50,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream, Luxembourg must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least euro 50,000.

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 euro 50,000 and/or such higher amounts as the Agents may determine and notify to the Covered Bondholders and any remaining amounts less than euro 50,000 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 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, that 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;

- (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; and

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

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

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

17. Substitution of the Issuer

(a) If so requested by the Issuer, the Trustee shall, without the consent of any Covered Bondholder, 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: per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
 6. (i) Specified Denominations:
- (N.B. Where multiple denominations above €50,000 or equivalent are being used the following sample wording should be followed: €50,000 and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Covered Bonds in definitive form will be issued with a denomination above [€99,000].)
- (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 [€50,000] 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% 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.]

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 subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)]] in arrear]
- (ii) Interest Payment Date(s): [[●] in each year up to and including the Final Maturity Date, or the Extended Final Maturity Date, if applicable]/[specify other]
- (iii) Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]
- (iv) Business Day(s) [●]
- (v) Additional Business Centre(s) [●]
- (vi) Fixed Coupon Amount[(s)]: [●] 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 cent. per annum
- (xii) Minimum Rate of Interest: per cent. per annum
- (xiii) Maximum Rate of Interest: per cent. per annum
- (xiv) Day Count Fraction: [Actual/ Actual (ISDA)
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 subparagraphs of this paragraph)
- (i) [Amortisation/Accrual] Yield: [●] per cent. per annum
 - (ii) Reference Price: [●]
 - (iii) Any other formula/basis of determining amount payable: *(Consider applicable Day Count Fraction if not U.S. dollar denominated)*
 - (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
 - (v) Business Day(s): [●]
 - (vi) Additional Business Centre(s): [●]
 - (vii) Day Count Fraction in relation to Early Redemption Amounts and late payments: Conditions 6.5(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 subparagraphs 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 cent. per annum
- (x) Maximum Rate of Interest: per cent. per annum
- (xi) Day Count Fraction: [adjusted/not adjusted]

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

(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** [Applicable/Not Applicable]

(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: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].”)

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: [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]: [●]]

(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

3. [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. 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 [€50,000]/[specify equivalent to €50,000 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 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 law 3693/2008 (published in the Government Gazette No. 174/A/25-8-2008 (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. 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 a subsidiary 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; and
- (b) derivative financial instruments satisfying certain requirements as to the scope thereof and the capacity of the counterparty.

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 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 alia*, 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 Law 3156/2003). 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.

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

National Bank of Greece S.A. (the **Bank**) was founded in 1841 and incorporated as a company limited by shares (*anonimi eteria*) pursuant to Greek law as published in the Greek Government Gazette No. 6 on 30 March 1841 (registered number 6062/06/B/86/01). Its current corporate form will expire on 27 February 2053 but may be further extended by a resolution of the General Meeting of Shareholders. The Bank is incorporated and domiciled in the Hellenic Republic. The Bank's headquarters and its registered office are located at 86 Eolou Street, Athens, Greece.

The Bank 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.

The Bank was founded in 1841 and incorporated as a company limited by shares (*anonimi eteria*) pursuant to Greek law. The Bank is incorporated and domiciled in the Hellenic Republic and has been listed on the Athens Exchange since 1880. Until the establishment of the Bank of Greece – the central bank – in 1928, the Bank was also responsible for issuing currency. Until the late 1980's, in common with other Greek banks, the Bank operated in a highly regulated environment, which significantly influenced its lending and investment activities.

As at 31 December 2007, the Group's total assets were 90,385.6 million, customers' deposits were 70,904.3 million and loans and advances to customers were 54,693.2 million. As at 31 December, 2007, the Bank operated throughout Greece through 575 branches, one private banking unit, one unit for financial institutions and nine specialised banking units that deal exclusively with troubled and non-performing loans and an international network comprising 1,061 branches outside the Hellenic Republic and two overseas representative offices. The Bank has seven commercial banking subsidiaries operating in seven countries.

The Bank's stock is broadly dispersed across individuals and legal entities in Greece and abroad. As at the date of this Base Prospectus, the Bank's outstanding issued share capital is €2,481,331 thousand divided into 496,266,299 ordinary shares of €5 each. According to information available to the Bank, no single shareholder beneficially owns more than 3.1% of the Bank's shares. The following table sets forth certain information regarding the Bank's shareholders.

	As at 30 April 2008	
	Number of shares	Percentage holding
Legal Entities and Individuals Outside Greece	252,989,804	53.0%
Domestic Private Investors	90,597,766	19.0%
Pension Funds and Other Public Sector.....	78,997,919	16.6%
Other Domestic Legal Entities	54,087,792	11.3%
NBG Own Stock.....	525,180	0.1%
Total	477,198,461	100.0%

The Bank is a public company under Greek law, incorporated with limited liability for a period ending in 2053. The life of the Bank may be extended by a resolution of the Bank's General Meeting. The Bank is subject to regulation and supervision by the Bank of Greece. The Bank's registered and head office is at 86 Eolou Street, Athens; its telephone number is +30 210 334 1000. The Bank is registered in the Greek Register of Societes Anonymes under number 6062/06/B/86/01. The Bank's common shares are listed on the Athens Exchange (**ATHEX**). In addition, the Bank's American Depositary Receipts representing the common shares and American Depositary Receipts representing Series A preference shares are listed on the New York Stock Exchange.

Historically, Greek law prohibited banks from engaging directly in financial service activities outside their traditional deposit and loan functions. Therefore, specialised financial institutions were established in Greece, each for the provision of a particular type of financial service. A Greek bank that sought to provide multiple financial services to its customers would establish several subsidiaries, each a specialised institution within the bank's integrated group of diverse financial services companies. As a consequence of this historical practice, the Greek financial services sector today is characterised by a group of specialised companies established around a principal bank. The Bank is such a principal bank, around which the Bank's consolidated subsidiaries are organised.

Set forth below is a chart indicating the individual companies within the Group.

Group Companies		Group %		Bank %	
		31.12.2007	31.12.2006	31.12.2007	31.12.2006
National P&K Securities S.A.	Greece	100.00%	100.00%	59.32%	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%
National Management & Organisation Co S.A. – ETHNOKARTA	Greece	-	100.00%	-	100.00%
Ethniki Leasing S.A.	Greece	100.00%	100.00%	93.33%	93.33%
National Mutual Fund Management S.A.	Greece	100.00%	100.00%	100.00%	100.00%
NBG Venture Capital S.A.	Greece	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%	76.74%	100.00%	76.74%
ASTIR Palace Vouliagmenis S.A.	Greece	78.06%	78.06%	78.06%	78.06%
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%	98.41%
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%
Audatex Hellas S.A.	Greece	70.00%	53.72%	-	-
National Insurance Brokerage S.A.	Greece	95.00%	72.90%	-	-
P&K Investment Services S.A.	Greece	100.00%	-	100.00%	-
Finansbank A.S. (*)	Turkey	99.57%	55.68%	91.67%	55.68%
Finans Leasing (*)	Turkey	61.55%	35.55%	2.55%	-
Finans Invest (*)	Turkey	99.48%	55.72%	0.20%	-
Finans Portfolio Management (*)	Turkey	99.48%	55.73%	0.01%	-
Finans Investment Trust (*)	Turkey	80.97%	47.61%	5.30%	-
IB Tech (*)	Turkey	98.58%	55.12%	-	-
Finans Pension A.S.	Turkey	99.57%	-	-	-
Finansbank Malta Holdings Ltd (*)	Malta	99.57%	55.68%	-	-
Finansbank Malta Ltd (*)	Malta	99.57%	55.68%	-	-
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%	-	-	-
Interlease E.A.D.	Bulgaria	100.00%	100.00%	100.00%	100.00%

Group Companies		Group %		Bank %	
		31.12.2007	31.12.2006	31.12.2007	31.12.2006
Interlease Auto E.A.D.	Bulgaria	100.00%	100.00%	-	-
ETEBA Bulgaria A.D.	Bulgaria	100.00%	100.00%	92.00%	92.00%
ETEBA Romania S.A.	Romania	100.00%	100.00%	100.00%	100.00%
Banca Romaneasca S.A. (*)	Romania	98.88%	98.88%	98.88%	98.88%
Eurial Leasing S.A.	Romania	70.00%	70.00%	70.00%	70.00%
S.C. Garanta Asigurari S.A.	Romania	94.96%	71.57%	-	-
NBG Asigurari S.A.	Romania	-	76.73%	-	-
Vojvodjanska Banka A.D. Novi Sad	Serbia	100.00%	99.43%	100.00%	99.43%
NBG A.D. Beograd	Serbia	100.00%	-	100.00%	-
NBG Leasing d.o.o. Belgrade	Serbia	100.00%	-	100.00%	-
NBG Services d.o.o. Belgrade	Serbia	100.00%	-	-	-
Stopanska Banka A.D.-Skopje (*)	F.Y.R.O.M.	94.64%	92.25%	94.64%	92.25%
NBG Greek Fund Ltd	Cyprus	100.00%	100.00%	100.00%	100.00%
ETEBA Emerging Markets Fund Ltd	Cyprus	100.00%	100.00%	100.00%	100.00%
ETEBA Estate Fund Ltd	Cyprus	100.00%	100.00%	100.00%	100.00%
ETEBA Venture Capital Management Co Ltd	Cyprus	100.00%	100.00%	100.00%	100.00%
NBG Cyprus Ltd	Cyprus	100.00%	100.00%	100.00%	100.00%
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%	79.27%	-	-
Ethniki General Insurance (Cyprus) Ltd	Cyprus	100.00%	79.27%	-	-
The South African Bank of Athens Ltd (S.A.B.A.)	S. Africa	99.50%	99.50%	91.45%	91.43%
NBG Luxembourg Holding S.A.	Luxembourg	100.00%	100.00%	94.67%	94.67%
NBG Luxfinance Holding S.A.	Luxembourg	100.00%	100.00%	94.67%	94.67%
NBG International Ltd	United Kingdom	100.00%	100.00%	100.00%	100.00%
NBGI Private Equity Ltd	United Kingdom	100.00%	100.00%	-	-
NBG Finance Plc	United Kingdom	100.00%	100.00%	100.00%	100.00%
NBG Funding Ltd	United Kingdom	100.00%	100.00%	100.00%	100.00%
NBGI Private Equity Funds	United Kingdom	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%	-

In December 2002, the Bank fully acquired and integrated the operations of the National Bank for Investment and Industrial Development (**ETEBA**), an investment bank that was a majority owned subsidiary of the Bank. As part of the Bank's ongoing effort to improve its portfolio structure and effectively respond to changes in the domestic and international markets, in December 2005 the Bank fully acquired and integrated the operations of its securities portfolio management subsidiary, the National Investment Company S.A.

The Bank's efforts to integrate further its operations and enhance its overall structure also led to the full acquisition and integration on 31 March, 2006, of the Bank's subsidiary National Real Estate S.A. (**National Real Estate**). The Bank also merged National Management & Organization Co. (**Ethnokarta**) through absorption, effective as at 31 March, 2007, as well as merged its warehousing section into the its wholly owned subsidiary, Pronomiouhos S.A. Genikon Apothikon Hellados, effective upon approval by the General Meeting of Shareholders of the Bank on 25 May, 2007.

The Bank intends to expand through organic growth, and to continue to evaluate acquisition, joint venture and partnership opportunities as they arise. In keeping with this strategy, the Bank has expanded its presence in SEE. In October 2003, the Bank acquired Banca Romaneasca in Romania, and in 2005 it acquired Eurial, a Romanian automobile leasing company, as well as Alpha Romania Insurance, which it acquired from another Greek bank. These acquisitions followed on the expansion of the Bank's banking activities through the acquisitions of Stopanska Banka AD–Skopje in FYROM and 89.9% of the share capital of United Bulgarian Bank AD–Sofia (UBB) in Bulgaria in 2000.

In February 2006 the Bank disposed of its subsidiary NBG Canada, and in April 2006 it disposed of its subsidiary Atlantic Bank of New York, in line with its strategy to divert from mature markets and focus on emerging markets.

In 2006 the Bank undertook its largest international acquisition to date. On 18 August, 2006, the Bank acquired 46% of the ordinary shares and 100% of the founder shares in Finansbank, a commercial and retail bank in Turkey, from Fiba Holding A.S. (**Fiba Holding**), Fina Holding A.S. (**Fina Holding**), Girisim Factoring A.S. (**Girisim Factoring**) and Fiba Factoring Hizmetleri A.S. (**Fiba Factoring**) (together, the **Fiba Sellers**) for a consideration of US\$2,323 million and US\$451 million, respectively. As at 31 December, 2007, Finansbank was the fifth largest privately owned bank in Turkey in terms of total assets. In order to finance its acquisition of Finansbank, the Bank increased its share capital through a rights issue in July 2006 by payment in cash with pre-emptive rights to its existing shareholders at a ratio of four new shares for every ten shares. Fiba Sellers retained a residual stake of 9.68% in the ordinary share capital of Finansbank, which is subject to certain put and call agreements, as provided for in the shareholders' agreement between the Bank and Fiba Sellers, exercisable for a two-year period commencing on 18 August, 2008, at a multiple of between 2.5 and 3.5 times the book value of Finansbank's ordinary shares, subject to certain performance criteria. Fiba Sellers also agreed and undertook to attend any general meetings of Finansbank and to vote such number of shares they then own as is equal to the difference between 50.01% of the ordinary shares and the total number of ordinary shares then owned by the Bank in accordance with the instructions and directions of the Bank. Based on that, it was deemed that the Bank obtained a controlling interest on 18 August, 2006 and as such this acquisition was within the scope of FAS 141 Business Combinations. As a result of Turkish Capital Markets legislation, NBG made a mandatory offer to the minority shareholders of Finansbank. During the mandatory tender offer period between 8 January and 29 January, 2007, the Bank acquired a further 43.44% of Finansbank's outstanding ordinary shares, for a consideration of €1,733 million, through the Istanbul Stock Exchange (**ISE**). On 5 April, 2007, the Bank sold 5% of Finansbank's share capital to the International Finance Corporation (**IFC**). This stake is subject to certain put and call agreements, as provided in the shareholder's agreement between NBG and IFC, exercisable in seven years. Following the completion of the mandatory tender offer and the sale of shares to the IFC, the Bank has proceeded to acquire further outstanding ordinary shares in Finansbank. On 18 May, 2007, the Board of Directors of Finansbank decided to increase the share capital of the Bank to TRY 1,400 million from TRY 1,250 million through capitalisation of profits and reserves. The increase was completed on 9 July, 2007. Up to 31 March, 2008 (the most recent practicable date), the Bank had acquired 99.65% of Finansbank's outstanding share capital, for a consideration of €3,392 million.

On 12 September, 2006, the Bank 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**) for a total cash consideration of €360 million. The acquisition was effected on 31 December, 2006. Pursuant to the acquisition agreement, the Bank deposited a further €25 million in an escrow account to set off certain expected recoveries from Vojvodjanska's fully provided non-performing loan portfolio until December

2007. The recoveries as at 31 December, 2007 amounted to €7.7 million, which will be offset by a payment to the Republic of Serbia out of the escrow account. As a result, the cost of the acquisition of Vojvodjanska and net assets at acquisition will increase by this amount.

On 25 January, 2007, the Boards of Directors of the Bank and National Management and Organization Company S.A. (**NMOC**) decided to merge the two companies through absorption of NMOC by the Bank. This merger was approved by the Ministry of Development on 28 September, 2007.

In October 2007, the Bank 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 Bank is the sole shareholder of Vojvodjanska and delisted its shares from the Belgrade Stock Exchange on 28 November, 2007. On 14 November, 2007, the Bank proposed a share capital increase of Vojvodjanska of €53 million, which was completed on 19 December, 2007. On 19 November, 2007, the Bank proposed the merger of the Vojvodjanska with NBG Beograd through absorption of the latter by the former. The merger was approved by the Central Bank of Serbia on 5 February, 2008 and was completed on 14 February, 2008.

On 21 March, 2007, the Bank acquired 100% of P&K Investment Services S.A., a large Greek investment services company, from its selling shareholders (**P&K Sellers**), for a consideration of €48.7 million, €43.9 million of which was paid to the P&K Sellers upon closing. The remaining consideration will be released to the P&K Sellers on 21 March, 2010, conditional on the attainment of key targets set out in the pre-agreed business plan. On 10 May, 2007, P&K Investment Services S.A. disposed of its subsidiary P&K Mutual Fund Management S.A. to Millennium Bank AE for €1.7 million. In May 2007 the Bank merged its wholly owned subsidiaries P&K Securities S.A. and National Securities S.A. to create National P&K Securities S.A. The Greek Ministry of Development approved the merger on 14 December, 2007.

On 19 April, 2007, the Bank signed an agreement for the sale of its minority shareholding in AGET Heracles to majority shareholders Lafarge Group. Pursuant to this agreement, the Bank sold 18,480,899 shares, representing 26% of the share capital of AGET Heracles. This sale was consistent with the Bank's stated strategy to focus on its core banking activities and exit from non-financial participations. The sale price was agreed at €17.40 per share, or €321.6 million in total and was in line with the average closing price of the last 30 trading days preceding the transaction.

The increased demand for individual pensions in Turkey has created a rapidly growing insurance business for these products. In May 2007, Finansbank applied to the General Directorate of Insurance in Turkey for, and has received permission to establish Finans Emeklilik ve Hayat A.S. (**Finans Pension**). The company completed its corporate organisation and obtained a license to conduct life and personal accident business dated 21 November, 2007 and a licence to conduct individual pension business dated 11 April, 2008. Finans Pension has commenced operations in life and personal accident business.

On 24 September, 2007, the Bank announced a voluntary takeover bid in cash of €5.50 per share for the 23.08% of the share capital of EH held by minority shareholders. As at Ethniki Hellenic General Insurance SA. Up to 31 December, 2007, the Bank held 100% of the share capital of EH. On 14 January, 2008, the extraordinary General Meeting of EH's shareholders approved the filing with the Hellenic Capital Markets Commission (**HCMC**) for de-registration of the company's shares from the ATHEX, and on 7 February, 2008, de-registration was approved.

On 17 December, 2007 the Bank established a new partially-owned subsidiary, CPT Investments Ltd. Its purpose will be to explore investment opportunities in capital markets.

Board of Directors and Senior Management

The Chief Executive Officer is responsible for the management of the Bank, under the supervision of the Board of Directors. The Board of Directors is composed of 15 members (two executive and 13 non-executive members, of whom at least two shall be independent, in accordance with the provisions of Greek Law 3016/2002), including the Chief Executive Officer (who also serves as chairman) and the Deputy Chief

Executive Officer. The members are elected by the shareholders at the general meeting for a term of three years and may be re-elected.

While the Hellenic Republic has no statutory right to appoint directors of the Bank, it has significant indirect influence on the Bank through the 16.6% owned by pension funds (as at 30 April, 2008) and therefore may have the de facto ability to appoint certain or all directors through the exercise of its voting rights. The chairman is elected by the Board of Directors.

The Board of Directors meets as required by Greek law, or the Bank's Articles of Association and is convened either by its Chairman or at the request of any two directors. The Board of Directors may also meet by way of teleconference. The quorum for a Board of Directors meeting is a majority of all Board members. In addition, at least five directors must be physically present at the meeting. 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.

Following the Bank's General Meeting of Shareholders held on 25 May 2007, the Board of Directors is now as follows:

Executive Members

Efstratios-Georgios (Takis) A. Arapoglou

Chairman—Chief Executive Officer

Ioannis G. Pechlivanidis

Vice Chairman—Deputy Chief Executive Officer

Non-Executive Members

Ioannis C. Yiannidis

Professor, University of Athens Law School and Legal Counselor

Georgios Z. Lanaras

Shipowner, former Chairman, Hellenic Chamber of Shipping

Achilleas D. Mylonopoulos

Employees' representative

Ioannis P. Panagopoulos

Employees' representative, Chairman, Federation of Greek workers

Stefanos G. Pantzopoulos

Business consultant, former Certified Auditor

Independent Non-Executive Members

H.E. the Metropolitan of Ioannina

Bishop of the Greek Orthodox Church, Ioannina prefecture

Theoklitos

Stefanos C. Vavalidis

Member of the Board of Directors, European Bank for Reconstruction & Development

Dimitrios A. Daskalopoulos

Chairman, Hellenic Federation of Enterprises (SEV)

Nikolaos D. Efthymiou

Chairman, Association of Greek Shipowners

Georgios I. Mergos

Professor of Economics, University of Athens, Governor of IKA

Constantinos D. Pilarinos

Economist

Ploutarchos K. Sakellaris

Professor, University of Athens, Chairman, Council of Economic Advisors, Ministry of Economy and Finance

Drakoulis K. Fountoukakos Kyriakakos

Entrepreneur Chairman, Centre for Studies and Research of Athens Chamber of Commerce and Industry (KEME-ACCI)

Curricula vitae

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

Chairman—Chief Executive Officer

Efstratios-Georgios (Takis) Arapoglou. Mr. Arapoglou, age 57, became Chairman and Chief Executive Officer of the Bank on 19 March, 2004. He is a graduate of the University of Athens School of Mathematics in 1974, and holds a BSc in Naval Architecture from the University of Glasgow in 1977 and an MSc in Management from the Brunel University in 1978. From 1978 to 1991 he worked for Paine Webber, Citicorp Investment Bank and Chase Investment Bank in London specialising in debt and equity capital markets, derivatives and strategic consulting for multinational companies, financial organisations and governments in North America, Scandinavia and Western Europe. In 1991, he became President and Chief Executive Officer of the Ionian and Popular Bank of Greece Group. He was also appointed President of DIAS Interbanking Systems S.A., overseeing the completion of the project, which was delivered to the Greek banking system in 1993. (DIAS Interbanking Systems has currently 40 banks as shareholder participants including the Bank and provides interbank services, such as check clearing, ATM networking, fund transfers, payroll and pension services for the benefit of customers of shareholder participants). From 1994 to 1997, he served as General Manager of American Express Greece and in 1997 became General Manager of Citibank/Citigroup Greece. In 2000, he joined Citigroup in London as Managing Director and Global Banks Industry Head, and at the beginning of 2004 became Senior Advisor on Global Corporate and Investment Banking.

He has served as a member of the Supervisory Boards of Citibank Sweden from 1984 to 1985 and Chase Manhattan Bank-Finland from 1989 to 1990, the Boards of the Hellenic Bank Association from 1991 to 1993 and the Egyptian American Bank, an American Express subsidiary in Egypt from 1994 to 1996, and the Asset and Liability Committee of Citigroup Europe. Since 2005, he has served as President of the Hellenic Banks Association.

Vice Chairman and Deputy Chief Executive Officer

Ioannis Pechlivanidis. Mr. Pechlivanidis, age 55, was appointed Vice-Chairman and Deputy Chief Executive Officer of the Bank on 22 April, 2004. He holds a BA in Economics from Wesleyan University and an MSc in Economics from the London School of Economics. He worked at The First National Bank of Chicago from 1980 to 1989, subsequently becoming Loan Manager at the Bank of America. In 1990, he joined Xiosbank S.A., becoming General Manager in 1997. In 1999, he was appointed to the post of Deputy Managing Director of Piraeus Bank, going on to become Managing Director of Millennium Bank in Athens. Since 2003, until taking up his current appointment, he held the post of first Vice-Chairman of Bank Post (a subsidiary of EFG Eurobank in Romania).

The business address of the Chief Executive Officer and Deputy Chief Executive Officer is 86 Eolou Street, 10232 Athens, Greece.

Key Management

Dr. Ömer A. Aras, age 54, is Vice Chairman of the Finansbank's Board of Directors, Head of NBG Group International Activities and Chief Executive Officer of Finansbank. Dr. Aras graduated from the Istanbul Academy of Economic and Commercial Sciences, Department of Economics, in 1975. He received an MBA in 1978 and a PhD in Business Administration in 1981 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 and 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.

Doucas J. Palaiologos, age 56, is Chairman and Managing Director of EH. Mr. Palaiologos was professionally trained in the United Kingdom from 1970 to 1972 by the Century Insurance Co. Ltd. and Glanvil Enthoven Insurance Brokers, and since 1972 he has worked continuously for Hellenobretaniki

Insurance Company. He has been Chairman and Managing Director of Hellenobretaniki, Vice President of Palmafone Hellenic Mobile Communications and President of Unifon Company. He has also been Vice President of ICAP S.A., and has been a Board Member of Air Liquide and IOBE. Mr. Palaiologos has also been Chairman of the Association of Insurance Companies—Greece for the terms 1989-1990, 1990-1992, 1996-1998 and 2005-2007, and Secretary General from 2003 to 2004. Currently, he is the Vice-Chairman of the Association of Insurance Companies—Greece. Additionally, Mr. Palaiologos is the Chairman of the Board of Directors for the following companies: Garanta Insurance Company (Romania), Ethniki Insurance Company (Cyprus) and Alpha Insurance Brokers S.A. He holds a law degree from Athens Law School, an MBA from INSEAD Fountainebleau and he is a Fellow of the Chartered Insurance Institute.

Marinos Stratopoulos, age 44, is the President of the Executive Board of Vojvodjanska since its acquisition by the Group in December 2006. 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 Diploma of Deck Officer of the Merchant Marine, a BSc in Business Administration from the American College of Greece and an MSc from the University of Lancaster.

Hector Zarca, age 48, is Managing Director and Chief Executive Officer of the SABA. He joined the Bank in November 2001 as Chief Financial Officer and was elected as a member of the Board of Directors in August 2002, after which he was appointed to his present position in December 2003. He was previously Group Financial Director of Sasfin Holdings Limited for five years from August 1996, after seven years of service with the Standard Bank of South Africa Limited, rising to the position of Chief Financial Officer of Commercial Banking. Mr. Zarca obtained a BComm and BAcc from the University of the Witwatersrand and thereafter qualified as a chartered accountant in 1985.

Stilian Vatev, age 51, 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 the Bulgarian Central Depository, “Bankservice” AD, Interlease AD, Interlease Auto AD, and UBB Asset Management AD. Further, 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. Mr. Vatev holds an MA in Finance and Credit and has attended several banking related programs in the United Kingdom, Switzerland and Japan.

Gligor Bishev, age 50, 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 at the Post-Graduate Studies at both the Faculty of Economics, Skopje and the Institute of Economics, Skopje. He participated in the monetary reform in the 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.

Michalis Kokkinos, age 64, is the Managing Director and a member of the Board of Directors of NBG Cyprus since March 2007. He is also member of the Board of Directors of Ethniki Insurance (Cyprus) Ltd and represents the Bank as a member of the Board of Directors of the Association of Cyprus Commercial Banks. He has 40 years of experience in the banking sector and has held several senior managerial positions with the Group, as well as with Aspis Bank, a Greek bank headquartered in Athens.

Maragkoudakis Andreas, age 64, is the General Manager and Vice- Chairman of the Board of Directors of Banca Romaneasca SA He joined Banca Romaneasca in November 2004, after serving for one year as Risk Management Executive and Deputy Chief Executive Officer in Bancpost in Romania. His previous work experience includes managerial positions in various banks such as Alpha Bank SA, Piraeus Bank and

American Express Bank. Mr. Maragoudakis holds an MA in International Relations from Ottawa University, Canada. He has attended a number of seminars in Banking and Management.

General Managers

In July 2002, the Board of Directors appointed General Managers whose role is to supervise and coordinate the tasks of the various divisions or groups of divisions. The General Managers each report to the Chief Executive Officer and the Deputy Chief Executive Officer and are responsible for:

- (a) supervising and coordinating the activities of their respective units;
- (b) monitoring progress with regard to the Bank's business targets and goals;
- (c) approving expenditures, investments and financing within set limits; and
- (d) contributing to the Bank's management regarding the design of the Bank's strategy, setting targets for the Bank and drawing up an annual budget for their respective Divisions.

There are currently 14 General Managers.

Core Business Lines

Alexandros Tourkolias, age 61, is the Executive General Manager of Corporate and Investment Banking. He is a member of the Bank's Credit Committee, Chief Executive Officer and Vice President of Ethniki Leasing, Vice President of NBG Bancassurance, First Vice President of EH and on the Boards of Directors of NBG Cyprus, UBB and NBGI.

Petros Christodoulou, age 47, is the General Manager of Treasury and Private Banking. He is the Vice President of National P&K Securities S.A. He is also a member of the Investment Committee of EH and the Foundation for Economic and Industrial Research.

Moissis Abraham-Minos, age 46, is the Executive General Manager of Retail Banking. He is the Managing Director of NBG Bancassurance and he is on the Board of National P&K Securities and EH.

Demetrios Demopoulos, age 61, is the General Manager of Corporate Banking. He is on the board of directors of National P&K Securities, Ethniki Leasing and Astir Palace.

Operations and Support

Anthimos Thomopoulos, age 47, is the Chief Financial Officer and Chief Operations Officer. He 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 Protypos, Ethnoplan, and Ethnodata, and Vice Chairman and CEO of Astir Palace. He is on the Board of SABA, UBB, Finansbank, Vojvodjanska, Siemens Televiomichaniki, the Hellenic Deposit Guarantee Fund and ETAT.

Demetrios Lefakis, age 47, is the Chief Risk Officer. Before joining NBG, he worked for Citigroup in various senior positions in the United States, Latin America and Asia. He is on the Boards of Directors of Finansbank and P&K Securities S.A.

Michael Oratis, age 51, is the General Manager of Risk Management. Before joining the Bank in 1999, he worked for ABN AMRO Bank, Mytilinaios SA and Citibank as Country Treasurer. He is a member of the Board of Directors of SABA.

Agis Leopoulos, age 40, is the General Manager of International. He is also the Chairman of Interlease and South African Bank of Athens, and a member of the Board of Directors of NBG Cyprus, Stopanska Banka, UBB, Banca Romaneasca and Vojvodjanska.

Petros Economou, age 71, is the General Counsel. He joined the Bank in September 2005 after serving as Manager of the Legal Division of Ionian and Popular Bank and American Express in Greece. He is Vice-Chairman of Ethniki Kefalaiau S.A. and Vice-Chairman of NBG Asset Management Mutual Funds.

Stavros Gatopoulos, age 64, is the Head of Human Resources and Group Internal Communications. He joined the Bank in September 2005 after serving as Head of the Human Resources Division of Citibank Athens. He is the Chairman of NBG Training Center.

Paul Mylonas, age 49, is the Chief Economist, Chief Strategist and Head of Investor Relations. Before joining the Bank, he worked at the OECD and the IMF. He is a member of the Boards of Directors of the Foundation for Economic and Industrial Research and the Hellenic Center for Investment.

George Paschas, age 52, is the Chief Audit Executive.

Eleni Tzakou-Lampropoulou, age 46, is the General Manager of Operations. She is the Vice Chairman of Ethnodata and a member of the Board of Directors of National P&K Securities.

NBG Group Executive Board

The NBG Group Executive Board was established by Management's Act No. 1311/28.09.2006 and is the supreme body of the Bank with approving authority. It may decide, under the authority vested in it by the Bank's Board of Directors on issues regarding the implementation of the Bank's business plan, which do not fall under the authority of other committees or Bank's Executives.

The following are members of the Senior Executive Committee:

- Takis Arapoglou (Chairman)
- Ioannis Pechlivanidis
- Alexandros Georgitsis
- Anthimos Thomopoulos
- Alexandros Tourkolias
- Demetrios Lefakis

Executive Credit Committee

The Executive Credit Committee was established by Management's Act No. 244/08.04.2008 and its purposes are to:

- establish the limits for the all the levels of credit approval;
- approve loans which amount exceeds the limits of the set credit approval authorities;
- implement new credit approval levels and to 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:

- Takis Arapoglou (Chairman)
- Alexandros Tourkolias
- Demetrios Lefakis

Compensation

In 2007, total remuneration received by the members of the Bank's Board of Directors and the Bank's General Managers from Group companies amounted to €32 million.

For more information on related party transactions, see Note 32 of the U.S. GAAP Financial Statements included elsewhere in this Annual Report.

Total remuneration comprises salaries, fees, bonuses and other short-term benefits, post employment and other long-term benefits, and termination benefits.

The above persons were also granted 385,000 and 810,300 options, under stock option programs A and B respectively

According to the Bank's management, apart from the above amounts, the Bank's directors and general managers are not entitled to any further amounts from the Bank or its subsidiaries.

NBG does not set aside or accrue amounts to provide pension, retirement or similar benefits for the Bank's Board of Directors or members of management apart from their participation in social security schemes.

Board Practices

The Bank does not have directors' service contracts or other agreements that provide for benefits on termination of employment.

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

<u>Name</u>	<u>Start of Term</u>	<u>End of Term</u>
Efstratios-Georgios (Takis) Arapoglou.....	17 March, 2004	2010
Ioannis Pechlivanidis	22 April, 2004	2010
H.E. The Metropolitan of Ioannina Theoklitos	28 June, 1994	2010
Stefanos Vavalidis	22 April, 2004	2010
Ioannis Yiannidis.....	22 April, 2004	2010
Dimitrios Daskalopoulos	22 April, 2002	2010
Nikolaos Efthymiou.....	22 April, 2004	2010
Georgios Lanaras.....	23 December, 1993	2010
Achilleas Mylonopoulos	30 August, 2006	2010
Ioannis Panagopoulos	28 June, 1994	2010
Stefanos Pantzopoulos	22 April, 2004	2010
George Mergos	15 March, 2007	2010
Constantinos Pilarinos	22 April, 2004	2010
Ploutarchos Sakellaris	22 April, 2004	2010
Drakoulis Fountoukakos Kyriakakos	22 April, 2004	2010

The Bank's corporate governance practices closely follow the requirements imposed by the laws of Greece. The most significant differences between the Bank's corporate governance practices, including the provisions of the Sarbanes Oxley Act, and those followed by U.S. based companies under the New York Stock Exchange listing standards have been posted on the Bank's website at the following address: <http://www.nbg.gr>.

In 2007, after successfully accomplishing the key objectives of the corporate governance improvement plan adopted in 2005, the Bank renewed its commitment to further enhance its corporate governance practices by adopting a new improvement plan that was adopted by the Board of Directors. The Bank's actions in corporate governance are part of a broader effort of the Bank's management and Board of Directors to improve long-term shareholder value.

The most significant corporate governance objectives adopted and achieved in the most recent improvement plan are to:

- (a) adopt the Bank's and the Group's Budget Policy, which underlines management's long term strategic goals as they transpire in the Bank's business plan;
- (b) adopt the NBG Group's Corporate Social Responsibility (CSR) policy which has been posted on the Bank's website;
- (c) adopt the NBG Group Remuneration Principles and Executive Director Remuneration Policy;
- (d) strengthen the Audit Committee's planning and review capacity, in view of the requirements of the Sarbanes-Oxley Act and the Bank of Greece Governor's Act 2577 of 9 March, 2006;
- (e) establish a regular yearly retreat on group strategy that involves key senior executives from the Bank and the Group;
- (f) strengthen the Board of Directors understanding of the Bank's and the Group's compliance and risk functions; and
- (g) adopt amendments to the Terms of Reference of the Board of Directors Secretariat and Shareholder Services Division that strengthen the Board's and Board Committees' support and corporate secretary functions.

Board Committees

Audit Committee

The Audit Committee of the Bank was established in May 1999, following the Act of the Governor of the Bank of Greece 2438/1998, and at present consists of five members. The Bank's Board of Directors appoints the members of the Audit Committee for a one-year term. The Board of Directors of the Bank is responsible for appointing and replacing any member of the Audit Committee.

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:

- (a) review the diligent preparation of the Bank's and the Group's financial statements and additional material facts and information which are intended for disclosure;
- (b) 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;

- (c) monitor and control the independence, impartiality, objectivity and effectiveness of the of the external auditors;
- (d) monitor the independence and objectivity of the external auditors regarding the provision of non-audit services, as well as to monitor the fairness of their fees
- (e) review the effectiveness of the Bank's and the Group's internal control and compliance and inform the Board of Directors accordingly; and
- (f) monitor and control the independence, adequacy and effectiveness of the Internal Audit - Inspection Division of the Bank and the Group.

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

The following list sets forth the members of the Bank's Audit Committee, as at 31 December 2007:

- Georgios Lanaras (Chairman) Stefanos Pantzopoulos (Audit Committee Financial Expert)
- Ploutarchos Sakellaris (member)
- Drakoulis Fountoukakos Kyriakakos (member)
- George Mergos (member)

Human Resources and Remuneration Committee

The purpose of the Human Resources and Remuneration Committee (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 Bank, to develop a culture of fairly evaluating effort and rewarding performance, to develop and maintain a coherent system of values and incentives for human resource development throughout the Bank.

In 2007, the HRR Committee formulated the NBG Group Remuneration Principles and Executive Director Remuneration Policy, which defines a transparent framework for top executive remuneration that promotes meritocracy and a performance based culture. In addition, the HRR Committee oversaw the establishment of the Bank's Stock Option Programs which were approved by the General Meeting of Shareholders in June 2005 and June 2006 and whose beneficiaries are Executive Directors, senior executive officers and employees of the Bank and the Group.

All HRR Committee members fulfil the independence criteria for the purposes of applicable Greek law and were determined to be independent by the General Meeting of Shareholders in May 2007.

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

- Nikolaos Efthymiou (Chairman)
- Dimitrios Daskalopoulos (member)
- Drakoulis Fountoukakos Kyriakakos (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, strive to achieve global corporate governance best practice standards and facilitate the Board and management's task to increase the long-term value of the Bank.

In 2007, the CGN Committee spearheaded the annual Board Evaluation, which was conducted by an independent facilitator based on the board evaluation policy and practice formulated a year earlier and adopted by the Board. Based on the results of the evaluation and in conjunction with a compliance review of the Bank's Corporate Governance Guidelines, the CGN Committee formulated the corporate governance improvement plan for the Bank and the Group for 2007-2008.

The corporate governance improvement plan, which is currently being implemented, consists of 13 objectives to further enhance the Bank's and the Group's corporate governance framework. It focuses on the following four integral areas of corporate governance; board procedural matters, board composition and remuneration, management oversight/group organisation and relations with investors and shareholders.

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

- Stefanos Vavalidis (Chairman)
- Ioannis Yiannidis (member)
- Ploutarchos Sakellaris (member)

Mr. Vavalidis and Mr. Sakellaris fulfill the independence requirements of applicable Greek law and have been determined to be independent by the General Meeting of Shareholders in May 2007.

Risk Management Committee

In July 2006, pursuant to the Bank of Greece Governor's Act 2577 of 9 March, 2006, the Bank established the Risk Management Committee. The purpose of the Risk Management Committee is:

- (a) develop NBG's risk assumption and capital management strategy in line with the business objectives;
- (b) control the function of the GRMD;
- (c) ensure the development and ongoing effectiveness of NBG's internal risk management system;
- (d) determine the principles governing NBG's risk management function;
- (e) be regularly apprised of and monitor the overall risk profile of the Bank and the Group and provide the Risk Management Division with guidance; and
- (f) ensure that the Bank's Board of Directors is adequately apprised of all matters relating to NBG's risk assumption strategy, risk bearing capacity and risk profile in the exercise of its supervisory and strategy functions.

In 2007, the Risk Management Committee formulated Credit Policies for the Corporate and Retail Banking Portfolios of the Bank and adopted policies on Liquidity Risk, Market Risk, Operational Risk and Interest Rate Risk for the Bank's portfolio.

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

- Takis Arapoglou (Chairman)
- Ioannis Pechlivanidis (member)

- Stefanos Vavalidis (member)

Potential conflicts of Interest

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

On 22 June, 2005, at a General Meeting of Shareholders, a stock option program (**Program A**) was approved for the executive members of the Board of Directors, management and staff of the Group. 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 4 to 10 share capital increase in 2006. Program A shall last for five years and expires in 2010.

At the repeat General Meeting of Shareholders on 1 June, 2006, a new Group-wide stock option program (**Program B**) was approved for the Bank's executive members of the Board of Directors, management and staff of the Group. 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 4 to 10 share capital increase in 2006. Program B shall last five years and expires in 2011.

On 28 June, 2007 the repeat General Meeting of the Shareholders of the Bank approved a new Group-wide stock option plan (**Program C**) for the Bank's executive members of the Board of Directors, management and staff of the Group. The new Program shall last eight years and expires in 2015. The stock option must be granted up until 2010. The maximum number of new ordinary shares to issue under the Program shall be 12 million. The maximum number of options that can be granted per year cannot exceed 1% of the total number of ordinary shares outstanding. The strike price shall be within the range of €5 to 85% of the average price thereof within the time period from 1 January of the year the options are granted until 31 October of the same year.

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. The fair value of the granted share options amounted to €32.6 million. The vesting conditions were as follows:

- (a) 15% of the options: vested immediately
- (b) 35% of the options: vested in 2007
- (c) 50% of the options: will vest on 30 November 2008

The vested options are exercisable between 6 December and 15 December for 2006 and between 1 December and 10 December for each subsequent year until 2010. After that date any unexercised options are cancelled. The options are forfeited if the employee leaves or is fired with cause from the Group before the options vest.

On 1 November, 2007, the Board of Directors approved the issue of a further 496,500 share options under Program A with the same exercise price. The vesting conditions were as follows:

- (a) 15% of the options vested in 2007
- (b) 35% of the options will vest on 30 November, 2008
- (c) 50% of the options will vest on 30 November, 2009

Therefore, the total shares granted under Program A amounted to 3,489,120.

On 1 November, 2007, the Board of Directors approved the issuance of 3,014,100 share options under Program B. The exercise price was set at €23.00 per share. The vesting conditions were as follows:

- (a) 15% of the options: vested in 2007
- (b) 15% of the options: vest on 31 May, 2008
- (c) 30% of the options: vest on 31 May, 2009
- (d) 40% of the options: vest on 31 May, 2010

The vested options are exercisable as follows:

- (a) Between 3 December and 10 December, 2007: up to 15% of the options.
- (b) Between 1 June and 10 June, 2008: up to 30% of the options.
- (c) Between 1 June and 10 June, 2009: up to 30% of the options, subject to the beneficiary remaining with the Group or up to 60% of the options, subject to the beneficiary remaining with the Group and to the achievement of a minimum target EPS for 2008.
- (d) Between 1 June and 10 June, 2010: up to 30% of the options, subject to the beneficiary remaining with the Group or up to 60% of the options, subject to the beneficiary remaining with the Group and to the achievement of a minimum target EPS for 2008 or up to 100% of the options subject to the beneficiary remaining with the Group and to the achievement of a minimum target EPS for 2009.
- (e) Between 1 June and 10 June, 2011: up to 30% of the options, subject to the beneficiary remaining with the Group or up to 60% of the options, subject to the beneficiary remaining with the Group and to the achievement of a minimum target EPS for 2008 or up to 100% of the options subject to the beneficiary remaining with the Group and to the achievement of a minimum target EPS for 2009.

After that date the unexercised options are cancelled. The options are forfeited if the employee is dismissed from the Group with cause before the options are exercised.

The General Meeting of Shareholders on 25 May, 2007 approved the distribution to the Bank's staff of bonus shares with the issuance of 350,000 new shares of a par value of €5, by capitalising profits of €1.75 million, resulting in a share capital increase of an equal amount.

As at 30 April, 2008 1,871,285 shares have been issued, in accordance with Programs A and B.

Retail banking

General

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

The following table illustrates the Bank's estimated market share in Greece for certain categories of retail banking activities as at 31 December, 2006 and 2007, the latest date for which official statistics are available.

The Bank's Approximate Retail Market Share in Greece

	As at 31 December,	
	2006	2007
Mortgage lending	24.2%	23.5%
Consumer loans	17.8%	17.5%
Credit cards	17.2%	16.6%
Funds under management	29.0%	31.6%
Core deposits ⁽¹⁾	28.8%	28.7%

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

Despite small decreases in market share in retail lending, the Bank maintained a strong market position and profitability. The Bank's management believes that it has significant competitive advantages over other banks offering retail banking services in Greece, including its strong corporate image and name recognition in Greece, its large customer base and its extensive network of branches and ATMs. In addition, the Bank continues to develop other channels of distribution, such as mobile telephone banking and internet banking. These advantages help the Bank to access the largest and most diverse depositor base in Greece, providing the Bank with a large, stable and low-cost source of funding.

The Bank places particular emphasis on continuing to improve the speed and flexibility of its services to its retail customers. The Bank's strategy for accomplishing these goals has included:

- (a) investing significantly in information systems;
- (b) reorganising and consolidating operations; and
- (c) developing new retail investment products, in co-ordination with other companies in the Group, to meet the Bank's customers' needs.

The Bank has maintained a favourable market position, according to the Bank of Greece, maintaining deposits in a competitive interest rate environment due to the loyalty of its customers, its widespread presence throughout Greece providing customers with access to branches and ATMs and its favourable brand recognition.

Products

The Bank offers a wide range of products in an effort to meet the financial service needs of retail customers and to make it a leader in the consumer banking industry in Greece. The Bank's focus is on debt consolidation products, fixed term personal loans and car loans. The products incorporate loyalty and reward characteristics.

Savings and Investment Products

The Bank's savings and investment products are offered in both euro and foreign currencies. Domestically, the Bank had €56.8 billion of total deposits as at 31 December, 2007. In response to customer demand, the Bank offers investment products with higher yields. These products include repurchase agreements between the Bank and its clients (backed by Greek Government bonds), Greek Government bonds from the Bank's proprietary portfolio, capital guaranteed principal products and a wide range of mutual funds and unit trust products provided by Diethniki Mutual Fund Management S.A., which is 100% owned by Group companies.

Consumer Credit Products

The Bank holds a leading position in consumer retail banking in Greece, according to data published by the Bank of Greece, and offers its customers a wide range of credit cards, personal and consumer loans as well as personal lending arrangements through third party retailers.

The consumer credit sector has grown significantly in recent years. The Bank's portfolio of consumer credit products amounted to €5,635.9 million at 31 December, 2007, up 16.9% compared to €4,820.5 million at 31 December, 2006, and accounted for approximately 14.5% of the Bank's loan portfolio in 2007. New production for the year overall was also impressive. The number of new credit cards more than doubled while the number of new open and revolving credit accounts grew by 40% to 79,039 in 2007, from 53,270 in 2006.

NBG is one of the main credit card issuers in Greece, circulating more than one million cards and managing a total credit card portfolio of €1.56 billion as at 31 December, 2007. Despite competition in the Greek credit cards market, the Bank maintained a strong position in 2007 by increasing its portfolio in terms of the number of cards by 14% and in terms of outstanding balances by 2% from 2006. In 2007, the Bank focused on increasing its customer base through the expansion of sales channels, including telemarketing and in store promotion, and the launch of new products such as "My Cash", a new revolving credit product for cash advances.

The credit approval process is centralised and carried out through the use of credit risk rating and measurement systems specifically designed to meet the particular characteristics of the Bank's various loan exposures, such as bespoke credit scorecards, developed on the basis of historical data. Active credit risk management is achieved through risk adjusted pricing of products and services as well as through the use of credit risk mitigation techniques.

Among other reports, the Bank produces vintage analyses by period of disbursement, issuing channel, and product type for various delinquency definitions, thus continuously ensuring strict monitoring of the scorecards' efficiency and separation power. Exposures are pooled by application score and delinquency bucket to produce estimates of default probabilities.

The Bank utilises alternative distribution channels such as Fast Line and Mediators, which are becoming increasingly popular with the customers and are acquiring more importance within the Bank. Fast Line, the telephone service unit of consumer lending, managed more than 259,000 calls in 2007 and initiated more than 11,500 new loans. The success of the unit has been instrumental in the growth of consumer lending both in terms of new acquisitions but also as a service and information centre for consumer lending customers. The newly established third parties channel of "Mediators" managed more than 193,000 calls in 2007 and initiated more than 4,800 new loans. Also in 2007, the Bank implemented several measures relating to the management of its existing portfolio of credit cards, including the enhancement of its multi-merchant loyalty scheme "Go National" and development of targeted marketing based on customer behaviour.

As the first Greek bank to introduce chip-based technology, in 2007 the Bank completed the migration of its total portfolio to EMV chip cards (credit or debit cards containing a computer chip with memory and interactive capabilities).

Mortgage Lending

The Bank is the leading mortgage lender in Greece, with a market share of 23.6% in 2007. As at 31 December, 2007, the Bank's outstanding mortgage balances amounted to €16,499 million, compared to €13,875 million at 31 December, 2006, posting an increase of 18.3%, and constituting 42.49% of its total lending to enterprises and households in Greece. The volume of new loan disbursements increased by 13% to €3,999 million in 2007 compared to €3,538 million in 2006.

Mortgage products are offered mainly through the Bank's extensive branch network, although great emphasis is placed in expanding the use of alternative distribution channels like real estate agents, construction companies and insurance brokers. The share of loans generated through alternative channels such as real estate agents, building contractors and insurance brokers has been steadily rising, accounting for approximately 22% of new disbursements in 2007.

The Bank offers a wide range of mortgage products, with floating, fixed, or a combination of fixed and floating interest rates. As of October 2007 floating rate products are indexed, based on one-month EURIBOR plus a margin of a maximum of 3% depending predominantly on the customer's credit profile, scope, loan-to-value ("LTV") and the amount borrowed. Some products are also offered with a grace period of up to two years or an interest only period of up to five years. Together, these products accounted for less than 1.5% of new disbursements.

With interest rates rising in 2006 and 2007, the Bank has placed a greater emphasis on the promotion of fixed rate mortgages, for an initial period of up to six years. In 2007, mortgages with a fixed rate period of two years or more accounted for approximately 76.8% of the Bank's newly issued mortgage loans.

In 2007, the two most successful products offered by the Bank were "ESTIA 1+3" and "ESTIA 1+5", both of which offer a low trigger rate for the first year and a higher, but still very competitive, fixed rate for the following three or five years, respectively, turning to a variable rate, indexed to one-month EURIBOR for the remaining duration of the loan. These two products combined accounted for approximately 53% of all new loan disbursements in 2007. In the end of 2007, the Bank enriched the offered product range and introduced a new set of mortgage products, the ESTIA 1, 2 and 3 PRONOMIO, offering favourable fixed rates for the first year, first two and first three years, respectively, followed by variable rate for the remaining loan period.

Mortgages in Swiss francs were introduced in January 2007 with similar characteristics to the "ESTIA" loans in Euros, with a very low trigger rate for the first year, and a higher fixed rate for the next three or five years. After the fixed period, the interest rate becomes floating, using the one-month LIBOR in Swiss francs as the reference rate, plus a spread. "ESTIA CHF" products offer protection for up to 6 years against parity changes in excess of 5%, at a premium of 20 basis points. Loans denominated in Swiss francs carry much lower interest rates than those in Euros. Loans in Swiss francs accounted for less than 5% of new disbursements in 2007.

An important development regarding the quality of mortgage credit is that, in addition to fire and earthquake property insurance, an optional life insurance plan was offered together with the mortgage. This new plan has been very successful, with 74% of new mortgages in 2007 carrying a life insurance plan.

The Bank's mortgage loans are now offered with maturities of up to 40 years. Loans guaranteed and/or subsidised by the Hellenic Republic to special minority groups and victims of natural disasters, for which maturity is determined by law, range from 15 to 25 years. The overall average duration for new loans is around 25 years.

The Bank's mortgage operations have been further enhanced by the upgrading of its credit evaluation process to a more elaborate credit scoring model in line with Basel II requirements. Consequently, credit quality will be closely monitored and is expected to further improve. The period required for mortgage approval has been shortened through the use of electronic transfer of applications between its branches and the credit processing centre of the Mortgage Credit Division.

The mortgage underwriting process, including credit approval and granting procedures, is centralised under the Mortgage Credit Division. The rationale behind this organisational structure is to ensure the correct application of credit policy, through a uniform, accurate and consistent decision making process.

Small and Medium Enterprises Division

In 2002, the Bank established the Small Business Credit division, which was renamed to Small and Medium Enterprises (SMEs) Division on 15 February, 2005. The division's purpose is to enhance and personalise services offered to the Bank's business clients and particularly to increase the Bank's penetration in the professional and small business segment. The SME division administers credit underwriting of loans to professionals and small businesses with turnover of up to €2.5 million and is part of the Bank's retail

banking operations. It comprises three credit centers in Athens, Thessaloniki and Patras. Since its inception, the SME division has launched lending products for SMEs and professionals, such as:

- (a) the “Open Business Plan” offering a revolving credit facility to borrow up to 100% of total annual turnover, and
- (b) “AMESOS” (“RIGHT NOW”) a loan with same day approval and disbursement, which covers a wide range of a SME’s financing needs up to €50,000, with a longer repayment period and a wider choice of interest rates.

In addition, the Bank continued the promotion of financing products to a wider variety of business categories and freelance professionals such as gas stations, car dealerships, doctors, pharmacies, dentists and notary’s offices. Furthermore, the SME Division offers medium and long-term loans geared towards medium and long-term working capital needs or financing of fixed assets, such as equipment and office renovations. In addition to the above, the Bank has created specific products to enforce financing of investments in photovoltaic systems for energy production. Finally, the Bank has started cooperation with alternative channels such as financial and tax advisors, brokers and insurance agents for the promotion of its products.

Commercial banking

General

The Bank’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 Bank is able to offer its corporate clients a wide range of products and services, including financial and investment advisory services, deposit accounts, loans (denominated in both euro and other currencies), foreign exchange, insurance products, custody arrangements and trade finance services.

Lending activities

The Bank lends to all sectors of the economy. As at 31 December, 2007, domestic commercial lending (including to the public sector) accounted for 38.2%, or €14,825 million, of the Bank’s total domestic loan portfolio. Traditionally, the Bank has focused on lending to large and medium sized domestic corporations, especially industrial corporations, which accounted for approximately 6.9% of its total domestic loan portfolio as at 31 December, 2007. The Bank has several clients to which it has lent significant amounts; its ten largest individual performing loan exposures totalled €2,341.4 million as at 31 December, 2007, and accounted for approximately 15.8% of the Bank’s total domestic commercial loan portfolio.

The Bank offers:

- (a) corporate accounts with overdraft facilities;
- (b) foreign currency loans;
- (c) variable rate loans; and
- (d) currency swaps and options (mostly Euro-related) for corporate customers.

The Bank lends primarily in the form of credit lines, which are generally at variable rates of interest with payment terms of up to 12 months. In addition, the Bank provides letters of credit and guarantees for its clients. At 31 December, 2006 and 2007, the Bank had outstanding letters of credit and guarantees amounting to €3.2 billion and €3.8 billion, respectively. Most loans are collateralised to a certain degree, although Greek law imposes significant delays in foreclosing on collateral.

The Bank also participates in, advises on and arranges large syndicated loans with both domestic and foreign banks. Generally, these loans finance large domestic and international infrastructure projects and borrowings by large corporations and state controlled entities. For example, the Bank participated as co arranger and underwriter in the financing of the Athens ring-road and the Rion-Antirion bridge in Greece, the Birmingham Northern Relief Road in Britain, the High Speed Line Railway and the Rijnmond Power Plant in Holland, the Maritsa East Power Plant in Bulgaria and the Stendal Pulp Mill in Germany. NBGI, the Bank's London based investment banking subsidiary, is also active in arranging international syndicated loans and acting as an advisor on projects in private sector transactions.

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 Bank 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, according to an analysis of shipping finance made by Petrofin S.A., a financial consultancy firm specialising in the shipping industry.

The Bank has traditionally provided financing for many of the largest Greek shipping companies. As at 31 December, 2007, outstanding shipping loans (mainly concerning bulk shipping) were €839.2 million, representing approximately 2.16% of the Bank's total loan portfolio compared to €659.3 million or 2.02% of the Bank's total loan portfolio, in 2006. Loans related to the ferry business (included in the aforementioned amount), represent 13% of the Bank's shipping loan portfolio as at 31 December, 2007. The Bank's total commitments (including outstanding amounts) towards shipping as at 31 December, 2007 were €1,640 million compared to €1,242.7 million in 2006. The Bank's shipping finance activities are carried out almost exclusively through its Piraeus based operation.

The Bank plans to continue with its strategy of targeting first-tier shipping groups with respect to both its conventional shipping finance and its syndicated loan activities in order to improve quality, spread risk and enhance the profitability of its shipping loan portfolio. Nearly all of the Bank'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. None of these factors is within the Bank's control. Nevertheless, in 2008 freights are expected to maintain 2007 levels.

The Bank has experienced a significant decrease in non-performing loans attributable to this sector (€11.1 million as at 31 December, 2007 compared to €24.6 million as at 31 December, 2006).

The Bank has adopted strategies and procedures to more effectively evaluate shipping credits and existing shipping loans are subject to periodic (at a minimum, annual) performance reviews. This approach has delivered positive results and the Bank's management believes that it will result in sustained strong performance in this sector in the next few years.

Other Banking Related Services

The Bank and certain of its subsidiaries (principally NBG Asset Management and Ethniki Leasing) offer a wide range of other banking related services, including:

- (a) Private banking;
- (b) Corporate finance advisory services;
- (c) Underwriting;

- (d) Equity and debt financing;
- (e) Custodian services;
- (f) Project Finance;
- (g) Payment services; and
- (h) Mutual Funds.

Private Banking

The Bank launched its Private Banking operations in 2003, which currently offer services both domestically and internationally through its international private banking units in London and Guernsey.

Private Banking provides high net worth clients with high quality service and a wide scope of investment choices following a detailed evaluation of the customer's investment profile. Also, advisory and discretionary asset management services have been established during the final months of 2007, adding important solutions to the Bank's investment services.

The Bank has agreed with established international investment institutions to distribute investment products to its clientele, such as mutual funds, hedge funds, structured products, and private equity products.

As at 31 December, 2007 Private Banking aggregate assets under management were €3.0 billion, an increase of 44% compared to €2.1 billion in 2006.

2007 was also a year of high recognition for the Bank's Private Banking business, as it received the annual "Best Private Banking in Greece 2008" award in a survey conducted by Euromoney magazine.

Treasury Activities

The Bank and each of its banking subsidiaries carry out their own treasury activities. These activities include:

- (a) Greek Government securities trading;
- (b) foreign exchange trading;
- (c) interbank trading in euro and other currency deposits;
- (d) foreign exchange forwards trading;
- (e) repurchase agreements;
- (f) corporate bonds; and
- (g) 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 forex markets, and market traded and OTC financial derivatives. It supplies the branch network with value added deposit products, and the client base includes institutions, large corporations, insurance funds and big private sector investors. In general, the Bank and its subsidiaries enter into derivatives transactions for economic hedging purposes or in response to specific customer requirements. The Bank 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 Bank's treasury

related activities have represented a significant source of revenues. In 2007, total turnover for foreign exchange trading and money market transactions by the Bank's central dealing room in Athens was approximately €153 billion and €704 billion, respectively.

The Bank is active in the primary and secondary trading of Greek Government securities, as well as in the international Eurobond market. The Bank is a founding member of the Group of Greek Government Securities Primary Dealers which was established by the Bank of Greece in early 1998. In 2007, according to Bank of Greece data, the Bank ranked first in terms of volume traded among 22 primary dealers in Greek government bonds traded through the Electronic Secondary Securities Market.

Investment Banking Activities

In recent years, the Bank has maintained one of the leading market shares in capital market activities in Greece, particularly with regard to public offering activity. Over the past five years, the Bank has acted as underwriter in 27 out of 39 domestic private sector IPOs. During the same period, the Bank has participated in all seven privatisation offerings in Greece, while being one of the lead managers in the largest offerings in Greece. According to the Bank's internal statistics, the Bank's market share of underwritten offerings of equity securities by Greek issuers, in terms of underwritten amount, was approximately 21% in 2007, representing an underwritten amount of €33.2 million, and approximately 26% in 2006, representing an underwritten amount of €75.4 million. In addition to public offerings, it acted as joint bookrunners in the secondary offerings of OTE (€90 million), Halcor (€90 million), and the Hellenic Exchanges SA (€80 million).

Project Finance

The Bank is also active in project finance, and during 2007, provided project finance advisory services to the Hellenic Republic on the Greek Motorways Project which consists of seven motorway concession schemes with a total estimated construction value in excess of €8 billion. The Bank is also a leading advisor to the Hellenic Republic for the new PFI Projects, where it is involved as advisor in four projects regarding 27 schools, two hospitals, six university buildings and two regional government buildings. The Bank also provides finance to major infrastructure projects both in Greece and abroad through its participation in the respective syndicated loan facilities.

Custodian Services

The Bank offers custodian services to its foreign and domestic institutional clients who hold securities listed on the ATHEX, as well as remote settlement and custody services on the Cyprus Stock Exchange (CSE). The Bank offers trade settlements, safekeeping of securities, corporate action processing, income collection, proxy voting, tax reclamation, brokerage services, customised reporting, regular market flashes and information services. The Bank also acts as global custodian to its domestic institutional clients who invest in securities outside Greece.

The Bank acts as an agent for approximately 76 domestic institutional clients (four mutual funds, three investment companies, 20 insurance companies and 49 pension funds) and 36 foreign institutional clients, including several leading global custodians, as at 31 December, 2007. The respective numbers of institutional clients as at 31 December, 2006 were 105 domestic (four mutual funds, one investment company, one financial services company, 27 insurance companies and 72 pension funds) and 37 foreign. The Bank also offers custodian services to private Greek investors, and had approximately 178,103 active custody accounts as at 31 December, 2007, compared to 155,203 active custody accounts as at 31 December, 2006. In addition, the Bank has approximately 14,829 customers having only government debt in their portfolio and approximately 207,618 customers maintaining only mutual fund units in their portfolios compared to 24,000 and 195,000 customers, respectively, as at 31 December, 2006.

Payment services

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

Asset Management

The Bank's domestic fund management business is run by NBG Asset Management Mutual Funds S.A. (**NBG Asset Management**), which is wholly owned by the Group. It manages funds that are made available to its customers through the Bank's extensive branch network. NBG Asset Management strengthened its position among the mutual fund management companies in the Greek market and has remained for two consecutive years in the forefront of the Greek mutual funds market.

As at 31 December, 2007, NBG Asset Management's total assets under management were €7.6 billion, a 5.56% increase from 2006. Its market share in Greece was 31.13% as at 31 December, 2007, compared to 29.37% as at 31 December, 2006, according to the association of Greek Institutional Investors.

NBG Asset Management offers 31 investment funds under the brand name Delos, four under the P&K brand name and 13 under the NBG International SICAV and NBG Synesis SICAV brand names, which are resident in Luxemburg. NBG Asset Management offers a wide range of investment products that offer institutional and private investors access to the most important markets in stocks, bonds and money market products, both in Greece and internationally. In 2007 it expanded its range of mutual funds with the introduction of Delos Delta Bonus and Delos Delta Fasma Funds products combining high returns and initial capital protection, and Delos Tactical Allocation for investors wishing to invest in an absolute return fund.

The release of these three new innovative products in 2007 resulted in an increase of €330 million in sales, driving NBG Asset Management into the leading position of the Greek investment funds market. These products are characterised by high quality standards and competitiveness. The Bank's management believes that this qualitative shift will deliver benefits for its profitability in the years ahead, as well as substantially enhance customer retention.

Delos Delta

- (a) Delos Delta Bonus–Bond Fund
- (b) Delos Delta Fasma–Bond Fund

These funds offer a new investment concept as they combine high returns (depending on the course of selective stock index) and initial capital protection.

Delos Tactical Allocation Balanced Fund

This fund offers a new investment concept, as its model of portfolio management follows that of an absolute return fund, which provides stable returns with low correlation to the markets.

In 2007 NBG Asset Management expanded its range of investment services. The company offers a more integrated range of contemporary investment services such as:

- (a) Portfolio Management for institutional and private investors.
- (b) Consultancy Investment Services for institutional and private investors.

The total value of the funds it has managed since 2003 is illustrated in the table below.

As at 31 December,	Funds under management	Market share
	(€ in billions)	%
2003	7.7	25.3
2004	8.5	27.1
2005	6.9	24.6
2006	7.2	29.0
2007	7.6	31.1

Other Financial and Related Services

The Bank also offers a wide range of other financial and related services directly through the Bank and indirectly through specialised subsidiary companies. These services include:

- (a) Leasing;
- (b) Factoring; and
- (c) Real estate management and warehousing.

Leasing

The Bank began leasing activities in 1990 through its subsidiary, Ethniki Leasing S.A. (**Ethniki Leasing**). Ethniki Leasing is active in the leasing of land and buildings, machinery, transport equipment, furniture and appliances, and computer and communications equipment. As at 31 December, 2007, Ethniki Leasing had assets of €716.7 million and revenues of €39.9 million, before elimination of intercompany transactions and balances.

Factoring

The Bank has been offering factoring services since 1996, including domestic factoring services such as debt collection, management and account monitoring and advancing of funds for companies' outstanding claims. Internationally, the Bank offers export credit, credit risk coverage, monitoring services, management and debt collection services. Factoring services are provided through the Bank's corporate credit centers, which comprise a specialised division of the Bank. The Bank's corporate credit centers also provide lending services to small and medium sized enterprises, offering a synergistic complement of services to these clients.

Real Estate Management

The Bank engages in real estate management activities, including warehousing and third party property management. As at 31 December, 2007, the Bank owned 1,517 real estate units, 1,096 of which were buildings the Bank acquired for its own business purposes or through seizure of collateral on loan foreclosures. The book value of those assets recorded at historical cost was €340.7 million as at 31 December, 2007. In addition, Ethniki Kefalaïou S.A., a wholly owned subsidiary of the Bank that is engaged in asset and liability management, including asset liquidation, managed 52 properties with an aggregate book value of €16.8 million as at 31 December, 2007. Most of these properties have been bought in recent years from the Bank, which acquired them on realisation of collateral under non-performing loans. In line with the Bank's strategy of streamlining its activities, the Bank intends to continue to dispose of certain non-core real estate holdings through Ethniki Kefalaïou S.A. For the year ended 31 December, 2007, proceeds from the sale of land and buildings by the Bank amounted to approximately €113.1 million and by Ethniki Kefalaïou S.A. €6.7 million.

National Real Estate performed warehousing functions and held real estate property as a subsidiary. On 13 March, 2007 the Bank divested its warehouse business into a subsidiary and plans to dispose it to a third party. On 31 March, 2006, the Bank consolidated the operations of National Real Estate. The Bank intends to continue to divest real estate holdings.

Competition

The Bank competes with other banks, financial services firms and a wide range of insurance companies in providing mutual fund services, capital markets and advisory services and insurance. Internationally, the Bank competes with banking firms of varying sizes and geographic scope.

The Bank itself competes with national, regional and foreign banks throughout Greece and abroad. There were 45 universal banks (i.e. banks that provide all types of banking services, including retail, commercial and investment banking), both domestic and foreign, in Greece as at 31 December, 2006. The top six domestic universal banking groups in Greece accounted for approximately 83% of the total assets attributable to domestic and foreign universal banks as at 31 December, 2007. Foreign banks held approximately 10.1% of total bank assets in Greece as at 31 December, 2006 (the last date for which such information is currently available, according to the Bank of Greece).

International Operations

The Bank operates, as a Group, in 12 countries outside Greece. As at 31 December, 2007, the Bank's international network comprised 1,061 banking units outside Greece (including Bank branches in the UK, Albania, Egypt, Cyprus and Guernsey, subsidiaries and representative offices), which offer traditional banking services and financial products and services. As a result of the merger of NBG Serbia with Vojvodanska, the Bank currently has seven commercial banking subsidiaries in Turkey, Bulgaria, Romania, FYROM, Serbia, Cyprus, and South Africa. The Bank's Turkish subsidiary Finansbank also has a commercial banking subsidiary in Malta.

The Bank's policy, since the early 1990s, is to focus on the Bank'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. The Bank seeks to develop, in particular, its wholesale banking business by targeting major financial centers to which it can offer Greek and Balkan lending exposure. The Bank'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 competitive advantages.

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

Turkish Operations—Finansbank A.S.

Overview

On 18 August, 2006, the Bank acquired 46% of the ordinary share capital, and 100% of the founder shares of Finansbank, a Turkish commercial bank headquartered in Istanbul. The Fiba Sellers also agreed and undertook to attend any general meetings of Finansbank and to vote such number of shares they then own as is equal to the difference between 50.01% of the ordinary shares and the total number of ordinary shares then owned by the Bank in accordance with the instructions and directions of the Bank. Based on that, it was deemed that the Bank obtained a controlling interest on 18 August, 2006 and as such this acquisition was within the scope of FAS 141 Business Combinations. As a result of Turkish Capital Markets legislation NBG made a mandatory tender offer to minority shareholders. During the mandatory tender offer period (8 January to 29 January, 2007), the Bank 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 Bank disposed of 5% of Finansbank's shares to IFC (the relevant agreement includes put and call options). Following the mandatory tender offer and the sale of shares to IFC, the Bank acquired from February 2007 to December 2007 a further 0.45% of the outstanding share capital of Finansbank. As of 31 March, 2008 the Bank holds 99.65% of the ordinary capital of Finansbank. Finansbank's group of companies includes FinansLeasing, FinansInvest, Finans Portfolio Management, Finans Investment Trust, IBTech, Finans Pension and Finansbank Malta (together, **Finansbank Group**).

Finansbank is the fifth largest private bank in Turkey in terms of total assets, loans and deposits, and 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 31 December, 2007, Finansbank operated through a network of 411 branches in 52 cities, of which 102 were opened during 2007, making it the seventh largest Turkish bank in terms of branch network. On 31 December, 2007, Finansbank had 9,061 employees, a 16.9% increase from 31 December, 2006.

In 2007, Finansbank contributed €441.9 million in net profit to the Group compared to €99.5 million in 2006 (Finansbank was consolidated for only 135 days and 46% in fiscal year ending 31 December, 2006, while in 2007 the percentage rose to 99.57%). Finansbank's income before tax were €531.4 million as at 31 December, 2007 and €197.9 million as at 31 December, 2006. As at 31 December, 2007, total gross lending and total deposits were €9,932 million and €8,464 million, respectively, compared to €6,692.5 million and €6,011.7 million, respectively, as at 31 December, 2006. Total assets of Finansbank as at 31 December, 2007 were €14.3 billion, accounting for 15.8% of the Bank's total assets compared to €10.9 billion and 14.2% as at 31 December, 2006. In 2007, 27.9% of the Group's profit from continuing operations (before taxes) was derived from Turkish operations compared to 15.6% in 2006.

Foreign Banking Operations

The Bank's foreign banking operations include banking subsidiaries in six countries: NBG Cyprus, Stopanska Banka A.D.–Skopje, based in Skopje, FYROM, United Bulgarian Bank AD–Sofia (UBB), with its headquarters in Sofia, Bulgaria, Banca Romaneasca SA based in Bucharest, Romania, Vojvodjanska in Serbia and the South African Bank of Athens as well as other subsidiaries, mainly in the leasing sector. The Bank's foreign banking operations contributed €433.2 million or 26.6% of net income to the Group and accounted for €11,373.7 million or 12.8% of Group total assets. Likewise total gross loans were €8.6 billion at 31 December, 2007, up 56% from €5.5 billion at 31 December, 2006, while deposits surpassed €7.8 billion at 31 December, 2007, up 34% from €5.8 billion at 31 December, 2006.

The Bank's foreign banking 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 31 December, 2007, the Bank had 28 foreign branches in five countries, including one in the United Kingdom, one in Guernsey, 24 in Albania, one in Cyprus and one in Egypt. Additionally, the Bank has two overseas representative offices in Australia. The London branch principally serves large corporate and shipping clients and also offers private banking services. The majority of assets and loans of the Bank attributable to its foreign branches are held in London. During 2007, the Bank increased its branches in Albania from 13 as at 31 December, 2006 to 24 as at 31 December, 2007. Total loans in the Bank's Albanian branch network increased by 92.2% (from €102 million as at 31 December, 2006 to €196 million as at 31 December, 2007), while deposits increased by 41% (from €81 million as at 31 December, 2006 to €115 million as at 31 December, 2007). Currently, the Bank's branches in Albania lend primarily to certain of its 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 Bank's foreign branches as at and for the year ended 31 December, 2007, on a total basis before consolidation adjustments:

	<u>EUR</u> <u>(in millions)</u>
Total Assets.....	4,907
Net Loans.....	3,037
Total Deposits.....	2,553
Net Income.....	123

The table above relates solely to the Bank's foreign branches and not to the branches of the Bank's foreign subsidiaries.

United Bulgarian Bank AD – Sofia (UBB)

United Bulgarian Bank AD–Sofia (UBB) is a commercial bank with headquarters in Sofia, which provides retail and corporate finance services in Bulgaria. The Bank acquired 89.9% of the share capital of UBB in 2000, and currently hold a 99.9% interest in UBB. In 2007, the UBB branch network continued to expand, opening 56 branches in cities and towns throughout Bulgaria and 5 in-store branches. During 2007, UBB opened seven business centers, dedicated entirely to servicing SME customers. At 31 December, 2007, the UBB distribution network included 229 units (37 full functional branches, 152 basic branches, 33 in-store branches and 7 business centers). In 2007, UBB recorded 81.4% growth in its loan portfolio compared to 2006, due to a 93.7% growth in corporate loans and 69.3% growth in its retail loan portfolio. In 2007, UBB's market share in Bulgaria was 11.2% for corporate loans, 18.3% for consumer loans and 18.5% for mortgage loans, while it maintained its market share of 10.1% in non-bank customer deposit base. As at 31 December, 2007, UBB operated over 680 ATMs, representing a market share of approximately 16%, and over 5,600 POS terminals in Bulgaria, representing a market share of approximately 18%. During 2007, UBB was the bank with the highest number (over 111,000) of issued international credit cards in Bulgaria under the logos of MasterCard, VISA and VISA Electron, realising a respective market share of 35%. UBB also holds a 18% market share with respect to debit cards in Bulgaria.

Selected financial information with respect to UBB as at and for the year ended 31 December, 2007 is provided in the table below.

	<u>Bulgarian leva</u> <u>(in millions)</u>	<u>EUR</u> <u>(in millions)</u>
Total Assets.....	6,132	3,135
Net Loans.....	4,919	2,515
Total Deposits.....	4,639	2,372
Net Income.....	188	96

Banca Romaneasca SA

Banca Romaneasca SA (**Banca Romaneasca**) is a universal bank which provides a wide range of retail, SME and corporate banking services in Romania. The Bank acquired 81.7% of the share capital of Banca Romaneasca in October 2003. In order to support its further development, Banca Romaneasca implemented two share capital increases, following which the Bank's participation in Banca Romaneasca increased to 88.7%. The European Bank for Reconstruction and Development (**EBRD**) is the second largest shareholder of Banca Romaneasca, with 10.18% of its share capital. In March 2008, the extraordinary general meeting of Banca Romaneasca's shareholders approved a share capital increase of RON 172.5 million, the subscription period of which was completed on 16 May, 2008, and to which both the Bank and EBRD subscribed. The capital raised was RON 172.5 million.

As at 31 December, 2007, Banca Romaneasca had a countrywide distribution network consisting of 122 banking units and operated a network of 146 ATMs. Banca Romaneasca was the first bank in Romania to provide money transfer services, as at 31 December, 2007 offering such services in 960 locations across the country. Banca Romaneasca launched several new products and services during 2007, primarily dedicated to SME and retail activity, and increased its overall (total assets) market share from 2.1% up to 2.7%, according to statistics published by the Central Bank of Romania.

Selected financial information with respect to Banca Romaneasca as at and for the year ended 31 December, 2007, is provided in the table below.

	<i>Romanian Lei</i> <i>(in millions)</i>	<i>EUR</i> <i>(in millions)</i>
Total Assets.....	6,834	1,894
Net Loans.....	4,614	1,279
Total Deposits.....	5,967	1,654
Net Income.....	41	12

Stopanska Banka A.D. - Skopje

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 Bank acquired a controlling interest in Stopanska Banka, and currently hold a 73.04% stake, while EBRD and IFC participate holding a stake of 10.8% each, and the remaining 5.4% is held by other minor shareholders. Stopanska Banka operates the largest branch network in FYROM, with a dense country-wide network of ATMs and POS terminals. Following its latest reorganisation activities, Stopanska Banka currently has 25 branches, which in turn manage 35 sub-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 banking 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. As at 31 December, 2007, Stopanska Banka’s market share in FYROM was 39.0% in retail lending, 28.7% in retail deposits, 22.6% in corporate lending and 28.1% in corporate deposits, according to statistics published by the National Bank of FYROM.

Selected financial information with respect to Stopanska Banka as at and for the year ended 31 December, 2007, is provided in the table below:

	<i>Macedonian denars</i> <i>(in millions)</i>	<i>EUR</i> <i>(in millions)</i>
Total Assets.....	54,592	898
Net Loans.....	32,917	538
Total Deposits.....	47,031	768
Net Income.....	1,146	19

(1) Solely for the convenience of the reader, the translation of Macedonian dinars into U.S. dollars has been made at the rate of US\$1.00 = 39.65 Macedonian dinars; the fixing rate as announced by the National Bank of FYROM as at 30 April, 2008.

National Bank of Greece (Cyprus) Ltd.

The National Bank of Greece (Cyprus) Ltd. (**NBG Cyprus**), which has its headquarters in Nicosia, has 16 branches, two satellite branches and three foreign exchange bureaus. NBG Cyprus provides a wide range of commercial and retail banking services. In 2007, NBG Cyprus maintained its policy of growth of its loans and deposits portfolio through the introduction of new mortgage and retail credit products.

Selected financial information with respect to NBG Cyprus as at and for the year ended 31 December, 2007, is provided in the table below:

	<i>Cyprus pounds</i> <u>(in millions)</u>	<i>EUR</i> <u>(in millions)</u>
Total Assets.....	632	1,079
Net Loans.....	339	579
Total Deposits.....	580	991
Net Income.....	1	2

The South African Bank of Athens Ltd.

The South African Bank of Athens Ltd. (**SABA**), which the Bank founded in 1947, has ten branches across South Africa, primarily in urban centers. SABA offers traditional commercial and retail banking services, with particular emphasis on retail and commercial banking services for the SME market in South Africa. In 2007, the Bank continued to attract new business in the SME sector, increasing its loans (net of allowance for loan losses) by 66% compared to 2006.

Selected financial information with respect to SABA as at and for the year ended 31 December, 2007, is provided in the table below:

	<i>South African rand</i> <u>(in millions)</u>	<i>EUR</i> <u>(in millions)</u>
Total Assets.....	1,143	114
Net Loans.....	943	94
Total Deposits.....	1,022	102
Net Income.....	12	1

Vojvodjanska Banka a.d. Novi Sad

In December 2006, the Bank acquired a 99.4% stake in Vojvodjanska Banka a.d. Novi Sad (**Vojvodjanska**). In October 2007 NBG became the sole shareholder of Vojvodjanska. Vojvodjanska is the ninth largest Serbian bank in terms of assets and has the third largest branch network in the country with 169 branches.

Following relevant decisions of the shareholders' general assemblies of Vojvodjanska and NBG Beograd, dated 3 January, 2008, the latter has been absorbed by the former and the merger was completed on 14 February, 2008. As a result of this merger, the Bank's total presence in the Serbian market amounts to 204 branches.

Vojvodjanska's (stand alone) market shares in customer deposits and loans as at 31 December, 2007 were approximately 4% and 5%, respectively. Furthermore, its 169 branches serve over 1,097,000 private accounts and 84,000 SME and large company accounts. Vojvodjanska is also a leading issuer of Visa debit and credit cards and DinaCards and has a market share of approximately 7% of Serbia's domestic and international payments.

Selected financial information with respect to Vojvodjanska and NBG Beograd on a consolidated basis as at 31 December, 2007, is provided in the table below:

	<i>Serbian dinars</i>	<i>EUR</i>
	<i>(in millions)</i>	<i>(in millions)</i>
Total Assets.....	57,274	723
Net Loans.....	26,506	335
Total Deposits.....	40,825	515
Net Income.....	2,200	28

In February 2007, the Bank's branch network in Serbia consisting of 24 branches became the NBG Beograd subsidiary, which was subsequently merged with the Bank's other subsidiary bank in Serbia, Vojvodjanska, in February 2008.

Leasing Services

As part of its foreign banking operations, the Group offers Leasing services through certain of its foreign subsidiaries.

Interlease E.A.D.

Interlease E.A.D. (**Interlease**), a wholly owned subsidiary of the Group, operates in the Bulgarian leasing industry. In 2002, Interlease established a subsidiary company, Interlease Auto E.A.D., specialising in the car leasing sector. A major leasing provider in Bulgaria, Interlease achieved a market share of 28% and 32% in equipment and car leases, respectively, in 2007. In 2007, Interlease achieved a 21% market share in the real estate sector. Income and total assets of the company have grown steadily. As at 31 December, 2007, Interlease's income before tax amounted to €8.4 million and total assets were approximately €420.5 million compared to €5.9 million and €250 million, respectively, in 2006. In line with its cross selling strategy, Interlease offers its leasing services in Bulgaria through the Group's Bulgarian subsidiary, UBB. Interlease possesses a fully diversified client portfolio, consisting of lessees from almost all sectors of the country's economic activity, focusing on the transportation and industrial equipment industries.

Eurial Leasing IFN S.A.

Eurial Leasing IFN S.A. (**Eurial**), operates in the leasing industry of Romania. In 2005, NBG acquired a 70% stake in Eurial. Before the acquisition, Eurial operated primarily in the automobile leasing sector, being the major lessor of Peugeot automobiles in Romania. Following Interlease's success in Bulgaria, Eurial has adopted a strategy of supporting its clientele via alternative financial services, together with cross selling operations. The Group plans to enhance Eurial's structure and expand its activities to cover the full spectrum of leasing services, making it one of the leading leasing companies in Romania. In 2007, Eurial achieved income before tax and total assets of €4.0 million and €240.5 million respectively compared to €3.0 million and €104 million, respectively, in 2006, with a market share of 6%.

NBG Leasing d.o.o.—Belgrade

NBG Leasing d.o.o.—Belgrade (**NBGL**), a wholly owned subsidiary of NBG, operates in the Serbian leasing market. Acquired in 2007, NBGL operates in the automobile, commercial vehicle and equipment leasing sectors. Following the Group's success in the Bulgarian leasing market, NBGL has adopted the strategy of supporting its clientele via alternative financial services, together with cross selling operations. In this aspect, NBGL established a subsidiary company, NBG Services d.o.o.—Belgrade, in order to exploit additional income sources, such as operational leasing. In 2007, NBGL achieved €18.6 million of total assets having a market share of 2% and experiencing a loss of €481.9 thousand.

Future Expansion

The Bank is currently evaluating potential acquisitions in SEE, Eastern Europe and the Southeastern Mediterranean region.

Investment Banking and Global Investment & Private Banking

In addition to the Bank's domestic activities, it also conducts investment banking business in London through NBGI, which also has a private equity and venture capital business conducted in its London and Athens offices.

NBGI's Debt Capital Markets team completed several key public transactions in 2007 while further expanding its private placement transactions across the countries of coverage. NBGI's key debt capital markets deals included the arrangements and executions of the Hellenic Republic's new €4 billion 30-year bond and the Hellenic Republic's inaugural €1 billion, 50-year private placement. The Debt Capital Markets team also successfully completed the €1.5 billion, two-year senior bond for the Bank. The second half of 2007 was marked by the international credit crisis as well as by the slow-down of fixed income activities in Greece.

In 2007, NBGI's Debt Capital Markets team expanded its origination coverage in SEE and broadened both its product base (such as private placement financings and covered bonds) and its client base.

2007 was also a successful year for NBGI's Equity Capital Markets team with NBGI playing an important role in a large number of Greek equity offerings. NBGI acted as a joint bookrunner in the secondary offerings of OTE (€90 million), Halcor (€90 million), and the Hellenic Exchanges SA (€80 million). NBGI was also engaged as a joint global co-ordinator in the IPO of Aegean Airlines (€543 million), held a co-lead manager role in the secondary offering of Greek Postal Savings Bank (€510 million) and was a selling agent in the secondary offering of OTE (€1.1 billion). NBGI's success in placing Greek stock to international investors extended beyond the ATHEX to include significant international transactions and building expertise in shipping initial public offerings ("IPOs"). NBGI played an instrumental role in the London AIM-listed IPOs of Hellenic Carriers (US\$200 million) as the lead manager and Globus Maritime (GBP 86 million) as a selling agent.

The NBGI Corporate Finance Advisory team successfully undertook projects with major corporate clients in key transactions during 2007. NBGI advised Mytilineos on the merger of its energy assets to form Endesa Hellas, one of the largest non-banking transactions in Greece of the past three years. NBGI also acted as the advisor of J&P Avax on the tender for ATHENA ATE. In 2007 NBGI forged productive cooperation with Finansbank's Investment Banking team, promoting cross border transactions.

NBGI had revenues of €14.7 million and €27.3 million in 2007 and 2006, respectively.

Stock Brokerage

National P&K Securities S.A. (**National P&K Securities**) is the Bank's brokerage arm and was founded in 2007 following the merger of its former subsidiary companies National Securities S.A. and P&K Securities S.A. National P&K Securities offers the full spectrum of investment services to both individual and institutional customers and it commands a leading position in the Greek securities markets. As at 31 December, 2007, National P&K Securities had a combined market share of 20.81% (National Securities 10.01% and P&K Securities 10.80%) of trades brokered by total trading volume on the ATHEX, ranking first in terms of total trading volume, compared with a 16.78% market share held by EFG Securities, and a 17.77% market share by Investment Bank of Greece. In 2006, National P&K Securities' combined market share was 23.87% (National Securities 11.62% and P&K Securities 12.25%).

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. However, the Bank believes that its plan to reorganise its business to combine all of the investment banking activities of the Group and its existing presence in the marketplace will enable it to capture a significant share of any growth in the Greek market for investment banking and brokerage services.

Venture Capital

In 2007, NBGI implemented a number of structural changes, increasing its funds under management to €570 million from €420 million in 2006 (including undrawn amounts). Its activities focused on three main investment areas: the United Kingdom and Western Europe, Greece and other SEE countries, and technology. Funds are managed by NBGI's subsidiary NBGI Private Equity Limited (**NBGI Private Equity**).

NBGI Private Equity Limited

NBGI Private Equity, has offices in London, Athens, Paris and Bucharest and manages the following private equity funds: NBG Private Equity Fund LP, with an initial capitalisation of €100 million, and NBGI Private Equity Fund II LP, with a capitalisation of €150 million, both investing in small to mid-size "traditional economy" companies and with a geographic investment focus on the United Kingdom and continental Europe; NBG South Eastern Europe Fund LP, with a capitalisation of €100 million; the NBGI SEE Development Capital Fund LP, also with a capitalisation of €100 million and NBGI SEE Real Estate LP, with a capitalisation of €50 million, both investing in companies in Greece and in companies which are headquartered or have a significant part of their activities in Central and Eastern Europe (with a focus on Balkan countries), the former Soviet Union, Cyprus and other markets in SEE; NBG Technology LP, with a capitalisation of €42 million, and NBGI Technology Fund II LP, with a capitalisation of €30 million, both investing in early stage investments in information technology, telecommunications and new media throughout Europe.

NBG Private Equity Fund LP and NBGI Private Equity Fund II LP

The NBG Private Equity Fund LP is a €100 million fund created in August 2000 to invest in small to medium-size traditional economy United Kingdom companies. The Bank is the sole investor in the fund.

During 2007, the NBG Private Equity Fund LP (**UK Fund I**) made three further successful exits, and now has an excellent track record of exiting six of its 13 investments realising an overall gross IRR of 76% and a money multiple of 6.9x. During the year, UK Fund I made its first ever exit by IPO, with the admission of "Superglass Holdings plc" to the Official List on the London Stock Exchange in June 2007.

NBGI Private Equity Fund II LP (**UK Fund II**) held its first closing on 20 June, 2007 at £62.4 million with NBG acting as cornerstone investor with external investors also participating. With further investment from external investors, the fund size is expected to grow to over £100 million, which has been underwritten by NBG. The UK Fund II made its first investment in 2007, investing £5.9 million in its first investee company.

NBG South Eastern Europe Fund LP, NBGI SEE Development Capital Fund LP and NBGI SEE Real Estate Fund LP

The NBG Greek Private Equity Fund LP was originally established in February 2004 with a capital commitment of €20 million from the Bank. It is a UK limited partnership. In 2005 this fund was restructured and its scope widened in order for it to take advantage of the opportunities arising in SEE markets. In March 2006 this fund was renamed to NBG South Eastern Europe Fund LP and the commitment of the Bank, the sole investor in the fund, was increased to €100 million. As at the end of 2007, the NBG South Eastern Europe Fund LP has made two investments in Dodoni Ice-Cream SA and AKTO SA.

The NBGI SEE Development Capital Fund LP sits alongside the NBG South Eastern Europe Fund LP and also has a commitment of €100 million from the Bank, the sole investor in the fund. This fund was formally closed in March 2007 and will primarily seek to invest in SMEs which are incorporated in or whose business operations are in Greece and in companies which are headquartered in or have a significant part of their activities in Central and Eastern Europe (with a focus on Balkan countries), the former Soviet Union, Cyprus and other markets which, at the discretion of the fund's manager, are considered to be in the SEE area. Both of these funds are structured as English limited partnerships.

In Greece and the SEE area, NBG Private Equity Ltd now manages targeted funds of €250 million and operates from London, Athens, Romania and Bulgaria to take advantage of the buy-out and expansion capital opportunities that these markets provide. During 2007, NBG SEE Fund and NBG SEE Development Capital Fund made its first three investments totalling €20.7 million, in two buy-outs and one expansion capital investment, all in Greece.

NBGI SEE Real Estate Fund LP invests in small to mid-size real estate or real estate owning companies, with a geographic focus in the SEE area. The fund's first closing was held on 19 September, 2007 with NBG as the sole investor committing €50 million. The target size of the fund is €100 million with further commitments sought from external investors for the second closing.

NBG Technology LP

NBG Technology LP is a UK limited partnership, established in 2001 and currently has capital commitments of €42 million, half of which have been committed by the Bank. NBG Technology LP aims to invest primarily in the equity or equity related capital of unlisted SMEs operating in the technology, media and telecommunication sectors throughout Europe. NBGI Private Equity Limited is the manager of the fund and employs a specialist team of investment professionals to manage the Fund, under the brand "NBGI Ventures".

In 2007, NBG Technology LP completed its first exit in 2007, successfully selling its remaining shareholding in Direct Energie SA in November. The successor fund, the NBGI Technology Fund II LP, was closed in August 2007 at €30 million, with NBG as the sole investor, but with the aim of attracting external investors up to final close with a minimum target of €60 million. As at 31 December, 2007, NBG Technology Fund II LP had made three new investments, committing a total of €8.7 million.

NBG Greek Fund Limited

NBG Greek Fund Limited, a Cypriot company wholly owned by the Bank, was established in 1998 with committed capital of €44 million. The scope of NBG Greek Fund Limited is to invest primarily in rapidly growing Greek companies. In 2004, NBG Greek Fund Limited reduced its committed capital down to €15 million and is divesting its current holdings which, at the end of 2007, had an estimated market value of about €2 million.

Insurance

We provide insurance services primarily through its wholly owned subsidiary, Ethniki Hellenic General Insurance S.A. (EH). EH 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 reorganisation of its internal procedures, EH provides advanced insurance solutions that can meet the demands of the increasingly competitive Greek insurance market.

EH provides insurance products through 58 branch offices, 165 sales agencies with 2,473 tied agents, who sell only EH Insurance products, and 1,341 independent insurance brokers. In addition, insurance products are distributed to consumers through the Bank's extensive branch network.

In the Greek insurance market, EH further strengthened its leading position during 2007 by increasing its market share to 16.7% compared to 15.8% in 2006. Particularly, in regards to Non-Life insurance business, gross written premiums reached €403.9 million in 2007 compared to €391.7 million in 2006, ranking EH in the first place of the Greek market with a market share of 14.7%, well ahead of its closest competitor, Interamerican EEA Non-Life, which had a market share of 5.9%.

The increase in gross written premiums in the Property business reached 13%, outperforming the 8% market increase. Moreover, 52.4% of its portfolio relates to household property cover. Although the Motor business decreased compared to the previous year, EH's new commercial policy in 2007 achieved an increase of 40% in new applications and a 12% reduction in the cancellations compared to 2006.

In the Life business, gross written premiums reached €439.5 million compared to €343.5 million in 2006, (before elimination of intercompany transactions and balances), an increase of 28.0%. This achievement is mainly attributed to the bancassurance products "Prostheto+" and "Frontizo", with €129.7 million in premiums in 2007 compared to €102.6 million in 2006.

In addition, Individual Life new business increased by 24%, compared to 2006, outperforming the market. Insurance penetration in the Bank's mortgages portfolio reached approximately 85% for fire and allied perils and 70% for term life coverage.

Moreover, EH's agency sales network further improved its mortgage loan sales, while its assure banking annual sales target was exceeded by 18%.

With a view towards expansion in SEE, EH operates two Cypriot subsidiaries in collaboration with NBG Cyprus which are active in Life and Non-Life insurance business. EH also operates in Romania, where it holds a 95% share in Societate Comerciala Asigurari Garanta S.A. ("Garanta"), following the merger of another subsidiary of EH in Romania, NBG Asigurari, in to Garanta, on 20 June, 2007. Garanta offers consumer credit insurance and personal accident products through the network of four banks, namely Banca Romaneasca, Alpha Bank Romania, Pireaus Bank Romania and Romextera.

In Bulgaria, EH, in partnership with UBB and American International Group Inc. ("AIG") operate two insurance companies: UBB AIG Life Insurance Company and UBB AIG Insurance & Reinsurance Company, one for Life and one for Non-life insurance, respectively. EH and UBB each hold a 30% share of each company's share capital. The main scope of these companies is to promote bancassurance products in the Bulgarian market. Additionally, on 27 March, 2007, EH, in partnership with UBB, founded UBB—Insurance Broker AD, and holds 20% of its share capital.

National Insurance Brokerage SA, a Greek insurance broker acquired in 2005 by EH, contributes to the further expansion of services provided in the maritime and aviation insurance markets, as well as for risks regarding port-structuring projects.

In May 2007, Finansbank applied to the General Directorate of Insurance in Turkey and received permission to establish Finans Emeklilik ve Hayat A.S. ("Finans Pension"). This new company has completed its corporate organisation and obtained a license to conduct life, personal accident and pension insurance business. Finans Pension's total assets amounted to TRY 11.1 million as at 31 December, 2007, and its net loss as of 31 December, 2007 was TRY 1.52 million.

Bancassurance Products

We also provide insurance services through another of its subsidiaries, NBG Bancassurance S.A. ("NBG Bancassurance"). NBG Bancassurance acts as an agent providing intermediary services between the Bank's customers and insurance underwriters. NBG Bancassurance assumes no insurance underwriting risk itself.

In 2007, NBG Bancassurance continued its penetration in the area of bancassurance, providing innovative products that aim both to improve efficiencies to the Bank's extensive network and develop synergies between Group companies.

NBG Bancassurance provides two categories of products:

(a) Insurance products associated with banking.

These products are:

- Real estate insurance on properties for which a mortgage loan has been granted by the Bank;
- Payment protection insurance for customers for whom a consumer loan has been granted by the Bank; and
- Life and disability insurance for mortgage loan borrowers.

(b) Investment saving retirement insurance products.

In 2006, the Bank presented its new pension program "Prostheto+". It is targeted at individuals with available deposits in order to secure a guaranteed pension for life, which the customer buys through a lump sum payment. Customers choose the amount of the guaranteed pension as well as the age at which they wish to receive such pension. Customers have the flexibility to borrow part of the payment through a loan with a competitive interest rate. Also in 2006, a new program "Frontizo" was presented by the Bank, where the customers secure a lump sum payment for their children when they reach a specific age. The Bank continues to sell the "Triploun" program, an investment/insurance program which has a guaranteed return of 2% annually.

During 2007, the Bank presented two new programs:

- The pension program "Prostheto+ monthly", targeted at individuals without available deposits in order to secure a guaranteed pension for life, which customers buy through monthly payments. Customers choose the amount of the guaranteed pension as well as the age at which they wish to receive such pension.
- The saving program "Frontizo monthly", targeted at individuals without available deposits in order to secure a guaranteed lump sum payment for their children when they reach a specific age.

Gross written premiums of bancassurance products of EH Insurance sold through the Bank in 2007 were €198.3 million, an increase of 52.2% from €130.3 million in 2006.

Bancassurance products contributed approximately 25.1% of EH's total turnover in 2007, compared to 18.9% in 2006. In particular, bancassurance life products accounted for approximately 36% of EH's total life insurance production for 2007.

Based on statistics provided by the Association of Greek Insurance Companies, the Bank believes that the Greek insurance market is still immature and it considers this market to have strong growth potential. The share of insurance premium to GDP in Greece is 2.1%, below the corresponding EU-wide share.

Other—Greek Operations

Consulting and Professional Training

Ethnodata S.A. (***Ethnodata***) and its subsidiary, Ethnoplan S.A. (***Ethnoplan***), both Group companies, 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 Bank runs a training centre for its employees as well as for other banks in Greece and abroad. The Bank's training centre offers training courses and participates in programs funded by the EU.

We also engage in business consultancy services through Planet S.A., a business consultancy firm based in Athens in which the Bank holds a 31.18% stake.

Hotel Business

NBG has a strong presence in the tourism sector, mainly through the Bank's subsidiary, Astir Palace Vouliagmenis S.A. (the **Astir Palace**), owner of the Astir Palace Hotel Complex, which is currently under the management of Starwood Hotels & Resorts Worldwide Inc.

In 2007, Astir Palace also invested €11.1 million in renovations. Major investment projects currently in progress include the full restoration of the hotel's bungalows, the "Club House" restaurant and "Astir Beach". The 165 room Afrodite Hotel is currently undergoing an extensive renovation that will eventually be rebranded as the "W Athens" Hotel.

OVERVIEW OF THE BANKING SERVICES SECTOR IN GREECE

The banking sector has expanded rapidly in recent years, due to both deregulation and technological advances. As at 31 December, 2007, the date of the most recently available information, there were 47 domestic and foreign banks and other credit institutions operating in Greece (excluding the 16 cooperative banks).

Universal Banks

Traditionally, commercial banks have dominated the Greek financial services market. However, specialised credit institutions have expanded into commercial banking as a result of significant liberalisation of the Greek financial services industry, thereby increasing competition in the market. The distinction between commercial and investment banks ceased to exist formally 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 of public law, fully owned and controlled by the Hellenic Republic).

There are three banks that are controlled, directly or indirectly, by the Hellenic Republic: Bank of Attica, the Postal Savings Bank and ATE Bank (formerly the Agricultural Bank of Greece). Over the last ten years, the Hellenic Republic proceeded to privatise a large number of credit institutions. For example, in 1998, the Hellenic Republic privatised the Bank of Central Greece and Creta Bank, in early 1999, Ionian Bank, and, in March 2002, ETBA, an ATHEX listed industrial development bank. Additionally, a portion of the Hellenic Republic’s indirect shareholding of General Hellenic Bank was sold to private investors in April 1998 and a majority stake was sold to Société Générale in early 2004. The Bank of Macedonia—Thrace was also formerly state controlled until the Group and the Hellenic Postal Savings Bank sold 37% of its total equity to Bank of Piraeus, a private commercial bank, in April 1998. In 2000, France’s Crédit Agricole purchased a 6.7% interest in Emporiki Bank, which was further increased to 9.0% in 2002, in connection with the Hellenic Republic’s privatisation project. In August, 2006 Crédit Agricole acquired a further 71.97% interest in Emporiki Bank. Moreover, the Hellenic Republic proceeded with the partial privatisations of the Postal Savings Bank and ATE Bank through the listing of their shares on the ATHEX. In addition, since September 2000, Banco Commercial Portuguese, a Portuguese bank, has been active in the Greek market through Millennium Bank.

Although there are currently 17 Greek private universal banks incorporated in Greece, there has been a recent trend towards consolidation. For example, Ergobank S.A. and EFG Eurobank S.A. merged in July 2000 to form EFG Eurobank Ergasias S.A. (“EFG Eurobank”). EFG Eurobank merged with Telesis Bank in early 2002 and with UnitBank in December 2003. Similarly, the Bank of Macedonia—Thrace, Bank of Piraeus and Xiosbank S.A. merged in June 2000, creating the Piraeus Group. The Piraeus Group subsequently acquired a 57.8% interest in ETBA, in March 2002, which was previously a majority state owned industrial development bank listed on the ATHEX. ETBA was merged entirely into the Piraeus Group in December 2003. In December 2002, the Bank merged with ETEBA (its investment banking arm). In 2006, Egnatia Bank and Marfin Bank, along with Laiki Bank, a Cyprus based bank with a Greek subsidiary, formed a new unified group.

In recent years, most of the major Greek banks have expanded internationally, establishing or enhancing their presence in SEE. In addition to the Bank’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. EFG Eurobank became the 100% shareowner of Nacionalna Stedionica Banca in Serbia in March 2007 and took control of over 90% of DZI Bank in Bulgaria in December 2006. Also, in March 2007, EFG Eurobank concluded the purchase of a 99% stake of Universal Bank in Ukraine, and at the same time completed the acquisition of a 70% stake in Tekfenbank in Turkey. Alpha Bank agreed to acquire 90% of the Ukrainian OJSC Astra Bank in 2008. ATE Bank made its first expansion steps in SEE by acquiring a 20% stake in AIK Bank in Serbia in October 2006 and a 69% stake of MindBank in Romania in January 2007.

Foreign Banks

There are 28 foreign owned or incorporated credit institutions that are well established in the Greek banking market. The principal participants in the industry, and the Bank's principal foreign competitors in Greece, include Citibank, Bank of Cyprus, Royal Bank of Scotland and HSBC. With the exception of Bank of Cyprus, Citibank and HSBC, the majority of foreign banks operating in Greece have little presence in retail banking services.

Specialised Credit Institutions

The only remaining specialised credit institution is the Consignment Deposits and Loans Fund, which is an autonomous financial institution, organised as a public law entity under the supervision of the Ministry of Finance. Its activities mainly consist of 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.

Competition

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 table below shows the breakdown of assets, loans outstanding and deposits in the universal banking sector for the Bank and its five main competitors in Greece as at 31 December, 2007. These figures have been compiled by the Bank based on publicly available information (stand alone financial statements of the banks shown prepared in accordance with IFRS).

Banks	As at and for the year ended 31 December, 2007					
	Assets	% of total market	Loans	% of total market	Deposits	% of total market
	(€ in millions, except percentages)					
1. National Bank of Greece	71,059	20.6%	40,467	21.3%	49,260	24.7%
2. EFG Eurobank Ergasias	68,272	19.8%	38,066	20.0%	38,939	19.5%
3. Alpha Bank	54,039	15.6%	35,877	18.9%	23,334	11.7%
4. Piraeus Group	42,343	12.3%	27,080	14.3%	19,030	9.5%
5. Emporiki Bank	26,805	7.8%	19,295	10.2%	17,674	8.9%
6. ATE Bank.....	23,399	6.8%	17,772	9.4%	20,714	10.4%
Total.....	285,917	82.8%	178,557	94.0%	168,951	84.7%
Sum of Monetary financial institutions	354,764	100.0%	198,553	100.0%	205,781	100.0%

Overview of the Banking Services Sector in SEE & Turkey

In 2007, the macroeconomic performance of the SEE countries in which the Bank has a presence (Albania, Bulgaria, Romania, Serbia, Cyprus and FYROM) and Turkey remained strong, despite adverse external and domestic conditions. In particular, economic activity, although decelerating, remained robust. Real GDP growth rate stood at 6.2% and 4.5%, respectively, in SEE and Turkey in 2007 compared to 6.9% and 6.1%, respectively, in 2006. In both cases, the high growth rates reflected the systematic implementation of structural and institutional reforms in the context of the region's European orientation and the expansion of financial intermediation. In addition, the inflation rate declined in Turkey to 8.4% in 2007 from 9.7% in 2006. In SEE, inflation increased to 7.9% in 2007 from 5.2% in 2006, reflecting the supply shocks from a severe drought and the significant increase in international oil and food prices.

In contrast, the already high current account deficit in SEE widened to 15.2% of GDP in 2007 from 11.2% in 2006, mainly on the back of strong domestic demand and higher international oil and commodity prices. In Turkey, the current account deficit narrowed to 5.7% of GDP in 2007 from 6% in 2006, due mainly to

moderating domestic demand. However, more than half of the 2007 current account gap in SEE and Turkey was covered by non-debt generating Foreign Direct Investment (“FDI”) inflows despite the ongoing global liquidity crisis which began in August 2007. FDI inflows coverage of the current account deficit stood at 52% in SEE and Turkey in 2007, reflecting an improving macroeconomic outlook and accelerating integration with the EU.

Financial Intermediation in SEE

In 2007, despite high interest rates and slowing economic activity, banking intermediation in SEE expanded further, mainly due to the relaxation of measures designed to contain credit expansion in Bulgaria and Romania, the two new EU member states admitted in January 2007 and greater confidence in the banking sector. Loans and deposits recorded impressive growth rates of 57.5% and 36.1%, respectively, while the corresponding penetration rates stood at 41.1% and 37.3%. Lending to households remained the main driver of credit activity in SEE as a whole, growing by 74.1% and bringing the households loans-to-GDP ratio to 18% in 2007 compared to 1.3% in 2001.

Developments in the Turkish Banking System

In 2007, financial intermediation in Turkey expanded, despite a slowdown in economic activity and high interest rates. Bank deposits and loans increased by 26.1% and 14.6%, respectively, while their corresponding penetration rates stood at 39.3% and 30.2% of GDP in 2007 compared with 33.5% and 13.9% in 2003.

Competition

The Bank competes with other banks, financial services firms and a wide range of insurance companies in providing mutual fund services, capital markets and advisory services and insurance. Internationally, the Bank competes with banking firms of varying sizes and geographic scope.

The Bank itself competes with national, regional and foreign banks throughout Greece and abroad. There were 47 universal banks (i.e. banks that provide all types of banking services, including retail, commercial and investment banking), both domestic and foreign, in Greece as at 31 December, 2007. The top six domestic universal banking groups in Greece accounted for approximately 81% of the total assets attributable to domestic and foreign universal banks as at 31 December, 2007.

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 Law 3601/2007, Law 2076/1992, Law 2832/2000 (Deposit Guarantee Fund), Law 2331/1995 (Anti-money laundering) and other relevant laws of Greece, each as amended. It also has supervision and regulatory powers relating to the operation of credit institutions in Greece.

The EU Council’s Directives on regulation of credit institutions have been incorporated in the Greek law as follows:

- (a) The regulation of credit institutions under Greek law was substantially amended pursuant to the following:
- (b) Directive 2006/48/EC on the taking up and pursuit of the business of credit institutions and Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions, which were incorporated with the Law 3601/2007 and the subsequent Bank of Greece Governor’s Acts 2587 (Determination of own funds of credit institutions), 2588 (Minimum capital requirements for credit risk according to the standardised approach), 2589 (Minimum capital requirements for credit risk according to the internal ratings based approach), 2590 (Minimum capital requirements for

operational risk), 2591 (Minimum capital requirements for market risk), 2592 (Publication of information on capital adequacy, risks and risk management), 2593 (Calculation of risk weighted assets for securitisation positions), 2594 (Counterparty risk), 2595 (Internal capital adequacy assessment process), 2596 (Supervision and control of large exposures), which were issued in August 2007 and apply from 1 January, 2008; and

- (c) Directive 2004/39/EC (Markets in Financial Instruments) was incorporated by the Law 3606/2007.

Credit institutions operating in Greece are obliged to observe the liquidity ratios prescribed by the Bank of Greece (Act No. 2560/1.4.2005 of the Governor of the Bank of Greece), maintain efficient internal audit, compliance and risk management systems and procedures (Act No. 2438/6.8.1998 and No. 2577/9.3.2006 of the Governor of the Bank of Greece, as amended by Act No. 1943/2007 of the Governor of the Bank of Greece and Decision No. 1839/2006 of the Bank of Greece), submit to the Bank of Greece periodic reports and statements and provide it with such further information as it may require, and (in connection with certain operations or activities) make 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 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, 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 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.

History and Deregulation

Historically, the Greek banking system was subject to strict regulatory requirements, including restrictions on:

- (a) determined interest rates;
- (b) financing of various sectors of the economy (i.e., how, when and where public entities, such as wholly-owned utility companies, could invest their assets); and
- (c) financial services activities in the foreign exchange market.

Since the late 1980s, but predominantly in the early 1990s, a gradual relaxation of the strict regulatory environment in Greece took place due to:

- (a) interdependence of national economies;
- (b) international pressure for the opening of markets; and
- (c) anticipation of EMU.

Liberalisation of capital movements, through implementation of the relevant EU Directives and in particular the Second EU Banking Directive, also contributed substantially to deregulation.

Interest Rates

Beginning in 1987, minimum interest rates gradually replaced interest rates previously imposed by the central bank. Administratively determined interest rates were finally abolished in 1992. The removal on 8 March, 1992, of an established minimum rate for savings deposits was the first step towards full deregulation of bank interest rates. Since then, Greek banks have been free to negotiate interest rates with customers based on market conditions. In addition, a number of limitations on bank financing of certain economic activities were eliminated in 1991. As a consequence, credit institutions were allowed to negotiate freely and grant new types of loans without limitations on the rate of interest including loans for:

- (a) capital;
- (b) purchase of fixed assets and equipment;
- (c) repair and purchase of real estate in Greece and the construction of buildings;
- (d) sale of durables on credit; and
- (e) credit and personal loans.

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 Law 2789/2000 (as amended by article 42 of Law 2912/2001 and article 47 of Law 2873/2000) and article 39 of Law 3259/2004.

Foreign Exchange

Deregulation of the Greek financial services sector was accelerated by adoption of Greek Presidential Decrees 96/1993 (and corresponding Acts of the Governor of the Bank of Greece No. 2199 2200, 2201/07.03.1993), 104/1994 (and corresponding Acts of the Governor of the Bank of Greece No. 2301, 2302, 2303/16.05.1994) and Greek Law 2076/1992 (implementing the second EU Banking Directive). Greek Law 2076/1992 decriminalised violations of foreign exchange regulations. Since 1991, borrowers have been permitted to borrow in foreign currencies for all legitimate business purposes at interest rates and on terms freely negotiated between the parties. Beginning in January 1992, banks licensed in Greece to engage in foreign exchange transactions were permitted to enter into spot, forward, swap and similar transactions in the foreign exchange market, pursuant to Act 1986/1991 of the Governor of the Bank of Greece.

In 1994, individuals and legal entities in Greece could, pursuant to Act 2344/94 of the Governor of the Bank of Greece, for the first time engage freely in foreign currency transactions in foreign countries by filing an application with any bank. Credit institutions in Greece were also authorised to accept deposits made by natural persons and legal entities in foreign currency.

Starting in 1991, Greek foreign exchange restrictions were gradually relaxed, and were totally eliminated concurrently with the adoption of the euro on 1 January, 2001. A 2% requirement of re-deposit and assignment, which currently applies to deposits in Euro, applies to foreign currency deposits as well.

Effective 1 January, 2001, credit institutions operating in Greece and authorised to enter into foreign currency transactions can freely enter into transactions of any type in foreign currencies and foreign notes, on their own account and at their own risk, in accordance with the provisions in force.

The foreign exchange rates against the euro are published on a daily basis by the European Central Bank.

Secured Lending

Since 1992, Greek Law 2076/1992, as amended 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 pre-notation filings (**prosimiosi**), which are less expensive and easier to record than mortgages, and may be converted into full mortgages upon receiving a judgment subject to appeal only before the Hellenic Supreme Court from the relevant Greek court in the event of default.

Compulsory Deposits with the Central Bank

The compulsory reserve requirement framework of the Bank of Greece has been altered in line with Eurosystem regulations. Effective 10 July, 2000, reserve ratios are determined by category of liabilities and replace the single reserve ratio of 12% previously in force for commercial banks. The reserve ratio is set at 2% for all categories of liabilities comprising the reserve base, with the exception of the following liabilities 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 requirement 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, the Basel Committee on Banking Supervision issued in June 2004 a revised capital adequacy framework (**International Convergence of Capital Measurement and Capital Standards**), while in November 2005, the Committee issued its final proposals on the new capital standards, also known as the Basel II accord. Basel II promotes the adoption of stronger risk management practices and introduces more risk-sensitive approaches for the calculation of capital requirements that are conceptually sound and at the same time pay due regard to the sophistication level of risk management systems and methodologies that are applied by banks.

The revised framework retains key elements of the 1988 capital adequacy framework, including the general requirement for banks to hold total capital equivalent to at least 8% of their risk-weighted assets, the basic structure of the 1996 Market Risk Amendment regarding the treatment of market risk and the definition of eligible capital.

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 is also putting 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 (through Pillar II) directs and expects banks to establish an internal capital adequacy assessment process taking into account both the Pillar I risks (market, credit and operational) as well as other risks including but not limited to liquidity risk, concentration risk, interest rate risk in the banking book 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 to allow banks and supervisors to select approaches that are most appropriate for their operations and their financial market infrastructure. Furthermore, through the third Pillar, Basel II significantly enhances the requirements for market disclosures on both quantitative and qualitative aspects of risk management practices and capital adequacy.

The framework of Basel II was incorporated in the EU LAWS in June 2006 with the Directives 2006/48 and 2006/49. These European Directives were incorporated in Greece in August 2007 with Law 3601/2007. Following the adoption of Law 3601/2007 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. As a result of the adoption of these Directives by the Bank of Greece, the Bank may be required to maintain higher levels of capital, which could decrease its operational flexibility and increase its financing costs. Consequently, the Bank cannot assure you that Basel II will not have a material adverse effect on its financial condition or results of operations in the future. The new regulatory framework is expected to be amended within 2008 or during the first semester of 2009 (see the public consultation paper issued by the European Commission to the Capital Requirements Directive (**CRD**), consisting of Directives 2006/48/EC and 2006/49/EC).

Additional Reporting Requirements

Up to 31 December, 2007, all credit institutions in Greece were required to provide the Bank of Greece with: (1) a quarterly report on capital adequacy; (2) a quarterly report on profitability and exposure to banking risks (pursuant to Annexes 2 and 3 of Act No. 1313/88 amended by Act No 2563/05); (3) quarterly data relating to open currency positions (pursuant to Act No. 2291/94, amended by resolution No 176/18.6.04 of the Banking and Credit Affairs Committee); (4) a quarterly report on loan loss reserves pursuant to Act No. 2442/99 (amended by Act No. 2513/03 and 2565/05); (5) a quarterly report on liquidity pursuant to Act No. 2156/92 (amended by Act No. 2560/05); (6) a quarterly report on cross-border credit exposures pursuant to Act No. 2520/03; (7) a general annual internal audit report (pursuant to Act No. 2438/98); (8) a quarterly report on large exposures pursuant to Act No. 2596/07; (9) a semi-annual report on large debtors pursuant to Bank of Greece, Banking and Credit Affairs Committee resolutions 485/91, 540/94, 159/03 and 915/03; (10) a semi-annual report on credit institution exposures pursuant to Act No. 2563/05; (11) a quarterly report on securitisation pursuant to Act No. 2563/05; and (12) a semi-annual report on hedge funds pursuant to Act No. 2563/05.

Following the adoption of Basel II guidelines, the Bank of Greece recently issued a Governor's Act (2606/21.2.2008) determining the new reporting requirements for credit institutions in Greece. The new requirements include the following sets of reports:

- (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 ratio;
- (c) Credit risk and counterparty risk;
- (d) Market risk of the trading book – Foreign exchange risk;
- (e) Information on the composition of the trading book;
- (f) 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.

Deposit Guarantee Fund

In January 1993, the Greek Parliament adopted Law 2114/1993 on the introduction of a deposit protection fund. This Law was repealed in July 1995 by the adoption of Greek Law 2324/1995, which took into account EU Council Directive 1994/19/EC on deposit guarantee schemes, and was further supplemented in June 2000 by the adoption of Greek Law 2832/2000. The Greek deposit guarantee fund took effect in September 1995. Currently, the fund, which is a private entity according to Greek Law 2832/2000, is administered jointly by the Bank of Greece, the Hellenic Bank Association, the Ministry of Economy and Finance and the Association of Greek Cooperative Banks.

The Hellenic Deposit Guarantee Fund is funded by annual contributions of participating credit institutions (and cooperative banks pursuant to Greek Law 2832/2000 and Presidential Decree 329/2000). The level of each participant's annual contribution is generally determined according to certain percentages applied to the total amount of eligible deposits. If accumulated funds are not sufficient to cover the claimants whose deposits become unavailable, participants may be required to pay an additional contribution. However, this contribution may not exceed an amount equal to 300% of a bank's last annual contribution. This additional contribution is set off against the annual contributions of following years. Greek law had initially adopted the minimum level of coverage provided by the EU Directive, which amounts to €20,000 per depositor per credit institution. However, following recent market developments, and based on the resolutions of the meeting of ECOFIN on 7 October 2008, the coverage level was increased to €100,000 until 31 December 2011. By virtue of Article 6 of the recently passed law 3714/2008, this deadline may be extended by decision of the Minister of Finance. Annual contributions of participating credit institutions and cooperative banks will accordingly be multiplied by a factor of five (5). Any excess amount from such additional contributions that will not be used until 31 December 2011, or later if this deadline is extended, will be remitted to the participating credit institutions and cooperative banks.

Prohibition of Money Laundering and Terrorist Financing

Greece, as a member of the Financial Action Task Force (**FATF**) and as a member state of the EU, fully complies with FATF recommendations and the relevant EU legal framework.

Specifically:

In August 2008, the Greek Parliament adopted Law 3691/2008 "Prevention and suppression of money laundering and terrorist financing and other provisions", which repealed Law 2331/1995 (as amended by Laws 2479/1997, 2515/1997 and 3424/2005) and 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 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 notify the Committee of suspicious transactions;
- (d) provisions of banking secrecy do not apply to money laundering activities; and
- (e) the National Authority for the Combating of Money Laundering, that was established in accordance with Law 2331/1995 is now replaced pursuant to Law 3691/2008 by a new Committee for the Combating of Money Laundering and Terrorist Financing (the **Committee**) which is also responsible for examining reports filed by banks and other natural or legal persons subject to this Law with respect to suspicious transactions. Among others, several ministries, the Bank of Greece, the Hellenic Capital Market 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 Bank is fully compliant. Additionally, the Bank complies with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (known as the **US 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.

Furthermore, the Bank of Greece, the Bank's supervisory body, having taken into consideration the need for further specialisation of the said framework, through its Banking and Credit Affairs Committee issued its Decision No 231/4/13.10.2006 with a view to preventing the use of the financial system for the purposes of money laundering and terrorist financing.

This Decision came into force on 3 November, 2006, as Annex 4 "Prevention of the use of the financial system for the purpose of money laundering and terrorist financing" of the Bank of Greece Governor's Act No 2577 of 9 March, 2006 regarding the "Framework of operation principles and assessment criteria for the organisation and Internal Control Systems of financial institutions and their managing officers' respective functions" and was recently amended by the Bank of Greece through its Banking and Credit Affairs Committee resolutions No 242/6/4.5.2007 and No 257/22.2.2008.

Annex 4 of the Governor's Act No 2577/9.3.2006 was already in line with the third AML/CFT Directive 2005/60EC and also implemented FATF's 9 Special Recommendations on Terrorist Financing.

Finally, Regulation (EC) No 1781/2006 of the European Parliament and European Council of 15 November, 2006 on information on the payer accompanying transfer of funds is binding in its entirety and is directly applicable in Greece.

Equity Participation by Banks

Banks must follow certain procedures regarding holdings in other companies:

Pursuant to Law 3601/2007 credit institutions may not have a qualifying holding, the amount of which exceeds 15% 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% of its own funds. Qualifying holding for the purposes of the Law means a direct or indirect holding in an undertaking which represents 10% 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,
- (d) shares or holdings included in the trade 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.

Central bank. According to the Bank of Greece Act 2604/4.2.2008, 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 property management companies, paying systems management companies and external credit assessment institutions. The provisions of such Act 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 recognised the equivalency of their supervisory regime. Qualifying holding for the purposes of the Act means a direct or indirect holding in an undertaking which represents 10% 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, whereas indirect holding means holding by a subsidiary of the credit institution

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 aggregate, taking into account any increases effected within the same calendar year, 2% 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 in aggregate, taking into any increases effected within the same calendar year, between 2% and 5% 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%.
- (c) The acquisition or increase of the qualifying holding:
 - (i) is a result of investments made by investment companies of Law 3371/2005 or real estate investment companies of 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; and
- (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.

The value of qualifying holdings of this paragraph is not taken into account for the calculation of the qualifying holdings for the purposes of paragraphs (a) and (b) above.

- (d) Prior approval is also not required in case of acquisition or increase of qualifying holding in an undertaking that is supervised on a solo basis 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.

Competition Commission. 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 HCMC and the ATHEX must be notified once certain ownership thresholds are crossed 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 farmers. In 1985 the state monopoly of mortgage lending was ended, allowing commercial banks to enter the market, provided that their mortgage financing did not exceed 2% of their deposits. From the early 1990's onwards the mortgage loans market was rapidly deregulated and as a result many commercial banks operating in Greece (foreign and national) now have a presence in this market. At the end of 2007 the five largest lenders in the Greek residential mortgage market were the National Bank of Greece, Alpha Bank, Eurobank EFG, Emporiki Bank and Piraeus Bank, together accounting for around 68.6% of the total market.

The size of the Greek mortgage market has grown rapidly from a relatively low percentage of GDP (10.7% in 2001 to 30.2% in 2007), partly due to the process of convergence of the Greek economy to achieve integration into the European Monetary Union and the resulting lowering of interest rates from 25% in the early 1990s to less than 6% in 2003 and to less than 5% in 2007, and partly due to increasing demand, the residential mortgage market demonstrated an impressive growth, on average, by 29.8% annually during the period 2000-2007, although, in the last year, the growth was slightly slower, around 21.6%.

Mortgage Products

The Greek mortgage market is characterised as an emerging market, with fairly standard products on offer, although, in the last few years, it expanded further to include a variety of new more sophisticated products, due to increasing demand and strong competition among lenders. Currently, most banks offer the following mortgage products:

- (a) long-term fixed rate mortgages (they account for a small percentage of the market);
- (b) medium-term fixed rate mortgages of up to 6 years, converting to a floating rate thereafter (currently forming the majority of new originations);
- (c) floating rate mortgages, based on EURIBOR or ECB refinancing rates; and
- (d) loans in Foreign Currency, mainly CHF (more recently).

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

Strong disposable income growth and low real interest rates, in addition to positive demographic trends (reflected in the acceleration of the pace of new household formation), emerge as the major determinants of strong housing demand sustaining residential real estate prices in recent years. During the 2000-07 period, the Greek economy was characterised by a strong growth in real (deflated by GDP deflator) per capita disposable income (3.6% year on year), which far exceeded the euro area average (by 1.9%). As a result, the purchasing power of households increased by a cumulative 23% during the period 2000-2007 in terms of per capita disposable income. Housing occupancy is rather high, approaching 80% (among the highest in the EU). Nevertheless, demand for housing remains strong as it is underpinned by demographic trends; population growth in the household formation age group – typically persons in their early 30s to mid-40s – rose strongly between 2000 and 2006 despite the low population growth, by a cumulative 7.1%. Demand has

been further bolstered by increased immigration during the past 15 years. Further support for household formation has arisen from the change in the traditional family structure with younger members preferring living on their own and by the need for holiday homes. The average household size has decreased to 2.6 persons in 2006 compared with 2.8 in 1999 and 3.1 in 1994. This level is still above the corresponding average for the EU of 2.3 persons. Overall, the number of households has in fact grown considerably more than the natural growth of the resident population increasing by 7.9% cumulatively from 2000 to 2006 compared with a growth rate of just 1.6% for the population as a whole.

The most common type of property available is the apartment, with maisonettes and detached houses being restricted to the more affluent city areas.

Security for Housing Loans

In Greece, security for housing loans is created by establishing a mortgage. A mortgage can be established by a notarial deed (or by a judicial decision, or by law in special cases). The establishment of a mortgage by notarial deed is quite costly and it is therefore not preferred among banks and borrowers. Instead, in most cases, banks obtain a pre-notation of a mortgage, which is an injunction over the property entitling its beneficiary to obtain a mortgage as soon as a final judgment for the secured claim has been obtained, but which is valid as of the date of the pre-notation. From the point of view of enforceability, ranking of the security and preferred right to the proceeds of the auction, there is no difference between a holder of a mortgage and a holder of a pre-notation of a mortgage, since the latter is treated as a secured creditor of the property. Both the holder of a pre-notation of a mortgage and a mortgagee need an enforcement right before commencing enforcement procedures. The difference between them is that the pre-notation is a conditional security interest whose preferential treatment is subject to the unappealable adjudication of the claim it purports to secure, whereas a mortgagee's claim is enforceable pursuant to the mortgage deed itself.

Establishing a pre-notation is the most common way of establishing security for a housing loan in Greece. The pre-notation, as a form of injunction, can be established with or without the consent of the owner(s) of the property on which the mortgage will be secured, but is only granted pursuant to a court decision. The procedures adopted by lenders of housing loans in practice has led to an arrangement whereby pre-notations are granted "by consent": where both the lending bank and the borrower appear before the competent court and consent to the establishment of the pre-notation on the specific real estate property. The court issues the decision immediately (in fact, the decision is drafted beforehand by the lending bank and is certified and signed by the judge who hears the claim). Having certified the court decision and a summary thereof, the lawyer of the lending bank takes them to the Cadastre or the Land Registry, where applicable, along with a written request for the issuance (by the Cadastre or the Land Registry) of certificates confirming:

- (a) the ownership by the borrower of the mortgaged property;
- (b) the registration and class of the pre-notation;
- (c) the absence of (judicially raised) claims of third parties against the current and all previous owner(s) of the mortgaged property; and
- (d) any other mortgages, pre-notations or seizures preceding the pre-notation registered by the bank.

At the same time the bank's lawyer effects a search in the Cadastre or the Land Registry, in order to confirm the uncontested ownership of the borrower and the first priority nature of the mortgage or pre-notation, before the loan can be disbursed. Once the certificates are issued, they are reviewed by the bank's legal department and are included in the borrower's file. The legal review of both the ownership titles and the pre-notation registration is based on public documents, i.e. on notarial deeds and certificates issued by the competent land registries. The history of the ownership titles for the previous 20 years is examined (which is the period for adverse possession). Such a review together with a titles search in the Cadastre or the Land Registry, precedes the approval of the loan. Upon registration of the pre-notation, a second titles search is made to confirm the status quo.

Enforcing Security

It is 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 pay 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 issues an order for payment to be served on the borrower together with a demand for immediate payment. Service of the order and demand for payment is the first action of enforcement proceedings. Three working days after serving the payment order and demand, the property can be seized and the auction process starts (see below for a description of the auction process). The borrower, after being served the order for payment, is granted 15 working days to contest the validity of the order for payment, either on the merits of the case or on the ground of procedural irregularities. This can be done by filing an Article 632-633 Annulment Petition before the Court of First Instance. At the same time, the borrower can file an Article 632 Suspension Petition for the suspension of the enforcement proceedings as a provisional measure. At the time of filing the Article 632 Suspension Petition, in most cases, immediate suspension is granted up until the hearing of the suspension petition. If the court decides that the arguments in the Article 632-633 Annulment Petition are correct and reasonable, the suspension of enforcement will be granted to the petitioner until the issue of the decision on the Article 632-633 Annulment Petition. If the judge decides that the Article 632-633 Annulment Petition has no grounds and rejects this, the suspended enforcement procedures can continue. If the borrower has not filed an Article 632-633 Annulment Petition and subsequent suspension in the first 15 working days, then the bank may again serve the order for payment whereby a second period of ten working days is granted to the borrower to contest the procedure. Failure to contest the order for payment will result in the bank acquiring a final deed of enforcement and then the pre-notation is converted to a mortgage.

The Article 632-633 Annulment Petition will need to be heard within 12 to 14 months after its filing and another six to eight months are required for a decision to be issued by the court, upon which either the enforcement procedures are continued due to the decision rejecting the 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 an Article 933 Petition for Annulment of certain actions of the foreclosure proceedings based on reasons pertaining to both the validity of the order for payment and to procedural irregularities. Both Article 632-633 and Article 933 Annulment Petitions may be filed either concurrently or consecutively, but it should be noted that the Article 933 Annulment Petition may not be based on reasons pertaining to the validity of the order for payment, once the order of payment has become final as mentioned above. The time for the filing of an Article 933 Annulment Petition varies depending on the foreclosure action that is being contested. The filing of an Article 933 Annulment Petition entitles the Borrower to file an Article 938 Suspension Petition in relation to the enforcement until the decision of the Court of First Instance on the annulment motion is issued. Again, foreclosure proceedings may be suspended until the hearing of the Article 938 Suspension Petition, which, in a normal case where the 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 place 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 12.00 hours to 14.00 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) 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 pay. Once the price of the property is paid, the notary public prepares a special deed listing all the creditors and allocating the proceeds of the auction. Each creditor must announce its claim to the notary public within 15 days of the auction. Once the allocation of proceeds amongst the creditors of the Borrower has been determined pursuant to a deed issued by a notary public, the creditors of the Borrower may dispute the allocation and file a petition contesting the deed. The Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the collection of proceeds for up to two and a half years. This can further delay the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a bank is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that the bank provides a letter of guarantee securing repayment of the money in the event that such challenge is upheld.

Any claims arising from employment relationships and contracts for legal and educational services arising in the previous two years and employee’s indemnities due to the termination of the employment contract, are ranked before any other creditor (but after deduction of the enforcement expenses). After deducting such claims, one-third of the remaining proceeds is allocated to claims of the public sector and other preferential claims listed in Article 975 of the Greek Civil Procedure Code and the remaining two-thirds to the secured creditors, i.e. mortgagees, with any excess being available to satisfy the claims of unsecured creditors. Once the list of creditors is confirmed and adjudicated, the proceeds are distributed according to the ranking order.

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 3 Athens Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Trustee requiring the same to be remedied;
- default is made by the Servicer in the performance or observance of any of its other covenants and obligations under the Servicing and Cash Management Deed, which is materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of 20 Business Days after the Servicer becoming aware of such default, PROVIDED THAT where the relevant default occurs as a result of a default by any person to whom the Servicer has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if, within such period of 20 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.

Law and Jurisdiction

The Agency Agreement will be governed by English law.

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 will be based on EURIBOR for one-month Euro deposits. 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) EURIBOR for one-month Euro deposits,

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.

However, under the terms of each Forward Starting Covered Bond Swap and each Non-Forward Starting Covered Bond Swap, in the event that the Issuer fails to pay the principal amount payable to the Covered Bondholders in respect of a series of Covered Bonds on the Final Maturity Date of such series and the series has a period of extension (whereby the principal amount due on such series of Covered Bonds is deferred for up to one year), either (i) the Issuer (or the Servicer on its behalf) will pay an amount to the Covered Bond Swap Provider by reference to one month EURIBOR set and payable on the monthly Issuer Payment Date and receive an amount referenced to one-month EURIBOR set and payable monthly on the Interest Payment Date for the Covered Bonds or (ii) if the monthly Interest Payment Date on the Covered Bonds is the same as the monthly Issuer Payment Date (i.e., the two 1-month EURIBOR rates are identical), then the Covered Bond Swaps will not be required during such extension period.

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 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

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% 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 25%) while the 10% 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 (25%) however special rules apply as to the time of taxation. Institutional investors (mutual funds, portfolio investment companies and real estate investment companies) are exempt from the 10% withholding tax on condition that the holder acquires the interest coupon at least 30 days prior to maturity.

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

The listing of the Covered Bonds on the Luxembourg Stock Exchange is not expected to alter the 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 25%.

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 0.6% to 40%, depending on the relationship between the heir and the deceased.

A gift of Covered Bonds is subject to Greek tax if the holder of the Covered Bonds (donor) is a Greek national or if the recipient thereof is a Greek national or resident.

The rates of gift tax vary from 0.6% to 40% depending on the relationship between the heir and the deceased.

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. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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 per cent. during the first three-year period starting 1 July 2005, and it will be levied at a rate of 20 per cent. for the subsequent three-year period and at a rate of 35 per cent. thereafter. Responsibility for the withholding of the tax

will be assumed by the paying agents. Payments of interest under the Covered Bonds coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

(b) Resident holders of Covered Bonds

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the Law) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Covered Bonds, nor on accrued but unpaid interest in respect of Covered Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Covered Bonds held by Luxembourg resident holders of Covered Bonds.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the paying agents. Payments of interest under the Covered Bonds coming within the scope of the Law would be subject to withholding tax of 10 per cent.

SUBSCRIPTION AND SALE

Covered Bonds may be issued from time to time by the Issuer to any one or more of the Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers are set out in a Programme Agreement dated 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.

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 Law 3401/2005, implementing into Greek law the Prospectus Directive; and (iii) all applicable provisions of Law 876/1979 as currently in force, with respect to anything done in relation to any offering of any Notes 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 Law of Japan (Law No.25 of 1948, as amended; the FIEL) 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 (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), 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 FIEL 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 24 July 2008.

Post-issuance information

The Issuer provides quarterly Investor Reports detailing, among other things, compliance with the Statutory Tests. This information will be available at the offices of Citibank, N.A., London Branch, on Bloomberg and on the website www.nbg.gr.

Litigation

There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Bank 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 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 2007. Since 30 June 2008 there has been no significant change in the financial or trading position of the Issuer or the Group.

Documents available for inspection

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents or the Luxembourg Listing Agent:

- (a) the constitutional documents (with an English translation thereof) of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2006 and 31 December 2007 (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.

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 2007 and 31 December 2006 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.

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