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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER. THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) AND MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY INTO THE UNITED STATES OR TO ANY U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES ARE NOT INTENDED TO BE SOLD AND SHOULD NOT BE SOLD TO RETAIL INVESTORS. PROSPECTIVE INVESTORS ARE REFERRED TO THE SECTION HEADED "SUBSCRIPTION AND SALE—RETAIL INVESTOR RESTRICTION" ON PAGE 174 BELOW FOR FURTHER INFORMATION.

This Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the Prospectus, you shall be deemed to have confirmed and represented to each of Alpha Bank A.E. and Citigroup Global Markets Limited (the **Arranger**), being the senders of the attached, that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Prospectus by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (d) you have not duplicated, distributed, forwarded, transferred or otherwise transmitted this document or any other presentational or other materials concerning this offering (including electronic copies thereof) to any persons within the United States and agree that such materials shall not be duplicated, distributed, forwarded, transferred or otherwise transmitted by you, (e) you have made your own assessment concerning the relevant tax, legal and other economic consideration relevant to an investment in the Notes and (f) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Alpha Proodos Designated Activity Company nor the Arranger (nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from Alpha Proodos Designated Activity Company or the Arrangers.

## ALPHA PROODOS DESIGNATED ACTIVITY COMPANY

(a company incorporated in Ireland as a designated activity company with registered number 593580)

Notes	Initial Principal Amount	Interest Rate	Final Maturity Date	Issue Price
Class A1 Notes	€250,000,000	3-month EURIBOR plus 2%, together subject to a floor of zero	January 2040	100%
Class A2 Notes	€50,000,000	3-month EURIBOR plus 2%, together subject to a floor of zero	January 2040	100%
Class A3 Notes	€20,000,000	3-month EURIBOR plus 2%, together subject to a floor of zero	January 2040	100%
Class B Notes	€100,000,000	3-month EURIBOR plus 2.5%, together subject to a floor of zero	January 2040	100%
Class C Notes	€220,000,000	3-month EURIBOR plus 3%, together subject to a floor of zero	January 2040	100%

**Issue Date** The Issuer will issue the Notes in the classes set out above on 22 December 2016 (the **Closing Date**).

**Underlying Assets** The Issuer will make payments on the Notes from, *inter alia*, the principal, interest and other payments which the Issuer will be entitled to receive (and retain net of tax) under a portfolio of Greek law-governed loans advanced or, in the case of bond loans, subscribed, in whole or in part, by Alpha Bank A.E. to borrowers comprising small and medium-scale enterprises or, in certain cases, individual professionals in Greece (the **Borrowers**) for the purpose of, *inter alia*, financing working capital requirements and/or the acquisition of assets by such borrowers (the **Initial Portfolio**). The Initial Portfolio will be sold to the Issuer by Alpha Bank A.E. (the **Seller**) on the Closing Date.

The Seller may, during the Revolving Period, sell additional loans to the Issuer. The Initial Portfolio and any additional loans sold to the Issuer during the Revolving Period shall, together with any substitute loans transferred to the Issuer, constitute the **Portfolio**.

- Credit Enhancement and Liquidity Support**
- In respect of the Class A Notes, subordination of the Class B Notes and the Class C Notes, and in respect of the Class B Notes, subordination of the Class C Notes.
  - In respect of the Class A Notes, amounts standing to the credit of the Cash Reserve Account.
  - On the occurrence of a Commingling Event, amounts standing to the credit of the Commingling Reserve Account.
  - On the occurrence of a Set-Off Event, amounts standing to the credit of the Set-Off Reserve Ledger.
  - The use of Available Principal Funds to make up an Income Deficit.
  - Amounts standing to the credit of the Replenishment Ledger on an Interest Payment Date.

See the sections entitled "*Credit Structure*" and "*Terms and Conditions of the Notes*" for further details.

**Redemption Provisions** Information on any optional and mandatory redemption of the Notes is summarised in the section "*Transaction Overview – Overview of the Terms and Conditions of the Notes - Notes*" and set out in full in Condition 6 (Redemption).

- Listing** This Prospectus comprises a prospectus for the purposes of Directive 2003/71/EC (as amended) (the **Prospectus Directive**). This Prospectus has been approved by the Central Bank of Ireland (the **Central Bank**) as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B Notes and the Class C Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**) and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange plc (the **Irish Stock Exchange**) for the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B Notes and the Class C Notes to be admitted to the official list (the **Official List**) and trading on its regulated market (the **Main Securities Market**). The Irish Stock Exchange's Main Securities Market is a regulated market for the purposes of the Markets in Financial Instruments Directive.
- Obligations** The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of Alpha Bank A.E., its affiliates or any other party named in the Prospectus other than the Issuer.
- Retention Undertaking** On the Closing Date, Alpha Bank A.E., (the **Retention Holder**) will, as an originator for the purposes of the CRR, the AIFM Regulation and the Solvency II Regulation (each as defined below), retain a material net economic interest of not less than 5 per cent. in the securitisation (representing downside risk and economic outlay) in accordance with the text of each of Article 405 of Regulation (EU) No 575/2013 (the **Capital Requirements Regulation** or **CRR**), Article 51 of Regulation (EU) No 231/2013, referred to as the Alternative Investment Fund Manager Regulation (the AIFM Regulation) and Article 254 of Regulation (EU) 2015/35 (the Solvency II Regulation) (which, in each case, does not take into account any relevant national measures) (the **Retention**). As at the Closing Date, the Retention will be comprised by the Retention Holder holding an interest in the first loss tranche and other tranches having the same or a more severe risk profile than those transferred or sold to investors, represented in this case by the retention by the Retention Holder of the Class C Notes, as required by the text of each of Article 405 of the CRR, Article 51 of the AIFM Regulation and Article 254 of the Solvency II Regulation. The aggregate Principal Amount Outstanding of the Class C Notes as at the Closing Date is equal to at least 5 per cent of the nominal value of the securitised exposures. Any change to the manner in which such interest is held will be notified to the Noteholders.
- Significant Investor** Alpha Bank A.E. will on the Closing Date purchase and retain 100 per cent of the Class B Notes and the Class C Notes.

**THE "RISK FACTORS" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES, PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED IN THE SECTION.**

Arranger  
**Citigroup Global Markets Limited**

The date of this Prospectus is 21 December 2016

## IMPORTANT NOTICE

**THE NOTES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE SELLER, THE ARRANGER, THE SERVICER, THE CASH MANAGER, THE SUBORDINATED LOAN PROVIDER, THE ISSUER COLLECTION ACCOUNT BANK, THE ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE CORPORATE SERVICES PROVIDER, THE BACK-UP SERVICER (EACH AS DEFINED HEREIN), ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY SUCH ENTITIES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS. NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY ANY OF THE SELLER, THE ARRANGER, THE SERVICER, THE CASH MANAGER, THE SUBORDINATED LOAN PROVIDER, THE ISSUER COLLECTION ACCOUNT BANK, THE ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE CORPORATE SERVICES PROVIDER, THE BACK-UP SERVICER OR BY ANY PERSON OTHER THAN THE ISSUER.**

The Notes of each Class will be initially represented by a temporary global note in bearer form (each, a **Temporary Global Note**), without interest coupons attached. Each Temporary Global Note will be exchangeable, as described herein, for a permanent global note in bearer form which is recorded in the records of Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) (each, a **Permanent Global Note** and, together with the Temporary Global Notes, the **Global Notes** and each, a **Global Note**) without interest coupons attached, not earlier than 40 calendar days after the Closing Date (provided that certification of non-U.S. beneficial ownership has been received). The Global Notes will be deposited with a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream, Luxembourg on or before the Closing Date. The Common Safekeeper will hold the Global Notes in custody for Euroclear and Clearstream, Luxembourg. The Notes, issued in new global note form and represented by the Global Notes may be transferred in book-entry form only. The Notes will be issued in the denomination of €100,000 and integral multiples of €1,000 in excess thereof. Definitive Notes may be issued in certain limited circumstances.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Seller, the Note Trustee, the Security Trustee, the Arranger, the Servicer, the Subordinated Loan provider, the Cash Manager, the Account Bank, the Principal Paying Agent, the Agent Bank, the Issuer Collection Account Bank, the Corporate Services Provider or the Back-Up Servicer that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been or will be taken by the Issuer, the Seller, the Note Trustee, the Security Trustee, or the Arranger, which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this

Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (**REGULATION S**)) (U.S. PERSONS) NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT) (**U.S. RESIDENTS**) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly sourced where it appears in this Prospectus) and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Note Trustee and the Security Trustee accept responsibility for the information contained in the section entitled "*The Note Trustee and the Security Trustee*". To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Note Trustee or the Security Trustee as to the accuracy or completeness of any other information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution.

Alpha Bank A.E. as Seller and Servicer accepts responsibility for the information contained in the sections entitled "*Characteristics of the Portfolio*" and "*Alpha Bank A.E.*" (the **Alpha Information**). To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such Alpha Information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Seller or the Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than the Alpha Information) or any other information supplied in connection with the Notes or their distribution.

Citibank N.A., London Branch as Account Bank, Cash Manager, Agent Bank and Principal Paying Agent accepts responsibility for the information contained in the sections entitled "*The Account Bank, the Cash Manager, the Agent Bank and the Principal Paying Agent*". To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Citibank N.A., London Branch as Account Bank, Cash Manager, Agent Bank and Principal Paying Agent as to the accuracy or completeness of any other information contained in this Prospectus (other than the information relating to Citibank N.A., London Branch as Account Bank, Cash Manager, Agent Bank and Principal Paying Agent contained in the section referred to in this paragraph) or any other information supplied in connection with the Notes or their distribution.

Each initial and subsequent purchaser of the Notes will be deemed, by its acceptance of such Notes, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as set forth therein and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases. See "*Transfer Restrictions and Investor Representations*".

## Forward-Looking Statements

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Loans, and reflect significant assumptions and subjective judgments by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the Hellenic Republic. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Arranger has not attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Issuer, the Seller nor the Arranger assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note will in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Seller since the date of this Prospectus.

No person has been authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus. Nevertheless, if any such information is given by any broker, seller or any other person, it must not be relied upon as having been authorised by the Issuer, the Arranger or any of the other Transaction Parties. Neither the delivery of this Prospectus nor any offer, sale or solicitation made in connection herewith shall, in any circumstances, imply that the information contained herein is correct at any time subsequent to the date of this Prospectus. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Prospectus should not be construed as providing legal, business, investment, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in any Notes.

Any website referred to in this Prospectus does not form part of this Prospectus.

Payments of interest and principal in respect of the Notes will be subject to any applicable withholding taxes. The Issuer will not be obliged to pay additional amounts therefor. The Issuer has the right to redeem the Notes on the occurrence of certain tax related events specified herein.

The initial and each subsequent purchaser of the Notes will be deemed by its acceptance of such Notes to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of the Notes as set forth therein and described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale and other transfer restrictions in certain cases. See the section entitled "*Subscription and Sale*".

## Interpretation

References in this Prospectus to **€**, **EUR** and **euro** are to the single currency introduced in the Member States of the European Community at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. References in this Prospectus to **£** and **Sterling** are references to the lawful currency for the time being of the United Kingdom. References in this Prospectus to **Greece**, the **Republic**, the **republic of Greece**, the **Greek State** or the **State** are references to the Hellenic Republic and references to the **Government** are references to the government of the Hellenic Republic. References in this Prospectus to Ireland are to the island of Ireland excluding Northern Ireland.

### **The Notes may not be a suitable investment for all investors**

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of 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.

A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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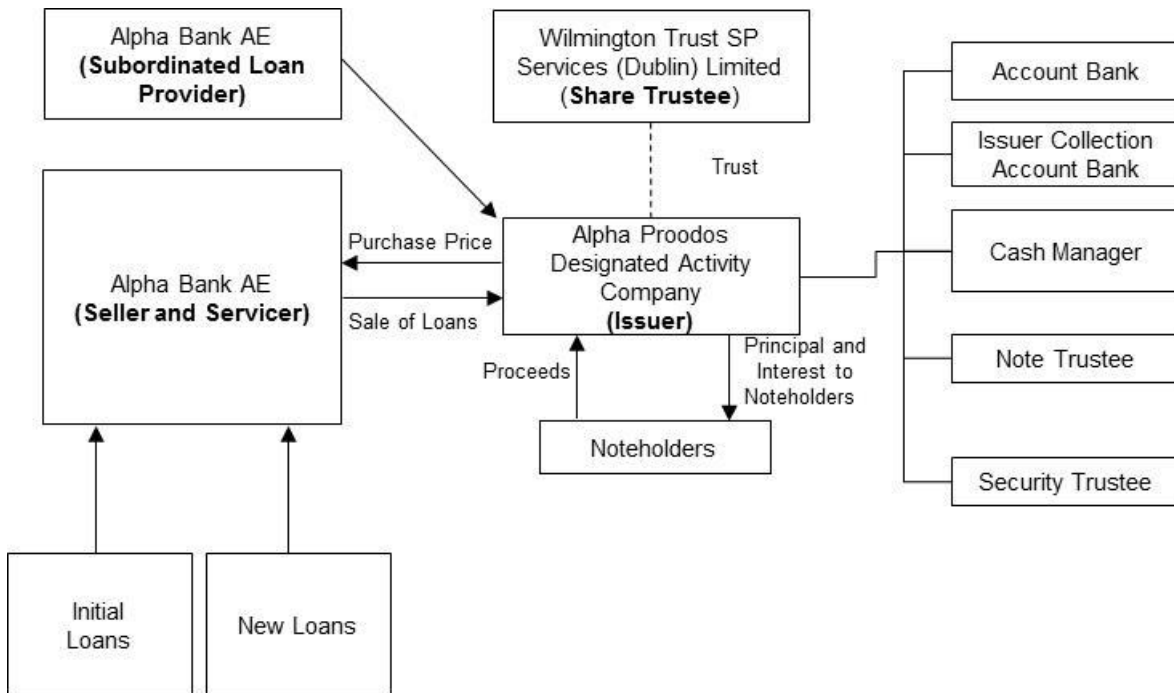
## TRANSACTION OVERVIEW – STRUCTURE DIAGRAMS AND TRANSACTION PARTIES ON THE CLOSING DATE

The information set out below is an overview of the principal features of the Transaction and the issue of the Notes. This overview should be read in conjunction with, and is qualified in its entirety by references to, the detailed information presented elsewhere in this Prospectus.

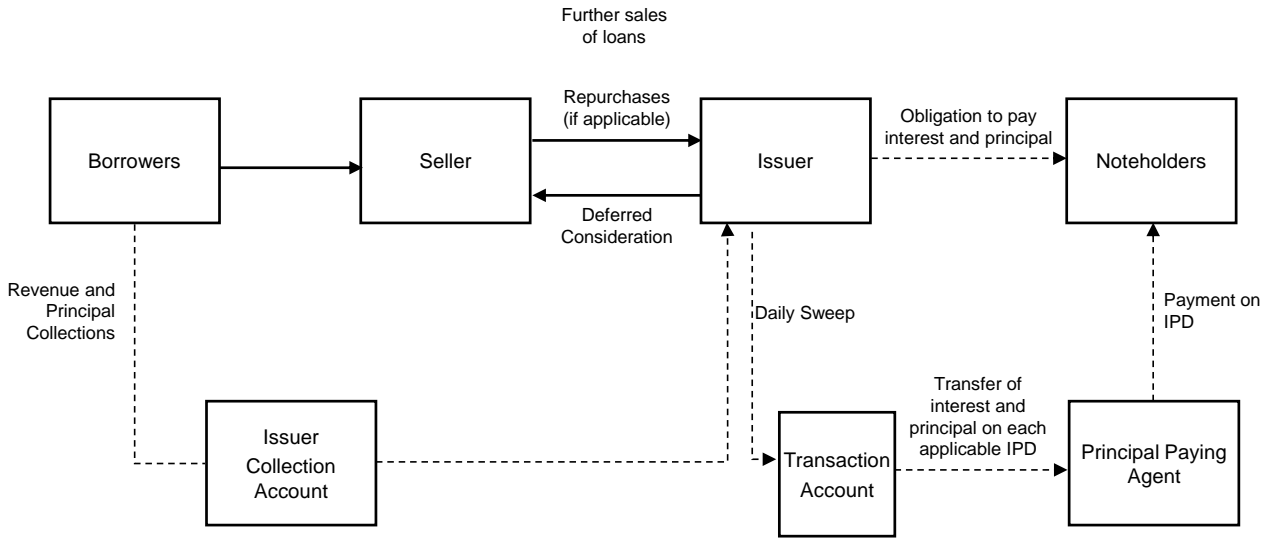
### DIAGRAMMATIC OVERVIEW OF THE TRANSACTION

Below is a transaction structure diagram. This transaction structure diagram is qualified in its entirety by the detailed information appearing elsewhere in this Prospectus. If there is any inconsistency between this transaction structure diagram and the information provided elsewhere in this Prospectus, such information shall prevail.

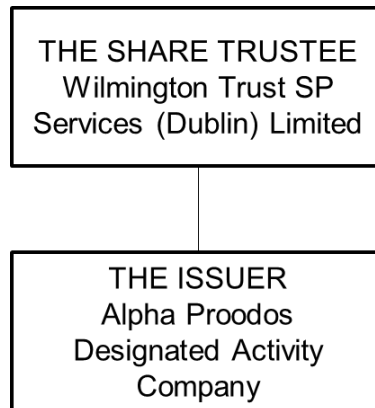
**In addition, investors must consider the risks relating to the Notes. See the section headed "Risk Factors" below for a description of certain aspects of the issue of the Notes about which prospective investors should be aware.**



## DIAGRAMMATIC OVERVIEW OF ONGOING CASHFLOWS



## OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER



The Issuer has issued 1 ordinary share of €1.00 (the **Share**) which is fully paid up and held by Wilmington Trust SP Services (Dublin) Limited (the **Share Trustee**) under the terms of declaration of trust dated 16 December 2016, pursuant to which the Share Trustee holds the share on trust. The Issuer has no subsidiaries.

## TRANSACTION PARTIES ON THE CLOSING DATE

The following parties are the **Transaction Parties** and each a **Transaction Party**:

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed/Further Information</b>
<b>Issuer/Purchaser</b>	Alpha Designated Company	Proodos Activity Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland	See the section entitled " <i>The Issuer</i> " for further information.
<b>Seller</b>	Alpha Bank AE ( <b>Alpha Bank</b> )	Alpha Bank AE, 40 Stadiou Street, 102 52 Athens, The Hellenic Republic	See the section entitled " <i>Alpha Bank AE (Alpha Bank)</i> " for further information.
<b>Servicer</b>	Alpha Bank	Alpha Bank AE, 40 Stadiou Street, 102 52 Athens, The Hellenic Republic	Servicing Agreement by the Issuer and the Security Trustee. See the section entitled " <i>Description of Key Transaction Documents – Servicing Agreement</i> " and " <i>Alpha Bank AE (Alpha Bank)</i> " for further information.
<b>Back-Up Servicer</b>	National Bank of Greece S.A.	86 Eolou Street, 10232 Athens, Greece	Back-Up Servicing Agreement by the Issuer and the Security Trustee. See the section entitled " <i>Description of Key Transaction Documents – Back-Up Servicing Agreement</i> " and " <i>The Back-Up Servicer</i> " for further information.
<b>Account Bank</b>	Citibank N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Bank Account Agreement by the Issuer. See the section entitled " <i>Description of Key Transaction Documents – Bank Account Agreement</i> " for further information.
<b>Agent Bank</b>	Citibank N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Agency Agreement by the Issuer. See the Conditions and the section entitled " <i>Description of Key Transaction Documents – Agency Agreement</i> " for

further information.

<b>Note Trustee</b>	Citibank N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Trust Deed. See the sections entitled " <i>Description of Key Transaction Documents – Trust Deed</i> ", " <i>The Note Trustee and the Security Trustee</i> " and the Conditions for further information.
<b>Security Trustee</b>	Citibank N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Deed of Charge. See the sections entitled " <i>Description of Key Transaction Documents – Deed of Charge</i> ", " <i>The Note Trustee and the Security Trustee</i> " and the Conditions for further information.
<b>Cash Manager</b>	Citibank N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Cash Management Agreement by the Issuer. See the section entitled " <i>Description of Key Transaction Documents – Cash Management Agreement</i> " and " <i>The Cash Manager</i> " for further information.
<b>Principal Paying Agent</b>	Citibank N.A., London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Agency Agreement by the Issuer. See the Conditions and the section entitled " <i>Description of Key Transaction Documents – Agency Agreement</i> " for further information.
<b>Share Trustee</b>	Wilmington Trust SP Services (Dublin) Limited	Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland	N/A
<b>Corporate Services Provider</b>	Wilmington Trust SP Services (Dublin) Limited	Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland	Corporate Services Agreement by the Issuer. See the section entitled " <i>Description of Key Transaction Documents – Corporate Services Agreement</i> " and " <i>The Corporate Services Provider</i> " for further information.
<b>Subordinated Loan Provider</b>	Alpha Bank	Alpha Bank AE, 40 Stadiou Street, 102 52 Athens, The Hellenic	Subordinated Loan Agreement. See the section entitled " <i>Description of Key</i> "

		Republic	<i>Transaction Documents – Subordinated Loan Agreement" and "Alpha Bank AE (Alpha Bank)" for further information.</i>
<b>Irish Listing Agent</b>	Arthur Cox Listing Services Limited	Arthur Cox Building, Earlsfort Terrace, Dublin 2, Ireland	N/A
<b>Clearing system</b>	Clearstream, Luxembourg	42 Avenue JF Kennedy, L-1855, Luxembourg	N/A
	Euroclear	33 Cannon Street, London EC4M 5SB, United Kingdom	
<b>Issuer Collection Account Bank</b>	Alpha Bank	Alpha Bank AE, 40 Stadiou Street, 102 52 Athens, The Hellenic Republic	Issuer Collection Account Bank Agreement by the Issuer. See the section entitled " <i>Description of Key Transaction Documents – Issuer Collection Account Bank Agreement</i> " for further information.
<b>Arranger</b>	Citigroup Global Markets Limited	Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	N/A

## **RISK FACTORS**

THE PURCHASE OF CERTAIN NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE INVESTORS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER.

The following is a summary of certain aspects of the Notes of which prospective investors should be aware. This summary is not intended to be exhaustive and prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

### **RISKS FACTORS RELATING TO THE NOTES**

#### **1. Liability under the Notes**

The Notes represent obligations of the Issuer only, and do not represent obligations of the Seller, the Arranger, the Servicer, the Cash Manager, the Account Bank, the Issuer Collection Account Bank, the Principal Paying Agent, the Agent Bank, the Note Trustee, the Security Trustee, the Corporate Services Provider, the Back-Up Servicer or any other Transaction Party (except the Issuer) or any other third person or entity. None of the Seller, the Arranger, the Servicer, the Cash Manager, the Account Bank, the Issuer Collection Account Bank, the Principal Paying Agent, the Agent Bank, the Note Trustee, the Security Trustee, the Corporate Services Provider, the Back-Up Servicer or any other Transaction Party (except the Issuer) or any other third person or entity, assume any liability to the Noteholders if the Issuer fails to make a payment due under the Notes.

#### **2. Limited source of funds**

The Notes will be limited recourse obligations of the Issuer. The ability of the Issuer to meet its obligations under the Notes will be dependent upon the receipt by it in full of (a) principal and interest from the Borrowers under the Loans and their Related Security in the Portfolio, (b) interest income on the Issuer Accounts, (c) funds available in the Cash Reserve, the Set-Off Reserve and the Commingling Reserve. Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes under the applicable Priority of Payments. If such funds are insufficient, any such insufficiency will be borne by the Noteholders and the other Secured Creditors, subject to the applicable Priority of Payments.

#### **3. Limited recourse**

All payment obligations of the Issuer under the Notes constitute limited recourse obligations to pay and are obligations solely of the Issuer. Other than as described above under "*Limited Source of Funds*", the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes.

If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal, and interest),

then the Noteholders shall have no further claim against the Issuer or its directors, shareholders, officers or successors in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

#### 4. **Absence of a secondary market and market value of the Notes**

There is not, at present, an active and liquid secondary market for the Notes or for similar bond instruments. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of such Notes with liquidity of investment or that it will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold the Notes until final redemption or earlier application in full of the proceeds of enforcement of the Issuer Security by the Security Trustee. The secondary market for asset-backed securities has experienced disruptions as a result of economic conditions in the Eurozone (please see further below under "*General market volatility*"). This has had a material adverse impact on the market value of asset-backed securities and resulted in the secondary market for asset-backed securities similar to the Notes experiencing limited liquidity. In the future, limited liquidity in the secondary market may have an adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors.

Whilst central bank schemes (including the European Central Bank liquidity scheme) provide an important source of liquidity in respect of eligible securities, recent restrictions in respect of the relevant eligibility criteria for eligible collateral which applies and will apply in the future under such facilities are likely to adversely impact secondary market liquidity for asset-backed securities in general, regardless of whether the Notes are eligible securities for the purpose of such facilities.

It should also be noted that the market for the Notes may be affected by any restructurings of sovereign debt by countries in the Eurozone. In particular, at the date of this Prospectus, certain governments are in discussions with other countries in the Eurozone and the International Monetary Fund and are in the process of establishing and implementing austerity programmes. It is unclear what the outcome of these discussions will be. This uncertainty may have implications for the liquidity of the Notes in the secondary market.

The Notes are subject to certain transfer restrictions (see "*Subscription and Sale*"). Such restrictions on the transfer of Notes may further limit their liquidity.



5. **General market volatility**

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) persist, in particular with respect to current economic, monetary and political conditions in the Eurozone. If such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any exit(s) by any member state(s) from the European Union and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally, the Issuer, one or more of the other parties to the Transaction Documents (including the Seller, the Servicer, the Cash Manager, the Account Bank, the Issuer Collection Account Bank, the Principal Paying Agent, the Agent Bank, the Note Trustee, the Security Trustee, the Corporate Services Provider and the Back-Up Servicer) and/or any Borrower in respect of the underlying loans.

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the issuing entity to satisfy its obligations under the notes and/or the market value or liquidity of the Notes.

6. **Exit of the United Kingdom from the European Union**

On 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the **Brexit Vote**). At this stage both the terms and the timing of the UK's exit from the EU are unclear, and it is not currently possible to predict whether or not the Issuer's ability to make payments in respect of the Notes will be adversely affected as a consequence of the Brexit Vote.

7. **Deferral of interest on and subordination of Class B Notes and Class C Notes**

If, on any Interest Payment Date, there are insufficient funds available to the Issuer after payment of all other claims ranking in priority to the payment of interest on the Class B Notes and the Class C Notes, then interest on the Class B Notes and the Class C Notes will be deferred to the following Interest Payment Date. Such deferral will not constitute an Event of Default. Any such shortfall will be payable (together with Additional Interest as calculated in accordance with Condition 15.1) on the next Interest Payment Date on which funds are available for such payment to be made. Such deferral may continue indefinitely until the Final Maturity Date or any earlier date on which the Notes are to be redeemed. However, if there are insufficient funds available to the Issuer to pay the deferred interest on the Class B Notes or the Class C Notes on such date, then the relevant Noteholders may not receive all interest amounts.

In accordance with the Priorities of Payments, payments of principal and interest on the Class A Notes will be made in priority to payments of principal and interest on the Class B Notes and the Class C Notes and payments of principal and interest on the Class B Notes will be made in priority to payments of principal and interest on the Class C Notes. There is no assurance that the subordination of the Class B Notes and the Class C Notes will protect the holders of the Class A Notes or that the subordination of the Class C Notes will protect the holders of the Class B Notes from all risk of loss.

8. **The Notes may not be a suitable investment for all investors**

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of 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.

The Notes 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 the Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### 9. **Market Disruption**

The Rate of Interest in respect of the Class A Notes, the Class B Notes and the Class C Notes for each Interest Period will be three-month EURIBOR plus the Margin (except the first Interest Period, which will be interpolated), determined in accordance with Condition 4.3. Condition 4.3 contains provision for the calculation of such underlying rates based on rates given by various market information sources and Condition 4.3 contains an alternative method of calculating the underlying rate should any of those market information sources be unavailable. The market information sources might become unavailable for various reasons, including suspensions or limitations on trading, events which affect or impair the ability of market participants in general, or early closure of market institutions. These could be caused by physical threats to the publishers of the market information sources, market institutions or market participants in general, or unusual trading, or matters such as currency changes.

#### 10. **Book-entry registration**

Unless and until Definitive Notes are issued in exchange for the Book-Entry Interests, holders and beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of the Notes under the Trust Deed. After payment to the Principal Paying Agent, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts in respect of the Notes to Euroclear or Clearstream, Luxembourg or to holders or beneficial owners of Book-Entry Interests.

The Notes will be represented by Global Notes delivered to the Common Safekeeper for Clearstream, Luxembourg and Euroclear, and will not be held by the beneficial owners or their nominees. The Global Notes will not be registered in the names of the beneficial owners or their nominees. As a result, unless and until Notes in definitive form are issued, beneficial owners will not be recognised by the Issuer or the Note Trustee as Noteholders, as that term is used in the Trust Deed. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities,

on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder under the Trust Deed.

Payments of principal and interest on, and other amounts due in respect of, each Global Note will be made by the Principal Paying Agent to the order of the Common Safekeeper for Euroclear and Clearstream, Luxembourg against presentation of such Global Note. Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect payments to owners of Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Note Trustee, the Security Trustee or any Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Notes are issued in accordance with the relevant provisions described herein under "Terms and Conditions of the Notes" below. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

Certain transfers of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements.

#### **11. The Issuer's reliance on third parties**

The Issuer is a party to contracts with a number of other third parties that have agreed to perform certain services in relation to the Notes. For example, the Corporate Services Provider has agreed to provide corporate services to the Issuer and the Servicer, the Cash Manager, the Agent Bank and the Paying Agents have agreed to provide servicing, cash administration, payment, administration and calculation services in connection with the Notes, the Loans and/or the Related Security. In the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected. No assurances can be given that the Issuer will be able to find any replacement providers on a timely basis or at all. In relation to the Back-Up Servicer which has been appointed by the Issuer to undertake to perform the servicing functions upon the termination of the appointment of the Servicer under the Servicing Agreement, see further "*Risk of change of Servicer*" below.

The ability of the Issuer to make any principal and interest payments in respect of the Notes depends upon the ability of the parties to the Transaction Documents to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Servicer to service the Portfolio, the ability of Alpha Bank as the Seller to perform its obligations (including any repurchase obligations) under the Purchase Agreement. Any failure in the performance by the respective parties of their contractual obligations under the Transaction Documents would have an adverse effect on the Issuer's ability to make payments in respect of the Notes.

12. **Rights available to Holders of Notes of different classes**

In performing its duties as Note Trustee for the Noteholders, the Note Trustee will have regard to the interests of all Noteholders. Except where expressly provided otherwise, where there is a conflict between the interests of the holders of one class of Notes and the holders of the other class of Notes, the Note Trustee will be required to have regard only to the holders of the Most Senior Class Outstanding and will not have regard to any lower ranking class of Notes nor to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds in accordance with the relevant Priority of Payments. The Class A Noteholders will be considered as a single class.

13. **Eurosystem eligibility**

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (**Eurosystem eligible collateral**) either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue or at any time prior to redemption in full, satisfy all or any of the requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute Eurosystem eligible collateral.

14. **The Issuer's obligation to pay interest on the Notes is unhedged**

Investors will pay for the Notes in euro, and receive interest from the Issuer on each Interest Payment Date at the rate equivalent to three-month EURIBOR for euro deposits plus a margin. However, the Issuer has not entered into any hedging transaction which would mitigate the risk of any potential mismatch between the Issuer being exposed to a floating rate of interest calculated based on EURIBOR and the Issuer receiving amounts from Borrowers under the Loans in the Portfolio which are calculated as payable based on both fixed and floating rates as determined pursuant to the terms of the relevant Loan Agreement.

15. **Definitive Notes and denominations in integral multiples**

The Notes have a denomination consisting of a minimum authorised denomination of €100,000 plus higher integral multiples of €1,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if Definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a Definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

16. **Limited Provision of Information**

It is intended that the Cash Manager will publish the Investor Report quarterly for dissemination to Noteholders by publication on the Cash Manager's website available at [www.sf.citidirect.com](http://www.sf.citidirect.com) Other than with regard to any other notices required to be published by the Issuer pursuant to the rules of the Irish Stock Exchange relating to asset-backed securities, the Issuer is not obliged to publish any additional reports to Noteholders or at a more frequent interval.

17. **Withholding Tax Under the Notes**

In the event that any withholding or deduction for or on account of any taxes is imposed in respect of payments to Noteholders of any amounts due under the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction. However, in such circumstances, the Issuer will, in accordance with Condition 6.2 (Optional Redemption of the Class A Notes for Taxation or Other Reasons) of the Notes, use reasonable endeavours to prevent such an imposition.

See sections titled "*Greek Taxation*" and "*Irish Taxation*".

18. **Yield and Prepayment Considerations**

The yield to maturity of the Notes of each class will depend on, among other things, the amount and timing of payment of principal and interest (including prepayments) on the Loans, the sale of any enforced Related Security, the timing of Borrowers to make payments, the price paid by the holders of the Notes of each class and in respect of the Class B Notes and the Class C Notes, whether interest payments by the Issuer are deferred and whether the Clean-Up Call Option or the Seller Call Option is exercised by the Seller.

The rate of prepayment of Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, the availability of alternative financing programmes, and local and regional economic conditions.

Under the terms of the Purchase Agreement, the Issuer has granted to the Seller the Seller Call Option. Pursuant to the Seller Call Option, the Seller may exercise an option to offer to purchase, (which the Issuer may or may not accept), and have assigned to it, the Portfolio and all rights attaching thereto in full on any Interest Payment Date falling on or after the fourth Interest Payment Date by giving notice to the Issuer of not more than 60 days and not less than 30 days of such exercise. Such purchase will be in an amount equal to the aggregate Repurchase Price of the Loans in the Portfolio on such Interest Payment Date provided that the Seller will only purchase the Portfolio on such Interest Payment Date if: (i) the proceeds of the repurchase will be sufficient for the Issuer to pay all amounts of principal and interest due on the Seller Call Option Date in respect of the Notes and any amounts to be paid *pari passu* with or in priority to the Notes according to the relevant Priority of Payments as of the Seller Call Option Date; (ii) the Note Trustee has not served a Note Acceleration Notice in accordance with the Conditions; and (iii) prior to the purchase and assignment to it of the Portfolio, the Seller shall have provided to the Issuer a certificate signed by a director dated the Seller Call Option Date confirming that the Seller is not insolvent or in a state of cessation of payment or any similar situation. On receipt by the Issuer of the Seller's notice of the exercise of the Seller Call Option, the Issuer will, if it accepts the offer to repurchase, redeem all of the Notes at their Principal Amount Outstanding together with accrued interest on the next Interest Payment Date subject to, amongst other things, the Issuer having given not more than 60 and not less

than 30 days' notice to the Note Trustee and the Noteholders of its intention to redeem all of the Notes. In addition, under the terms of the Purchase Agreement, the Issuer has also granted the Seller the Clean-Up Call Option, and on the exercise of the Clean-Up Call Option by the Seller, the Seller may offer to purchase (which the Issuer may or may not accept), and have assigned to it, the Portfolio and all rights attaching thereto in full on any Interest Payment Date subject to satisfaction of the relevant conditions. As a result, the Noteholders are subject to prepayment risk in respect of their investment in the Notes due to the exercise by the Seller of any of the Call Options. In addition, Noteholders may receive their investment earlier than expected in the event there is a redemption as a result of taxation and other reasons in accordance with Condition 6.2.

Pursuant to the Purchase Agreement, in respect of Bond Loans in the Portfolio on the Closing Date, the Seller undertakes to, within 10 Business Days of the Closing Date (i) deliver the Bond Certificates to the Servicer, acting in the name and on behalf of the Issuer, pursuant to article 977 of the Greek Civil Code; (ii) duly and timely perform any and all notifications and actions provided under each of the Bond Loan Programmes to be performed prior to or following the transfer of any Bond Loans; and (iii) in its capacity as Bondholders' Representative (to the extent that the Seller remains the Bondholders' Representative), update or, where the Seller does not have the capacity of the Bondholders' Representative procure the update of, the Bondholders' Registry and register the transfer therein. In the event that the Seller fails to satisfy these conditions in respect of such Bond Loans within 10 Business Days of the Closing Date, the relevant Bond Loans will be in breach of the Loan Warranties and the Seller will be obliged to repurchase such Bond Loans for the Repurchase Price. This repurchase obligation only applies to those Bond Loans for which the Bond Certificates are not delivered to the Servicer on the Closing Date. As a result, the Noteholders are subject to prepayment risk in respect of their investment in the Notes due to the non-performance by the Seller of the undertaking.

See also the risk factor titled "*Risk of early repayment*".

19. **Authorised Investments**

The Issuer has the right to make certain interim investments of money standing to the credit of the Issuer Accounts by investing them in Authorised Investments. The investments must have appropriate ratings depending on the term of the investment and the term of the investment instrument. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to bankruptcy or insolvency of the debtor under the investment or of a financial institution involved or due to the loss of an investment amount during the transfer thereof. Additionally, the return on an investment may not be sufficient to cover fully interest payment obligations due from the investing entity on the funding used to purchase such investment. In this case, the Issuer may not be able to meet all of its payment obligations. None of the Servicer, the Cash Manager, the Account Bank, the Issuer Collection Account Bank, the Arranger, the Note Trustee, the Security Trustee and/or any other Transaction Party (other than the Issuer) will be responsible for any such loss or shortfall.

20. **Change of Counterparties**

Certain parties to the Transaction Documents are required to satisfy certain criteria in order to continue to perform their respective roles under the Transaction Documents. See, in relation to the Servicer, the Cash Manager and the Account Bank the section titled "*Transaction Overview – Triggers Table*".

If the party concerned ceases to satisfy the applicable criteria, then the appointment of such party may be terminated and the rights and obligations of that party may be required to be transferred to another entity which satisfies 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 Transaction Documents.

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 Noteholders may not be required in relation to such amendments and/or waivers.

## **RISK FACTORS RELATING TO THE PORTFOLIO**

### **21. Historical and other information**

The historical, financial and other information set out in particular in the section entitled "*Characteristics of the Portfolio*" is based on the historical experience and present procedures of Alpha Bank. None of the Issuer, the Arranger, the Security Trustee, the Note Trustee, the Paying Agents, or the Corporate Services Provider has undertaken or will undertake any investigation or review of, or search to verify, the historical information. There can be no assurances as to the future performance of the Portfolio. Any failure in the performance of the Portfolio would have an adverse effect on the Issuer's ability to make payments in respect of the Notes.

### **22. Risk of late payment by Borrowers**

Whilst each Loan has due dates for scheduled payments thereunder, there is no assurance that the Borrowers under those Loans will pay in time, or at all. Any such failure by the Borrowers to make payments under the Loans would have an adverse effect on the Issuer's ability to make payments under the Notes. The risk of late payment by Borrowers is in part mitigated by the Cash Reserve. Whilst the Issuer may draw on amounts standing to the credit of the Cash Reserve Account to make payments in respect of the Notes, no assurance can be given that the Issuer will have sufficient funds to make payments in full in respect of the Notes. In addition, the Seller is not obliged to repurchase any Loans if the relevant Loan is or becomes a Defaulted Loan.

### **23. Risk of early repayment**

Under the terms of certain of the Loans, the Borrowers are entitled to terminate the Loans early, subject, where applicable, to payments of an early repayment fee or charge. The early repayment fee or charge may be subject to a reduction by the courts in circumstances where such fee or charge is construed as a penalty under Greek law. In the event that, after the termination of the Revolving Period, the Loans are prematurely terminated or otherwise settled early or an Early Amortisation Event occurs, the principal repayment of the Notes may be earlier than expected and, therefore, the yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Loans. The rate of prepayment of the Loans cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Loans will experience.

### **24. Changing characteristics of the Portfolio during the Revolving Period**

During the Revolving Period, the amounts standing to the credit of the Replenishment Ledger may be used to purchase New Loans from the Seller on any Business Day (although (other than in relation to New Loans purchased on an Interest Payment Date) the Issuer may not purchase New Loans on more than two days in any Collection Period). The Initial Loans and any New Loans may also be prepaid or default during the Revolving Period, and therefore the characteristics of the Portfolio may change after the Closing Date, and could be substantially different at the end of the Revolving Period from the characteristics of the Portfolio as at the Closing Date. These differences could result in faster or slower repayments or greater losses on the Notes. In addition if a Loan is to be repurchased as a result of a breach of Loan Warranties following the end of the Revolving Period, Substitute Loans may (subject to the satisfaction of certain conditions precedent) be accepted by the Issuer as partial consideration for the repurchase payment of Loans being repurchased. Whilst such

Substitute Loans are required to comply with the Substitution Criteria they may vary from the Loans being repurchased and result in certain changes to the characteristics of the Loans held by the Issuer.

Although each New Loan and Substitute Loan purchased on each New Loan Cut-Off Date and Substitution Date, respectively, is required to have a maximum remaining term to maturity and the Seller will make representations and warranties including that the Eligibility Criteria and the Portfolio Covenants are satisfied, the exact characteristics of the relevant New Loans and Substitute Loan will not be taken into account in determining the level of over collateralisation required for the Notes or as applicable which could increase the Noteholders' risk to incur delays in payment or losses on the Notes.

Because of the purchase of New Loans during the Revolving Period and Substitute Loan during the Amortisation Period, concentrations of Loans in the pool may be substantially different from the concentration that exists as of the Closing Date. Such concentration or other changes of the pool could adversely affect the delinquency, or credit loss, of the Portfolio.

**25. Risks relating to syndicated bond loans in the Portfolio**

The Portfolio includes some Loans that arise under bond loans that are syndicated. Whilst the Issuer will be the sole beneficiary of any Related Security benefiting or securing a Loan arising under a bilateral bond loan, it will be co-beneficiary pro quota, based on its participation to the relevant syndicated bond loan together with any other bondholders thereof, of any Related Security benefiting or securing a syndicated bond loan. In the light of this, unlike a bilateral bond loan and in respect of which the Issuer, or the Servicer on its behalf, will be the sole person entitled to determine the course of action to take to safeguard its rights and interests thereunder (including, but not limited to, exercising any termination or enforcement rights, waiver, granting of any grace period, etc.), in the case of a syndicated bond loan, the Issuer might not be able to do so due to the fact that certain decisions may be made by the entity appointed as bondholders' representative, or need to be shared with the other bondholders and might require the approval of a certain majority of the other bondholders as set out in the relevant bond loan documentation. As a consequence of this, there may be situations where the required majority of bondholders makes a decision different from that in favour of which the Issuer (or the Servicer on its behalf) has cast a vote. Finally, for this type of syndicated bond loans, enforcement of the respective Related Security will be initiated by the bondholders' representative and not by the Servicer or the Issuer.

**26. Risks relating to shared security**

The Portfolio includes some Loans that are secured by security, including some which are secured by shared security that is single security constituted by the same document securing more than one facility granted by the Seller to the same Borrower under an umbrella agreement that rank *pari passu* to each other, where such shared security covers the aggregate of the claims of the Seller deriving from the various types of facilities (overdrafts, term loans etc.) granted thereunder.

Under Greek law, if the same security interest secures several claims of different persons, such as in case of assignment of part of the secured claims, the security is considered to secure any outstanding balance of the various claims until all claims have been repaid in full.

Both the Seller and the Issuer shall be entitled to proceed with the enforcement of the security as a whole (and be satisfied *pro rata*). There is a risk that upon enforcement of a Loan that is subject to a shared Related Security, the Loan will not be repaid in full if the enforcement proceeds are less than the amounts outstanding under the Loan. In such case, the Issuer shall share the enforcement proceeds of a shared Related Security with the relevant non-securitised claim.



## 27. Risks relating to the Greek Economic Crisis

The Loans are governed by Greek law and the Borrowers are small and medium-scale enterprises located in Greece. The Greek economy experienced seven years of recession in the period 2008-2015, and still faces a challenging economic and business environment. The Greek economy re-entered recession in 2015 following a mild recovery in 2014 mainly due to uncertainty, the significant external liquidity shortages and the need for the implementation of new fiscal adjustment measures following the agreement on a new programme for financial support in August 2015.

Since 2010, Greece has been receiving financial support from the Eurozone member states and the International Monetary Fund in the form of financial loans within the framework of economic adjustment programmes, which included a series of austerity measures and structural reforms (the first of such programmes was agreed upon in May 2010 and the second in March 2012). Following failure to complete the fifth review of the second economic adjustment programme until late-June 2015, and in view of the severe economic uncertainty that appeared to threaten the membership of Greece in the European Monetary Union and the EU, the Greek government officially requested financial assistance in the form of a loan from the European Stability Mechanism (**ESM**) on 8 July 2015. Following ESM's approval, on 19 August 2015 Greece entered into (i) a Financial Assistance Facility Agreement specifying the financial terms of the loan with the ESM for the provision of further financial support accompanied by a third economic adjustment programme and (ii) a Memorandum of Understanding with the European Commission acting on behalf of the ESM detailing the conditionality attached to the financial assistance facility for the period 2015–2018 which was supplemented by a Supplemental Memorandum of Understanding of 16 June 2016 ((i) and (ii) collectively, the **Third Economic Adjustment Programme**). While the Third Economic Adjustment Programme was intended to set the groundwork for a sustainable reduction in uncertainty—by effectively minimizing the "Grexit risk" in the summer of 2015—and a gradual normalization of liquidity conditions, the short-term implementation challenges and macroeconomic risks remain significant. The Greek economy showed signs of considerable weakening in the second half of 2015, with tight liquidity conditions and additional fiscal drag from a first set of fiscal measures implemented in this period weighing on economic performance. Data from surveys of coincident and forward looking indicators are showing a continuing improvement in the first semester of 2016 compared to their very low levels in the third quarter of 2015, but consumer confidence showed further signs of weakening in the first six months of 2016, exemplifying the downside risks for economic activity in early 2016. It is noted that GDP declined by 0.8% and 0.5% on a yearly basis in Q1 2016 and Q2 2016 respectively. However, in Q3 2016 the economy resumed growth as GDP increased by 1.8% year on year.

Economic and financial conditions in Greece have been particularly challenging in 2015 and continue to affect economic performance in 2016 as a result of, among other things, the following factors:

- (a) a continuing decline in the lending activities of financial institutions;
- (b) the additional fiscal adjustment measures imposed by the Greek government in the second half of 2015 to ensure the achievement of the Third Economic Adjustment Programme targets;
- (c) the Greek economy re-entering recession in 2015 against a backdrop of high uncertainty and restrictive liquidity conditions which took a considerable toll on business activity in the third financial quarter of 2015 and started to weigh significantly on consumer sentiment since the third quarter of 2015;
- (d) declining residential and commercial real estate prices;

- (e) delay in the completion of the first review of the Third Economic Adjustment Programme which had been initially planned for early 2016 and has been finalised in June 2016;

renewed pressures on Greek sovereign valuations which reflected a new round of adverse reassessment of risk premia surrounding Greek financial and real assets. These pressures eased considerably following the completion of the 1st review of the Third Economic Adjustment Programme.

In addition, it is uncertain whether the Third Economic Adjustment Programme will achieve its set targets and objectives and it remains uncertain whether the Greek economy will grow sufficiently to ease the financing constraints on Greece. Investors should also note that any further significant deterioration in global economic conditions (including the credit profile of EU countries, the credit worthiness of Greek or international banks or changes to the Eurozone), may further affect the ability of Greece to meet its funding needs. This could in turn lead to the Hellenic Republic no longer being a member of the Eurozone which would result in, among other things, a redenomination of the currency of the Loans.

There can be no assurance that if the current negative economic conditions in Greece continue, or if any of the events described above occur, or if there is a further weakening in the Greek economy that this will not have an adverse effect on the business, operations and financial health of Alpha Bank (including, potentially, its ability to service the Loans), and of the Issuer, the Borrowers and, as a result, in either case, the value of the Loans and the Notes then outstanding.

28. **Competition in the Greek SME Financing Market**

The Issuer is, among other things, subject to the risk of the contractual interest rates on the Loans being less than that required by the Issuer to meet its commitments under the Notes, which may result in the Issuer having insufficient funds available to meet the Issuer's commitment under the Notes and other Issuer obligations. There are a number of financiers in the Greek SME financing market and competition may result in lower interest rates on offer in such market. In the event of lower interest rates, Borrowers under the Loans may seek to repay such Loans early, with the result that the Portfolio may not continue to generate sufficient cashflows in order for the Issuer to meet its commitments under the Notes.

29. **Non-performing loan (NPL) volumes and formation ratios have increased over the last years in the Greek market**

The effect of the economic crisis in Greece and adverse macroeconomic conditions in the countries in which the Seller operates have had and may continue to have adverse effects on the credit quality of the Seller's borrowers, including the Borrowers, with increasing delinquencies and defaults. According to market data published by the Bank of Greece, non-performing exposures in Greece as a percentage of total exposures (**NPE ratio**) rose to 44.2% by the end of December 2015 (December 2014: 39.9%). This trend is attributable to various circumstances, such as macroeconomic conditions, the performance of specific sectors of the economy, the deterioration of the competitive position of borrowers, the downgrading of individual counterparties, the level of indebtedness of families, the performance of the real estate market and other circumstances, which may continue to result in a further significant increase of NPLs and/or reduction of the value of security received by customers. Given the trends recorded in the market on NPL volumes and formation ratios, no assurance can be given that the Loans will continue to be performing during the lifetime of the Notes.

30. **Borrowers**

The ability of the Issuer to meet its payment obligations under the Notes depends almost entirely on the full and timely payments by the Borrowers of the amounts to be paid by such Borrower in

respect of the Loans and certain specific issues which may arise in relation to Loans which may lead to such full and timely payment not being made as detailed further below. The Seller has not made any representations nor given any warranties nor assumed any liability in respect of the ability of the Borrowers to make the payments due in respect of the Loans. The Loans in the Portfolio were subscribed for in accordance with the Seller's standard criteria. Although such criteria take into account, *inter alia*, a potential Borrower's credit history, and repayment ability and are utilised with a view, in part, to mitigate the risks in lending to Borrowers, general economic conditions and other factors (which may not affect property values) may have an impact on the ability of Borrowers to meet their repayment obligations under the Loans.

**31. Default by Borrowers in paying amounts due on their Loans**

Borrowers may default on their obligations in respect of the Loans. Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity and interest rate risks. Various factors influence 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 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' financial circumstances may affect the ability of Borrowers to repay the Loans. Taking into account the current economic situation in Greece the main reasons that affect the ability of Borrowers to pay their obligations in respect of the Loans are:

*Increased direct and indirect taxation and social security costs*

Under the Third Economic Adjustment Programme, Greece will target a medium-term primary surplus of 3.5% of GDP with a fiscal path of primary balances of 0.5% in 2016, 1.75% in 2017 and 3.5% in 2018 to be achieved notably through upfront parametric fiscal reforms supported by measures to strengthen tax compliance and fight tax evasion.

The fiscal discipline measures introduced since the first economic adjustment programme in 2010 have significantly reduced household disposable income and business profitability, and the additional measures introduced under the terms of the Third Economic Adjustment Programme are expected to add further pressure, and consequently, to have a further adverse effect on the ability of households and businesses to service their loans and meet their other financial obligations to the Seller and the other operators in the Greek banking sector.

Moreover, social security reforms which took place as part of the first review under the Third Economic Adjustment Programme have led to a significant increase of social security contributions (starting as of 2017) in relation to, *inter alios*, self-employed individuals and employees (Greek law 4387/2016, Government Gazette A' 85/12.05.2016).

*The capital control measures currently in force*

After the end of the bank holiday imposed by the Hellenic Republic from 28 June 2015 through 20 July 2015, cash withdrawal and capital transfer restrictions were put in place and are still in effect mainly pursuant to the Legislative Act dated 18 July 2015, which was ratified by article 4 of Greek law 4350/2015, as amended in the second half of 2015 and throughout 2016, and currently in force.

Pursuant to the currently applicable capital controls legislation (article first para 11(e) (viii) of the legislative act dated 18.07.2015, as amended and in force), the servicing of payments in relation to notes and securitisations issued directly or indirectly by a credit institution and its subsidiaries, including but not limited to: (i) coupon payments; (ii) payment of third-party invoices (remuneration and expenses of lawyers, administrators, trustees, paying agents, etc.); (iii) total or partial repayment of principal in order to comply with contractual obligations or in the context of activation of contractual clauses, are exempted from the capital controls.

Even though since the initial imposition of the capital controls there has been a gradual relaxation of such measures through a number of Ministerial Decisions, these capital controls have caused, and are likely to continue to cause, distress to the economy due to the loss of confidence in the Greek banking sector, the constriction in liquidity and the adverse effect on Greek exports, among other factors. Near term pressures on external trade and especially imports have eased considerably in late 2015 along with a gradual relaxation of limits on financing of external transactions. According to the Bank of Greece, the total value of imports of goods in July 2015 amounted to €2.9 billion compared to €4.5 billion in July 2014, a decrease of 35.5%. The trade deficit balance in July 2015 amounted to €633.7 million compared to €1.994 billion in July 2014, a decline of 68.2%.

Capital controls in conjunction with the agreement on the activation of a new financial support programme stabilized the deposit base of the Greek banking system but created some significant near term tensions as regards the private sector's access to liquidity and the financing of transactions with abroad especially for small enterprises and individuals. A significant part of these constraints in external business transactions has been relaxed in following months and thus their impact on business activity has been moderated during the second half of 2015. In this respect, the end of the banking holiday, the agreement on the Third Economic Adjustment Programme and the partial relaxation of the capital controls led to a stabilisation of the situation, as non-oil imports of goods actually increased by 3.8% on a yearly basis in January-September of 2016. Overall, the trade deficit narrowed to €12.1 billion in January-September 2016, compared to a deficit of €12.8 billion in the same period of 2015.

High uncertainty, limited liquidity and capital controls weighted on the economic performance during 2015. According to the national accounts data by the Hellenic Statistical Authority, real GDP increased by 0.1%, 0.5% and 0.4% on a yearly basis in the first, second and fourth quarter of 2015, respectively, and decreased by 2.2 % in the third quarter of 2015. On an annual basis, real GDP in 2015 declined by 0.2 %, which was lower than initially expected. Real GDP decreased by 0.8% and 0.5% on a yearly basis in the first and second quarter of 2016, and increased by 1.8% in the third quarter of 2016. Moreover, GDP registered a moderate increase of 0.2% in the first nine months of 2016, against a fall by 0.6% in the corresponding period of 2015, while according to European Commission's Autumn 2016 Forecasts, GDP is expected to mildly contract by 0.3% in 2016 as a whole.

Overall, capital controls and constraints on cash withdrawals in Greece have created downward pressures on economic activity albeit less severe than initially expected, contributed to an increase of cashless transactions (higher use of credit, debit cards and electronic money transfers which registered an increase of 80% year-on-year in the second half of 2015, according to estimates of the Hellenic Banks Association) and stabilised bank deposits (Source: Bank of Greece Bulletin of conjunctural indicators, February 2016). The negative impact on domestic demand from the three-week bank holiday in July and restrictive limits on financial transactions has been partially offset by the pre-emptive adjustment of the business sector (liquidity and inventory hoarding since the first half of 2015) and the near-doubling in the use of cashless payments in economy-wide transactions. Moreover falling energy prices and a strong tourism season (increase in tourism revenue of 6.0% year-on-year in 2015 or 8.1% of GDP annualized excluding second round effects, also absorbed a considerable part of the recessionary shock due to uncertainty and the capital controls. The progress in program implementation in the second half of 2015 has been accompanied by the disbursement of EUR 3 billion of program funding in October-November which contributed to a mild improvement in liquidity conditions and contributed into a considerable rebound in business sentiment.

Labour market conditions showed a notable resilience. Unemployment rate declined to 24.2% in December 2015 from 25.9% in December 2014 and is expected to reach 23.5 % in 2016 on average according to the Autumn Forecast 2016 of the European Commission. It is noted that unemployment already edged down to 23.1% in September of 2016. Deflation continued in 2015 and

2016 with the harmonized consumer price index (**HICP**) decreasing by 1.1% year-on-year in the full year 2015 on the back of falling energy prices. However, deflationary pressures have eased in 2016, as HICP inflation decreased by only 0.2% year-on-year in November 2016. In 2016, HICP is expected to increase by a mere 0.1% (European Commission, Autumn Forecasts 2016).

The continued recession and the remaining restrictions related to capital controls may result in a further decline in Borrowers' ability to make payments under the Loans.

*The prolonged economic recession has placed significant pressure on companies and individuals in Greece*

Borrowers' ability to service their liabilities depends considerably on general economic conditions which may be affected by the overall state of the economy in Greece, including the state of the public finances, investment and procurement by the central government and municipalities and the general availability of liquidity and funding on reasonable terms.

According to the Hellenic Statistical Authority, the Greek economy has been in recession since 2008 (except for mild growth of 0.4% in 2014). Revised data based on the new European System of Accounts methodology (ESA 2010) shows that real GDP in Greece decreased by a total of 26% between 2008 and 2015 with private sector disposable income declining by a similar amount. According to the latest projection of the European Commission, real GDP in Greece is expected to decrease by approximately 0.3% year-on-year in 2016. Greece succeeded in over performing compared to the Third Economic Adjustment Programme targets, achieving a primary surplus of 0.4% of GDP in General Government budget in 2015 compared to a targeted deficit of 0.25%. The Third Economic Adjustment Programme target for 2016 primary surplus is set at 0.5% of GDP and has to be achieved in a recessionary environment. The government primary surplus targets of the programme for the years 2017 and 2018 are 1.75% and 3.5% respectively. The targeted adjustment remains challenging and the achievement of the fiscal goals is conditioned on the attainment of sustainable gains in tax efficiency and a prospective recovery of economic activity, and thus, is subject to significant downside risks. If the recession continues, or if the returns of new austerity measures fall short of the initial targets and/or political and social fatigue re-emerge, this could have a material adverse effect on the ability of the Borrowers to make payments under the Loans.

On 25 May 2016 the Eurogroup acknowledged the achievement of staff-level agreement between Greece the EU Commission the European Central Bank (the **ECB**) and the ESM following the legislation by the Greek Government of an agreed set of prior actions, the adoption of permanent structural measures, including new tax measures and a contingency fiscal mechanism for automatically correcting fiscal slippages through the activation of appropriate spending cuts on Government Budget. Accordingly, following the full implementation of all pending prior actions, the ESM governing bodies endorsed a supplemental Memorandum of Understanding agreed on 16 June 2016 with the Greek Government containing an updated version of Third Economic Adjustment Programme conditionality and approved the first disbursement of €7.5 billion of the second tranche (totalling €10.3 billion) of ESM financial assistance to Greece to meet debt servicing obligations and to help clear domestic arrears. Accordingly the ECB announced on 22 June 2016, the reinstatement of the waiver affecting the eligibility of Greek bonds used as collateral in Eurosystem monetary policy operations. On 25 October 2016, the ESM governing bodies endorsed the second disbursement of €2.8 billion of the second tranche. These developments are supportive of economic confidence and activity in a period when the fiscal drag from additional austerity measures will start to increase.

*Decrease in the value of collateral*

In an environment characterised by continuing turbulence in the market, negative macroeconomic conditions and high levels of unemployment, combined with decreasing private consumption and corporate investment and the deterioration of credit profiles of corporate and retail Borrowers, the

value of the assets which collateralise the Loans that have been extended could be further significantly reduced. Such reduction may lead to the reduction in the value of the Loans or an increase in Loans in arrears.

The security for the Notes includes, among other things, a pledge operating by law over the Issuer's interest in the Related Security. The Related Security granted by Borrowers for the Loans consists of, *inter alia*, pre-notations or mortgages granted over property, pledges over cheques and pledges or assignments over cash accounts held by the relevant Borrower with Seller. This Related Security may be affected by, among other things, a decline in the value of the properties to which the Related Security of each Loan relates. No assurance can be given that values of the properties have remained or will remain at the level at which they were on the date of origination of the related Loans. If the commercial property market in Greece should experience a further overall decline in property values, such a decline could in certain circumstances result in the value of the Related Security created for the Loans being significantly reduced and, ultimately, may result in losses to the Noteholders if such security is required to be enforced. Certain geographic regions will from time to time experience weaker regional economic conditions than will other regions, and, consequently, could experience higher rates of loss and delinquency on commercial loans generally.

### 32. **Geographical and industry concentration of Borrowers**

Although the Borrowers are located throughout Greece, the Borrowers may be concentrated in certain locations, such as densely populated areas. Any deterioration in the economic condition of the areas in which the Borrowers are located, or any deterioration in the economic condition of other areas that causes an adverse effect on the ability of the Borrowers to repay the Loans could increase the risk of losses on the Loans. A concentration of Borrowers in such areas may therefore result in a greater risk of loss than would be the case if such concentration had not been present. Such losses, if they occur, could have an adverse effect on the yield to maturity of the Notes as well as on the repayment of principal and interest due on the Notes. This risk is partly mitigated by the relevant Portfolio Covenant.

The Portfolio may have a disproportionate concentration of Borrowers conducting business in certain industry categories concentrated in certain industries. Any deterioration in the economic condition of certain industries may have adverse affect on the ability of the Borrowers to repay their Loans, which could increase the risk of losses on the Loans. A concentration of Borrowers in such industries may therefore result in a greater risk of loss than would be the case if such concentration had not been present. Such losses, if they occur, could have an adverse effect on the yield to maturity of the Notes. This risk is partly mitigated by the relevant Portfolio Covenant.

### 33. **Market for Loans**

The ability of the Issuer to redeem all the Notes in full, including after the occurrence of an Event of Default, whilst any of the Portfolio remain outstanding, may depend on whether the Loans can be sold, otherwise realised or refinanced by the Issuer or the Security Trustee so as to obtain a sufficient amount available for the distribution to enable the Issuer to redeem the Notes. There is not yet an active and liquid secondary market for SME Loans in the Hellenic Republic. No assurance can be given that the Issuer or the Security Trustee is able to sell, otherwise realise or refinance the Loans on appropriate terms should it be necessary for it to do so below.

### 34. **Collection and Servicing Procedures**

Alpha Bank, in its capacity as Servicer, will carry out the administration, collection and enforcement of the Portfolio in accordance with the Servicing Agreement and the Greek Securitisation Law including its Collection and Servicing Procedures (see the section entitled "*Description of Key Transaction Documents - Servicing Agreement*"). The Noteholders are relying on the business judgement and practices of Alpha Bank as they exist from time to time, in its capacity as Servicer,

including enforcing claims against Borrowers. Such procedures may change over time and no assurance can be given that such changes will not have an adverse effect on the Issuer's ability to make payments on the Notes.

Further, the terms of the Loans may be amended in accordance with the Collection and Servicing Procedures (but subject to compliance with the Eligibility Criteria).

35. **Risk of change of Servicer**

On or about the Closing Date, the Issuer will appoint a Back-Up Servicer to, on an unconditional basis, undertake to perform the servicing functions (under and in accordance with the Transaction Documents and pursuant to the terms of the Back-Up Servicing Agreement) upon the termination of the appointment of the Servicer under the Servicing Agreement. However, in the event Alpha Bank is replaced as Servicer following a Servicer Termination Event, there may be losses or delays in processing payments or losses on the Portfolio due to a disruption in servicing during a transfer to the Back-Up Servicer, or due to the Back-Up Servicer being less experienced than Alpha Bank. Any such delay or losses during such transaction period could have an adverse effect on the ability of the Issuer to make payments in respect of the Notes. Under the terms of the Back-Up Servicing Agreement, the Back-Up Servicer will have a six month period following the termination of the appointment of the Servicer to assume the role of the Servicer pursuant to the Back-up Servicing Agreement.

No assurance can be given that a Back-up Servicer, if it is required to assume the role of the Servicer under the Back-Up Servicing Agreement, will not charge fees in excess of the fees to be paid to the Servicer. The payment of fees to the Back-up Servicer will rank in priority to amounts paid to Noteholders in accordance with the relevant Priority of Payments and any increase in the level of fees paid to the Back-Up Servicer would reduce the amounts available to the Issuer to make payments in respect of the Notes.

Similarly, if the appointment of the Back-Up Servicer is terminated or if the Back-Up Servicer is unable to perform the Services following a Servicer Termination Event, there can be no assurance that a replacement back-up servicer with sufficient experience of administering SME loan receivables with characteristics similar to the Loans would be found who would be willing and able to service the Loans. The ability of any entity acting as a substitute back-up servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute back-up servicer may adversely affect payments on the Loans and hence the Issuer's ability to make payments when due on the Notes.

36. **Commingling risk**

The Servicer has undertaken to transfer or procure to have transferred all amounts standing to the credit of the Issuer Collection Account to the Transaction Account on each Business Day as set forth in the Servicing Agreement (see the paragraph headed "*Description of Key Transaction Documents – Servicing Agreement*").

If the Issuer Collection Account Bank is declared under special liquidation or under any form of resolution under the Greek law 4261/2014 and Greek law 4335/2015, all payments made to and deposited with the Issuer Collection Account (kept with Alpha Bank) could be considered as part of its bankruptcy estate due to the legal status of money notes (which cannot be separated or distinguished from other money notes kept by the bank); under the provisions of Article 830 of the Greek Civil Code on irregular deposit/custody, money deposited with a bank is considered as being transferred to the bank by way of ownership, because the bank can use them at its discretion. In this respect, recovery thereof will be made by the Issuer as a bankruptcy (secured) creditor. In these circumstances the Issuer maybe unable to remit Collections to the Transaction Account or there

maybe a delay in making such transfers and insufficient amounts may be available to the Issuer to make payments to Noteholders on any Interest Payment Date, although this is partly mitigated by the availability of the Commingling Reserve (see section titled "*Description of Key Transaction Documents – Bank Account Agreement – Commingling Reserve*" for further details).

## LEGAL AND OTHER CONSIDERATIONS

### 37. **Legal risks under consumer protection law and in case of early termination of contracts**

Pursuant to recent case law (Supreme Court decision 13/2015), it has been noted that the meaning of the term "consumer", as set out in article 1, par. 4(a) of Greek law 2251/1994 (the **Consumer Protection Law**), is much broader than the relevant term provided for in Directive 93/13/EEC, and that the provisions of the Consumer Protection Law shall not only apply to individuals to whom loans are granted to cover personal needs, but also to professionals in the course of their business. In particular, the Supreme Court ruled that the borrowers of professional or business loans granted by credit institutions shall be considered as final recipients of the bank's credit services, and consequently, as consumers, who shall enjoy the protection of the Consumer Protection Law.

The adoption of this wider definition may render certain standard terms (predetermined general terms and conditions) of the Loans non applicable. The relevant terms may be declared void by Greek courts for both borrowers and guarantors of the Loans.

In case of early termination by Alpha Bank or the Issuer, such termination may be found void by Greek courts if the exercise of this right is found to be abusive.

### 38. **Volcker Rule**

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the **Volcker Rule**), relevant banking entities are generally prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to as covered funds. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule was required by 21 July 2015. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes.

Key terms are widely defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities and "covered fund" is defined to include an issuer that would be an investment company, as defined in the U.S. Investment Company Act of 1940, but for section 3(c)(1) or 3(c)(7). Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule.

The Issuer intends to qualify for the "loan securitization exemption" provided in the Volcker Rule, which applies to an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights (including certain types of securities) designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans, but there can be no assurance that the Issuer will not be a "covered fund."

If the Issuer were determined not to qualify for the loan securitization exemption, or were otherwise determined to be a covered fund, the liquidity of the market for the Notes may be materially and



adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes. The Volcker Rule and any similar measures introduced in another relevant jurisdiction may, in addition, have a negative impact on the price of the Notes in the secondary market.

39. **Risk of non-existence of Portfolio**

In the event that any of the Loans do not exist or have ceased to exist at the time of their assignment to the Issuer under the Purchase Agreement, such assignment would not result in the Issuer acquiring ownership title in such purchased Loans. The Issuer would not receive adequate value in return for its purchase price payment. This result is independent of whether the Issuer, at the time of assignment, is not aware of the non-existence and therefore acts in good faith with respect to the existence of such purchased Loan or not. This risk is mitigated by the Loan Warranties and the obligation of the Seller to indemnify the Issuer for any loss and all liabilities suffered by the Issuer by reason of the breach of such Loan Warranties. However the duty of the Issuer to recover amounts in the event of a Loan not existing will be dependent on the credit worthiness of the Seller at such time.

40. **Risks relating to the insolvency of the Issuer**

(a) *Recharacterisation of fixed security interest*

There is a possibility that a court could find that certain of the fixed security interests expressed to be created by the Deed of Charge, which is governed by English law, could take effect as floating charges notwithstanding that they are expressed to be fixed charges in particular where the Security Trustee does not exercise the requisite degree of control over the relevant security granted in accordance with the Deed of Charge.

If the fixed security interests are recharacterised as floating security interests, the claims could be diverted to pay preferential creditors and certain other liabilities were a receiver, liquidator or administrator appointed in respect of the Issuer.

(b) *Floating Charge*

The Issuer Security includes a floating charge over the assets and revenues of the Issuer not otherwise charged or assigned under the Deed of Charge or the Greek Security. This floating charge may not be recognised as an effective security interest other than in England. However, the covenants given by the Issuer in the Transaction Documents will (i) restrict the Issuer from creating any security other than those created pursuant to the Transaction Documents, (ii) restrict the business activities of the Issuer and (iii) restrict the Issuer from having a place of business outside its jurisdiction of incorporation.

41. **Preferred creditors under Irish law**

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interests is in Ireland and consequently it is likely that any insolvency proceedings applicable to it would be governed by Irish law.

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

Floating charges have certain weaknesses, including the following:

- (a) under the terms of the Trust Deed, the Note Trustee will hold the benefit of the Issuer's covenant to pay on trust for itself and the Noteholders. The Security Trustee shall hold the benefit of the Issuer Security for the Secured Creditors from time to time on the terms of the Deed of Charge and the Greek Security. Under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts may rank behind claims of the Irish Revenue Commissioners for pay as you earn, pay related social insurance, local property tax and VAT;
- (b) under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised; and
- (c) in an insolvency of the Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

#### 42. **Examinership**

Examinership is a court moratorium/protection procedure which is available under Irish company law to facilitate the survival of Irish companies in financial difficulties.

Where a company, which has its centre of main Interest in Ireland is, or is likely to be, unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Irish Companies Act. The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner.

The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unfairly prejudicial to any interested party. The fact that the Issuer is a special purpose entity and that all its liabilities are of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

If however, for any reason, an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the Noteholders are as follows:

- (a) the Note Trustee, acting on behalf of the Noteholders, would not be able to enforce rights against the Issuer during the period of examinership; and
- (b) a scheme of arrangement may be approved involving the writing down of the debt due by the Issuer to the Noteholders irrespective of the Noteholders' views.

#### 43. **Enforcement Proceedings**

In order to recover overdue amounts from Borrowers, it may be necessary to commence enforcement proceedings against such Borrowers.

Until recently, enforcement has been a long, court-driven process, where the defendant was entitled to raise counter-claims during all stages of the procedure. Greek law 4335/2015 revised the entire Code of Civil Procedure (the **GCCP**) with effect from 1 January 2016 with an aim to bring about significant improvements to the enforcement times for all enforcement procedures initiated after 1 January 2016.

Following the default and termination of a Loan a petition for the issuance of an order of payment will be filed by the Servicer or the Seller (as appropriate), on behalf of the Issuer, with the competent court. Following the issuance of the order for payment, enforcement proceedings will be commenced by the service of such order, along with a demand for payment, to the Borrower. These proceedings have as their ultimate target the collection of proceeds from the auction of the Borrower's assets including, for Loans which are secured by a mortgage or pre-notation, the mortgaged property also.

However, a Borrower may delay enforcement against the relevant property by contesting the order for payment and/or the procedure of enforcement.

In particular, a Borrower can file a petition of annulment against the order for payment pursuant to article 632-633 of the GCCP (an **Article 632-633 Annulment Petition**) with the relevant Court of First Instance or Magistrates Court within 15 business days after service of the order for payment contesting the substantive or procedural validity of the order of payment (or within 30 business days if the Borrower is of unknown residence or resides abroad). If the Borrower fails to contest the order for payment, the order may be served again to the Borrower and a further 15 business days thereafter are available to the Borrower to file an Article 632-633 Annulment Petition.

The order for payment will be final either if both terms of 15 business days elapse or if the competent court rejects the Article 632-633 Annulment Petition. Suspension of enforcement against a competent Borrower of unknown residence or residing abroad is granted by law during the thirty business day period to file an 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 GCCP (an **Article 632 Suspension Petition**). Upon filing an Article 632 Suspension Petition, the Borrower may request the issuance of a temporary order for suspension of enforcement during the interim period 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 or four to six months in cases of the Athens Courts.

Following the issue of a favourable decision in relation to the hearing of the Article 632 Suspension Petition (which itself can take approximately up to three and in some cases even eight months to be issued), enforcement is suspended until the Court of First Instance or Magistrates Court has issued a

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 decision, which means an additional suspension of enforcement for another 12 months at least. However, according to a new amendment in article 632, paragraph 3 of the GCCP, suspension does not prejudice the right of the creditor to take interim measures according to article 724 of the GCCP, namely conservative seizure of assets or pre-notation of mortgage on the basis of an order for payment.

There is no precedent on the basis of the new provisions of GCCP as to the exact duration of the enforcement procedure. It is estimated that, overall, 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 or the Magistrates Court and Court of Appeal.

In addition, the Borrower may file a petition for the annulment of any enforcement proceeding in two stages: one before the auction (within 45 calendar days from seizure) and one after the auction (within 30 days from the notary's auction report in case of auctioned movables and within 60 days from the transcription to the Land Registry of the notary's auction report in case of auctioned real estate) pursuant to article 933 and article 934 of the GCCP (an **Article 933-934 Annulment Petition** and, together with the Article 632-633 Annulment Petition, the **Annulment Petitions**). The annulment petition before the auction is related to any reason of invalidity of the claim/compulsory enforcement actions carried out until publication of the seizure report, whereas an annulment after the auction is also available and is related to any defects of the final act of enforcement, which for real estate property is the registration of the notary's auctioning report with the respective Land Registry.

The hearing of the Article 933-934 Annulment Petition must be set within 60 days after the filing of the petition and a decision must be issued within 60 days after the hearing. The time for the filing of the Annulment Petitions varies depending on the action that is so contested.

The filing of an Article 933-934 Annulment Petition does not entitle the Borrower to file a suspension petition, given that the auction is obligatorily set after a period of at least 7 months and not after 8 months as from seizure (as set out in Article 954 of the GCCP), during which period it is expected that the 933-934 Annulment Petition will have been decided by the competent court.

Also, the Borrower and any party having legal interest, may request the Court to correct the seizure report of the bailiff, especially the description of the seized asset or its valuation and the initial auction price, according to article 954, paragraph 4 of the GCCP. However, it is to be noted that the initial auction price cannot be less than the commercial value of the property (in accordance with para. 2 of Article 993, in conjunction with Article 995 of the GCCP). The "commercial value" is calculated in accordance with Presidential Decree 59/2016 (Government Gazette, Issue A 95/27.05.2016) pursuant to which, the commercial value is determined by the relevant bailiff who is obliged to appoint a certified appraiser for this purpose. The latter submits to the bailiff an appraisal report in accordance with the European or international recognised appraising standards. Appraisal's fees are borne by the creditor instituting the enforcement proceedings but ultimately burden the Borrower. The claim contesting the initial auction price must be filed at least 20 working days before the auction and the relevant judgment must be issued at least 10 calendar days before the auction.

Furthermore, according to article 1000 of the GCCP, suspension of the auction for up to six months may be sought by the Borrower, through a petition to be filed at least 15 working days prior to the auction and it may be upheld through a judgment to be filed until 12:00 p.m. of the Monday preceding the auctioning day, provided that the borrower pays at least one-quarter of the claimed capital and the enforcement expenses and also that there is no risk for the creditor's interests, on the

grounds that the Borrower will be able to satisfy the enforcing party or that, following the suspension period, a better offer would be achieved at auction.

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 competent court adjudicates the matter but any creditor is entitled to appeal against the decision to the Court of Appeal (article 979 of the GCCP). This procedure may delay the collection of proceeds for up to two and a half years. However, the law (article 980, paragraph 2 of the GCCP) provides that a creditor is entitled to the payment of its claim even if its allocation priority is subject to a challenge, **provided that** the creditor provides a first demand bank letter issued by a bank permanently established in Greece of guarantee securing repayment of the money in the event that such challenge is upheld. However, there can be no assurance that the public notary will accept any such guarantee given by the Issuer or the Servicer on its behalf or that the Issuer would be able to give any such guarantee.

In addition, pursuant to Article 998 of the GCCP there is a period of mandatory suspension for all enforcement procedures including auctions between 1 and 31 August of each year, and a prohibition of auctions of real properties on the Wednesday before and after the date of any national, municipal or European elections.

#### 44. **Settlement of Debts of Over-Indebted Businesses and Professionals**

On 15 November 2014, the Hellenic Parliament introduced a new set of measures (Greek Law 4307/2014) for the restructuring of debts of viable small businesses and other professionals towards the State, social security funds and finance providers, consisting of (i) write-offs and/or restructuring of debts, coupled with a tax incentive for the banks implementing the new law and (ii) new pre-bankruptcy proceedings that, among others, allow the creditors to take control of the Borrower through the appointment of an administrator. In order for small businesses and professionals to qualify for the purposes of restructuring or write-off of debts under Law 4307/2014, an application to the relevant finance provider(s) should have been filed not later than 30 September 2016 (as extended most recently by article 56 of Greek law 4403/2016), subject to certain criteria set out in Law 4307/2014. No further extension of the aforementioned deadline has been passed by law. It is expected that a bill regarding the out of court settlement of debts of small business and other professionals shall be submitted for approval to the Hellenic Parliament in the near future.

This law may have an adverse effect on the timing and amount of collections under certain loans concluded with Borrowers that fall under the scope and make use of its provisions, which may in turn affect the Issuer's ability to meet its obligations in respect of the Notes.

Furthermore, if the current economic crisis persists or worsens, bankruptcies could intensify, or applicable bankruptcy protection laws and regulations may change further to limit the impact of the recession on corporate and retail borrowers, as has been the case in Greece since approximately 2009. Such changes may adversely affect the ability of the Issuer to take enforcement action in respect of the Loans, and thus its ability to make payments in respect of the Notes in a timely manner.

#### 45. **Settlement of Debts of Over-Indebted Individuals**

On 3 August 2010, Greek Law 3869/2010 was put in force with respect to the settlement of amounts due by over-indebted individuals. The law allows the settlement of amounts due, inter alia, to credit institutions by individuals evidencing permanent and general inability (without intention) to repay their due debts, by arranging the partial repayment of their due debts and writing off the remainder of their debts, provided the terms of settlement are observed. All individuals, both consumers and professionals, are subject to the provisions of Greek Law 3869/2010 (as amended mainly by Greek laws 3996/2011, 4161/2013, 4336/2015, 4346/2015 and most recently by law 4366/2016). Further

clarifications with respect to the requirements for the submission of an application related to the settlement of amounts due by over-indebted individuals were provided by Circular no. 1036/18.03.2016 issued by the Ministry of Finance with the exception of individuals who can be declared bankrupt under Greek Law 3588/2007 (the **Greek Bankruptcy Code**).

To the extent that certain of the Borrowers are individuals and may fall under the scope of Greek Law 3869/2010 (as amended and in force) due performance by such Borrowers of the obligations imposed by the relevant court decision allows the discharge of all their remaining outstanding debts against their creditors, even against those who have not announced their claims. This debt discharge could have negative implications for the Issuer in its capacity as creditor, which may in turn affect the Issuer's ability to meet its obligations in respect of the Notes. See also "*Greek Insolvency Proceedings*" below.

#### 46. **Auction Proceeds**

The proceeds of an auction following enforcement against a property securing a Loan are allocated in accordance with articles 975, 976 and 977 of the GCCP (as recently amended by Greek law 4335/2015), on the basis of the type of creditors involved in the auction process.

The GCCP provides for three types of creditors:

- (a) Creditors enjoying general privileges under article 975 of the GCCP: In accordance with article 975 of the GCCP, creditors with the following claims have a privilege over the mortgaged property. The claims are ranked as follows:
  - (i) medical and funeral expenses of the debtor and his family that arose within the last twelve months prior to the day of the public auction or the declaration of bankruptcy and compensation claims (except claims for moral damages) due to disability exceeding 80 per cent. or more that arose until the day of the public auction or the declaration of bankruptcy;
  - (ii) claims for the provision of necessary food for the support of debtor and his family that arose during the last six months before the day of the public auction or the declaration of bankruptcy;
  - (iii) claims based on salaried employment, claims from fees, expenses and compensation of lawyers paid under fixed regular remuneration, provided that they arose within the last two years prior to the day of the first public auction or the declaration of bankruptcy. However, such time limit does not apply on any compensation claims arising by reason of termination of employment arrangements and lawyers' compensation claims arising by reason of the termination of in-house employment arrangement. The same rank also includes claims of the State arising out of the Value Added Tax (VAT) and any attributable or withholding taxes together with any increments and interests imposed on such claims, as well as claims of social security organizations, alimony claims in case of death of the person owing such alimony and compensation claims due to disability exceeding 67 per cent. which arose up to the day of the public auction or the declaration of bankruptcy;
  - (iv) claims of farmers or agricultural cooperatives from the sale of agricultural products that arose within the last year prior to the day the public auction was first set to occur or the declaration of bankruptcy;
  - (v) claims of the State and municipal authorities arising out of any cause, together with any increments and interest imposed on such claims; and

- (vi) claims of the Athens Stock Exchange Members' Guarantee Fund (*Synegyitiko*) against the debtor, insofar as such debtor is or was an investment services firm and the claims of such fund were born within the two years preceding the day of the public auction or the declaration of bankruptcy;
- (b) Creditors enjoying special privileges under article 976 of the GCCP, which includes secured creditors, i.e. creditors with an in rem lien (mortgages or pledges) over the auctioned property;
- (c) Unsecured creditors; and
- (d) All other creditors who are not creditors enjoying general privileges or secured creditors.

After the deduction of the enforcement expenses the auction proceeds are allocated among the different types of creditors, provided that all the creditors have lodged their claims before the auction's public notary within five days before the auction date, as follows.

In case of concurrence of creditors with general privileges, secured creditors and unsecured creditors, the claims of creditors with general privileges may be satisfied up to 25 per cent. of the auction proceeds, whereas the claims of secured creditors may be satisfied up to 65 per cent. The remaining ten per cent. of the auction proceeds is allocated to unsecured creditors.

In case of concurrence of creditors with general privileges and secured creditors, the creditors with general privileges may be satisfied up to one-third of the auction proceeds whereas the secured creditors may be satisfied up to two-thirds of the auction proceeds.

In case of concurrence of creditors with general privileges and unsecured creditors, 70 per cent. of the auction proceeds are allocated to creditors with general privileges, while 30 per cent. of the auction proceeds are allocated to the unsecured creditors.

In case of concurrence of claims secured creditors and unsecured creditors 90 per cent. is allocated to secured creditors and 10 per cent. is allocated to unsecured creditors.

Accordingly, the Issuer, as holder of a first ranking pre-notation or mortgage, could be limited to receiving 65 per cent. of the proceeds raised by an auction of a property securing a Loan if creditors with general privileges and unsecured creditors co-exist. 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 Notes.

#### 47. **The provisions of Greek Law 3156/2003**

Greek Law 3156/2003 (the **Greek Securitisation Law**) came into force in June 2003. The transactions contemplated in this Prospectus are based, in part, on the provisions of Law 3156. For further information on the Greek Securitisation Law, see "*Summary of the Securitisation Provisions of Law 3156*". There are a number of aspects of Greek law which are referred to in this Prospectus with which potential Noteholders are likely to be unfamiliar. Particular attention should be paid to the sections of this Prospectus containing such references.

#### 48. **Greek insolvency proceedings**

It cannot be excluded that insolvency proceedings may be commenced against the Issuer in Greece, in accordance with Regulation 1346/2000 of the EU Council on insolvency proceedings (and as of 26 June 2017 Regulation 848/2015/EU of the European Parliament and of the Council on insolvency proceedings) notwithstanding that the Issuer is incorporated in Ireland. Although a receiver would be appointed over the Issuer in Greece, and the Servicer would cease to be capable of administering

its operations in Greece, this would not affect the ability of the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) to commence enforcement procedures against the Borrowers and continue to make collections under the Loans and the Related Security, according to paragraphs 18 and 19 of article 10 of Law 3156.

In relation to a winding up of Alpha Bank, in its capacity as Servicer, Greek law 3458/2006 (as amended and in force) incorporated Directive 2001/24/EC of the European Parliament and of the Council of April 2001 on the reorganisation and winding up of credit institutions (the **Credit Institutions Insolvency Directive**) into Greek law in May 2006. The Credit Institutions Insolvency Directive applies to credit institutions and their branches set up in member states other than in their home member state, as defined in article 4, para 1 (43) of Regulation 575/2013/EU, subject to the conditions and exemptions laid down in the Credit Institutions Insolvency Directive. Only the administrative or judicial authorities of the home member state which are responsible for winding up are empowered to decide on the opening of winding-up proceedings concerning a credit institution, including in relation to branches established in other member states.

In addition, under the Credit Institutions Insolvency Directive, a decision to open winding-up proceedings taken by the administrative or judicial authority of the home member state is required to be recognised, without further formality, within the territory of all other member states and to be effective there when the decision is effective in the member state in which the proceedings are opened. A credit institution is required to be wound up in accordance with the laws, regulations and procedures applicable in its home member state insofar as the Credit Institutions Insolvency Directive does not provide otherwise.

In any case, all amounts deposited in, and standing to the credit of, the Issuer Collection Account shall constitute segregated property distinct from all other property of Alpha Bank pursuant to Paragraph 15 of Article 10 of Law 3156, and such amounts received from the Loans and the Related Security are also subject to the aforementioned pledge.

#### 49. **Greek Taxation of the Issuer**

The structuring of the servicing arrangements between the Issuer and the Servicer is such so as not to result in the Issuer having a permanent establishment in Greece for the purposes of Greek taxation law. The Servicing Agreement will be outside of the scope of Greek VAT where the Issuer is registered for VAT in Ireland.

If the Issuer were deemed to have a permanent establishment in Greece, the Issuer would be taxed on its income in Greece as well as Ireland (relief may be available in each jurisdiction for any tax paid in the other), and may need to establish a branch or fulfil certain administrative requirements in Greece. If this were to occur, the Issuer would be liable for income tax (currently calculated at the discretion of the Greek tax authorities since the Issuer does not maintain tax records in Greece). If the Issuer were to maintain such records, the net profits would likely include the amount of any balances in the Reserve Account (less an amount equal to the Subordinated Loan) held by it at the end of each fiscal year. The Issuer may also be liable for fines. However, this situation has not arisen before and the exact tax liabilities of the Issuer may in fact be higher than as set out above.

#### 50. **Set-off under Greek law**

##### *Deposits*

Any Borrower (or Guarantor) may set-off an amount that is held as a deposit (a **Deposit Amount**) with the Seller up to the amount payable in respect of his (or her) Loan on the Closing Date (or the relevant sale date in respect of any New Loans or Substitute Loans) against the Issuer's claim against such Borrower (or Guarantor) under the relevant Loan if the Seller fails to satisfy the Borrower's (or Guarantor's) claim in respect of the Deposit Amount. The upper limit of the amount which can be



set-off as against the Issuer is equal to the Deposit Amount at the Closing Date. If a Borrower makes a withdrawal from the deposit after the Closing Date, the amount that can be set-off against the Issuer will be reduced by the amount that is so withdrawn not taking into account any subsequent deposits made during the relevant Collection Period and determined on a "first-in first-out" basis. The amounts which can be set-off in respect of deposits will be reduced to nil if the relevant deposit has been withdrawn and the deposit account closed. Finally, the amounts which can be set-off in respect of deposits will also be reduced by the amount by which they exceed the principal outstanding of the corresponding Loans and fully in respect of Retired Loans. In case that, after the Closing Date, further deposits are made prior and subsequent to any further withdrawals, such deposits will not be taken into account for set-off purposes.

#### *Exercise of Set-Off*

A Borrower may exercise its set-off rights against the Issuer's claims from the Loans after having calculated the exact amount of the Deposit Amount which it is entitled to set-off (with the upper limit of the amount that can be so set-off being equal to the Borrower's Deposit Amount as at the Closing Date or the relevant sale date in respect of any New Loans or Substitute Loans). Set-off may be invoked by a written notification addressed to the Servicer or the Issuer, following which, if the Servicer (on behalf of the Issuer) agrees with the calculation made by the Borrower, it will offset the respective amount with the subsequent due and payable instalments; if the Issuer has legal grounds to consider the set-off as unlawful (e.g. if a Borrower attempts to set-off moneys deposited with the Seller after the Closing Date or sale date for New Loans or Substitute Loans without taking account of withdrawals made from such account since the Closing Date or sale date for New Loans or Substitute Loans) and, if, due to such set-off, the Borrower does not fulfil its obligations under the Loan, the Servicer (on behalf of the Issuer) will be entitled to contest the set-off and terminate the Loan. In this case the Borrower is entitled to either commence separate court procedures for the acknowledgment of its set-off right, or to wait until the Servicer (on behalf of the Issuer) has commenced enforcement proceedings and invoke set-off before the courts, which will then decide on the merits of such claim in the course of the overall enforcement procedure.

Most of the mutual accounts ("*allilohreoi*" in Greek) and Term Loans included in the Portfolio set out that the set-off right is reserved only to the Seller and that the latter is not obliged to accept any set-off claim raised by the Borrower. Therefore, although there is no explicit waiver of the Borrower's set-off right, the aforesaid wording should be construed as if the Borrower waives its right to statutory set off. The debtor may still raise a relevant claim towards the Seller, but it shall be at the latter's discretion to sustain the relevant objection or not.

Moreover, in most of the mutual accounts and Term Loans, the guarantors explicitly waive their rights to raise against the Seller any objections conferred upon the primary obligor in accordance with articles 853 et seq. of the Greek Civil Code, including their right to set-off.

In case of Loans which are deemed to include general terms and conditions that are usually predetermined by the credit institution, leaving no room for negotiation with the counterparty ("*genikoi oroi synallagon*" in Greek), any explicit or implied waiver of the set-off right by the borrower (despite the latter being a legal entity/professional taking the loan in the course of its business activity) may be considered as being abusive pursuant article 2, par. 4 and 7 of the Greek Consumer Protection Law (as to which see further above), and therefore, non binding on the Borrower. This is not the case if the relevant waiver of the Borrower's set-off right is included not in the initial agreement (i.e. the agreement that is based on the template used by the Seller for a specific bank product), but to an addendum thereto, since the latter is considered as having been individually negotiated between the Seller and the Borrower. Thus, any waiver of the Borrower's set-off right included therein is deemed as valid and binding on the Borrower. This also holds true for the bond loans, whereby the Borrower waives any set-off right.

## *Mitigation*

In order to mitigate the Issuer's risk to set-off in respect of Deposit Amounts, the Issuer will create the Set-Off Reserve Fund which will be funded on the Closing Date by way of the Subordinated Loan Facility in an amount equal to the Set-Off Reserve Required Amount and thereafter applied as described in "*Description of Key Transaction Documents – Cash Management Agreement*".

### **Hellenic Deposit and Investment Guarantee Fund (HDIGF)**

The HDIGF is the universal successor of the former Hellenic Deposit Guarantee Fund. The provisions currently applicable to the HDIGF are set out in Greek law 4370/2016 transposing into Greek law Directive 2014/49/EU. Greek law 4370/2016 came into force on 7 March 2016 and repealed the previously applicable Law 3746/2009, setting out the rules for the operation of guarantee schemes pursuant to Greek law, all credit institutions licensed to operate in Greece, with certain exemptions, mandatorily participate in the HDIGF.

Pursuant to Law 4370/2016, all credit institutions licensed to operate in Greece, with certain exemptions, and the local branches of credit institutions which have been established in non-EU Member States and are not covered by a guarantee scheme equivalent to that of the HDIGF mandatorily participate in the HDIGF. Greek branches of foreign credit institutions established in EU Member States may also become members of the investments cover scheme of HDIGF at their discretion.

The purpose of the HDIGF is (a) to indemnify depositors of the participating credit institutions that become unable to fulfil their obligations towards their depositors and finance resolution measures of credit institutions through the deposits cover scheme (the **Deposits Cover Scheme**) in accordance with article 104 of Law 4335/2015; (b) to indemnify investors who are clients of participating credit institutions which may become unable to fulfil their obligations towards their clients in connection with the provision of "covered" investment services through the investments cover scheme (the **Investments Cover Scheme**); and (c) to provide financing for resolution measures of credit institutions through the resolution scheme (the **Resolution Scheme**). The HDIGF guarantee schemes with respect to Greek credit Institutions also cover deposits of their branches in other EU Member States and deposits of their branches in non EU Member States as well as claims from covered investment services rendered by their branches in other EU Member States or third countries, provided that the relevant deposits (solely if such deposits are in branches of non EU Member States) or claims are not covered by a guarantee scheme equivalent to that of the HDIGF.

Under the Deposits Cover Scheme, the maximum coverage limit under Law 4370/2016, for every depositor with deposits not falling in the "exempted deposits" category, taking into account the total amount of his deposits with a credit institution minus any due and payable obligations of such depositor towards the relevant credit institution, subject to set-off in accordance with Greek law, is €100,000. By way of exemption, the Deposits Cover Scheme covers deposits at an additional limit of up to a maximum amount of €300,000 deriving from specific activities (such as sale of a private property by an individual, payment of social security/insurance benefits) expressly specified in para 2 of article 9 of Law 4370/2016 credited to the relevant accounts, subject to the time limits and other conditions specified in Law 4370/2016. Under the Investments Cover Scheme, the maximum coverage limit is €30,000 for the total of claims of an investor-client against the credit institution, irrespective of covered investment services, number of accounts, currency and place of provision of the service. Certain deposits and investment services, provided for by articles 8 and 12 of Law 4370/2016, are excluded from the HDIGF coverage.

In case that either (i) the Bank of Greece has issued a decision stating that a credit institution does not seem capable of returning a deposit for reasons directly linked to its financial situation and the credit institution does not seem to recover so as to become capable of returning the deposit in the near future; or (ii) a court judgment has been issued resulting in the suspension of the depositors'

right to raise claims against the credit institution, the HDIGF shall pay to the depositors the remuneration referred to under (3) above within seven (7) business days from the date on which the credit institution became unable to pay deposits and following set off of the credit balances of the deposit accounts against any kind of counterclaims that the credit institution may have against the beneficiary depositor, provided and to the extent that such counterclaims have become due and payable on or prior to the date on which the credit institution became unable to pay deposits pursuant to article 440 et seq. of the Greek Civil Code.

51. **Liquidation expenses**

On 6 April 2008, a provision in the Insolvency Act 1986 came into force which effectively reversed by statute the House of Lords' decision in the case of *Leyland Daf* in 2004. Accordingly, it is now the case that the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in rules 4.218A to 4.218E of the Insolvency Rules 1986 and rules 4.228A to 4.228E of the Insolvency Rules (Northern Ireland) 1991. In general, the reversal of the *Leyland Daf* case applies in respect of all liquidations commenced on or after 6 April 2008.

As a result of the changes described above, which bring the position in a liquidation into line with the position in an administration, upon the enforcement of the floating charge security granted by the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of the Secured Creditors under the Deed of Charge may be reduced by at least a significant proportion of any liquidation or administration expenses. There can be no assurance that the Noteholders will not be adversely affected by such a reduction in floating charge realisations.

52. **Reliance on warranties**

None of the Issuer, the Arranger or any other party to the Transaction Documents (other than the Seller) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Loans sold by the Seller to the Issuer, nor has any such party undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Borrower.

None of the Issuer, the Arranger or any other party to the Transaction Document (other than the Seller) has carried out any due diligence in respect of the documentation under which the Loans arise in order to, without limitation, ascertain whether or not such agreements contain provisions limiting the transferability of the Loans.

If the Loans should fail to conform at the Initial Cut-Off Date, the relevant New Loan Cut-Off Date or the relevant Substitution Date, as applicable, to the warranties given by the Seller in the Purchase Agreement, the Seller shall have 30 days after the date that the Seller became aware or was notified of such failure to cure or correct such failure where such failure is capable of being cured. If the Seller does not cure such breach prior to such time, then the Seller is required to repurchase the Loans affected by such failure on any date falling no later than on the Interest Payment Date following the expiration of such period at a price equal to the Principal Balance of such Loans as of the relevant repurchase date together with accrued and unpaid interest up to but excluding the relevant repurchase date. The Issuer's rights under these provisions are, however, not secured, and the Noteholders bear the risk deriving from this fact.

53. **Conflicts of interest**

Alpha Bank and Citibank N.A., London Branch are acting in a number of capacities in connection with the transaction. These parties will have only those duties and responsibilities expressly agreed

to by them in the relevant Transaction Document and will not, by virtue of their or any of their affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each agreement to which they are a party. The aforementioned parties in their various capacities in connection with the transaction may enter into business dealings from which they may derive revenues and profits without any duty to account therefor in connection with the transaction.

The interests or obligations of the aforementioned parties in their respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

The aforementioned parties may engage in commercial relationships, in particular, be lender, provide general banking, investment and other financial services to the Borrowers and other parties. In such relationships the aforementioned parties are not obliged to take into account the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

54. **U.S. Foreign Account Tax Compliance Act (FATCA) withholding may affect payments on the Notes**

FATCA imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

While the Notes are in global form and held within the Clearing Systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the Clearing Systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has made payment to, or to the order of, the common safekeeper for the Clearing Systems (as registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the Clearing Systems and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an IGA) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act.*"

55. **The proposed financial transactions tax (FTT)**

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission's proposal**) for a financial transaction tax (**FTT**) to be adopted in certain participating Member States (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, although Estonia has since stated that it will not participate). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the

conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding any swap transactions and/or purchases or sales of securities (such as authorised investments)) if the conditions for a charge arise and are satisfied and the FTT is adopted based on the Commission's proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest and/or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

#### 56. **Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes**

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arranger or Alpha Bank makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

In particular, investors should note that the Basel Committee on Banking Supervision (**BCBS**) has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as **Basel III**), including certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the **Liquidity Coverage Ratio (LCR)** and the **Net Stable Funding Ratio (NSFR)**). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation starting in 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation

of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements are coming for insurance and reinsurance undertakings through national initiatives, such as the Solvency II framework in Europe.

In addition, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. With respect to the commitment of Alpha Bank to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by Alpha Bank in its capacity as the Servicer or the Cash Manager on the Issuer's behalf), please see the statements set out in the section of this Prospectus headed "*Risk Retention Requirements*". Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Seller, Alpha Bank (in its capacity as the Servicer or the Cash Manager), the Arranger or any other party to the transaction makes any representation that the information described above is sufficient in all circumstances for such purposes.

It should be noted that the European Commission has published legislative proposals for two new regulations related to securitisation. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by BCBS and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the legislative proposals and the current requirements including with respect to application approach under the retention requirements and the originator entities eligible to retain the required interest. It is not clear whether, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted. In addition, the compliance position under any adopted revised requirements of transactions entered into, and of activities undertaken by a party (including an investor), prior to adoption is uncertain.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

57. **Restrictions on transfer**

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The offering of the Notes will be made pursuant to exemptions from the registration provisions of the Securities Act and from state securities laws. No Person is obliged or intends to register the Notes under the Securities Act or any state securities laws. Accordingly, offers and sales of the Notes are subject to the restrictions described under "*Subscription and Sale*".

58. **Change of Law**

The structure of the transaction and, *inter alia*, the issue of the Notes are based on the law and administrative practice in effect as at the date of this Prospectus as it affects the parties to the transaction and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation) and practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes.

59. **Forecasts and Estimates**

Estimates of the weighted average life of the Notes included in this Prospectus, together with any other projections, forecasts and estimates are supplied for information only and are forward-looking statements. Such projections, forecasts and estimates are speculative in nature and it can be expected that some or all of the assumptions underlying them may differ or may prove substantially different from the actual results. Consequently, the actual results might differ from the projections and such differences might be significant.

60. **The new framework on bank recovery and resolution may adversely affect the composition of the Seller's Board of Directors and management team and the Seller's financial condition, results of operations and prospects**

Directive 2014/59/EU (the **Bank Recovery and Resolution Directive** or **BRRD**) entered into force on 2 July 2014 with the aim of safeguarding financial stability and minimising taxpayers' contributions to bail-outs or exposures relating to credit institutions and investment firms considered to be at risk of failing. The BRRD was transposed into Greek law pursuant to Law 4335/2015 which came into force on 23 July 2015, except for the bail-in tool. The bail-in tool became effective on 1 November 2015 following the amendment of Law 4335/2015 by Greek law 4340/2015, except for certain provisions relating to certain eligible liabilities and the loss absorption requirement for the implementation of government financial stabilisation tools, which became effective as of 1 January 2016.

The BRRD, as transposed into Greek law, provides for either the recovery or the resolution of credit institutions facing financial difficulties. Under the new regime, the national competent authority for credit institutions and the resolution authority are equipped with tools and powers to handle crises at the earliest possible moment. These tools and powers include preparatory and preventative measures as well as early intervention measures (including, as the case may be, the removal or replacement of senior management or members of the board of directors of the credit institution concerned) to address emerging problems at an early stage. In the event that such measures prove to be insufficient and the financial situation of the credit institution concerned has significantly deteriorated or the credit institution has seriously infringed certain laws, regulations or its articles of association or there are serious administrative irregularities, the ECB may require the removal of senior management or the management body of the credit institution concerned, in its entirety or with regard to certain individuals, and the appointment of new senior management and a new

management body subject to the approval of the ECB, or it may even appoint one or more temporary administrators to such institution.

Where a credit institution fails or is likely to fail and there is no reasonable prospect that any alternative solution would prevent such failure, Law 4335/2015 empowers the resolution authority to take resolution action, provided that this is necessary in the public interest, which is intended to ensure the continuity of the credit institution's critical services and manage its failure in an orderly fashion. The resolution powers and tools available to the resolution authority comprise the asset separation tool, the bridge institution tool, the sale of business tool and the bail-in tool. In addition, in the event of an extreme systemic crisis, extraordinary public financial support may be provided, in accordance with article 56 of Law 4335/2015, for the purpose of participating in the resolution of an institution with a view to meeting the objectives for resolution and preventing its liquidation. However, the provision of extraordinary public financial support shall be used as a last resort after having assessed and exploited the resolution tools, including the bail-in tool, to the maximum extent practicable whilst maintaining financial stability.

On 15 July 2014, the European Parliament adopted the Regulation No 806/2014 (the **SRM Regulation**) establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (the **SRM**) and a Single Resolution Fund (the **SRF**). In view of establishing a single resolution process in the EU, the SRF has been created to provide funding support for the resolution of banks and will be financed by bank levies raised at a national level. The SRF would reach a target level of at least 1 per cent. of covered deposits of all credit institutions in Member States participating in the Banking Union over an eight-year period. During this transitional period, the SRF would comprise national compartments corresponding to each participating Member State. The resources accumulated in those compartments will be progressively mutualised over a period of eight years. Although the European Council has adopted an implementing act to calculate the contributions of banks to the SRF and an implementing regulation specifying uniform conditions of application of the SRM Regulation with regard to ex ante contributions to the SRF, the calculation and payment terms of the contribution amounts have not been specified by the relevant national resolution authorities. In Greece, HDIGF's national funds held under the Resolution Scheme (*see the section "Hellenic Deposit and Investment Guarantee Fund (HDIGF)" above*) shall be gradually transferred into the SRF pursuant to the intergovernmental agreement signed between the Member States participating in the Single Resolution Mechanism, as ratified by virtue of Greek Law 4350/2015.

The new framework may materially and adversely affect the composition of the Seller's Board of Directors and management team, the Seller's financial condition, results of operations, prospects and credit ratings.



## TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING

### Description of the Portfolio

The Portfolio will consist of term loans including Term Loans entered into in the context of an umbrella agreement (“*Allilohreos*” in Greek) and Bond Loans (the **Loans**) arising under Greek law originally advanced by the Seller to borrowers comprising enterprises or individual professionals in Greece (the **Borrowers**) for the purpose of, *inter alia*, financing working capital for such Borrowers and which satisfy the Eligibility Criteria. The Loans may be secured or unsecured and may or may not benefit from a guarantee.

Security may have been taken by the Seller in relation to some of the Loans. **Related Security** means in relation to a Loan, any underlying security for the repayment of that Loan which comprises an unlimited or all moneys security in that such security purports to secure the repayment of all present and future sums that may be advanced by the Seller to the relevant Borrower, including all amounts advanced in respect of the Loan Documentation or in respect of any other amounts not being due under the Loan Documentation owed by a Borrower to the Seller (**All Moneys Security**) or other Related Security taken by the Seller where the Related Security was taken in respect of the relevant Loan only which only secures the relevant Borrower's obligations towards the Seller under the Loans (**Other Related Security**).

In acquiring Loans which have the benefit of any security for the Borrower's obligations (each such Loan, a **Secured Loan**), the Issuer will also acquire any Related Security (including any *pro rata* All Moneys Security) in connection with such Secured Loans.

The Initial Loans, the New Loans and any Substitute Loans (excluding any Defaulted Loans) will be required to comply with the Eligibility Criteria and the Loan Warranties as of the Closing Date, the relevant New Loan Cut-Off Date and the relevant Substitution Date respectively and in the case of any Substitute Loans, will be required to comply with the Substitution Criteria as of the Substitution Date.

The Portfolio Covenants shall be satisfied on a portfolio basis throughout the Revolving Period, provided that Defaulted Loans shall not be taken into consideration in determining whether the Portfolio Covenants are satisfied. No sale of New Loans shall be made during the Revolving Period if after such sale the Portfolio (excluding the Defaulted Loans) does not satisfy the Portfolio Covenants.

### Purchase Agreement

As a result of the purchase and assignment of the Seller's interest and benefit under the Initial Loans together with all Ancillary Rights and Related Security from the Seller, the Issuer will be entitled to any and all rights of the Seller under the Initial Loans, including all interest and principal amounts due and payable by the Borrowers under the Initial Loans from the Initial Cut-Off Date.

On any Business Day during the Revolving Period, the Issuer may apply funds standing to the credit of the Replenishment Ledger to purchase new Loans (the **New Loans**) from the Seller, subject to satisfying certain conditions precedent, provided that (other than in relation to New Loans

purchased on an Interest Payment Date) the Issuer may not purchase New Loans on more than two days in any Collection Period.

As a result of the purchase and assignment of the Seller's interest and benefit under the New Loans together with all Ancillary Rights and Related Security from the Seller, the Issuer will be entitled to any and all rights of the Seller under the New Loans, including all interest and principal amounts due and payable by the Borrowers (whether accrued before or after the relevant New Loan Cut-Off Date) under the New Loans from the relevant New Loan Cut-Off Date.

The purchase of New Loans together with all Ancillary Rights and Related Security by the Issuer will be subject to certain conditions precedent (including compliance with the Eligibility Criteria, the Commingling Reserve being funded up to the Commingling Reserve Required Amount, the Set-Off Reserve being funded up to the Set-Off Reserve Required Amount on the relevant New Loan Cut-Off Date and the Portfolio (excluding the Defaulted Loans) satisfying the Portfolio Covenants).

## **Purchase Price**

The purchase price for the Initial Loans sold on the Closing Date will consist of: (i) the **Initial Loan Purchase Price**, of which the Initial Loan Principal Component will be paid on the Closing Date from the proceeds of the Notes and the Initial Loan Revenue Component will be paid from the proceeds of the Subordinated Loan on the Closing Date; and (ii) the Deferred Consideration payable in accordance with the Priority of Payments.

The Purchase Price in respect of a New Loan sold on a New Loan Cut-Off Date will be an amount equal to:

- (a) (i) the Principal Balance of the relevant New Loan as at the relevant New Loan Cut-Off Date (the **New Loan Principal Component**); and
  - (ii) any accrued but unpaid interest, fees or other amounts in relation to the relevant New Loan as at the relevant New Loan Cut-Off Date (the **New Loan Revenue Component**)(together the **New Loan Purchase Price**); and
- (b) a payment to the Seller of Deferred Consideration payable in accordance with the Priority of Payments.

## **Revolving Period**

**Revolving Period** means the period commencing on the Closing Date and ending on the earliest to occur of (a) five Business Days after the Interest Payment Date falling in January 2018 and (b) the date on which an Early Amortisation Event occurs.

During the Revolving Period, on any Interest Payment Date, amounts of Available Principal Funds will be applied in accordance with the Pre-Acceleration Principal Priority of Payments to credit the Replenishment Ledger in an amount equal to the Required Replenishment Amount.

Amounts standing to the credit of the Replenishment Ledger may be

applied during the Revolving Period on any Business Day (including, for the avoidance of doubt, on any Interest Payment Date (taking into account the application of the relevant Priority of Payments on such Interest Payment Date), in relation to the purchase of a New Loan, to pay for the New Loan Principal Component of the New Loan Purchase Price, provided that (other than in relation to New Loans purchased on an Interest Payment Date) the Issuer may not purchase New Loans on more than two days in any Collection Period. The Issuer shall use Available Revenue Funds to pay for the New Loan Revenue Component of the New Loan Purchase Price in accordance with the Pre-Acceleration Revenue Priority of Payments on the Interest Payment Date following the relevant New Loan Cut-Off Date (and, if such New Loan Cut-Off Date is an Interest Payment Date, on the immediately following Interest Payment Date).

### **Repurchase of Loans**

Following the sale and assignment of the Loans together with all Ancillary Rights and the Related Security (if any), the Seller may (and in some circumstances shall) offer to repurchase individual Loans and reacquire the Issuer's interest in the Related Security (if any) in respect of such Loans, including in the following circumstances:

- (a) the Seller shall repurchase any Loan and its Related Security (if any) in respect of such Loan if it is determined that the Loan Warranties given by the Seller pursuant to the Purchase Agreement on the Closing Date, the relevant New Loan Cut-Off Date or the relevant Substitution Date in respect of such Loan was breached, and if capable of remedy, is not remedied within 30 calendar days; or
- (b) the Seller shall repurchase any Loan and its Related Security (if any) if such Loan is under any Material Amendment; or
- (c) the Seller may repurchase any Defaulted Loan and its Related Security at its sole discretion (the **Seller Repurchase Option**).

In the above circumstances, the purchase price to be paid by the Seller shall be the Principal Balance of such Loans together with accrued and unpaid interest up to but excluding the date of repurchase and reassignment of such Loan.

The proceeds of any repurchase of a Loan shall form part of Available Revenue Funds or Available Principal Funds (depending on whether such proceeds are allocable to interest or principal). For the avoidance of doubt, the proceeds of the repurchase of a Defaulted Loan pursuant to the Seller Repurchase Option will be considered entirely as Available Revenue Funds.

### **Substitute Loans**

During the Amortisation Period only, instead of repurchasing a Loan and its Related Security (if any) from the Issuer pursuant to its repurchase obligations in the circumstances set out in (a) and (b) under "*Repurchase of Loans*" above, the Seller may require the Issuer to accept a Substitute Loan in partial consideration for the repurchase payment (subject to satisfying the Substitution Criteria on the Substitution Date) such that the aggregate of the Principal Balance of such Substitute Loans together with any cash consideration will be equal to the total consideration which

would have been payable by the Seller to the Issuer in relation to the Loans being repurchased had the substitution not taken place.

## **Representations and Warranties**

In the Purchase Agreement the Seller will make on the Closing Date (in relation to the Initial Loans), on each New Loan Cut-Off Date (in relation to any New Loans) and on each Substitution Date (in relation to Substitute Loans) certain representations and warranties (the **Loan Warranties**) as set out therein.

With regards to the Loan Warranties, see further the section entitled "*Description of Key Transaction Documents – Purchase Agreement*".

## **Servicing of the Portfolio**

Pursuant to the terms of the Servicing Agreement, the Servicer will agree to administer and service the Loans held by the Issuer on behalf of the Issuer and, in particular, to:

- (a) servicing and administering the cash amounts received in respect of the Loans including transferring amounts to the Issuer Collection Account on each Business Day;
- (b) exercising the rights of the Issuer as lender in relation to the Defaulted Loans in accordance with the Enforcement Procedures and the Servicing Agreement;
- (c) transferring amounts standing to the credit of the Issuer Collection Account to the Transaction Account on each Business Day;
- (d) deal with any Loans in arrears in accordance with the terms of the Servicing Agreement;
- (e) procuring the taking of enforcement proceedings by the Seller (in the case of Secured Loans) or by the Bondholders' Representative (in the case of Bond Loans), or undertaking enforcement proceedings itself (in the case of Loans that are not Secured Loans) in respect of any Borrowers which may default on their obligations under the relevant Loan.

See further the section entitled "*Description of Key Transaction Documents – Servicing Agreement*".

The Issuer shall pay to the Servicer a fee as set out in the Servicing Agreement (the **Servicing Fee**) on each Interest Payment Date in accordance with the relevant Priority of Payments.

## **Servicer Reporting**

Six Business Days prior to each Interest Payment Date, the Servicer shall, pursuant to the Servicing Agreement, prepare and deliver to the Issuer, the Cash Manager, the Issuer Collection Account Bank, the Security Trustee, the Note Trustee (in the case of each of the Security Trustee and the Note Trustee, on request) and, upon its appointment as replacement Servicer only, the Back-Up Servicer, a report (the **Servicer Quarterly Report**) which will include details of the Revenue Receipts and the Principal Receipts received in the immediately preceding Collection Period. See further the section entitled "*Description of Key*

*Transaction Documents – Servicing Agreement*".

**Servicer Termination**

On the occurrence of any of the Servicer Termination Events (as detailed in the section entitled "*Description of Key Transaction Documents – Servicing Agreement*"), the Issuer or (following delivery of a Note Acceleration Notice) the Security Trustee may at once or at any time subsequently by notice in writing to the Servicer terminate the appointment of the Servicer with effect from a date (not earlier than the date of such notice) specified in such notice.

**Back-Up Servicer**

On or about the Closing Date, the Back Up Servicer, the Seller, the Servicer, the Issuer and the Security Trustee will enter into the Back-Up Servicing Agreement pursuant to which the parties thereto will agree that following a Servicer Termination Event, the performance of the Servicer's obligations under the Servicing Agreement will be undertaken by the Back-Up Servicer in accordance with the terms of the Back-Up Servicing Agreement and the replacement servicing agreement attached thereto.

The Back-Up Servicer will assume the Servicer's obligations under the Servicing Agreement within six months after the date that it receives written notice of the termination of the appointment of the Servicer under the Servicing Agreement (the **Servicer Termination Date**) from the Issuer (or following delivery of a Note Acceleration Notice) the Security Trustee or such other date as may be agreed by the Back-Up Servicer and will notify Borrowers of such forthcoming replacement within 30 days of the Servicer Termination Date.

## TRANSACTION OVERVIEW – OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

*Please refer to section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes.*

### FULL CAPITAL STRUCTURE OF THE NOTES

Notes	Class A1	Class A2	Class A3	Class B	Class C
Initial Principal Amount	€250,000,000	€50,000,000	€20,000,000	€100,000,000	€220,000,000
Issue price	100%	100%	100%	100%	100%
Interest Rate	3-month EURIBOR + 2% per annum, together subject to a floor of zero	3-month EURIBOR + 2% per annum, together subject to a floor of zero	3-month EURIBOR + 2% per annum, together subject to a floor of zero	3-month EURIBOR + 2.5% per annum, together subject to a floor of zero	3-month EURIBOR + 3% per annum, together subject to a floor of zero
Credit enhancement and liquidity support features	Subordination of the Class B Notes and the Class C Notes  Amounts standing to the credit of the Cash Reserve  On the occurrence of a Commingling Event, amounts standing to the credit of the Commingling Reserve  On the occurrence of a Set-off Event, amounts standing to the credit of the Set-Off Reserve  Available Principal Funds to make up an Income Deficit  Amounts standing to the credit of the	Subordination of the Class B Notes and the Class C Notes  Amounts standing to the credit of the Cash Reserve  On the occurrence of a Commingling Event, amounts standing to the credit of the Commingling Reserve  On the occurrence of a Set-off Event, amounts standing to the credit of the Set-Off Reserve  Available Principal Funds to make up an Income Deficit  Amounts standing to the	Subordination of the Class B Notes and the Class C Notes  Amounts standing to the credit of the Cash Reserve  On the occurrence of a Commingling Event, amounts standing to the credit of the Commingling Reserve  On the occurrence of a Set-off Event, amounts standing to the credit of the Set-Off Reserve  Available Principal Funds to make up an Income Deficit  Amounts standing to the	Subordination of the Class C Notes  On the occurrence of a Commingling Event, amounts standing to the credit of the Commingling Reserve  On the occurrence of a Set-off Event, amounts standing to the credit of the Set-Off Reserve  Amounts standing to the credit of the Replenishment Ledger on each Interest Payment Date	On the occurrence of a Commingling Event, amounts standing to the credit of the Commingling Reserve  On the occurrence of a Set-off Event, amounts standing to the credit of the Set-Off Reserve  Amounts standing to the credit of the Replenishment Ledger on each Interest Payment Date

	Replenishment Ledger on each Interest Payment Date	credit of the Replenishment Ledger on each Interest Payment Date	credit of the Replenishment Ledger on each Interest Payment Date		
Final Maturity Date	23 January 2040	23 January 2040	23 January 2040	23 January 2040	23 January 2040
Revolving Period ends (subject to Early Amortisation Events)			30 January 2018		
Interest Payment Dates		23rd day of January, April, July and October each year			
First Interest Payment Date			24 April 2017		
Interest Accrual Method			Actual/360		
Business Day Convention			Modified Following		
Form of Notes	Bearer	Bearer	Bearer	Bearer	Bearer
Denomination	€100,000	€100,000	€100,000	€100,000	€100,000
Clearing system	Euroclear and Clearstream, Luxembourg				
Listing	Irish Stock Exchange's Main Securities Market	Irish Stock Exchange's Main Securities Market	Irish Stock Exchange's Main Securities Market	Irish Stock Exchange's Main Securities Market	Irish Stock Exchange's Main Securities Market
ISIN	XS1538312890	XS1538326502	XS1538329944	XS1538334944	XS1538338184
Common Code	153831289	153832650	153832994	153833494	153833818

## THE NOTES

### Notes

The Issuer will issue the following classes of the Notes on the Closing Date under the Trust Deed:

- Class A1 Asset Backed Floating Rate Notes due January 2040 (the **Class A1 Notes**);
- Class A2 Asset Backed Floating Rate Notes due January 2040 (the **Class A2 Notes**);
- Class A3 Asset Backed Floating Rate Notes due January 2040 (the **Class A3 Notes**, together with the Class A1 Notes and the Class A2 Notes, the **Class A Notes**);
- Class B Asset Backed Floating Rate Notes due January 2040 (the **Class B Notes**);
- Class C Asset Backed Floating Rate Notes due January 2040 (the **Class C Notes**),

the Class A Notes, the Class B Notes and the Class C Notes together, the **Notes** and the holders thereof from time to time, the **Noteholders**.

The issue price of each class of Notes will be 100%.

### Ranking

The Notes within each Class will rank *pari passu* and *pro rata* without any preference or priority among themselves as to payment of interest and principal at all times.

The Class A Notes will rank senior to the other Classes of Notes as to payments of interest and principal at all times. The Class B Notes will rank senior to the Class C Notes as to payments of interest and principal at all times.

### Purpose

The proceeds of the Notes will be used on the Closing Date by the Issuer, *inter alia*, to pay the Initial Loan Principal Component of the Initial Loan Purchase Price for the Initial Loans sold and assigned by the Seller to the Issuer on the Closing Date pursuant to the terms of the Purchase Agreement.

### Limited Recourse

The Notes will constitute limited recourse, direct and secured obligations of the Issuer. To the extent that there are no remaining assets subject to the Issuer Security granted pursuant to the Deed of Charge and the Greek Security and all amounts available have been applied in accordance with the Deed of Charge, then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid, and any such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

### Status and Form

The Notes will be in bearer form and in the denomination of €100,000. The Notes of each class will initially be represented by a Temporary Global Note which will be delivered on the Closing Date to a common safekeeper for Euroclear and Clearstream, Luxembourg.



The Temporary Global Note of each class of Notes will, upon customary certification as to non-U.S. beneficial ownership, be exchangeable for interests in a Permanent Global Note. Definitive Notes will be issued in certain limited circumstances. (See "*Terms and Conditions of the Notes*").

Each Global Note will be in the form of a new global note. The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with an ICSD common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes will all have the benefit of the Issuer Security and in the event of the Issuer Security being enforced, the Class A Notes will rank in priority to the Class B Notes and the Class B Notes will rank in priority to the Class C Notes. Certain debts of the Issuer will rank in priority to the Notes. For a description of the Pre-Acceleration Principal Priority of Payments, the Pre-Acceleration Revenue Priority of Payments and the Post-Acceleration Priority of Payments, see the section entitled "*Cashflows*".

**Limited resources of the Issuer** The ability of the Issuer to meet its obligations under the Notes will depend on the amount of Available Revenue Funds and Available Principal Funds available to the Issuer on each Interest Payment Date. Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations (including its obligations in respect of the Notes).

**Interest** Interest will be due on the Class A1 Notes on each Interest Payment Date at the rate equivalent to 3-month EURIBOR for euro deposits or in the case of the first Interest Period, a linear interpolation of 3 month and 6 month EURIBOR plus a margin of 2 per cent. per annum, together subject to a floor of zero (the **Class A1 Notes Interest Rate**) on the Principal Amount Outstanding of each Class A1 Note on or immediately prior to such Interest Payment Date.

Interest will be due on the Class A2 Notes on each Interest Payment Date at the rate equivalent to 3-month EURIBOR for euro deposits or in the case of the first Interest Period, a linear interpolation of 3 month and 6 month EURIBOR plus a margin of 2 per cent. per annum, together subject to a floor of zero (the **Class A2 Notes Interest Rate**) on the Principal Amount Outstanding of each Class A2 Note on or immediately prior to such Interest Payment Date.

Interest will be due on the Class A3 Notes on each Interest Payment Date at the rate equivalent to 3-month EURIBOR for euro deposits or in the case of the first Interest Period, a linear interpolation of 3 month and 6 month EURIBOR plus a margin of 2 per cent. per annum, together subject to a floor of zero (the **Class A3 Notes Interest Rate**) on the Principal Amount Outstanding of each Class A3 Note on or immediately

prior to such Interest Payment Date.

Interest will be due on the Class B Notes on each Interest Payment Date at the rate equivalent to 3-month EURIBOR for euro deposits or in the case of the first Interest Period, a linear interpolation of 3 month and 6 month EURIBOR plus a margin of 2.5 per cent. per annum, together subject to a floor of zero (the **Class B Notes Interest Rate**) on the Principal Amount Outstanding of each Class B Note on or immediately prior to such Interest Payment Date.

Interest will be due on the Class C Notes on each Interest Payment Date at the rate equivalent to 3-month EURIBOR for euro deposits or in the case of the first Interest Period, a linear interpolation of 3 month and 6 month EURIBOR plus a margin of 3 per cent. per annum, together subject to a floor of zero (the **Class C Notes Interest Rate**) on the Principal Amount Outstanding of each Class C Note on or immediately prior to such Interest Payment Date.

With respect to payments of interest and principal, particular attention should be paid to the risk factor descriptions as set forth in "*Risk Factors*".

#### **Interest Payment Date**

The Interest Payment Dates are the 23rd day of January, April, July and October in each year or, in the event such day is not a Payment Business Day, then the next following Payment Business Day, unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Payment Business Day (each an **Interest Payment Date**). The first Interest Payment Date shall be 24 April 2017.

#### **Deferral of Interest on Class B Notes and Class C Notes:**

The holders of the Class B Notes and the Class C Notes will only be entitled to receive payments of interest on the Class B Notes or the Class C Notes, as applicable, on any Interest Payment Date to the extent that the Issuer has funds available for such purpose (and any other items ranking *pari passu* therewith) after making payment on such Interest Payment Date of any liabilities due for payment and ranking in priority to the Class B Notes or the Class C Notes, as applicable.

Any interest due on any Class B Notes or Class C Notes not paid on an Interest Payment Date will be deferred and itself accrue interest (at the interest rate then applicable to the Class B Notes or the Class C Notes, as applicable) and, together with such accrued interest, be paid to such Class B Noteholders or the Class C Noteholders, as applicable, on the subsequent Interest Payment Date to the extent that the Issuer has funds available for such purpose (and any other items ranking *pari passu* therewith), after paying in full on such Interest Payment Date all payments ranking in priority thereto.

#### **Final Redemption**

Unless previously redeemed in full, the Issuer will redeem the Notes at their respective Principal Amounts Outstanding on the Interest Payment Date falling in January 2040 (the **Final Maturity Date**) (as specified in Condition 6.1 (Redemption at maturity)).

#### **Mandatory redemption in part during the Amortisation Period**

On each Interest Payment Date in the Amortisation Period, subject to:

- (a) the Issuer having sufficient Available Principal Funds on an

Interest Payment Date;

- (b) the Note Trustee not having delivered a Note Acceleration Notice in accordance with the Conditions; and
- (c) the provisions relating to subordination set out in the Conditions and the Priorities of Payments,

the Issuer will apply Available Principal Funds to redeem the Class A Notes, and following the redemption in full of the Class A Notes the Class B Notes and following the redemption in full of the Class B Notes the Class C Notes, subject to and in accordance with the Conditions and the applicable Priority of Payments.

On the service of a Note Acceleration Notice by the Note Trustee on the Issuer after the occurrence of an Event of Default, the Notes shall be redeemed in accordance with the Post Acceleration Priority of Payments.

**Mandatory redemption in whole pursuant to the Seller Call Option:**

On any Interest Payment Date on or after the fourth Interest Payment Date, following notice from the Seller to the Issuer, of not more than 60 days and not less than 30 days of such exercise, that the Seller will exercise the Seller Call Option to offer to purchase and have assigned to it the Portfolio and all rights attaching thereto in full, which the Issuer may in its discretion accept. The Issuer shall, if it accepts the offer to repurchase, redeem all (but not some only) of the Notes in each class at their Principal Amount Outstanding together with accrued interest on the next Interest Payment Date subject to the following:

- (a) that the Issuer has given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with the Condition 14 (Notices to Noteholders) of its intention to redeem all (but not some only) of the Notes in each class;
- (b) that prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that, subject to receiving the consideration payable pursuant to exercise of the Seller Call Option, it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to Condition 6 (Redemption) and to meet its payment obligations for any amounts ranking *pari passu* with the Notes and for amounts of a higher priority under the relevant Priority of Payments;
- (c) that on or prior to such Interest Payment Date, the Note Trustee has not served a Note Acceleration Notice on the Issuer in accordance with the Conditions; and
- (d) that prior to the purchase and assignment to it of the Portfolio, the Seller shall have provided to the Issuer a certificate signed by a director dated the Seller Call Option Date confirming that the Seller is not insolvent or in a state of cessation of payment or any similar situation.

**Optional Redemption in whole** The Notes will be subject to early redemption in whole (but not in part)

**for taxation or certain other reasons**

at their Principal Amount Outstanding together with accrued but unpaid interest up to but excluding the date of redemption at the option of the Issuer with not more than 60 nor less than 30 days' irrevocable notice (or, in the case of paragraph (a) below, such shorter period expiring on or before the latest date permitted by relevant law) to the Noteholders in accordance with Condition 14 (Notice to Noteholders) and to the Note Trustee, on any Interest Payment Date (as specified in Condition 6.2 (Optional redemption in whole for taxation or other reasons)):

- (a) after the date on which by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Interest Payment Date, the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any class of the Notes any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Ireland or Greece or any political sub-division thereof or any authority thereof or therein having power to tax; or
- (b) after the date on which any amount in respect of tax is required to be deducted or withheld from amounts payable to the Issuer under the Loans, by reason of a change in law, or a change in the interpretation or administration thereof, which change becomes effective after the Closing Date, or the Seller is required to pay an additional amount in respect of tax to the Issuer as a result of a change in law or a change in the interpretation or administration thereof, which change becomes effective after the Closing Date in accordance with the terms of the Purchase Agreement; or
- (c) after the date on which the Issuer becomes subject to taxation or incurs a taxation liability in Greece by reason of a change in law, or a change in the interpretation or administration thereof, where such change becomes effective after the Closing Date; or
- (d) after the date on which the Issuer has become or would become subject to Irish corporation tax in a corporation tax accounting period in an amount which materially exceeds the aggregate Issuer Profit Amount retained during that corporation tax accounting period, as a result of any change in, or amendment to, the laws or regulations of Issuer's jurisdiction or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a ruling by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation or limitation (as applicable) cannot be avoided by the Issuer taking reasonable measures available to it,

and (i) on or prior to such Interest Payment Date, the Note Trustee has not served a Note Acceleration Notice on the Issuer in accordance with the Conditions, (ii) provided that the above is continuing, the Issuer

having been unable (having used reasonable endeavours) (in the case of (a) above) to appoint a Paying Agent incorporated in another jurisdiction or (in the case of (a) to (d) above) to avoid the event described above by arranging the substitution of a company as principal debtor under the Notes, which is incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee, in accordance with the Trust Deed and on terms acceptable to the Note Trustee; or (iii) the Issuer having satisfied the Note Trustee that the appointment of a Paying Agent or the substitution of the principal debtor as referred to in (i) above will not avoid the effect of the relevant event.

Prior to the publication of any notice of redemption, the Issuer shall deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that: (i) the event described above is continuing and that, in the case of sub-paragraph (a) above) the appointment of a Paying Agent or (in the case of sub-paragraphs (a) above to (d) above) a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to (in the case of sub-paragraph (a) above) appoint such a Paying Agent or (in the case of sub-paragraphs (a) above to (d) above) arrange such a substitution; and (ii) the Issuer will have the necessary funds (not subject to the interest of any other person) to pay all principal and interest due in respect of the redemption in full of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, ranking *pari passu* with the Notes or of a higher priority under the Pre-Acceleration Revenue Priority of Payments) and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

**Optional Redemption in full pursuant to Clean-Up Call Option**

On any Interest Payment Date, the Seller may exercise the Clean-Up Call Option granted by the Issuer pursuant to the Purchase Agreement to offer to purchase, and have assigned to it by the Issuer, which the Issuer may in its discretion accept, all (but not part) of the Portfolio and all rights attaching thereto in full on the next Interest Payment Date (the **Clean-Up Call Date**) by giving notice to the Issuer of not more than 60 days and not less than 30 days of such exercise.

Following notice from the Seller to the Issuer that the Seller will exercise the Clean-Up Call Option to offer to purchase and have assigned to it the Portfolio and all rights attaching thereto, if the Issuer accepts such offer, the Issuer shall redeem all (but not some only) of the Notes of each class at their Principal Amount Outstanding together with accrued interest on the next Interest Payment Date subject to the following:

- (a) that the Issuer has given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with Condition 14 (Notices to Noteholders) of its intention to redeem all (but not some only) of the Notes of each class;
- (b) that prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that, subject to receiving the consideration payable pursuant to the exercise of the Clean-Up

Call Option, it will have the necessary funds (not subject to the interests of any other person) to pay all principal and interest due in respect of the redemption in full of the Notes on the relevant Interest Payment Date pursuant to Condition 6 (Redemption) and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, ranking *pari passu* with the Notes or of a higher priority under the Pre-Acceleration Revenue Priority of Payments) and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders;

- (c) that the certificate referred to in (b) above confirms that the Principal Amount Outstanding of the Notes would on such Interest Payment Date (and taking into account any amount to be redeemed on such Interest Payment Date from Available Principal Funds) be equal to or less than 10% of the Principal Amount Outstanding of the Notes on the Closing Date;
- (d) that on or prior to such Interest Payment Date, the Note Trustee has not served a Note Acceleration Notice on the Issuer in accordance with the Conditions; and
- (e) prior to the purchase and assignment to it of the Portfolio, the Seller shall have provided to the Issuer a certificate signed by a director dated the Clean-Up Call Date confirming that the Seller is not insolvent or in a state of cessation of payment or any similar situation.

#### **Withholding tax**

All payments of principal and interest in respect of the Notes 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 Ireland or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall have no obligation to pay any additional amount. However, see "*Optional Redemption in whole for taxation and other reasons*" above for a description of the Issuer's obligations and right to redeem the Notes on the occurrence of certain tax-related events, including the imposition of withholding tax on payments in respect of the Notes.

#### **Note Acceleration Notice**

Pursuant to Condition 9.2, upon the service of a Note Acceleration Notice by the Note Trustee in accordance with Condition 9.1, all classes of the Notes then outstanding shall immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed. The security constituted by the Deed of Charge and the Greek Security will become enforceable upon the occurrence of an Event of Default.

#### **English Security**

On the Closing Date, the Issuer, each of the Secured Creditors (other than the Noteholders) and the Security Trustee will enter into a security deed (the **Deed of Charge**). The Security Trustee shall hold the benefit of the Issuer Security for the Secured Creditors from time to time on the terms of the Deed of Charge and the Greek Security and shall deal with

the Issuer Security and apply all payments, recoveries or receipts in respect of the Issuer Security in accordance with the Conditions and the Deed of Charge.

Under the Deed of Charge and as continuing security for the payment or discharge of the Secured Liabilities, the Issuer will grant in favour of the Security Trustee for itself and on trust for the Secured Creditors, over the present and future assets of the Issuer, in accordance with the terms of the Deed of Charge:

- (a) an assignment (or, to the extent not assignable, charge) by way of first fixed charge) all of its rights under each Charged Document;
- (b) a first fixed charge over all of its rights in respect of the Authorised Investments made or purchased from time to time by or on behalf of the Issuer and all interest, moneys and proceeds paid or payable in relation to those Authorised Investments;
- (c) an assignment (or, to the extent not assignable, charge) by way of a first fixed charge) all of its rights in respect of (i) any amount standing from time to time to the credit of the Transaction Account, the Commingling Reserve Account, the Cash Reserve Account and any other bank or other accounts in which the Issuer may at any time have or acquire any benefit (to the extent not covered by the Greek Security) but excluding amounts standing to the credit of the Issuer Profit Ledger, (ii) all interest paid or payable in relation to those amounts and (iii) all debts represented by those amounts; and
- (d) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future (including, without limitation, its uncalled capital) except to the extent otherwise charged or secured under the Deed of Charge, but excluding, for the avoidance of doubt, amounts standing to the credit of the Issuer Profit Ledger. The security referred to under (a) to (d) is collectively defined as, the **English Security**.

### **Greek Security**

In addition to the English Security granted pursuant to the Deed of Charge, the Issuer will grant a pledge operating by law over the Issuer's rights, title and interest in the Initial Loans, any New Loans and any Substitute Loans and the Ancillary Rights and the Related Security in relation to each of the Loans (if any) and future claims arising from the proceeds of any sale by the Seller or otherwise liquidation (in the event of the Seller's special liquidation) of the Loans after the termination of the Loans and the Issuer Collection Account pursuant to paragraph 18, article 10 of Greek law 3156/2003 (as it may be amended from time to time) (the **Greek Security** and together with the English Security, the **Issuer Security**).

### **Events of Default**

As fully set out in Condition 9 (Event of Default), which includes (where relevant, subject to the applicable grace period):

- non-payment of interest and/or principal in respect of the Notes

(subject to interest deferral provisions);

- breach of contractual obligations by the Issuer under the Transaction Documents; and
- any Insolvency Event in respect of the Issuer;.
- it is or will become unlawful for the Issuer to perform or comply with its obligations under or in respect of the Notes or the Transaction Documents.

**Applicable law**

The Notes are governed by the laws of England.

**Taxation**

See the sections entitled "*Irish Taxation*" and "*Greek Taxation*".

**Selling restrictions**

See "*Subscription and Sale*".

**Closing Date**

22 December 2016

**Final Maturity Date**

23 January 2040



## RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

*Please refer to sections entitled "Terms and Conditions of the Notes" and "Risk Factors" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Secured Creditors.*

**Convening a meeting:** The Issuer or the Note Trustee may at any time convene a Noteholder meeting, and the Note Trustee shall be obliged to convene a Noteholder meeting upon the request in writing of a class or classes of Noteholders holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding of the relevant class or classes, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction.

**Right to direct the Note Trustee to give a Note Acceleration Notice:** If an Event of Default occurs and is continuing, the holders of the Most Senior Class Outstanding may, if they hold at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class Outstanding or if they pass an Extraordinary Resolution, direct the Note Trustee to give a Note Acceleration Notice to the Issuer pursuant to which each class of the Notes shall become immediately due and repayable at their respective Principal Amount Outstanding, together with any accrued interest, and the Note Trustee shall give such Note Acceleration Notice to the Issuer subject to the Note Trustee being indemnified and/or secured and/or pre-funded to its satisfaction.

<b>Noteholders provisions:</b>	<b>Meeting</b>	Notice period:	21 clear days for an initial meeting	10 clear days for an adjourned meeting
		Quorum:	Two or more Eligible Persons (provided that, while all the outstanding Notes of any class are represented by a Global Note, a single Eligible Person appointed in relation thereto or being holder of the Notes thereby represented shall be deemed to be two Eligible Persons for the purpose of forming a quorum) present and representing in the aggregate, not less than 25 per cent. of the Principal Amount Outstanding of the relevant class of Notes then outstanding for all Ordinary Resolutions;	Two or more Eligible Persons (provided that, while all the outstanding Notes of any class are represented by a Global Note, a single Eligible Person appointed in relation thereto or being holder of the Notes thereby represented shall be deemed to be two Eligible Persons for the purpose of forming a quorum) present and representing in the aggregate any percentage holding for an adjourned meeting (other than a Basic Terms Modification, which

more than 50 per cent. of the Principal Amount Outstanding of the relevant class of Notes for an Extraordinary Resolution (other than a Basic Terms Modification, which requires not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding) requires not less than 25 per cent. of the Principal Amount Outstanding of the relevant class of Notes then outstanding)

Required majority: For initial meetings, more than 50 per cent. of votes cast for matters requiring Ordinary Resolution and at least 75 per cent. of votes cast for matters requiring Extraordinary Resolution (including a Basic Terms Modification) For adjourned meetings, more than 50 per cent. of votes cast for matters requiring Ordinary Resolution and at least 75 per cent. of votes cast for matters requiring Extraordinary Resolution (including a Basic Terms Modification)

Written Resolution: Not less than 75 per cent. in aggregate of the Principal Amount Outstanding of the relevant class of Notes then outstanding for an Extraordinary Written Resolution and more than one half in aggregate of the Principal Amount Outstanding of the relevant class of Notes then outstanding for an Ordinary Written Resolution. An Extraordinary Written Resolution has the same effect as an Extraordinary Resolution and an Ordinary Written Resolution has the same effect as an Ordinary Resolution.

Electronic Consents: Noteholders may also pass an Extraordinary Resolution by way of electronic consents communicated through the electronic communications systems of the clearing system(s) to the Principal Paying Agent or another specified agent and/or the Note Trustee in accordance with the operating rules and procedures of the relevant clearing system(s) (**Electronic Consents**). Such consents are required from Noteholders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the relevant class of Notes then

outstanding for matters requiring Extraordinary Resolutions. A resolution passed by such means has the same effect as an Extraordinary Resolution.

**Extraordinary Resolution** means:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the Eligible Persons (as defined in the Trust Deed) voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll; or
- (b) (i) a resolution in writing signed by or on behalf of the relevant class of Noteholders of not less than three-fourths in aggregate Principal Amount Outstanding of the relevant class of Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders (an **Extraordinary Written Resolution**), or (ii) where the Notes are held on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Note Trustee (as the case may be) given by way of Electronic Consents by or on behalf of holders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant class of Notes then outstanding.

**Ordinary Resolution** means:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed and the Conditions by a majority consisting of more than one half of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a majority consisting of more than one half of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the Noteholders of more than one half in aggregate Principal Amount Outstanding of the relevant Class of Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders (an **Ordinary Written Resolution**).

**Written Resolution** means an Ordinary Written Resolution or an Extraordinary Written Resolution.

**Matters requiring Extraordinary Resolution:**

Broadly speaking, the following matters require an Extraordinary Resolution:

- (a) to approve any Basic Terms Modification;
- (b) to sanction any compromise or arrangement proposed to be made between the Issuer, any other party to any Transaction Document, the Note Trustee, the Security Trustee, any Appointee and the Noteholders or any of them;

- (c) to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Note Trustee, the Security Trustee, any Appointee, the Noteholders, the Issuer or any other party to any Transaction Document against any other or others of them or against any of their property whether such rights arise under these presents, any other Transaction Document or otherwise;
- (d) to assent to any modification of the provisions of the Transaction Document which is proposed by the Issuer, the Note Trustee, any other party to any Transaction Document or any Noteholder;
- (e) to give any authority or sanction which under the provisions of these presents or any other Transaction Document is required to be given by Extraordinary Resolution;
- (f) to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- (g) to approve of a person to be appointed a trustee and to remove or, as the case may be, to direct the removal of, any trustee or trustees for the time being under the Trust Deed or the Deed of Charge in accordance with the relevant provisions of the Trust Deed or the Deed of Charge;
- (h) to discharge or exonerate the Note Trustee, the Security Trustee and/or any Appointee from all liability in respect of any act or omission for which the Note Trustee, the Security Trustee and/or such Appointee may have become or may become responsible under these presents or any other Transaction Document;
- (i) to authorise the Note Trustee and/or any Appointee (subject to its being indemnified and/or prefunded and/or secured to its satisfaction) (i) to concur in and execute and do or (ii) direct the Security Trustee to concur in and execute and do, all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (j) to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, 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, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
- (k) to waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of any

obligation under or in respect of the Trust Deed and the other Transaction Documents or any act or omission which may otherwise constitute an Event of Default or Potential Event of Default under the Notes;

- (l) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes.

See Condition 11 (*Meetings of Noteholders, Modification, Waiver and Substitution*) for more detail.

**Right of modification and waiver without Noteholder consent**

Other than in respect of a Basic Terms Modification or any provision of the Trust Deed referred to in the definition of Basic Terms Modification, the Note Trustee may agree, or may direct the Security Trustee to agree, without the consent of the Noteholders:

- (a) to any modification, or to any waiver or authorisation of any breach or proposed breach, of the Conditions, the Trust Deed or any of the other Transaction Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders of any class; or
- (b) to any modification which, in the opinion of the Note Trustee, is to correct a manifest error or is of a formal, minor or technical nature.

The Note Trustee may also, without the consent of the Noteholders, determine that an Event of Default or Potential Event of Default shall not, or shall not subject to specified conditions, be treated as such, which is not, in the opinion of the Note Trustee materially prejudicial to the interests of the Noteholders of any class.

**Relationship between Classes of Noteholders:**

Subject to the provisions governing a Basic Terms Modification, an Extraordinary Resolution of the holders of the Most Senior Class Outstanding shall be binding on the holders of all other classes of Notes and would override any resolutions to the contrary by them.

A Basic Terms Modification requires an Extraordinary Resolution of the relevant affected classes of Notes.

The Class A Noteholders should be considered as a single class.

**Relationship between Noteholders and other Secured Creditors:**

So long as the Notes are outstanding, the Security Trustee will have regard solely to the interests of the Noteholders and shall not have regard to the interests of any other Secured Creditor other than to ensure application of the Issuer's funds in accordance with the relevant Priority of Payments.

**Provision of Information to the Noteholders:**

The Cash Manager, on behalf of the Issuer, will publish the Investor Report detailing, *inter alia*, certain aggregated loan data in relation to the Portfolio. Such Investor Reports will be published on the Cash Manager's website at [www.sf.citidirect.com](http://www.sf.citidirect.com) on or prior to each Calculation Date and as such will be available to the Noteholders. The website and the contents thereof do not form part of this Prospectus.

**Communication with**

Other than the quarterly Investor Reports referenced above, any notice to

**Noteholders:**

be given by the Issuer or the Note Trustee to Noteholders shall be given in one of the following ways:

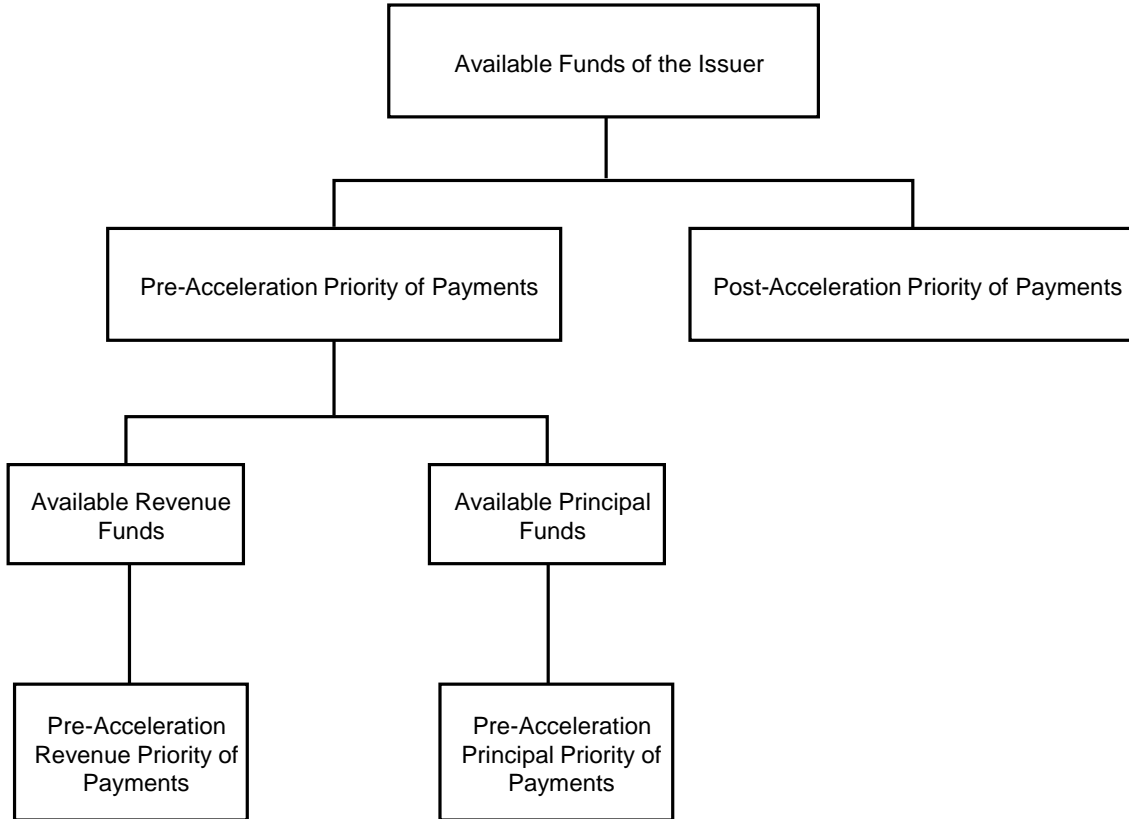
- so long as the Notes are held in the Clearing Systems, by delivery to the relevant Clearing System for communication by it to Noteholders; or
- so long as the Notes are listed on the official list of the Irish Stock Exchange, by delivery in accordance with the relevant rules and guidelines of the Irish Stock Exchange.

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then admitted to trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

See Condition 14 (*Notice to Noteholders*) for more detail.

## TRANSACTION OVERVIEW – CREDIT STRUCTURE AND CASHFLOWS

Please refer to sections entitled "**Credit Structure**" and "**Cashflows**" for further detail in respect of the credit structure and cash flow of the transaction



### **Available Funds of the Issuer**

The Issuer will have Available Revenue Funds and Available Principal Funds for the purposes of making interest and principal payments under the Notes and making payments under the other Transaction Documents.

**Available Revenue Funds** means for any Interest Payment Date (or, following the service of a Note Acceleration Notice, any date on which a payment is made in respect of the Notes) as calculated on the relevant Calculation Date (without double counting):

- (a) Revenue Receipts;
- (b) any interest credited to any of the Issuer Accounts during the immediately preceding Collection Period;
- (c) any income earned on Authorised Investments during the immediately preceding Collection Period;
- (d) any amounts standing to the credit of the Cash Reserve as at the last day of the immediately preceding Collection Period;

- (e) in the event that the Subordinated Loan has been repaid in full, any amounts (i) standing to the credit of the Commingling Reserve in excess of the Commingling Reserve Required Amount and (ii) standing to the credit of the Set-Off Reserve in excess of the Set-Off Reserve Required Amount, as at the last day of each calendar month;
- (f) if a Commingling Event has occurred during the relevant Collection Period, amounts standing to the credit of the Commingling Reserve on the relevant Calculation Date (up to an amount equal to the amounts that the Servicer failed to transfer as a result of such Commingling Event that would have otherwise formed part of Revenue Receipts);
- (g) if a Set-Off Event has occurred during the relevant Collection Period, amounts standing to the credit of the Set-Off Reserve on the relevant Calculation Date (up to an amount equal to the amount of any Set-Off actually exercised by the Borrowers to the extent that such amount would have otherwise formed part of Revenue Receipts);

*plus*

- (h) if the aggregate of items (a) to (g) above is insufficient to pay or provide for items (a) to (d) of the Pre-Acceleration Revenue Priority of Payments, Available Principal Funds in an amount sufficient to cover such shortfall; and
- (i) the amount (if any) of Available Principal Funds deemed to be Available Revenue Funds in accordance with item (e) of the Pre-Acceleration Principal Priority of Payments;

*less*

- (j) any amounts applied during the immediately preceding Collection Period in making payment of moneys which properly belong to third parties, including payments of any premia in respect of any insurance policies and levy in relation to the Loans.

**Revenue Receipts** means on a Calculation Date:

- (a) all payments of interest, fees, late or early repayment penalties and similar charges received by the Issuer in relation to the Loans in the immediately preceding Collection Period;
- (b) any Recoveries received by the Seller in respect of a Loan in the immediately preceding Collection Period, whether before or after a Loan has been fully enforced and all amounts have been recovered in respect of the Related Security;
- (c) the proceeds of any repurchase of any Loans (other than Defaulted Loans or as a result of the exercise of the Seller Call Option, the Clean-Up Call Option or to fund an optional redemption in whole for taxation or other purposes pursuant to Condition 6.2) received by the Issuer plus any amount payable by the Seller to the Issuer upon substitution of any Loans in the immediately preceding Collection Period, allocable to interest (in case the accrued interest of the Retired



Loan as of the Substitution Date exceeds the accrued interest of the Substitute Loan as of the Substitution Date);

- (d) the proceeds of any repurchase of Defaulted Loans pursuant to the Seller Repurchase Option received by the Issuer during the immediately preceding Collection Period; and
- (e) the proceeds of any repurchase of any Loans as a result of the exercise of the Seller Call Option, the Clean-Up Call Option or to fund an optional redemption in whole for taxation or other purposes pursuant to Condition 6.2 received from but excluding the previous Interest Payment Date to and including the Interest Payment Date immediately following the relevant Calculation Date (as notified to the Cash Manager) which are allocable to interest.

**Available Principal Funds** means for any Interest Payment Date (or, following the service of a Note Acceleration Notice, any date on which a payment is made in respect of the Notes) as calculated on the relevant Calculation Date (without double counting)

- (a) Principal Receipts;
- (b) if a Commingling Event has occurred during the relevant Collection Period, all amounts standing to the credit of the Commingling Reserve on the relevant Calculation Date (up to an amount equal to the amounts that the Servicer failed to transfer as a result of such Commingling Event that would have otherwise formed part of Principal Receipts);
- (c) if a Set-Off Event has occurred during the relevant Collection Period, all amounts standing to the credit of the Set-Off Reserve on the relevant Calculation Date (up to an amount equal to the amount of any Set-Off actually exercised by the Borrowers to the extent that such amount would have otherwise formed part of Principal Receipts);
- (d) all amounts standing to the credit of the Replenishment Ledger on the relevant Interest Payment Date; and
- (e) amounts (if any) considered to be Available Principal Funds pursuant to item (f) of the Pre-Acceleration Revenue Priority of Payments;

*less*

- (f) any amounts utilised to pay a shortfall of amounts of Available Revenue Funds pursuant to paragraph (g) of the definition of Available Revenue Funds.

**Principal Receipts** means on a Calculation Date:

- (a) the aggregate amount received by the Issuer of any repayment and prepayment in full or in part of principal amounts under the Loans from any person in the immediately preceding Collection Period;
- (b) the proceeds of any sale or repurchase of any Loans (other than Defaulted Loans or as a result of the exercise of the Seller Call Option,

the Clean-Up Call Option or to fund an optional redemption in whole for taxation or other purposes pursuant to Condition 6.2) plus any amount payable by the Seller to the Issuer upon substitution of any Loans in the immediately preceding Collection Period, allocable to principal; and

- (c) the proceeds of any repurchase of any Loans as a result of the exercise of the Seller Call Option, the Clean-Up Call Option or to fund an optional redemption in whole for taxation or other purposes pursuant to Condition 6.2 received from but excluding the previous Interest Payment Date to and including the Interest Payment Date immediately following the relevant Calculation Date (as notified to the Cash Manager) which are allocable to principal.

**Summary of Priority of Payments** Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in the section entitled "Cashflows".

Pre-Acceleration Revenue Payments:	Priority of	Pre-Acceleration Principal Payments:	Priority of	Post-Acceleration Priority of Payments:
--	-------------	--	-------------	--

- |     |   |     |   |     |  |
|-----|---|-----|---|-----|--|
| (a) | Amounts due in respect of the fees, costs and expenses of the Note Trustee and the Security Trustee;  | (a) | During the Revolving Period only, amounts to credit the Replenishment Ledger in an amount equal to the Required Replenishment Amount;                             | (a) | Amounts due in respect of the fees, costs and expenses of the Note Trustee and the Security Trustee;   |
| (b) | Amounts due in respect of the fees, costs and expenses of the Agents;   | (b) | During the Amortisation Period only, principal due on the Class A Notes until the Principal Amount Outstanding of the Class A Notes has been reduced to zero;     | (b) | Amounts due in respect of the fees, costs and expenses of the Agents;  |
| (c) | <i>Pro rata</i> and <i>pari passu</i> , amounts payable to third parties, including the Issuer's liability to tax, amounts due in respect of the fees, costs and expenses of the Corporate Services Provider, the Servicer, the Cash Manager the Account Bank and the Back-Up Servicer, amounts payable in respect of the Issuer Profit Amount, amounts due in respect of the fees, costs and expenses of the legal advisors, accountants and auditors appointed by the Issuer; | (c) | During the Amortisation Period only, principal due on the Class B Notes until the Principal Amount Outstanding of the Class B Notes has been reduced to zero      | (c) | <i>Pro rata</i> and <i>pari passu</i> , amounts payable to third parties, including the Issuer's liability to tax, amounts due in respect of the fees, costs and expenses of the Corporate Services Provider, the Servicer, the Cash Manager the Account Bank and the Back-Up Servicer and amounts due in respect of the fees, costs and expenses of the legal advisors, accountants and auditors appointed by the Issuer; |
| (d) | Interest due on the Class A Notes;  | (d) | During the Amortisation Period only, principal due on the Class C Notes until the Principal Amount Outstanding of the Class C Notes has been reduced to zero; and | (d) | Interest due on the Class A Notes;   |
|     |   | (e) | Amounts to be   | (e) | Principal due on the Class A Notes until the Principal   |

	applied	as	Amount
(e) Amounts to be credited to the Cash Reserve Account;	Available	Revenue Funds.	Outstanding of the Class A Notes has been reduced to zero;
(f) Amounts to be credited to the Principal Deficiency Ledger;			(f) Interest due on the Class B Notes;
(g) Interest due on the Class B Notes;			(g) Principal due on the Class B Notes until the Principal Amount Outstanding of the Class B Notes has been reduced to zero;
(h) Interest due on the Class C Notes;			
(i) the New Loan Revenue Component of the New Loan Purchase Price or amount allocable to interest upon substitution of any Loans (where accrued interest of the Retired Loan is less than the accrued interest of the Substitute Loan);			(h) Interest due on the Class C Notes;
			(i) Principal due on the Class C Notes until the Principal Amount Outstanding of the Class C Notes has been reduced to zero;
(j) Interest due on the Subordinated Loan;			(j) the New Loan Revenue Component of the New Loan Purchase Price;
(k) Principal due on the Subordinated Loan; and			(k) Interest due on the Subordinated Loan;
(l) Deferred Consideration.			(l) Principal due on the Subordinated Loan; and
			(m) Deferred Consideration.

**General Credit Structure** The general credit structure of the transaction includes, broadly speaking, the following elements:

- availability of the **Cash Reserve**, which will be deposited in the Cash Reserve Account and be funded on the Closing Date by the proceeds of the Subordinated Loan up to the Cash Reserve Required Amount. Monies standing to the credit of the Cash Reserve will be used as Available Revenue Funds on each Interest Payment Date. After the Closing Date, the Cash Reserve will be replenished up to the Cash Reserve Required Amount on each Interest Payment Date from Available Revenue Funds in accordance with the Pre-Acceleration Revenue Priority of Payments (see section titled "*Description of Key Transaction Documents – Bank Account Agreement – Cash Reserve Account*" for further details);
- availability of the **Set-Off Reserve**, which will be held in the Set-Off Reserve Ledger established and maintained on the Transaction Account and funded on the Closing Date by the proceeds of the Subordinated Loan up to the Set-Off Reserve Required Amount. The Set-Off Reserve may be used on the occurrence of a Set-off Event and funded to the extent of any shortfall by a further drawing on the Subordinated Loan (see section titled "*Description of Key Transaction Documents – Cash Management Agreement – Transaction Account Ledgers*" for further details);
- availability of the **Commingling Reserve**, which will be deposited in the Commingling Reserve Account and be funded on the Closing Date by the proceeds of the Subordinated Loan up to the Commingling Reserve Required Amount. The Commingling Reserve may be used on the occurrence of a Commingling Event and funded to the extent of any shortfall by a further drawing on the Subordinated Loan (see section titled "*Description of Key Transaction Documents – Bank Account Agreement – Commingling Account*" for further details);
- the application of Available Principal Funds to make up any Income Deficit (see section titled "*Cashflows – Application of Available Principal Funds to Cover Income Deficit*");
- a Principal Deficiency Ledger will be established to record as a debit Principal Losses affecting the Loans and any use of Available Principal Funds to make up any Income Deficit. Available Revenue Funds will be applied on each Interest Payment Date in accordance with the relevant Priority of Payments until the debit balance of the Principal Deficiency Ledger is zero (see section titled "*Description of Key Transaction Documents – Cash Management Agreement – Transaction Account Ledgers*" for further details).

**Issuer Account, Transaction Reserve Account, and Transaction Account**      **Collection Issuer Account, Transaction Account**      On or prior to the Closing Date the Issuer will establish the issuer collection account (the **Issuer Collection Account**) with the Issuer Collection Account Bank and the transaction account (the **Transaction Account**), the commingling reserve account (the **Commingling Reserve Account**) and the cash reserve account (the **Cash Reserve Account**) with the Account Bank.

## **Ledgers**

Collections of revenue and principal in respect of the Loans will be received in the Issuer Collection Account and the Servicer shall transfer them to the Transaction Account on each Business Day.

The Issuer (or the Cash Manager on its behalf) will also maintain certain ledgers on the Transaction Account (the **Transaction Account Ledgers**) comprising the Principal Ledger, the Revenue Ledger, the Replenishment Ledger, the Set-Off Reserve Ledger and the Issuer Profit Ledger.

In addition to the Transaction Account Ledgers, the Issuer (or the Cash Manager on its behalf) will also maintain the Principal Deficiency Ledger.

*See "Description of Key Transaction Documents – Purchase Agreement, Cash Management Agreement, Issuer Collection Account Bank Agreement and Bank Account Agreement".*

## TRANSACTION OVERVIEW – TRIGGERS TABLE

### Rating Triggers Table

Transaction Party	Required Ratings	Contractual requirements on occurrence of breach of ratings trigger include the following:
<b>Account Bank</b>	The long term issuer default rating of the Account Bank of at least BBB- by Fitch and BBB- by S&P or such other ratings as may be acceptable to the Issuer (the <b>Account Bank Required Rating</b> ), and any such rating is not withdrawn.	The Account Bank and the Issuer shall procure within 30 days to transfer the balance standing to the credit of each of the Issuer Accounts to a bank with the Account Bank Required Rating and the relevant authorisations, to procure a third party guarantor of the obligations of the Account Bank having at least the Account Bank Required Rating or take any other solution as may be agreed with the Security Trustee.

## Non Rating Triggers Table

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of ratings trigger include the following:
<p><b>Servicer Termination Event</b></p> <p>See the section entitled "<i>Description of Key Transaction documents – The Servicing Agreement</i>" for further information.</p>	<p>The occurrence of any of the following:</p> <p>(a) the Servicer defaults in the payment of any amount due under the Servicing Agreement or any other Transaction Documents to which it is party and fails to remedy that default for a period of 5 Business Days after the earlier of becoming aware of the default and receipt of written notice from the Issuer or the Security Trustee (following delivery of a Note Acceleration Notice) requiring the default to be remedied;</p> <p>(b) the Servicer fails to comply with any of its other covenants or obligations under the Servicing Agreement or any other Transaction Document to which it is party which in the opinion of the Issuer (prior to the delivery of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the Security Trustee (following the delivery of a Note Acceleration Notice) is materially prejudicial to the interests of the Secured Creditors (which determination shall be conclusive and binding on the Secured Creditors) and does not remedy that failure within 15 Business Days after the earlier of becoming aware of the failure and receipt of written notice from the Issuer (prior to the delivery of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the Security Trustee (following delivery of a Note Acceleration</p>	<p>On the occurrence of a Servicer Termination Event, the Issuer or (following delivery of a Note Acceleration Notice) the Security Trustee may terminate the appointment of the Servicer.</p> <p>The Servicer shall not be released from its obligations under the Servicing Agreement until the appointment of a replacement Servicer (which expression shall include a Back-up Servicer) pursuant to a new servicing agreement and the rights of the Issuer under such agreement are charged in favour of the Security Trustee on terms satisfactory to the Security Trustee.</p>



Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of ratings trigger include the following:
	Notice) requiring the failure to be remedied;	
	(c) the Servicer fails to maintain required licences and authorisations;	
	(d) an Insolvency Event occurs in relation to the Servicer;	
	(e) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement and the other Transaction Documents to which it is a party, has been proved to be untrue, false or misleading in any material respect and such untrue, false or misleading representation and warranty is prejudicial to the Issuer or the Noteholders and is not remedied within 7 Business Days following receipt by the Servicer of a written notice thereof;	
	(f) an event shall occur or condition shall exist under any agreement or instrument relating to any debt of the Servicer which is outstanding in a principal amount of at least €15,000,000 (or its equivalent in another currency in aggregate), and, as a result of such event or condition, the maturity of such debt is accelerated; or any such debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such debt	

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of ratings trigger include the following:
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shall be required to be made, in each case prior to the stated maturity thereof;

- (g) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is a party; or
- (h) if the Servicer is prevented or severely hindered for a period of 20 days or more from complying with its material obligations under the Servicing Agreement as a result of a Force Majeure Event.

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of ratings trigger include the following:
<b>Cash Manager Termination Event</b>	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> <li data-bbox="456 450 930 757">(a) default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by the Cash Manager under the Cash Management Agreement and such default continues unremedied for a period of five Business Days; or</li> <li data-bbox="456 792 930 1962">(b) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Issuer (prior to the delivery of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the Security Trustee (following the delivery of a Note Acceleration Notice) is materially prejudicial to the interests of the Secured Creditors (which determination shall be conclusive and binding on the Secured Creditors) and such default continues unremedied for a period of 20 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer (prior to the delivery of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the Security Trustee (following the delivery of a Note Acceleration Notice), as the case may be, requiring the same to be remedied; or</li> </ul>	<p>On the occurrence of a Cash Manager Termination Event, the Issuer or (following delivery of a Note Acceleration Notice) the Security Trustee may terminate the appointment of the Cash Manager.</p>

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of ratings trigger include the following:
<b>Early Amortisation Event</b>	<p data-bbox="456 1039 932 1133">(c) an Insolvency Event occurs in relation to the Cash Manager occurs.</p> <p data-bbox="456 1173 932 1234">During the Revolving Period, the occurrence of any of the following:</p> <p data-bbox="456 1274 932 1303">(a) a Seller Termination Event;</p> <p data-bbox="456 1341 932 1370">(b) an Event of Default;</p> <p data-bbox="456 1408 932 1503">(c) the Cash Reserve Account is not funded up to the Cash Reserve Required Amount;</p> <p data-bbox="456 1541 932 1635">(d) the Set-Off Reserve Ledger is not funded up to the Set-Off Reserve Required Amount;</p> <p data-bbox="456 1673 932 1809">(e) the Commingling Reserve is not funded up to the Commingling Reserve Required Amount;</p> <p data-bbox="456 1848 932 1877">(f) a Servicer Termination Event;</p> <p data-bbox="456 1915 932 1980">(g) a breach of the Portfolio Triggers;</p>	<p data-bbox="962 383 1442 999">The Cash Manager may also resign its appointment with not less than 3 months' written notice to the Issuer, the Seller and the Security Trustee provided that: (i) a substitute cash manager is appointed no later than the date of such termination; (ii) such substitute cash manager has cash management experience and is approved by the Security Trustee; and (iii) such substitute cash manager enters into an agreement substantially on the same terms as or on such terms as are satisfactory to the Issuer and the Security Trustee the Cash Management Agreement and the rights of the Issuer under such agreement are charged in favour of the Security Trustee.</p> <p data-bbox="962 1173 1442 1447">On the occurrence of an Early Amortisation Event, the Revolving Period will come to an end and the Amortisation Period will begin. The Notes will be subject to mandatory redemption in part in accordance with Condition 6.4 (Mandatory redemption in part).</p>

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of ratings trigger include the following:
	<ul style="list-style-type: none"> <li>(h) on any Interest Payment Date, the debit balance of the Principal Deficiency Ledger exceeds €100,000; and</li> <li>(i) the amounts standing to the credit of the Replenishment Ledger exceeds 15 per cent of the Initial Aggregate Loan Balance.</li> </ul>	
<b>Portfolio Triggers</b>	<p data-bbox="456 763 932 824">During the Revolving Period, the occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>(a) on any Calculation Date, the Cumulative Default Ratio exceeds the percentages set out below: <ul style="list-style-type: none"> <li>(i) from the Closing Date to (and including) the second Interest Payment Date, 6.0%; and</li> <li>(ii) from (but excluding the second Interest Payment Date), 9.0%; or</li> </ul> </li> <li>(b) on any Calculation Date, the Delinquent Loan Ratio is greater than 10%.</li> </ul>	Breach of a Portfolio Trigger will constitute an Early Amortisation Event.

## TRANSACTION OVERVIEW - FEES

The following table sets out the on-going fees to be paid by the Issuer to the transaction parties.

<u>Type of Fee</u>	<u>Priority in Cashflow</u>	<u>Frequency</u>
Servicing Fees	Ahead of all outstanding Notes	Quarterly in arrears on each Interest Payment Date
Cash management fee	Ahead of all outstanding Notes	Quarterly in arrears on each Interest Payment Date
Other fees and expenses of the Issuer, including those in respect of the Note Trustee and Security Trustee, Agents, the Account Bank, Corporate Services Provider and the Back-Up Servicer	Ahead of all outstanding Notes	Quarterly in arrears on each Interest Payment Date
Expenses related to the admission to trading of the Notes		On or about the Closing Date

## RISK RETENTION REQUIREMENTS

Alpha Bank, as originator, will, whilst any of the Notes remain outstanding, retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text, as on the Closing Date, of each of Article 405(1) of the CRR, Article 51(1) of the AIFMR and Article 254(2) of the Solvency II Regulation (which, in each case, does not take into account any relevant national measures). As at the Closing Date, such interest will be comprised of an interest in the first loss tranche as required by the text of paragraph (d) of Article 405(1) of the CRR, the text of paragraph (d) of Article 51(1) of the AIFMR and the text of paragraph (d) of Article 254(2) of the Solvency II Regulation. Such retention requirement will be satisfied by Alpha Bank holding the Class C Notes. Any change to the manner in which such interest is held will be notified to the Note Trustee and the Noteholders.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Prospectus and, after the Closing Date, to the Investor Reports (a general description of which is set out in "*Description of Key Transaction Documents – Cash Management Agreement*"). The website and the contents thereof do not form part of this Prospectus.

Alpha Bank has provided a corresponding undertaking with respect to (i) the provision of such investor information specified in the paragraph above; and (ii) the interest to be retained by Alpha Bank to the Arranger in each subscription agreement and to the Issuer and the Noteholders in the Deed of Charge and (iii) the disclosure obligations imposed on sponsor and originator credit institutions under Article 409 of the CRR (subject always to any requirement of law, provided that Alpha Bank will not be in breach of such undertaking if Alpha Bank fails to so comply due to events, actions or circumstances beyond Alpha Bank's control).

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the CRR (including Article 405 of the CRR), Section Five of Chapter III of the AIFMR (including Article 51 of the AIFMR), Chapter VIII of Title I of the Solvency II Regulation (including Article 254) and any national measures which may be relevant and none of the Issuer, Alpha Bank (in its capacity as the Seller, the Servicer or the Cash Manager) nor the Arranger makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

For further information on the requirements referred to above and the corresponding risks, please refer to the Risk Factor entitled "*Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*".

## DESCRIPTION OF KEY TRANSACTION DOCUMENTS

### 1. PURCHASE AGREEMENT

#### *General*

On or prior to the Closing Date, Alpha Bank, the Issuer and the Security Trustee will enter into a purchase agreement (the **Purchase Agreement**) pursuant to which on the Closing Date the Issuer shall purchase the Initial Loans and on any Business Day during the Revolving Period the Issuer may purchase New Loans from the Seller subject to satisfying certain conditions precedent (including compliance with the Eligibility Criteria and the Portfolio Covenants), provided that (other than in relation to New Loans purchased on an Interest Payment Date) the Issuer may not purchase New Loans on more than two days in any Collection Period. The Purchase Agreement will set out, *inter alia*, the terms and conditions of the sale and assignment by the Seller to the Issuer of the Loans. The sale by the Seller to the Issuer of the Initial Loans and each New Loan will be given effect by a Greek law assignment (the **Greek Assignment Agreement**).

The Purchase Agreement and the Greek Assignment Agreement and, in the case of Bond Loans, the Bond Transfer Endorsements (where applicable), will provide for the sale and assignment of Loans together with all Ancillary Rights and Related Security to the Issuer and will comprise the Loans in respect of the accounts specified in the Greek Assignment Agreement delivered as at the Initial Cut-Off Date and each relevant New Loan Cut-Off Date together with any Related Security.

**Bond Transfer Endorsement** means the transfer act printed on the back of the Bond Certificates and duly executed in accordance with the terms of the respective Bond Loan Programme.

#### *Consideration*

In consideration for the transfer of the Initial Loans as at the Initial Cut-Off Date and the New Loans as at the relevant New Loan Cut-Off Date, the Issuer will pay the Seller the Initial Loan Purchase Price and the New Loan Purchase Price respectively and agree to pay to the Seller the Deferred Consideration on each Interest Payment Date thereafter to the extent of available funds.

#### *Conditions to sale*

The sale of the Initial Loans and any New Loans to the Issuer will in all cases be subject to certain conditions as at the Closing Date and the relevant New Loan Cut-Off Date. The conditions include that:

- (a) the Initial Loans or the New Loans comply with the relevant Eligibility Criteria;
- (b) the sale of the Initial Loans or the New Loans does not cause a breach of the Portfolio Covenants;
- (c) the Issuer pays the Seller on the Closing Date the Initial Loan Purchase Price or the New Loan Principal Component of the New Loan Purchase Price, as applicable;
- (d) a transfer notice from the Seller to the Issuer, the Security Trustee, the Cash Manager and the Servicer, substantially in the form as set out in the Purchase Agreement (a **Transfer Notice**) attaching the relevant Portfolio Schedule is certified by an authorised signatory of the Seller to be true and accurate in all material respects;



- (e) the Loan Warranties shall be true in every material respect on the Closing Date or the relevant New Loan Cut-Off Date (in respect of the Initial Loans or the New Loan) by reference to the facts and circumstances then subsisting;
- (f) the delivery by the Seller to the issuer of a duly completed Greek Assignment Agreement in respect of the Initial Loans or the New Loans (substantially in the form set out in the Purchase Agreement) and a Notification Form which will be registered with the Athens Pledge Registry on the Closing Date or the relevant New Loan Cut-Off Date;
- (g) no Early Amortisation Event has occurred and is continuing as of the Closing Date or the relevant New Loan Cut-Off Date; and
- (h) delivery to the Issuer and the Security Trustee of a solvency certificate dated the Closing Date or the New Loan Cut-Off Date, as applicable, in relation to the Seller signed by a suitable representative of the Seller;
- (i) execution and delivery of Notification Form in respect of the Initial Loans or the New Loans, as applicable, and registration with Athens Pledge Registry;
- (j) in the case of the sale of Initial Loans on the Closing Date only:
  - (i) the Transaction Documents having been executed and delivered by the parties thereto and any conditions precedent required under any of them having been satisfied to the satisfaction of the Issuer; and
  - (ii) the Notes having been issued;
  - (iii) execution and delivery by the Issuer of the Seller Power of Attorney and Servicer Power of Attorney;
  - (iv) In the case only of those Bond Loans which the Seller does not deliver the relevant Bond Certificate to the Servicer on the Closing Date, the Seller covenants and undertakes for the benefit of the Issuer, that it shall within 10 Business Days, following the Closing Date:
    - (A) acting as holder of the Bonds to be assigned to the Issuer pursuant to the Purchase Agreement, deliver the Bond Certificates to the Servicer, acting in the name and on behalf of the Issuer, pursuant to article 977 of the Greek Civil Code;
    - (B) duly and timely perform any and all notifications and actions provided under each of the Bond Loan Programmes to be performed prior to or following the transfer of any Bond Loans; and
    - (C) in its capacity as Bondholders' Representative (to the extent that the Seller remains the Bondholders' Representative), update or, where the Seller does not have the capacity of the Bondholders' Representative procure the update of, the Bondholders' Registry and register the transfer therein,

and in the event that the Seller fails to satisfy these conditions in respect of such Bond Loans within 10 Business Days of the Closing Date, the relevant Bond Loan will be in breach of the Loan Warranties, for the avoidance of doubt, without any further cure period and the Seller will be obliged to repurchase the relevant Bond Loans for the Repurchase Price, see further “*Repurchase*” below.

- (k) in the case of the sale of New Loans on a New Loan Cut-Off Date only:
  - (i) the relevant New Loan Cut-Off Date falling within the Revolving Period;
  - (ii) the amounts standing to the credit of the Replenishment Ledger on the relevant New Loan Cut-Off Date being equal to or greater than the New Loan Principal Component of the New Loan Purchase Price;
  - (iii) (other than in relation to New Loans purchased on an Interest Payment Date) no New Loans having been purchased on more than two days in the Collection Period within which the relevant New Loan-Cut-Off Date falls;
  - (iv) to the extent that the New Loans are Bond Loans, delivery of the Bond Certificates and execution of the Bond Transfer Endorsements (where applicable);
  - (v) the Commingling Reserve having been funded up to the Commingling Reserve Required Amount; and
  - (vi) the Set-Off Reserve having been funded up to the Set-Off Reserve Required Amount.

#### *Representations and Warranties*

Pursuant to the Purchase Agreement, the Seller will make the following representations and warranties (the **Loan Warranties**) to the Issuer and the Security Trustee in respect of the Initial Loans included in the Portfolio as at the Closing Date and the New Loans purchased on the relevant New Loan Cut-Off Date and in relation to Substitute Loans on the Substitution Date including but not limited to statements to the following effect:

- (a) The particulars of each Loan to be transferred are true and accurate and the contract reference numbers stated in the relevant Transfer Notice enable each Loan to be identified in the records of the Seller.
- (b) Each Loan constitutes a legal, valid and binding obligation of the relevant Borrower enforceable in accordance with its material terms.
- (c) Each Loan complied in all material respects with the Eligibility Criteria or for the business in force at the time of origination.
- (d) Each Loan was entered into by the Borrower, on its own account.
- (e) All steps necessary to perfect the Seller's title to each Loan were duly taken at the appropriate time with all due diligence and all related costs and fees have been duly paid for.
- (f) The Seller has not, in whole or in part, assigned (whether outright or by way of security), transferred, sold, conveyed, discounted, novated, charged, disposed of or dealt with the benefit of, or right, title and interest to, any of the Loans in any way whatsoever and has not permitted any of the same to be seized, attached or subrogated.
- (g) In respect of any Related Security, prior to advancing the relevant Loan to the Borrower, the Seller has carried out or instructed to carry out in relation to the relevant asset all investigations, searches and other actions that would have been undertaken by a Prudent Lender when subscribing for or advancing (as the case may be) a Loan in an amount equal to the amount due under the relevant Loan in respect of an amount equal to the amount due

under the relevant Loan to be secured on an asset of the kind permitted under the Eligibility Criteria for new business in force at the time such Borrower entered into such Loan.

- (h) Each Loan satisfies, as at the date of execution of the relevant Loan Documentation and as at the Closing Date, the relevant New Loan Cut-Off Date or the relevant Substitution Date, the Eligibility Criteria, and in the case of any Substitute Loan, as at the relevant Substitution Date, the Substitution Criteria.
- (i) No Loan or any payment thereunder has ever been written off according to the Seller's credit and collection policies as contained in the Operating Procedures and, in respect of each Loan, the Seller has not waived any Borrower's obligations or any event of default (howsoever described in the relevant Loan Documentation) under any Loans.
- (j) The transfer of the Loans and the assignment of all rights attaching thereto on the Closing Date, the relevant New Loan Cut-Off Date or any Substitution Date pursuant to the Purchase Agreement and the Greek Assignment Agreement will be effective to transfer full, unencumbered title to the Loans together with Ancillary Rights and the Related Security to the Issuer and no further act, condition or thing will be required to be done to transfer legal title of any Loans to the Issuer, require payment of the Loans and the Related Security arising thereunder to the Issuer or to enforce such right in court and the delivery to the relevant Borrower except the registration of the Notification Forms with the Athens Pledge Registry in accordance with the requirements of Article 10, paragraph 8 of Law 3156.
- (k) The Seller has no obligations under or in connection with the Loans, other than the obligations of a lender in the related loan documentation.
- (l) So far as the Seller is aware, no Borrower has asserted and no circumstances as at the Closing Date or the relevant New Loan Cut-Off Date or the Substitution Date, as applicable, exist as a result of which any Borrower would be entitled to assert:
  - (i) any lien, counterclaim, right of rescission, set-off, retention, subordination, compensation or balance of accounts; or
  - (ii) any defence to payment of any amount due or to become due or performance of any other obligation due under a Loan,except any assertion of a lien, counterclaim, right of rescission, set-off, retention, compensation, subordination or balance of accounts or a defence to payment or performance which has been resolved prior to the Closing Date or the relevant New Loan Cut-Off Date or the Substitution Date, as applicable.
- (m) Other than late payment of interest or principal, no Borrower is in material breach, default or violation of any obligation under the relevant Loan.
- (n) In respect of each Loan, the Seller has not received any written notice in accordance with the relevant Loan Documentation, or otherwise, that any event of default (howsoever described in the relevant Loan Documentation) in respect of the Borrower has occurred and is continuing.
- (o) No proceedings have been taken by the Seller against any Borrower in respect of any Loan.
- (p) Neither the Seller nor any of its agents has received written notice of any litigation, dispute or complaint subsisting, threatened or pending which:

- (i) has or might have a material adverse effect on the validity or enforceability of any Loan;
  - (ii) may have a material adverse effect on the benefit to the Issuer of the transfers contemplated by the Purchase Agreement; or
  - (iii) calls into question the Seller's title to any Loan or the value of the security in relation to such Loan.
- (q) No early redemption payment has been made in respect of any Loan falling due for payment on or after the Closing Date or the relevant New Loan Cut-Off Date or the Substitution Date, as applicable.
- (r) No Loan has been terminated, repudiated or rescinded by the Seller or, so far as the Seller is aware, terminated, repudiated or rescinded by any relevant Borrower.
- (s) The underwriting criteria in respect of each Loan include such investigations, searches and other actions and such enquiries as to the status and creditworthiness of each Borrower thereunder (having regard to all the circumstances including the amount of the credit given under such Loan and the identity of the Borrower or Borrowers).
- (t) So far as the Seller is aware, no fraud has been perpetrated by any Borrower or any other person (whether or not an agent or employee of the Seller) in or in connection with the issue or completion or performance of any Loan and none of the documents, reports, forms and applications made, given, drawn-up or executed in relation to such issuance, completion or performance has been given, made, drawn-up or executed in a fraudulent manner.
- (u) So far as the Seller is aware, no Loan is void or voidable at the instance of any Borrower by reason of fraud, undue influence, duress, misrepresentation or for any other reason.
- (v) The Seller or its agent has created and maintained in all material respects and is in possession of all records relating to the Loans and Related Security.
- (w) Since advancing the Loans, the Seller has administered the Loans with reasonable care and diligence and in accordance with the Operating Procedures.
- (x) In the transmission and treatment of personal data relating to the Loans, the Seller has complied with all applicable provisions and performed all the registrations required for the treatment and transmission of personal data relating to Borrowers and/or Guarantors, who are not legal persons, in respect of any Loans.
- (y) The Seller:
- (i) is carrying on a financial trade;
  - (ii) originated or acquired the Loans in the ordinary course of that financial trade;
  - (iii) sells the Loans to the Issuer in the ordinary course of that financial trade; and
  - (iv) brings the Initial Loan Purchase Price or the New Loan Purchase Price and any Deferred Consideration into account in computing the profits of the financial trade.
- (z) No withholding or deduction for or on account of tax is required in relation to any payments under the Loans or in relation to any amounts relating to the realisation of Related Security.

- (aa) The Loans do not relate to immovable property situated in Ireland or any right over or interest in such property or any shares in an Irish Company.
- (bb) For Bond Loans only, each Bond is in printed form and represented by a Bond Certificate duly executed in accordance with the respective Bond Loan Programme and includes all material information required under Greek law 3156/2003.
- (cc) For Bond Loans only, no Bond is admitted for listing and/or trading on any organised market.
- (dd) For Bond Loans only, the interests regarding each Bond are represented by the Bondholders' Representative.
- (ee) For Bond Loans only, the Seller's participation in each Bond Loan (other than as disclosed in Schedule 8 (Disclosed Loans) to the Purchase Agreement) is such that it is entitled under each respective Bond Loan Programme to exercise veto rights with respect to decisions at the respective bondholders' meeting that constitute Material Amendments.
- (ff) Each Bond is held by the Seller as bondholder or by the respective Bondholders' Representative.
- (gg) If a Loan to be transferred and assigned to the Issuer is:
  - (i) a Secured Loan advanced to a Borrower or subscribed by the Seller (as the case may be) under which the Seller benefits from Related Security held by another lender; and
  - (ii) such Related Security is also held by such lender for the benefit of other lenders in connection with Loan subscribed or advanced (as the case may be) to the same Borrower that are not to be transferred and assigned to the Issuer at the same time,

the Seller has an unrestricted entitlement under the Loan that is to be transferred and assigned to the Issuer, to participate and vote in the lender's meeting in relation to the enforcement of the Related Security and all matters in relation thereto.
- (hh) No representation or warranty has been made to any Borrower (whether prior to entry into the applicable Loan or thereafter) which is materially inconsistent with the terms and conditions of the Loan to which such Borrower is a party.
- (ii) In respect of any Secured Loans, all Related Security has been validly perfected in favour of the Seller in accordance with all applicable laws.
- (jj) All material legal obligations and duties of the Seller in connection with the entry into the Transaction Documents, such as licensing requirements, the non-compliance with which would otherwise have a Material Adverse Effect, have been complied with.
- (kk) The Seller has properly recalculated interest and/or has charged interest that is due under each Loan in accordance with the terms of the respective Loan Agreement and applicable Greek laws and, as far as the Seller is aware, no Borrower has requested a recalculation thereof.

**Material Amendment** means in respect of a Loan, the making of any change to the terms and conditions of that Loan which relates to a change in: (i) the interest rate terms; (ii) the final maturity date; (iii) the terms of the frequency by which a Borrower is obliged to make payments; and (iv) the Principal Balance of such Loan.

**Operating Procedures** means the Seller's operating procedures in respect of the Loans set out in the Operating Procedures Manual (as may be amended, varied or supplemented from time to time in accordance with the terms of the Servicing Agreement).

**Operating Procedures Manual** means the Seller's general operating procedures manual in respect of the administration of its business of lending to professionals (individuals and legal entities) resident in the Hellenic Republic delivered to the Servicer on the Closing Date.

**Prudent Lender** means a prudent lender making SME Loans to borrowers in Greece.

**Secured Loans** means Loans which benefit from any Related Security for the Borrower's obligations.

#### *Eligibility Criteria*

The Seller will also make representations and warranties in respect of the Initial Loans, the New Loans and any Substitute Loans as at the Initial Cut-Off Date, the relevant New Loan Cut-Off Date or the relevant Substitution Date, as applicable, including statements to the following effect which together constitute the eligibility criteria in respect of the Loans (the **Eligibility Criteria**):

#### *Eligible Loans*

**Eligible Loans** are Loans which satisfy the following Eligibility Criteria:

- (a) The Loan has been originated by Alpha Bank A.E..
- (b) The borrower under the Loan is incorporated in Greece.
- (c) The Loan is governed by Greek Law.
- (d) The Loan bears interest at either a floating or fixed interest rate.
- (e) The Loan is denominated and payable in Euros.
- (f) No Loan is a Delinquent Loan.
- (g) The Loan is a term loan and does not allow for a revolving facility (*alliloxreoi*); any Term Loans are transferred with the corresponding part of the Termination Value.
- (h) No borrower under any Loan is declared bankrupt or is subject to any bankruptcy or insolvency proceedings.
- (i) The underlying agreement on which each Loan is made is legal, valid and binding and does not violate any applicable laws.
- (j) The Loan is fully drawn and does not allow for any further amounts to be borrowed by the borrower.
- (k) At least one payment has been made on the Loan.
- (l) The Loan has not been made to an affiliate of Alpha Bank A.E.
- (m) The Loan has a remaining term of not more than 18 years.
- (n) The Loan was originated according to and complies with the credit and collection policies of the Seller.

- (o) The Loan is not a non-performing loan, or a loan (either performing or non-performing) for which forbearance measures have been granted, as referred to in the Act no. 42/30.05.2014 of the Executive Committee of the Bank of Greece, as amended and in force.
- (p) The Loan has not been in arrears for more than 90 days in the last 12 months.
- (q) Title to the Loan is freely assignable to the Issuer.
- (r) The Loan is not subsidised by the Greek state and state owned entities. The borrower has primary responsibility for paying full principal and interest of the Loan.
- (s) The Loan is not rated using slotting criteria.
- (t) Each Loan has been given an Internal Rating by Alpha of CC+ or better.
- (u) No Loan has been made to an employee of Alpha Bank A.E.
- (v) No Bond is admitted for listing and/or trading on any organised market.
- (w) The Seller's participation in each Bond Loan (other than as disclosed in Schedule 8 (Disclosed Loans) to the Purchase Agreement) is such that it is entitled under each respective Bond Loan Programme to exercise veto rights with respect to decisions at the respective bondholders' meeting that constitute Material Amendments.

**Delinquent Loan** means a Loan which is a Non-Defaulted Loan and which is in arrears in an amount of €500 or more by more than 30 but less than 90 days.

#### *Portfolio Covenants*

The Seller shall give the following covenants in relation to the Portfolio (excluding the Defaulted Loans) which shall be satisfied on a portfolio basis throughout the Revolving Period, provided that Defaulted Loans shall not be taken into consideration in determining whether the Portfolio Covenants are satisfied. No sale of New Loans shall be made during the Revolving Period if after such sale the Portfolio (excluding the Defaulted Loans) does not satisfy the Portfolio Covenants:

- (a) Obligor
  - (i) The aggregate Principal Balance of the Non-Defaulted Loans of the Top 1 obligor group divided by the Initial Aggregate Loan Balance shall be  $\leq 1.10\%$ .
  - (ii) The aggregate Principal Balance of the Non-Defaulted Loans of the Top 5 obligor groups divided by the Initial Aggregate Loan Balance shall be  $\leq 5.50\%$ .
  - (iii) The aggregate Principal Balance of the Non-Defaulted Loans of the Top 10 obligor groups divided by the Initial Aggregate Loan Balance shall be  $\leq 11.0\%$ .
  - (iv) The aggregate Principal Balance of the Non-Defaulted Loans of the Top 20 obligor groups divided by the Initial Aggregate Loan Balance shall be  $\leq 20.00\%$ .
- (b) Industry
  - (i) The aggregate Principal Balance of the Non-Defaulted Loans given to top 1 NACE industry divided by the Initial Aggregate Loan Balance shall be  $\leq 35.00\%$ .

- (ii) The aggregate Principal Balance of the Non-Defaulted Loans given to the second top NACE industry divided by the Initial Aggregate Loan Balance shall be  $\leq 25.00\%$ .
  - (iii) The aggregate Principal Balance of the Non-Defaulted Loans given to NACE industries with NACE Code 4110, 6810 and 6820 divided by the Initial Aggregate Loan Balance shall be  $\leq 7.00\%$ .
- (c) Geographic
- The aggregate Principal Balance of the Non-Defaulted Loans in Athens divided by the Initial Aggregate Loan Balance shall be  $\leq 55.00\%$ .
- (d) Amortisation Profile
- The aggregate Principal Balance of the Non-Defaulted Loans with bullet payments divided by the Initial Aggregate Loan Balance shall be  $\leq 7.50\%$ .
- (e) Nominal Interest Rate
- The ratio of the sum of the product of the Principal Balance of the Non-Defaulted Loans by their respective Nominal Interest Rate to the Aggregate Non-Defaulted Loan Balance shall be  $\geq 4.00\%$ .
- (f) Remaining Term
- The ratio of the sum of the product of the Principal Balance of the Non-Defaulted Loans by their respective remaining term to the Aggregate Non-Defaulted Loan Balance shall be  $\leq 5.80$  years.
- (g) Type of Loans
- The aggregate Principal Balance of the Non-Defaulted Loans that are SME Loans divided by the Initial Aggregate Loan Balance shall be  $\geq 85.00\%$ .
- (h) Interest Rate
- (i) The aggregate Principal Balance of the Non-Defaulted Loans that are fixed rate loans divided by the Initial Aggregate Loan Balance shall be  $\leq 2.00\%$ .
  - (ii) The aggregate Principal Balance of the Non-Defaulted Loans that are indexed to 1, 3 & 6 month EURIBOR divided by the Initial Aggregate Loan Balance shall be  $\geq 80.00\%$ .
  - (iii) The aggregate Principal Balance of the Non-Defaulted Loans paying monthly or quarterly divided by the Initial Aggregate Loan Balance shall be  $\geq 55.00\%$ .
- (i) Internal Rating
- The ratio of the sum of the product of the Principal Balance of the Non-Defaulted Loans by their respective Internal Rating Grade to the Aggregate Non-Defaulted Loan Balance shall be  $\leq 8.10$ .

\*Please see below the mapping of Internal Ratings to Internal Rating Grades



Internal Rating	Internal Rating Grade
AA	1
A+	2
A	3
A-	4
BB+	5
BB	6
BB-	7
B+	8
B	9
B-	10
CC+	11
CC	12
CC-	13
C	14
D	15
Unrated	15

(j) Flexible Loans

the Principal Balance of the Non-Defaulted Loans that are flexible loans divided by the Initial Aggregate Loan Balance shall be  $\leq 8.00\%$ .

(k) Grace Period

the Principal Balance of the Non-Defaulted Loans with grace period divided by the Initial Aggregate Loan Balance shall be  $\leq 5.00\%$ .

**Aggregate Non-Defaulted Loan Balance** means on any date the aggregate Principal Balance of all the Non-Defaulted Loans as at that date.

**Initial Aggregate Loan Balance** means EUR 640,000,000.

**Internal Rating** means the scale from AA to D used by Alpha Bank rate Borrowers using its internal models, as modified and recalibrated by Alpha Bank from time to time.

**Internal Rating Grade** means the scale from 1 to 15, as mapped to Internal Ratings.

**Non-Defaulted Loans** means Loans that have not become Defaulted Loans since the Closing Date.

**SME Loans** means loans made to borrowers which qualify as SMEs according to Commission Recommendation 2003/361/EC, as published in the Official Journal of the European Union L 124, p. 36 of 20 May 2003.

*Repurchase*

Pursuant to the terms of the Purchase Agreement, the Seller will be required to repurchase the Loans sold pursuant to the Purchase Agreement if: (i) there is any breach of the Loan Warranties given by the Seller in relation to that Loan, by reference to the facts and circumstances subsisting at the relevant date on which such Loan Warranties were given, provided that if such breach is capable of being cured, it has not been cured in all material respects within 30 calendar days after the date on which the Seller became aware or (if earlier) was notified by the Servicer or the Issuer of the relevant breach of the Loan Warranties; and (ii) if that Loan or Related Security is subject to any Material Amendment.

The Seller may at its sole discretion (but shall not be obliged to) purchase any Loan if it is determined that such Loan is a Defaulted Loan. No cure period shall apply in the case of Bond Loans purchased on the Closing Date which require delivery of the Bond Certificate and such Bond Certificate is not delivered within 10 Business Days of the Closing Date causing a breach of Loan Warranties.

#### *Repurchase Price*

On repurchase of the Loans, the Seller will pay to the Issuer the Repurchase Price. The **Repurchase Price** for any relevant Loan will be an amount equal to the aggregate of:

- (a) the Principal Balance of the relevant Loan as at the date of the repurchase, excluding the Termination Value amounts assigned to the Issuer corresponding to Term Loans subject to repurchase;
- (b) an amount equal to the accrued but unpaid interest on the relevant Loan up to and excluding the date of repurchase;
- (c) an amount equal to all other amounts due and unpaid in respect of the relevant Loan as at the date of repurchase; and
- (d) the properly incurred costs and expenses of the Issuer incurred in relation to such repurchase or, as applicable, the aggregate of the foregoing amounts which would have subsisted but for the breach of the relevant representation and warranty,

after deducting an amount equal to any interest not yet accrued but paid in advance to the Issuer (which amount paid in advance the Issuer shall keep).

#### *Seller Call Options*

The Seller will have the following options to offer to repurchase certain Loans in the circumstances set out below.

##### Seller Call Option

On any Interest Payment Date falling on or after the fourth Interest Payment Date, the Seller may exercise the option granted by the Issuer pursuant to the Purchase Agreement to offer to repurchase (which the Issuer may or may not accept), and have assigned to it by the Issuer, all (but not part) of the Portfolio and all rights attaching thereto in full on the next Interest Payment Date by giving notice to the Issuer of not more than 60 days and not less than 30 days of such exercise (the **Seller Call Option**) if: (i) the Issuer has given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with Condition 14 of its intention to redeem all (but not some only) of the Notes of each class; (ii) that prior to giving such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that, subject to receiving the consideration payable pursuant to exercise of the Seller Call Option, it will have the necessary funds to pay all amounts of principal and interest due on such Interest Payment Date in respect of the Notes and any amounts to be paid *pari passu* with the Notes and for amounts of a higher priority under the applicable Priority of Payments; (iii) that on or prior to such Interest Payment Date, the Note Trustee has not served a Note Acceleration Notice on the Issuer in accordance with the Conditions; and (iv) prior to the purchase and assignment to it of the Portfolio, the Seller shall have provided to the Issuer a solvency certificate signed by a director dated the Seller Call Option Date confirming that the Seller is not insolvent or in a state of cessation of payment or any similar situation.

## Clean-Up Call Option

On any Interest Payment Date, the Seller may exercise the option granted by the Issuer pursuant to the Purchase Agreement to offer to repurchase (which the Issuer may or may not accept), and have assigned to it by the Issuer, all (but not part) of the Portfolio and all rights attaching thereto in full on the next Interest Payment Date (the **Clean-Up Call Date**) by giving notice to the Issuer of not more than 60 days and not less than 30 days of such exercise (the **Clean-Up Call Option**) if: (i) the Issuer has given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with Condition 14 of its intention to redeem all (but not some only) of the Notes of each class; (ii) that the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that, subject to receiving the consideration payable pursuant to exercise of the Clean-Up Call Option, it will have the necessary funds to pay all principal and interest due on the Clean-Up Call Date in respect of the Notes and any amounts to be paid *pari passu* with the Notes and for amounts of a higher priority under the applicable Priority of Payments; (iii) that the certificate referred to in (ii) confirms that the Principal Amount Outstanding of the Notes would on such Clean-Up Call Date (and taking into account any amount to be redeemed on such Clean-Up Call Date from Available Principal Funds) be equal to or less than 10% of the Principal Amount Outstanding of the Notes on the Closing Date; (iv) that on or prior to such Clean-Up Call Date, the Note Trustee has not served a Note Acceleration Notice on the Issuer in accordance with the Conditions; and (v) prior to the purchase and assignment to it of the Portfolio, the Seller shall have provided to the Issuer a solvency certificate signed by a director dated the Clean-Up Call Date confirming that the Seller is not insolvent or in a state of cessation of payment or any similar situation.

## Substitution Criteria

During the Amortisation Period only, instead of repurchasing a Loan and its Related Security (if any) from the Issuer pursuant to its repurchase obligations, the Seller may require the Issuer to accept a Substitute Loan in partial consideration for the repurchase payment (subject to satisfying the Substitution Criteria as set out below on the relevant Substitution Date) such that the aggregate Principal Balance of such Substitute Loans together with any cash consideration will be equal to the total consideration which would have been payable by the Seller to the Issuer in relation to the Loans being repurchased had the substitution not taken place.

The sale of any Substitute Loans to the Issuer is conditional upon: (i) a Transfer Notice (attaching the schedule of Substitute Loans) (ii) the delivery by the Seller of a solvency certificate; (iii) a duly completed Greek Assignment Agreement in respect of the Substitute Loans having been delivered by the Seller to the Issuer; (iv) execution and delivery of a duly completed Notification Form in respect of the Substitute Loans and registration with the Athens Pledge Registry, (v) to the extent that Substitute Loans are Bond Loans, delivery of the Bond Certificates and execution of Bond Transfer Endorsements (where applicable); (vi) the Commingling Reserve having been funded up to the Commingling Reserve Required Amount; and (vii) the Set-Off Reserve having been funded up to the Set-Off Reserve Required Amount.

**Substitution Criteria** means the following criteria:

- (a) the principal on the Retired Loan(s) is greater than the principal on the Substitute Loan(s);
- (b) the Substitute Loan must meet the Eligibility Criteria;
- (c) the cumulative Principal Balance of all of the Substitute Loans since the beginning of the Amortisation Period shall not comprise more than 10 per cent. of the Initial Aggregate Loan Balance;

- (d) the Loan Warranties shall be true in every material respect on the relevant Substitution Date in respect of the Substitute Loan by reference to the facts and circumstances then subsisting;
- (e) a Retired Loan with a floating interest rate may only be substituted by a Substitute Loan that also bears a floating interest rate;
- (f) the Substitute Loan should not cause the following metrics to deteriorate on a portfolio basis, as those are calculated right before the repurchase of the Retired Loan:
  - (i) concentration percentage of largest exposure by obligor group;
  - (ii) concentration percentage of 10 largest exposures by obligor group;
  - (iii) concentration percentage of top Industry Sector; and
  - (iv) concentration percentage of second top Industry Sector;
- (g) the Internal Rating of any Substitute Loan shall not be higher (worse) than that of the Retired Loan on the relevant Substitution Date, except that Substitute Loans making up no more than 5 per cent. of the aggregate Principal Balance of the Loans in the Portfolio may be higher (worse) than that of the Retired Loan by no more than 1 rating notch;
- (h) the weighted average interest rate of the Substitute Loans paying interest at a fixed interest rate should be equal or greater than the weighted average interest rate of the Retired Loans paying interest at a fixed interest rate;
- (i) the weighted average spread of the Substitute Loans paying interest based on EURIBOR should be equal to or greater than the weighted average spread of the Retired Loans paying interest based on EURIBOR; and
- (j) the weighted average remaining term of the Substitute Loans should not be greater than the weighted average remaining term of the Retired Loans by more than 6 months; and
- (k) the Substitute Loan shall not have a remaining term that is more than two years of the remaining term of the relevant Retired Loan.

**Retired Loan** means the Loan which is substituted at the option of the Seller on the relevant Substitution Date.

*Applicable law and jurisdiction*

The Purchase Agreement and all non-contractual obligations arising out of or under it will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Purchase Agreement.

## 2. **SERVICING AGREEMENT**

On or prior to the Closing Date the Issuer, the Security Trustee and Alpha Bank will enter into a servicing agreement (the **Servicing Agreement**) pursuant to which Alpha Bank will provide certain services relating to the servicing of the Loans and the collection of payments and transfers of monies in respect of the Loans.

## Collection and Servicing Activities

### *General*

The Servicer shall when carrying out the servicing function act in accordance with the customary and usual collection and servicing procedures of Alpha Bank for servicing comparable Loans in accordance with its policies and procedures relating to its loan business, as amended from time to time (the **Collection and Servicing Procedures**) using the same degree of skill and attention that the Servicer exercises with respect to comparable Loans that the Servicer administers for itself or others. The Servicer will also carry out certain collection tasks on behalf of the Issuer.

### *Description of Servicing Functions*

The duties of the Servicer will be set out in the relevant section of the Servicing Agreement and the Servicer will agree, amongst other things, to:

- (a) servicing and administering the Loans and in particular to collect all Collections;
- (b) exercising the rights of the Issuer in relation to the recovery of amounts due from the Borrowers and, as the case may be, the relevant guarantors in relation to the Defaulted Loans in accordance with the Enforcement Procedures and the Servicing Agreement;
- (c) procuring that all Collections in respect of the Loans are transferred into the Issuer Collection Account on each Business Day;
- (d) transferring amounts standing to the credit of the Issuer Collection Account to the Transaction Account on each Business Day;
- (e) operating the Issuer Collection Account pursuant to the terms of the Servicing Agreement and the Issuer Collection Account Bank Agreement;
- (f) preparing and publishing the Servicer Quarterly Report;
- (g) procuring that any proceeds of any enforcement, sale or repurchase of Defaulted Loans and Related Security are deposited directly into the Issuer Collection Account, on the date of receipt of the same.
- (h) procuring that Collections incorrectly deposited into an account other than the Issuer Collection Account shall be transferred to the Issuer Collection Account, and that amounts received from a Borrower in excess of the amounts payable under the relevant Loan are refunded to such Borrower;
- (i) determine and notifying the Cash Manager at the end of each calendar month, on each New Loan Cut-Off Date and each Substitution Date of the Commingling Reserve Required Amount and the Set-Off Reserve Required Amount;
- (j) procure that all records in respect of the Loans and Related Security (to the extent retained by the Seller and/or the Servicer) are kept in safe custody and held to the order of the Issuer (and following the service of a Note Acceleration Notice, the Security Trustee) and are separately identifiable from its own records;
- (k) give access to its records to the Issuer or the Security Trustee or the Note Trustee (or any agent) upon request;
- (l) deal with any Loans in arrears in accordance with the Collection and Servicing Procedures;

- (m) procuring the taking of enforcement proceedings by the Seller (in the case of Secured Loans) or by the Bondholders' Representative (in the case of Bond Loans), to undertake enforcement proceedings itself (in the case of Loans that are not Secured Loans) in respect of any Borrowers which may default on their obligations under the relevant Loan; and
- (n) perform other tasks incidental to the above.

#### *Description of Servicing Standard*

In accordance with the terms of the Servicing Agreement, the Servicer shall when carrying out its duties:

- (a) comply with the Servicer's Collection and Servicing Procedures; and
- (b) at all times devote or procure that there is devoted to the performance of its obligations, exercise of its discretions and its exercise of the rights of the Issuer and where so permitted the Security Trustee in respect of the Loans at least the same amount of (i) time and attention, (ii) the same level of skill, care and diligence in the performance of those obligations and discretions as it would if it were administering the services in respect of the loans which it beneficially owned and, in any event, will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions and consider the interest of the Issuer and the Security Trustee (acting on behalf of the Secured Creditors) at all times whilst carrying out the services pursuant to the Servicing Agreement but the Servicer shall not be required to do or cause to be done anything which it is prevented from doing by any regulatory direction or any requirement of law.

In addition, the Servicer shall service the Loans and Related Security forming part of the Portfolio in compliance with the Loan Documentation, the Purchase Agreement and certain general covenants of the Servicer (including covenants as to the compliance with any applicable laws in rendering the services owed by the Servicer).

#### *Collections and distribution*

Amounts received from the Borrowers in relation to the Loans will be deposited directly into the Issuer Collection Account. The Servicer will ensure that all Collections are paid into the Issuer Collection Account and if any amounts are incorrectly deposited into another account, the Servicer will transfer such amounts to the Issuer Collection Account. Amounts standing to the credit of the Issuer Collection Account representing Collections will be transferred to the Transaction Account on each Business Day.

#### *Performance by Third Parties*

The Servicer is permitted to delegate some or all of its duties to other entities, including its affiliates and subsidiaries, although the Servicer will remain liable for the performance of any duties that it delegates to another entity.

#### *Servicer Quarterly Reports*

Six Business Days prior to each Interest Payment Date, the Servicer shall, pursuant to the Servicing Agreement, prepare and deliver to the Issuer, the Security Trustee, the Note Trustee (in the case of each of the Security Trustee and the Note Trustee, on request), the Cash Manager, the Issuer Collection Account Bank and, upon its appointment as replacement Servicer only, the Back-Up Servicer, with the Servicer Quarterly Report.

If the information given in the Servicer Quarterly Report is not sufficient for the Issuer, the Security Trustee, the Note Trustee, the Cash Manager, Issuer Collection Account Bank and, upon its appointment as replacement Servicer only, the Back-Up Servicer, in order to perform their respective tasks (including the preparation of any reports or provisions of other information) under the Servicing Agreement or the other Transaction Documents, the Servicer has undertaken to give such assistance as reasonably requested by the relevant party.

Each Servicer Quarterly Report shall:

- (a) be in electronic form and substantially in the format set forth in the Servicing Agreement;
- (b) cover the Collection Period(s) immediately preceding the relevant Interest Payment Date; and
- (c) provide details of the Revenue Receipts and Principal Receipts received in respect of the Loans in the immediately preceding Collection Period.

#### *Servicer fee*

The Issuer shall pay to the Servicer a fee as set out in the Servicing Agreement (the **Servicer Fee**) on each Interest Payment Date in accordance with the relevant Priority of Payments.

#### *Servicer Termination*

On the occurrence of any of the following events (each a **Servicer Termination Event**), the Issuer or (following delivery of a Note Acceleration Notice) the Security Trustee may at once or at any time subsequently by notice in writing to the Servicer terminate the appointment of the Servicer with effect from a date (not earlier than the date of such notice) specified in such notice:

- (a) the Servicer defaults in the payment of any amount due under the Servicing Agreement or any other Transaction Documents to which it is party and fails to remedy that default for a period of 5 Business Days after the earlier of becoming aware of the default and receipt of written notice from the Issuer or the Security Trustee (following delivery of a Note Acceleration Notice) requiring the default to be remedied;
- (b) the Servicer fails to comply with any of its other covenants or obligations under the Servicing Agreement or any other Transaction Document to which it is party which in the opinion of the Issuer (prior to the delivery of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the Security Trustee (following the delivery of a Note Acceleration Notice) is materially prejudicial to the interests of the Secured Creditors (which determination shall be conclusive and binding on the Secured Creditors) and does not remedy that failure within 15 Business Days after the earlier of becoming aware of the failure and receipt of written notice from the Issuer (prior to the delivery of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the Security Trustee (following delivery of a Note Acceleration Notice) requiring the failure to be remedied;
- (c) the Servicer fails to maintain required licences and authorisations;
- (d) an Insolvency Event occurs in relation to the Servicer;
- (e) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement and the other Transaction Documents to which it is a party, has been proved to be untrue, false or misleading in any material respect and such untrue, false or misleading representation and warranty is prejudicial to the Issuer or the Noteholders and is not

remedied within 7 Business Days following receipt by the Servicer of a written notice thereof;

- (f) an event shall occur or condition shall exist under any agreement or instrument relating to any debt of the Servicer which is outstanding in a principal amount of at least €15,000,000 (or its equivalent in another currency in aggregate), and, as a result of such event or condition, the maturity of such debt is accelerated; or any such debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such debt shall be required to be made, in each case prior to the stated maturity thereof;
- (g) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is a party; or
- (h) if the Servicer is prevented or severely hindered for a period of 20 days or more from complying with its material obligations under the Servicing Agreement as a result of a Force Majeure Event.

**Force Majeure Event** means any acts, events or circumstances not reasonably within the control of the Servicer, or resulting from the general risks of investment in or the holding of assets in any jurisdiction, including, but not limited to, liabilities arising from: nationalisation, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules or practice, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; and strikes or industrial action.

The Servicer shall not be released from its obligations under the Servicing Agreement until the appointment of a replacement Servicer (which expression shall include a Back-up Servicer) pursuant to a new servicing agreement and the rights of the Issuer under such agreement are charged in favour of the Security Trustee on terms satisfactory to the Security Trustee.

#### *Applicable law and jurisdiction*

The Servicing Agreement and all non-contractual obligations arising out of or under it will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Servicing Agreement.

### **3. BACK-UP SERVICING AGREEMENT**

On or about the Closing Date, the Back Up Servicer, the Seller, the Servicer, the Issuer and the Security Trustee will enter into the Back-Up Servicing Agreement pursuant to which the parties thereto will agree that following a Servicer Termination Event, the performance of the Servicer's obligations under the Servicing Agreement will be undertaken by the Back-Up Servicer in accordance with the terms of the Back-Up Servicing Agreement and the replacement servicing agreement attached thereto.

The Back-Up Servicer will assume the Servicer's obligations under the Servicing Agreement within six months after the date that it receives written notice of the termination of the appointment of the Servicer (such date, the **Back-Up Servicer Succession Date**) under the Servicing Agreement from the Issuer (or following delivery of a Note Acceleration Notice) the Security Trustee or such other



date as may be agreed by the Back-Up Servicer and will notify Borrowers of such forthcoming replacement within 30 days of the Servicer Termination Date.

The Issuer shall pay to the Back-Up Servicer a fee as set out in the Back-Up Servicing Agreement (the **Back-Up Servicer Fee**) on each Interest Payment Date in accordance with the relevant Priority of Payments.

The Back-Up Servicing Agreement and all non-contractual obligations arising out of or under it will be governed by and construed in accordance with the laws of England. The courts of England will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **4. TRUST DEED**

On the Closing Date, the Issuer and the Note Trustee will enter into a trust deed (the **Trust Deed**) pursuant to which the Issuer and the Note Trustee will agree that the Notes are subject to the provisions in the Trust Deed. The Conditions and the forms of the Notes are constituted by, and set out in the Trust Deed.

The Note Trustee will agree to hold the benefit of the Issuer's covenant to pay on trust for itself and the Noteholders.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Note Trustee together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under or in connection with the Trust Deed and the other Transaction Documents.

##### *Retirement of Note Trustee*

The Note Trustee from time to time may retire at any time upon giving not less than 90 days' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The retirement of the Note Trustee shall not become effective unless there remains a trustee (being a trust corporation) in office after such retirement. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, it shall use its best endeavours to procure a new trustee to be appointed.

##### *Applicable law and jurisdiction*

The Trust Deed and all non-contractual obligations arising out of or under it will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Trust Deed.

#### **5. DEED OF CHARGE**

On the Closing Date, the Issuer, each of the Secured Creditors (other than the Noteholders) and the Security Trustee will enter into a security deed (the **Deed of Charge**). The Security Trustee shall hold the benefit of the Issuer Security for the Secured Creditors from time to time on the terms of the Deed of Charge and the Greek Security and shall deal with the Issuer Security and apply all payments, recoveries or receipts in respect of the Issuer Security in accordance with the Conditions and the Deed of Charge.

As continuing security for the payment or discharge of the Secured Liabilities, the Issuer will create, over the present and future assets of the Issuer, in favour of the Security Trustee, for itself and on trust for the Secured Creditors, in accordance with the terms of the Deed of Charge:

- (a) an assignment (or, to the extent not assignable, charges by way of first fixed charge) all of its rights under each Charged Document;
- (b) a first fixed charge over all of its rights in respect of the Authorised Investments made or purchased from time to time by or on behalf of the Issuer and all interest, moneys and proceeds paid or payable in relation to those Authorised Investments;
- (c) an assignment (or, to the extent not assignable, charges by way of a first fixed charge) all of its rights in respect of (i) any amount standing from time to time to the credit of the Transaction Account, the Commingling Reserve Account, the Cash Reserve Account and any other bank or other accounts in which the Issuer may at any time have or acquire any benefit (to the extent not covered by the Greek Security) but excluding amounts standing to the credit of the Issuer Profit Ledger, (ii) all interest paid or payable in relation to those amounts and (iii) all debts represented by those amounts; and
- (d) a first floating charge over the whole of the Issuer's undertaking and all the Issuer's property, assets and rights whatsoever and wheresoever present and future (including, without limitation, its uncalled capital) except to the extent otherwise charged or secured under the Deed of Charge, but excluding, for the avoidance of doubt, amounts standing to the credit of the Issuer Profit Ledger.

Each of the Secured Creditors (other than the Security Trustee and the Noteholders) will agree to be bound by the provisions of the Deed of Charge and, in particular, will agree to be bound by the Priority of Payments, the limited recourse and non-petition provisions set out in the Deed of Charge.

Only the Issuer Security shall be available to satisfy the Issuer's obligations under the Notes. Accordingly, recourse against the Issuer in respect of such obligations shall be limited to the Issuer Security and the claims of the Secured Creditors against the Issuer under the Transaction Documents may only be satisfied to the extent of the Issuer Security. If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal, and interest),

then the Noteholders and the other Secured Creditors shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

In addition, the Noteholders will have the benefit of the Greek Security. The Issuer will grant a pledge operating by law over the Issuer's rights, title and interest in the Initial Loans, any New Loans and any Substitute Loans and the Ancillary Rights and the Related Security in relation to each of the Loans (if any) and future claims arising from the proceeds of any sale by the Seller or otherwise liquidation (in the event of the Seller's special liquidation) of the Loans after the termination of the Loans and the Issuer Collection Account pursuant to paragraph 18, article 10 of Greek law 3156/2003 (as it may be amended from time to time).

### *Applicable law and jurisdiction*

The Deed of Charge and all non-contractual obligations arising out of or under it will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Deed of Charge.

## **6. GREEK DOCUMENTS**

### *Greek Assignment Agreement*

The Issuer will enter into the Greek Assignment Agreement with the Seller on the Closing Date pursuant to which the Seller will assign all claims and rights attaching to the Initial Loans and on each New Loan Cut-Off Date the relevant New Loans. The Greek Assignment Agreement will be subject to the terms and conditions of the Purchase Agreement.

The Greek Assignment Agreement is governed by Greek law.

### *Issuer Collection Account Bank Agreement*

On or prior to the Closing Date, *inter alia*, the Issuer, the Issuer Collection Account Bank and the Security Trustee will enter into an Issuer collection account bank agreement (the **Issuer Collection Account Bank Agreement**) pursuant to which the Issuer Collection Account Bank will provide the Issuer with certain banking functions including the establishment and operation of the Issuer Collection Account.

The Issuer Collection Account Bank Agreement will be governed by Greek law.

## **7. CASH MANAGEMENT AGREEMENT**

### *General*

On or prior to the Closing Date, Citibank N.A., London Branch as the Cash Manager (the **Cash Manager**), the Issuer and the Security Trustee will enter into a cash management agreement (the **Cash Management Agreement**) pursuant to which the Cash Manager will provide certain cash management services (the **Cash Management Services**) to the Issuer in respect of the Portfolio.

### *Cash Management Services*

The Cash Management Services in respect of the transaction include but are not limited to:

- (a) operating the Transaction Account, the Cash Reserve Account, the Commingling Reserve Account and the Additional Accounts (if any) and the Transaction Account Ledgers;
- (b) making withdrawals from and credits to or give instructions in respect of the Cash Reserve Account, the Transaction Account and the Commingling Reserve Account as set out in the Cash Management Agreement;
- (c) recording credits to, and debits from, the Transaction Account Ledgers;
- (d) recording credits to and debits from the Principal Deficiency Ledger;
- (e) administering the Priorities of Payments including calculating amounts payable by the Issuer thereunder (see "*Cashflows*" below);
- (f) making certain determinations and notifications on each Calculation Date;

- (g) during the Revolving Period only, applying on behalf of the Issuer amounts standing to the credit of the Replenishment Ledger in the Transaction Account to pay the Seller the New Loan Principal Component and the New Loan Purchase Price on any New Loan Cut-Off Date;
- (h) instructing the Account Bank to invest amounts standing to the credit of the Issuer Accounts at the discretion of the Issuer (with the assistance of the Servicer) in Authorised Investments;
- (i) preparing and delivering to, among others, the Issuer and the Security Trustee the Investor Reports in respect of the Portfolio, the administration of the Commingling Reserve Account, the Cash Reserve Account and the Transaction Account and the cash management services related thereto.

#### *Transaction Account Ledgers*

In addition to the Issuer Collection Account, the Commingling Reserve Account, the Cash Reserve Account and the Transaction Account, the Issuer will, as applicable, establish such additional accounts as may be required in accordance with the terms of the Transaction Documents. The Issuer (or the Cash Manager on its behalf) shall maintain the following ledgers on the Transaction Account (the **Transaction Account Ledgers**):

(a) **Principal Ledger**

Principal Receipts will be credited to the Principal Ledger in accordance with the Cash Management Agreement and the Servicing Agreement. The Issuer (or the Cash Manager on its behalf) will apply amounts standing to the credit of the Principal Ledger in accordance with the Pre-Acceleration Principal Priority of Payments or the Post Acceleration Priority of Payments (as applicable).

(b) **Revenue Ledger**

Revenue Receipts will be credited to the Revenue Ledger in accordance with the Cash Management Agreement and the Servicing Agreement. The Issuer (or the Cash Manager on its behalf) will apply amounts standing to the credit of the Revenue Ledger in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post Acceleration Priority of Payments (as applicable).

(c) **Replenishment Ledger**

On each Interest Payment Date during the Revolving Period, amounts of Available Principal Funds will be applied in accordance with the Pre-Acceleration Principal Priority of Payments to credit the Replenishment Ledger in an amount equal to the Required Replenishment Amount.

Amounts standing to the credit of the Replenishment Ledger may be applied during the Revolving Period on any Business Day (including, for the avoidance of doubt, on any Interest Payment Date after the application of the relevant Priority of Payments), in relation to the purchase of a New Loan, to pay for the New Loan Principal Component of the New Loan Purchase Price, provided that (other than in relation to the New Loans purchased on an Interest Payment Date) the Issuer may not purchase New Loans on more than two days in any Collection Period.

The Issuer shall use Available Revenue Funds to pay for the New Loan Revenue Component of the New Loan Purchase Price in accordance with the Pre-Acceleration Revenue Priority of Payments on the Interest Payment Date following the relevant New Loan Cut-Off Date

(and, if such New Loan Cut-Off Date is an Interest Payment Date, on the immediately following Interest Payment Date).

On each Interest Payment Date, any amounts standing to the credit of the Replenishment Ledger will be applied as Available Principal Funds.

(d) **Set-Off Reserve Ledger**

The Set-Off Reserve Ledger will hold the Set-Off Reserve. The Set-off Reserve will be established on the Closing Date for the purposes of mitigating any risk arising from the occurrence of a Set-Off Event and will be funded on the Closing Date up to an amount equal to the Set-Off Reserve Required Amount from the proceeds of the Subordinated Loan.

At the end of each calendar month, on each New Loan Cut-Off Date and on each Substitution Date: (i) if the amounts standing to the credit of the Set-Off Reserve are greater than the Set-Off Reserve Required Amount, the excess will be used to repay principal amounts on the Subordinated Loan or, in the event that the Subordinated Loan has been repaid in full such excess will be applied as Available Revenue Funds; and (ii) if the amounts standing to the credit of the Set-Off Reserve are less than the Set-Off Reserve Required Amount, the shortfall will be funded by way of a further drawing on the Subordinated Loan.

On the Interest Payment Date immediately following the date of a Set-Off Event, amounts standing to the credit of the Set-Off Reserve Ledger (up to the amount equal to the set-off amount actually exercised by a Borrower) will be applied as Available Revenue Funds or Available Principal Funds, as applicable, on such Interest Payment Date. For any Loan in respect of which a Set-Off Event occurs, the Principal Balance of such Loan shall be reduced by the amount of any set-off exercised by the relevant Borrower.

The Servicer shall notify the Cash Manager at the end of each calendar month, on each New Loan Cut-Off Date and on each Substitution Date of the Set-Off Reserve Required Amount.

(e) **Issuer Profit Ledger**

The Issuer Profit Ledger will hold the Issuer Profit Amount. The Issuer Profit Amount will be €250 on each Interest Payment Date to be credited to the Issuer Profit Ledger and to be retained by the Issuer as profit in respect of the business of the Issuer.

*Principal Deficiency Ledger*

In addition to the Transaction Account Ledgers, the Issuer (or the Cash Manager on its behalf) shall maintain the Principal Deficiency Ledger.

The Principal Deficiency Ledger will record losses affecting the Loans and any use of Available Principal Funds to cover any Income Deficit. Deficiencies arising from Principal Losses on the Portfolio and the use of any Available Principal Funds to cover any Income Deficit will be debited to the Principal Deficiency Ledger.

The Principal Deficiency Ledger will record as a credit Available Revenue Funds applied pursuant to item (f) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, become Available Principal Funds).

Principal Losses means, in relation to a Defaulted Loan, the aggregate of the Principal Balance of such Loan (in each case determined immediately prior to such Loan becoming a Defaulted Loan).

### *Authorised Investments*

The Cash Manager may instruct the Account Bank to invest moneys standing from time to time to the credit of the Issuer Accounts in Authorised Investments as directed by the Issuer (with the assistance of the Servicer) subject to, *inter alia*, the following provisions:

- (a) such Authorised Investment shall be made in the name of the Issuer;
- (b) any costs properly and reasonably incurred or levied in making and changing Authorised Investments will be reimbursed to the Cash Manager by the Issuer; and
- (c) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the relevant Issuer Account.

**Authorised Investments** means:

- (a) any Euro denominated debt securities; and
- (b) Euro demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases either such investments (i) mature at least one Business Day before the next following Interest Payment Date or (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) on or before the next following Interest 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 (being an authorised financial institution) or if the relevant investments have a rating which is distinct from the rating of the issuing or guaranteeing entity then the rating of those investments, are rated at least F3 by Fitch and A-3 by S&P and the long-term unsecured, unsubordinated and unguaranteed debt obligation rating of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised financial institution), or if the relevant investments have a rating which is distinct from the rating of the issuing or guaranteeing entity then the rating of those investments, are rated at least BBB- by Fitch and BBB- by S&P.

### *Reporting*

The Cash Manager has agreed to prepare and deliver, with the assistance of the Servicer, on or prior to each Calculation Date to, *inter alios*, the Issuer, the Security Trustee, the Note Trustee and the Seller (in the case of each of the Security Trustee and the Note Trustee, on request) a report substantially in the form set out in the Cash Management Agreement (the **Investor Report**). The Investor Reports will be available on the Cash Manager's website, currently at [www.sf.citidirect.com](http://www.sf.citidirect.com). The Cash Manager's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wanting to access the website will be required to certify that they are Noteholders or otherwise entitled to access the information posted thereon.

The Investor Report shall contain, *inter alia*, certain aggregated loan data in relation to the Portfolio in respect of the relevant Collection Period, information in relation to the Notes including, but not limited to, payments to other third parties and the Seller's holding of the Notes and confirmation of the Seller's compliance with the text of each of Article 405(1) of the CRR, Article 51(1) of the AIFMR and Article 254(2) of the Solvency II Regulation.

### *Termination*

On the occurrence of any of the following (each a **Cash Manager Termination Event**), the Issuer or (following delivery of a Note Acceleration Notice) the Security Trustee may terminate the appointment of the Cash Manager at once or at any time there after while such event continues by notice in writing to the Cash Manager with effect from a date (not earlier than the date of the notice) specified in the notice:

- (a) default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by the Cash Manager under the Cash Management Agreement and such default continues unremedied for a period of five Business Days; or
- (b) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Issuer (prior to the service of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the Security Trustee (following the service of a Note Acceleration Notice) is materially prejudicial to the interests of the Secured Creditors (which determination shall be conclusive and binding on the Secured Creditors) and such default continues unremedied for a period of 20 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer (prior to the service of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the Security Trustee (following the service of a Note Acceleration Notice), as the case may be, requiring the same to be remedied; or
- (c) an Insolvency Event with respect to the Cash Manager occurs.

The Cash Manager may also resign its appointment with no less than 3 months' written notice to the Issuer, the Seller and the Security Trustee provided that: (i) a substitute cash manager is appointed no later than the date of termination; (ii) such substitute cash manager has cash management experience and is approved by the Security Trustee; and (iii) such substitute cash manager enters into an agreement substantially on the same terms as the Cash Management Agreement or on such terms as are satisfactory to the Issuer and the Security Trustee and the Cash Manager shall not be released from its obligations under the Cash Management Agreement until such substitute cash manager has entered into such new agreement and the rights of the Issuer under such agreement are charged in favour of the Security Trustee on terms satisfactory to the Security Trustee.

### *Applicable law and jurisdiction*

The Cash Management Agreement and all non-contractual obligations arising out of or under it will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Cash Management Agreement.

## **8. CORPORATE SERVICES AGREEMENT**

On or prior to the Closing Date, *inter alia*, the Issuer and the Corporate Services Provider will enter into a corporate services agreement (the **Corporate Services Agreement**) pursuant to which the Corporate Services Provider will provide the Issuer with certain corporate and administrative functions against the payment of a fee. Such services include, *inter alia*, the performance of all general book-keeping, secretarial, registrar and company administration services for the Issuer (including the provision of directors), the providing of the directors with information in connection with the Issuer and the arrangement for the convening of shareholders' and directors' meetings.

### *Applicable law and jurisdiction*

The Corporate Services Agreement will be governed by and construed in accordance with the laws of Ireland. The courts of Ireland have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Corporate Services Agreement.

## **9. BANK ACCOUNT AGREEMENT**

### *General*

On or prior to the Closing Date, *inter alia*, the Issuer, the Account Bank and the Security Trustee will enter into a bank account agreement (the **Bank Account Agreement**) pursuant to which the Account Bank will provide the Issuer with certain banking functions including the establishment and operation of the Transaction Account, the Cash Reserve Account and the Commingling Reserve Account.

### *Transaction Account*

All Collections received in the Issuer Collection Account will be transferred to the Transaction Account on each Business Day.

The Transaction Account will hold the Transaction Account Ledgers. See the section titled "*Description of Key Transaction Documents – Cash Management Agreement – Transaction Account Ledgers*".

On each Interest Payment Date Available Principal Funds and Available Revenue Funds will be applied by the Cash Manager in accordance with the Priorities of Payments.

### *Commingling Reserve Account*

The Commingling Reserve Account will hold the Commingling Reserve. The Commingling Reserve will be established on the Closing Date for the purposes of mitigating any potential loss arising from any shortfall deriving from the commingling between the Collections and the assets of the Servicer arising from the occurrence of a Commingling Event. The Commingling Reserve will be funded on the Closing Date up to an amount equal to the Commingling Reserve Required Amount from the proceeds of the Subordinated Loan.

At the end of each calendar month, on each New Loan Cut-Off Date and on each Substitution Date: (i) if the amounts standing to the credit of the Commingling Reserve are greater than the Commingling Reserve Required Amount, the excess will be used to repay principal amounts on the Subordinated Loan or, in the event that the Subordinated Loan has been repaid in full such excess will be applied as Available Revenue Funds; and (ii) if the amounts standing to the credit of the Commingling Reserve are less than the Commingling Reserve Required Amount, the shortfall will be funded by way of a further drawing on the Subordinated Loan.

On the Interest Payment Date immediately following a Commingling Event, amounts standing to the credit of the Commingling Reserve Account (up to an amount equal to the funds that the Servicer failed to transfer) will be transferred to the Transaction Account and form part of the Available Principal Funds or Available Revenue Funds, as applicable, on such Interest Payment Date.

The Servicer shall notify the Cash Manager at the end of each calendar month, on each New Loan Cut-Off Date and on each Substitution Date of the Commingling Reserve Required Amount.



### *Cash Reserve Account*

The Cash Reserve Account will hold the Cash Reserve. The Cash Reserve Account shall be funded on the Closing Date from proceeds of the Subordinated Loan up to an amount equal to the Cash Reserve Required Amount. Funds will be credited to the Cash Reserve Account on each Interest Payment Date (until the Class A Notes have been redeemed in full) up to an amount equal to the Cash Reserve Required Amount in accordance with the Pre-Acceleration Revenue Priority of Payments. On each Interest Payment Date amounts standing to the credit of the Cash Reserve Account shall be applied as Available Revenue Funds.

### *Termination*

The Issuer may terminate the Bank Account Agreement and close the Transaction Account, the Cash Reserve Account and the Commingling Reserve Account if (i) below occurs and shall terminate the Bank Account Agreement and close the Transaction Account, the Cash Reserve Account and the Commingling Reserve Account if any of (ii) to (v) below occurs (provided that in the case of (iii) to (v), the prior written consent of the Security Trustee is obtained), in each case, by serving a written notice of termination on the Account Bank:

- (i) if a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on any of the Transaction Account, Cash Reserve Account or Commingling Reserve Account; or
- (ii) the long term issuer default rating of the Account Bank falls below the Account Bank Required Rating or if any such rating is withdrawn (on the occurrence of which the Account Bank shall notify the Issuer and the Security Trustee in writing); or
- (iii) an Insolvency Event occurs with respect to the Account Bank;
- (iv) if a default is made by the Account Bank in the payment, on the due date, of any payment due and payable by it under the Bank Account Agreement and such default continues unremedied for a period of five Business Days after the earlier of the Account Bank becoming aware of such default and receipt by the Account Bank of written notice from the Issuer (prior to the delivery of a Note Acceleration Notice) and/or the Security Trustee (after the delivery of a Note Acceleration Notice), as the case may be, requiring the same to be remedied; or
- (v) if a default is made by the Account Bank in the performance or observance of any of its other covenants and obligations under the Bank Account Agreement, which in the opinion of the Issuer (prior to the delivery of a Note Acceleration Notice and with the prior written consent of the Security Trustee) or the opinion of the Security Trustee (after the delivery of a Note Acceleration Notice), which default is materially prejudicial to the interests of the Secured Creditors (which determination shall be conclusive and binding on the Secured Creditors) and such default continues unremedied for a period of twenty Business Days after the earlier of the Account Bank becoming aware of such default and receipt by the Account Bank of written notice from the Issuer (prior the delivery of a Note Acceleration Notice) and/or the Security Trustee (after the delivery of a Note Acceleration Notice) requiring the same to be remedied.

Such termination shall not be effective until a replacement financial institution or institutions which is an Eligible Bank chosen by the Issuer (with the prior written consent of the Security Trustee) shall have entered into an agreement on substantially the same terms and form as the Bank Account Agreement.

*Applicable law and jurisdiction*

The Bank Account Agreement and all non-contractual obligations arising out of or under it will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Bank Account Agreement.

**10. AGENCY AGREEMENT**

*General*

On or prior to the Closing Date, the Issuer, the Note Trustee, the Principal Paying Agent and the Agent Bank will enter into an agency agreement (the **Agency Agreement**) pursuant to which provision will be made for, among other things, payment of principal and interest in respect of the Notes.

*Applicable law and jurisdiction*

The Agency Agreement will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Agency Agreement.

**11. SUBORDINATED LOAN AGREEMENT**

The Subordinated Loan Provider will, pursuant to the Subordinated Loan Agreement, make the Subordinated Loan Facility available to the Issuer.

The Subordinated Loan Facility will be drawn on the Closing Date in an aggregate amount equal to:

- (a) €6,216,451.18 to pay the Initial Loan Revenue Component of the Initial Loan Purchase Price;
- (b) €25,000 to pay the Initial Issuer Expenses;
- (c) €7,750,000 to fund the Commingling Reserve in an amount equal to the Commingling Reserve Required Amount on the Closing Date;
- (d) €12,984,389.25 to fund the Set-Off Reserve in an amount equal to the Set-Off Reserve Required Amount on the Closing Date; and
- (e) €4,800,000 to fund the Cash Reserve in an amount equal to the Cash Reserve Required Amount on the Closing Date.

The Issuer will be permitted to make further drawings under the Subordinated Loan Facility at the end of each calendar month, on any New Loan Cut-Off Date and/or any Substitution Date to fund any shortfall in the Set-Off Reserve or the Commingling Reserve, as applicable, if the amounts standing to the credit of the Set-Off Reserve are less than the Set-Off Reserve Required Amount or if the amounts standing to the credit of the Commingling Reserve are less than the Commingling Reserve Required Amount.

Interest on the Subordinated Loan will be paid, and principal repaid, by the Issuer on each Interest Payment Date from the Available Revenue Funds subject to and in accordance with the relevant Priority of Payments.

Principal on the Subordinated Loan, in addition to being paid on each Interest Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments, will be paid from amounts standing to the credit of the Commingling Reserve or the Set-Off Reserve, as applicable, at the end of each calendar month, on a New Loan Cut-Off Date or on a Substitution Date if the amounts standing to the credit of the Set-Off Reserve are greater than the Set-Off Reserve Required Amount or if the amounts standing to the credit of the Commingling Reserve are greater than the Commingling Reserve Required Amount, in an amount equal to such excess. In the event that the Subordinated Loan has been repaid in full such excess will be applied as Available Revenue Funds.

All amounts outstanding under the Subordinated Loan will be due and payable on the Final Maturity Date or on such earlier date as the Notes are repaid in full and will be repaid subject to and in accordance with the relevant Priorities of Payments.

*Applicable law and jurisdiction*

The Subordinated Loan Agreement and all non-contractual obligations arising out of or under it will be governed by and construed in accordance with the laws of England. The courts of England have exclusive jurisdiction to hear any disputes that may arise out of or in connection with the Subordinated Loan Agreement.

## CREDIT STRUCTURE

### 1. GENERAL

The following is a summary of the credit structure underlying the Notes. Such summary should be read in conjunction with information appearing elsewhere in this Prospectus.

The Notes will not be obligations of any party other than the Issuer and will not be guaranteed by any such party. None of the parties to the transaction nor anyone other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

### 2. NOTES

On or around the Closing Date the Issuer will issue the €250,000,000 Class A1 Notes, €50,000,000 Class A2 Notes, €20,000,000 Class A3 Notes, €100,000,000 Class B Notes and the €220,000,000 Class C Notes.

The Class A Notes constitute the direct and unsubordinated obligations of the Issuer and are secured by the Security. The Class B Notes and the Class C Notes constitute direct obligations of the Issuer and are secured by the Security. The Class A Notes rank *pari passu* without preference or priority amongst themselves. The Class B Notes rank below the Class A Notes with respect to payment of interest and principal and *pari passu* without preference or priority amongst themselves with respect to payment of interest and principal. The Class C Notes rank below the Class B Notes with respect to payment of interest and principal and *pari passu* without preference or priority amongst themselves with respect to payment of interest and principal.

### 3. PRIORITY OF PAYMENTS

Payments in respect of the Notes will be made in accordance with the applicable Priority of Payments. For a detailed description thereof see the section entitled "*Cashflows*".

### 4. ISSUER COLLECTION ACCOUNT

Collections received in relation to the Loans from the Borrowers will be deposited directly into the Issuer Collection Account. Amounts standing to the credit of the Issuer Collection Account will be transferred to the Transaction Account on each Business Day.

### 5. BANK ACCOUNTS

On or prior to the Closing Date, the Issuer will open the following accounts:

- (a) an issuer collection account (the **Issuer Collection Account**) with the Issuer Collection Account Bank;
- (b) a issuer transaction account (the **Transaction Account**) with the Account Bank;
- (c) a cash reserve account (the **Cash Reserve Account**) with the Account Bank; and
- (d) a commingling reserve account (the **Commingling Reserve Account**) with the Account Bank.

The Issuer shall maintain the Transaction Account Ledgers on the Transaction Account.

The Account Bank must satisfy the Account Bank Required Rating.

For further detail regarding the Issuer Accounts and the Transaction Account Ledgers see the sections entitled "*Description of Key Transaction Documents – Bank Account Agreement*" and "*Cash Management Agreement*".

## **6. SUBORDINATED LOAN AGREEMENT**

The Subordinated Loan Provider will, pursuant to the Subordinated Loan Agreement, make the Subordinated Loan Facility available to the Issuer.

The Subordinated Loan Facility will be drawn on the Closing Date in an aggregate amount equal to:

- (a) €6,216,451.18 to pay the Initial Loan Revenue Component of the Initial Loan Purchase Price;
- (b) €25,000 to pay the Initial Issuer Expenses;
- (c) €7,750,000 to fund the Commingling Reserve in an amount equal to the Commingling Reserve Required Amount on the Closing Date;
- (d) €12,984,389.25 to fund the Set-Off Reserve in an amount equal to the Set-Off Reserve Required Amount on the Closing Date; and
- (e) €4,800,000 to fund the Cash Reserve in an amount equal to the Cash Reserve Required Amount on the Closing Date.

The Issuer will be permitted to make further drawings under the Subordinated Loan Facility at the end of each calendar month, on a New Loan Cut-Off Date and/or on a Substitution Date to fund any shortfall in the Set-Off Reserve or the Commingling Reserve, as applicable, if the amounts standing to the credit of the Set-Off Reserve are less than the Set-Off Reserve Required Amount or if the amounts standing to the credit of the Commingling Reserve are less than the Commingling Reserve Required Amount.

Interest on the Subordinated Loan will be paid, and principal repaid, by the Issuer on each Interest Payment Date from the Available Revenue Funds subject to and in accordance with the relevant Priority of Payments.

Principal on the Subordinated Loan, in addition to being paid on each Interest Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments, will be paid from amounts standing to the credit of the Commingling Reserve or the Set-Off Reserve, as applicable, at the end of each calendar month, on a New Loan Cut-Off Date or on a Substitution Date if the amounts standing to the credit of the Set-Off Reserve are greater than the Set-Off Reserve Required Amount or if the amounts standing to the credit of the Commingling Reserve are greater than the Commingling Reserve Required Amount, in an amount equal to such excess. In the event that the Subordinated Loan has been repaid in full such excess will be applied as Available Revenue Funds.

All amounts outstanding under the Subordinated Loan will be due and payable on the Final Maturity Date or on such earlier date as the Notes are repaid in full and will be repaid subject to and in accordance with the relevant Priorities of Payments.

## **7. AUTHORISED INVESTMENTS**

From time to time, in accordance with and subject to the terms of the Cash Management Agreement, certain of the Issuer's funds may be invested in Authorised Investments.

## **8. CREDIT SUPPORT**

The structure of the credit support arrangements may be summarised as follows:

### **Cash Reserve**

The Cash Reserve Account will hold the Cash Reserve which will provide credit enhancement for the Class A Notes. The Cash Reserve Account shall be funded on the Closing Date from proceeds of the Subordinated Loan up to an amount equal to the Cash Reserve Required Amount. Funds will be credited to the Cash Reserve Account on each Interest Payment Date (until the Class A Notes have been redeemed in full) up to an amount equal to the Cash Reserve Required Amount in accordance with the Pre-Acceleration Revenue Priority of Payments.

On each Interest Payment Date amounts standing to the credit of the Cash Reserve Account shall be applied as Available Revenue Funds.

### **Set-Off Reserve**

The Set-Off Reserve Ledger will hold the Set-Off Reserve. The Set-off Reserve will be established on the Closing Date for the purposes of mitigating any risk arising from the occurrence of a Set-Off Event and will be funded on the Closing Date up to an amount equal to the Set-Off Reserve Required Amount from the proceeds of the Subordinated Loan.

At the end of each calendar month, on each New Loan Cut-Off Date and on each Substitution Date:

- (i) if the amounts standing to the credit of the Set-Off Reserve are greater than the Set-Off Reserve Required Amount, the excess will be used to repay principal amounts on the Subordinated Loan; and
- (ii) if the amounts standing to the credit of the Set-Off Reserve are less than the Set-Off Reserve Required Amount, the shortfall will be funded by way of a further drawing on the Subordinated Loan.

On the Interest Payment Date immediately following the date of a Set-Off Event, amounts standing to the credit of the Set-Off Reserve Ledger (up to the amount equal to the set-off amount actually exercised by a Borrower) will be applied as Available Revenue Funds or Available Principal Funds, as applicable, on such Interest Payment Date. For any Loan in respect of which a Set-Off Event occurs, the Principal Balance of such Loan shall be reduced by the amount of any set-off exercised by the relevant Borrower.

### **Commingling Reserve**

The Commingling Reserve Account will hold the Commingling Reserve. The Commingling Reserve will be established on the Closing Date for the purposes of mitigating any potential loss arising from any shortfall deriving from the commingling between the Collections and the assets of the Servicer arising from the occurrence of a Commingling Event. The Commingling Reserve will be funded on the Closing Date up to an amount equal to the Commingling Reserve Required Amount from the proceeds of the Subordinated Loan.

At the end of each calendar month, on each New Loan Cut-Off Date and on each Substitution Date:

- (i) if the amounts standing to the credit of the Commingling Reserve are greater than the Commingling Reserve Required Amount, the excess will be used to repay principal amounts on the Subordinated Loan; and
- (ii) if the amounts standing to the credit of the Commingling Reserve are less than the Commingling Reserve Required Amount, the shortfall will be funded by way of a further drawing on the Subordinated Loan.

On the Interest Payment Date immediately following a Commingling Event, amounts standing to the credit of the Commingling Reserve Account (up to an amount equal to the funds that the Servicer

failed to transfer) will be transferred to the Transaction Account and form part of the Available Principal Funds or Available Revenue Funds, as applicable, on such Interest Payment Date.

#### **Application of Available Principal Funds to Cover Income Deficit**

On each Calculation Date, the Cash Manager shall calculate whether the aggregate of items (a) to (f) of the definition of Available Revenue Funds will be sufficient to pay on the relevant Interest Payment Date items (a) to (d) of the Pre-Acceleration Revenue Priority of Payments.

If the Cash Manager determines that the aggregate of items (a) to (f) of the definition of Available Revenue Funds will be insufficient to pay any Income Deficit, then the Issuer shall pay or provide for that Income Deficit by applying Available Principal Funds (if any) and the Cash Manager shall make a corresponding debit entry on the relevant Principal Deficiency Ledger.

#### **Principal Deficiency Ledger**

The Principal Deficiency Ledger will record Principal Losses affecting the Loans and any use of Available Principal Funds to cover any Income Deficit.

Deficiencies arising from Principal Losses on the Portfolio and the use of any Available Principal Funds to cover any Income Deficit will be debited to the Principal Deficiency Ledger.

The Principal Deficiency Ledger will record as a credit Available Revenue Funds applied pursuant to item (f) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, become Available Principal Funds).

## CASHFLOWS

The section summarises the cashflows of the Issuer as to the allocation and distribution of Available Revenue Funds and Available Principal Funds standing to the credit of the Revenue Ledger and the Principal Ledger and their order of priority (each such orders of priority, a **Priority of Payments**).

### 1. PRE-ACCELERATION PRIORITY OF PAYMENTS

#### **Application of Revenue Funds prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer**

On each Interest Payment Date prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Cash Manager (on behalf of the Issuer) shall apply or provide for the Available Revenue Funds in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Pre-Acceleration Revenue Priority of Payments**):

- (a) *first*, in or towards payment *pro rata* of all fees, costs and expenses and all other amounts due and payable to the Note Trustee and the Security Trustee (and any receiver, agent or delegate appointed by it);
- (b) *second*, in or towards payment *pro rata* and *pari passu* of all fees, costs and expenses due and payable to the Agents under the Agency Agreement;
- (c) *third*, in or towards payment *pro rata* and *pari passu* of:
  - (i) all amounts due and payable to third parties under obligations incurred in respect of the Issuer's business (other than under the Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent not payable out of the Issuer Profit Amount);
  - (ii) all fees, costs and expenses due and payable to the Corporate Services Provider under the Corporate Services Agreement;
  - (iii) all fees, costs and expenses due and payable to the Servicer under the Servicing Agreement;
  - (iv) all fees, costs and expenses due to the Cash Manager under the Cash Management Agreement;
  - (v) all fees, costs and expense due to the Account Bank under the Bank Account Agreement;
  - (vi) all fees, costs and expenses due and payable to the Back-up Servicer under the Back-up Servicing Agreement;
  - (vii) all fees, costs and expenses due and payable to the legal advisors, accountants and auditors appointed by the Issuer; and
  - (viii) the Issuer Profit Amount to be retained by the Issuer in the Issuer Profit Ledger as profit in respect of the business of the Issuer;
- (d) *fourth*, in or towards payment of all interest due or overdue in respect of the Class A Notes;



- (e) *fifth*, in or towards the credit of the Cash Reserve Account up to an amount equal to the Cash Reserve Required Amount;
- (f) *sixth*, amounts to be credited to the Principal Deficiency Ledger until the balance of the Principal Deficiency Ledger has been reduced to zero;
- (g) *seventh*, in or towards payment of all interest due or overdue in respect of the Class B Notes;
- (h) *eighth*, in or towards payment of all interest due or overdue in respect of the Class C Notes;
- (i) *ninth*, in or towards payment of the New Loan Revenue Component of the New Loan Purchase Price in relation to any New Loans purchased in the immediately preceding Collection Period or on such Interest Payment Date or in or towards payment of amount payable by the Issuer to the Seller upon substitution of any Loans in the immediately preceding Collection Period, allocable to interest (in case the accrued interest of the Retired Loan as of the Substitution Date is less than the accrued interest of the Substitute Loan as of the Substitution Date);
- (j) *tenth*, in or towards payment to the Subordinated Loan Provider of interest due or overdue on the Subordinated Loan as at such Interest Payment Date;
- (k) *eleventh*, in or towards payment to the Subordinated Loan Provider of principal due or overdue on the Subordinated Loan as at such Interest Payment Date; and
- (l) *twelfth*, all remaining amounts to be applied as Deferred Consideration.

#### **Application of Available Principal Funds to Cover Income Deficit**

On each Calculation Date, the Cash Manager shall calculate whether the aggregate of items (a) to (f) of the definition Available Revenue Funds will be sufficient to pay on the relevant Interest Payment Date items (a) to (d) of the Pre-Acceleration Revenue Priority of Payments.

If the Cash Manager determines that the aggregate of items (a) to (f) of the definition Available Revenue Funds will be insufficient to pay items (a) to (d) of the Pre-Acceleration Revenue Priority of Payments (such shortfall, an **Income Deficit**), then the Issuer shall pay or provide for that Income Deficit by applying Available Principal Funds (if any) and the Cash Manager shall make a corresponding debit entry on the relevant Principal Deficiency Ledger.

#### **Application of Available Principal Funds prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer**

Prior to the service of a Note Acceleration Notice on the Issuer by the Note Trustee, the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Principal Funds on each Interest Payment Date in the following order of priority (the **Pre-Acceleration Principal Priority of Payments**):

- (a) *first*, during the Revolving Period, to credit the Replenishment Ledger in an amount equal to the Required Replenishment Amount;
- (b) *second*, during the Amortisation Period only, to pay *pro rata* and *pari passu* principal amounts outstanding on the Class A Notes, until the Principal Amount Outstanding of the Class A Notes has been reduced to zero;

- (c) *third*, during the Amortisation Period only, in or towards payment of principal amounts outstanding on the Class B Notes, until the Principal Amount Outstanding of the Class B Notes has been reduced to zero;
- (d) *fourth*, during the Amortisation Period only, in or towards payment principal amounts outstanding on the Class C Notes, until the Principal Amount Outstanding of the Class C Notes has been reduced to zero; and
- (e) *fifth*, the excess (if any) to be applied as Available Revenue Funds.

## 2. POST ACCELERATION PRIORITY OF PAYMENTS

### **Distribution of Available Revenue Funds and Available Principal Funds following the service of a Note Acceleration Notice by the Note Trustee on the Issuer**

Following the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Security Trustee (or the Cash Manager on its behalf) will apply all amounts received or recovered by the Issuer and/or the Note Trustee (including, for the avoidance of doubt, on enforcement of the Issuer Security) in the following order of priority (the **Post-Acceleration Priority of Payments**):

- (a) *first*, in or towards payment *pro rata* of all fees, costs and expenses and all other amounts due and payable to the Note Trustee and the Security Trustee (and any receiver, agent or delegate appointed by it);
- (b) *second*, in or towards payment *pro rata* and *pari passu* of all fees, costs and expenses due and payable to the Agents under the Agency Agreement;
- (c) *third*, in or towards payment *pro rata* and *pari passu* of:
  - (i) all amounts due and payable to third parties under obligations incurred in respect of the Issuer's business (other than under the Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent not payable out of the Issuer Profit Amount);
  - (ii) all fees, costs and expenses due and payable to the Corporate Services Provider under the Corporate Services Agreement;
  - (iii) all fees, costs and expenses due and payable to the Servicer under the Servicing Agreement;
  - (iv) all fees, costs and expenses due to the Cash Manager under the Cash Management Agreement;
  - (v) all fees, costs and expenses due to the Account Bank under the Bank Account Agreement;
  - (vi) all fees, costs and expenses due to the Back-up Servicer under the Back-up Servicing Agreement; and
  - (vii) all fees, costs and expenses due and payable to the legal advisors, accountants and auditors appointed by the Issuer;
- (d) *fourth*, in or towards payment of *pro rata* all interest due or overdue in respect of the Class A Notes;

- (e) *fifth*, in or towards payment of principal on the Class A Notes until the Principal Amount Outstanding of the Class A Notes has been reduced to zero;
- (f) *sixth*, in or towards payment of *pro rata* all interest due or overdue in respect of the Class B Notes;
- (g) *seventh*, in or towards payment of *pro rata* principal in respect of the Class B Notes until the Principal Amount Outstanding of the Class B Notes has been reduced to zero;
- (h) *eighth*, in or towards payment of *pro rata* all interest due or overdue in respect of the Class C Notes;
- (i) *ninth*, in or towards payment of *pro rata* principal in respect of the Class C Notes until the Principal Amount Outstanding of the Class C Notes has been reduced to zero;
- (j) *tenth*, in or towards payment of the New Loan Revenue Component of the New Loan Purchase Price in relation to any New Loans to the extent not fully paid;
- (k) *eleventh*, in or towards payment of *pro rata* all interest due or overdue in respect of the Subordinated Loan;
- (l) *twelfth*, in or towards payment of *pro rata* all principal due or overdue in respect of the Subordinated Loan; and
- (m) *thirteenth*, all remaining amounts to be applied as Deferred Consideration to the Seller.

## DESCRIPTION OF THE NOTES IN GLOBAL FORM

### General

The Notes, as at the Closing Date, will initially be represented by a Temporary Global Note. all capitalised terms not defined in this paragraph shall be as defined in the Conditions of the Notes.

The Temporary Global Note will be deposited on or about the Closing Date on behalf of the subscribers for each class of Notes with a Common Safekeeper for both Euroclear and Clearstream, Luxembourg (together, the **Clearing Systems**). Upon deposit of the Temporary Global Note, the Clearing Systems will credit each subscriber of each class of Notes with the principal amount of the Notes of the relevant class equal to the aggregate principal amount thereof for which the subscriber will have subscribed and paid. Interests in the Temporary Global Note are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests recorded in the records of the Clearing Systems in a Permanent Global Note.

For so long as the Notes are represented by a Global Note and the Clearing Systems so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000 and integral multiples of €1,000 in excess thereof.

### Payments on the Global Note

Payments in respect of principal, premium (if any) and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 14 (*Notice to Noteholders*) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-U.S. beneficial ownership as provided in such Temporary Global Note. Each payment of principal, premium or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Notes) and such records shall be prima facie evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered pro rata in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

Payments will be made, in respect of the Global Notes, by credit or transfer to an account in Euro maintained by the payee with a bank in London.

Payments in respect of principal, premium (if any) and interest on the Global Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in Condition 4 (Interest), be entitled to any further interest or other payment if a Presentation Date is after the due date.

### Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective

account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of Noteholders or if a Noteholder desires to give instructions or to take any action that a Noteholder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the participants to give instructions or take such action, and such participants would authorise indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

## **Redemption**

In the event that the Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to or to the order of the Common Safekeeper and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. The redemption price payable in connection with the redemption will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. Any redemptions of the Global Note in part will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a pro rata basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

## **Cancellation**

Cancellation of any Note represented by a Global Note and required by the Conditions to be cancelled following its redemption will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant schedule thereto.

## **Transfers and Transfer Restrictions**

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its participants. See "*Description of the Notes in global form and the Variable Funding Notes — General*", above.

## **Issuance of Definitive Notes**

If, while any of the Notes are represented by a Permanent Global Note, (a) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were such Notes in definitive form, then the Issuer will issue Definitive Notes in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. The Conditions and the Transaction Documents will be amended in such manner as the Note Trustee and the Security Trustee require to take account of the issue of Definitive Notes.

Any Notes issued in definitive form will be issued in definitive bearer form in the denominations set out in the Conditions and will be subject to the provisions set forth under "Transfers and Transfer Restrictions" above.

## **Reports**

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices, reports and other communications received relating to the Issuer, each Global Note or the Book-Entry Interests. In addition, so long as the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B Notes and the Class C Notes are admitted to the Irish Stock Exchange's Official List and trading on its Main Securities Market, any notice may also be published in accordance with the relevant rules and regulations of the Irish Stock Exchange (which includes delivering a copy of such notice to the Irish Stock Exchange). See also Condition 14 (*Notice to Noteholders*) of the Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed. The terms and conditions set out below will apply to the Notes in global form.*

The €250,000,000 class A1 asset backed floating rate notes due January 2040 (the **Class A1 Notes**), the class €50,000,000 A2 asset backed floating rate notes due January 2040 (the **Class A2 Notes**), the €20,000,000 class A3 asset backed floating rate notes due January 2040 (the **Class A3 Notes**) (together with the Class A1 Notes and the Class A2 Notes, the **Class A Notes**), the €100,000,000 class B asset backed floating rate notes due January 2040 (the **Class B Notes**) and the €220,000,000 class C asset backed floating rate notes due January 2040 (the **Class C Notes** and, together with the Class A Notes and the Class B Notes, the **Notes**) of Alpha Proodos Designated Activity Company (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) dated 22 December 2016 (the **Closing Date**) and made between the Issuer and Citibank, N.A., London Branch (in such capacity, the **Note Trustee**) as trustee for the Noteholders (as defined below). Any reference in these terms and conditions (**Conditions**) to a **class** of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes or the Class C Notes, as the case may be, or to the respective holders thereof.

The security for the Notes is constituted by a deed of charge and assignment (the **Deed of Charge**) dated the Closing Date and made between, among others, the Issuer and Citibank, N.A., London Branch (in such capacity, the **Security Trustee**) and the Greek Security.

Pursuant to an agency agreement (the **Agency Agreement**) dated the Closing Date and made between the Issuer, Citibank N.A., London Branch as principal paying agent (the **Principal Paying Agent** which expression includes its successors and, together with such additional or other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the **Paying Agents**), Citibank N.A., London Branch as agent bank (the **Agent Bank**) and the Note Trustee, provision is made for the payment of principal, and interest in respect of the Notes of each class.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the master definitions and construction schedule (the **Master Definitions and Construction Schedule**) dated on or about the Closing Date and made between, *inter alios*, the Issuer, the Paying Agents and the Note Trustee.

Copies of the Trust Deed, the Deed of Charge, the Bank Account Agreement, the Master Definitions and Construction Schedule, the Purchase Agreement, the Servicing Agreement and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of the Principal Paying Agent. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule, available as described above. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

### 1. FORM, DENOMINATION AND TITLE

1.1 Each class of the Notes is initially represented by a temporary global note (each, a **Temporary Global Note**) in bearer form in the aggregate principal amount on issue of €250,000,000 for the Class A1 Notes, €50,000,000 for the Class A2 Notes, €20,000,000 for the Class A3 Notes, €100,000,000 for the Class B Notes and €220,000,000 for the Class C Notes. Each Temporary Global Note has been deposited on behalf of the subscribers of the relevant class of Notes with a common safekeeper (the **Common Safekeeper**) for Clearstream Banking, société anonyme

(**Clearstream, Luxembourg**) and Euroclear Bank S.A/N.V. (**Euroclear** and together with Clearstream, Luxembourg, the **Clearing Systems**) on the Closing Date. Upon deposit of the Temporary Global Notes, the Clearing Systems credited each subscriber of Notes with the principal amount of Notes of the relevant class equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in each Temporary Global Note are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests recorded in the records of the Clearing Systems in a permanent global note (each, a **Permanent Global Note**) representing the same class of Notes (the expressions **Global Notes** and **Global Note** meaning, respectively, (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular class, or (ii) any of the Temporary Global Notes or Permanent Global Notes, as the context may require). The Permanent Global Notes have also been deposited with the Common Safekeeper for the Clearing Systems. Title to the Global Notes will pass by delivery.

Interests in a Global Note will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

For so long as the Notes are represented by a Global Note and the Clearing Systems so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000.

- 1.2 If, while any of the Notes are represented by a Permanent Global Note, (i) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is delivered to the Note Trustee, then the Issuer will issue Notes of the relevant class in definitive form (**Definitive Notes**) in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Note Trustee and the Security Trustee require to take account of the issue of Definitive Notes. The aggregate principal amount of the Definitive Notes shall be equal to the Principal Amount Outstanding at the date on which notice of exchange is given of the Global Note, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the Global Note.
- 1.3 Definitive Notes, if issued, will only be printed and issued in the denomination of €100,000. No Definitive Notes will be issued with a denomination above €100,000. Such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.
- 1.4 **Noteholders** means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in **Condition 6.6 (Principal Amount Outstanding)**) of the Notes of any class (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Note Trustee, the Security Trustee and all other persons as the holder of such Principal Amount Outstanding of such Notes for all purposes (including for the purposes of any quorum or voting requirements, or the rights to demand a poll at meetings of Noteholders), other than for the purpose



of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Note Trustee, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to the terms of the Global Note and the Trust Deed and for which purpose **Noteholders** means the bearer of the relevant Global Note; and related expressions shall be construed accordingly.

- 1.5 (a) **Class A Noteholders** means Noteholders in respect of the Class A Notes;
- (b) **Class B Noteholders** means Noteholders in respect of the Class B Notes; and
- (c) **Class C Noteholders** means Noteholders in respect of the Class C Notes.
- 1.6 For the purposes of these Conditions, outstanding means, in relation to the Notes, all the Notes issued from time to time other than:
- (a) those Notes which have been redeemed in full and cancelled pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with these Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 8 (Prescription) of the Notes;
- (d) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (Replacement of Notes) with respect to the Notes;
- (e) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 14 (Replacement of Notes) with respect to the Notes; and
- (f) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant Class in definitive form pursuant to its provisions,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders of any Class or Classes, a Written Resolution or an Electronic Consent as envisaged by paragraph 1 of Schedule 4 (Meetings of Noteholders, Modification and Waiver) to the Trust Deed and any direction or request by the holders of Notes of any Class or Classes;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clauses 8.1, 9.1, 19 and 20 and Schedule 4 (Meetings of Noteholders, Modification and Waiver) to the Trust Deed and Conditions 9 (Events of Default) and 10 (Enforcement) of the Notes;
- (iii) any discretion, power or authority (whether contained in the Trust Deed, or vested by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and

- (iv) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Seller, any holding company of any of them or any other Subsidiary of any such holding company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except, in the case of the Seller, any holding company of the Seller or any other Subsidiary of such holding company (the **Relevant Persons**) where all of the Notes of any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Class of Notes (the **Relevant Class of Notes**) shall be deemed to remain outstanding except that, if there is any other Class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such Class, then the Relevant Class of Notes shall be deemed not to remain outstanding.

**Subsidiary** means a subsidiary as defined in section 7 of the Companies Act 2014, as amended, of Ireland.

## 2. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

### 2.1 Status and relationship between the Notes

- (a) The Class A Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)**, unconditional obligations of the Issuer. The Class A Notes rank *pari passu* and *pro rata* without preference or priority amongst themselves.
- (b) The Class B Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)** and **Condition 15 (Subordination by Deferral)**, unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes as provided in these Conditions and the Transaction Documents.
- (c) The Class C Notes constitute direct, secured and, subject as provided in **Condition 10 (Enforcement)** and **Condition 15 (Subordination by Deferral)**, unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority amongst themselves but junior to the Class A Notes and the Class B Notes as provided in these Conditions and the Transaction Documents.
- (d) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise), but requiring the Note Trustee in any such case (except where expressly provided otherwise) to have regard only to the interests of the holders of the Most Senior Class Outstanding if, in the Note Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class Outstanding and the interests of any of the other Noteholders and the other Noteholders (not being holders of the Most Senior Class Outstanding) shall have no claim against the Note Trustee for so doing.
- (e) The Trust Deed contains provisions limiting the powers of the holders of those Classes of Notes other than the Most Senior Class Outstanding to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution (as defined in the Trust Deed) according to the effect thereof on the interests of the holders of the Most Senior Class Outstanding. Except in certain circumstances, the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class Outstanding, the exercise of which will be binding on the holders of the other Classes of Notes, irrespective of the effect thereof on their interests.

## 2.2 Security

- (a) The security constituted by the Deed of Charge and the Greek Security is granted to the Security Trustee on trust for the Noteholders and other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge and the Greek Security.
- (b) The Noteholders will share in the benefit of the security constituted by the Deed of Charge and the Greek Security, upon and subject to the terms and conditions of the Deed of Charge and the Greek Security.

## 3. COVENANTS

3.1 Notwithstanding, and in addition to, the provisions of Clause 14 of the Trust Deed, save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or (ii) have any subsidiaries (as defined in section 7 of the Companies Act 2014, as amended, of Ireland), any subsidiary undertakings (as defined in the Companies Act 2014, as amended, of Ireland) or any employees or premises; or (iii) establish any "establishment", as that term is used in Article 2(h) of the EU Insolvency Regulation, outside the jurisdiction of the Issuer;
- (c) **Disposal of assets:** transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (d) **Dividends or distributions:** pay any dividend or make any other distribution to its shareholders or issue any further shares;
- (e) **Indebtedness:** incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (f) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (g) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (h) **Bank accounts:** have an interest in any bank account other than the Issuer Collection Account, the Transaction Account, the Commingling Reserve Account and the Cash Reserve Account unless (except in the case of the Issuer Profit Ledger of the Transaction Account) such account or interest therein is charged to the Security Trustee on terms acceptable to it;
- (i) **Corporation tax:** prejudice its eligibility for its corporation tax liability to be calculated in accordance with Section 110 of the Taxes Consolidation Act 1997; or

- (j) **VAT:** apply to become part of any group for the purposes of Section 15 of the Value Added Tax Consolidation Act 2010 with any other company or group of companies, or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

3.2 Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Transaction Documents, the Issuer shall, so long as any Note remains outstanding:

- (a) maintain its books and records, accounts and financial statements separate from any other person or entity and use separate stationery, invoices and cheques;
- (b) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);
- (c) pay its own liabilities out of its own funds;
- (d) not commingle its assets with those of any other entity; and
- (e) conduct its affairs in accordance with its constitution from within Ireland.

3.3 The Issuer will provide the Paying Agents with copies of the following documents, which will be available for collection during normal business hours at the specified office for the time being of the Principal Paying Agent:

- (a) the constitution of the Issuer;
- (b) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to herein;
- (c) the Master Definitions and Construction Schedule;
- (d) the Purchase Agreement;
- (e) the Deed of Charge;
- (f) the Trust Deed;
- (g) the Bank Account Agreement;
- (h) the Issuer Collection Account Bank Agreement;
- (i) the Cash Management Agreement;
- (j) the Servicing Agreement;
- (k) the Subordinated Loan Agreement
- (l) the Agency Agreement;
- (m) the Corporate Services Agreement; and
- (n) the Greek Assignment Agreement.

## 4. INTEREST

### 4.1 Interest Accrual

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the due date for redemption unless, upon due presentation in accordance with **Condition 4.9** (Principal Paying Agent), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

### 4.2 Interest Payment Dates

The Notes bear interest on their respective Principal Amounts Outstanding from and including the Closing Date payable quarterly in arrear on the 23rd day of January, April, July and October in each year (each an **Interest Payment Date**) (provided that the first Interest Payment Date shall fall on 24 April 2017) in respect of the Interest Period (as defined below) ended immediately prior thereto. If any Interest Payment Date would otherwise fall on a day which is not a Payment Business Day, it shall be postponed to the next day which is a Payment Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Payment Business Day. The period from and including the Closing Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date is called an **Interest Period**.

Where **Payment Business Day** means any TARGET Day;

### 4.3 Rate of Interest

The rate of interest payable from time to time in respect of each class of the Notes (each a **Rate of Interest**) will be determined on the basis of the following provisions:

- (a) On each Interest Determination Date (as defined below), Citibank N.A., London Branch (in such capacity, the **Agent Bank**) will determine the Screen Rate (as defined below) at approximately 11.00 a.m. (Brussels time) on that Interest Determination Date. If the Screen Rate is unavailable, the Agent Bank will request the principal Eurozone (as defined below) office of each of the Reference Banks (as defined below) to provide the Agent Bank with the rate at which deposits in Euro are offered by it to prime banks in the Eurozone interbank market for three months at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question.
- (b) The Rate of Interest for the Interest Period in respect of each class of the Notes shall be the Screen Rate plus the Margin (as defined below) applicable to the relevant class of Notes or, if the Screen Rate is unavailable, and at least two of the Reference Banks provide such rates, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the Agent Bank of such rates, plus the applicable Margin.
- (c) If fewer than two rates are provided as requested, the Rate of Interest for that Interest Period will be the arithmetic mean of the rates quoted by three major banks in the Eurozone, selected by the Agent Bank in consultation with the Issuer, at approximately 11.00 a.m. (Brussels time) on the first day of such Interest Period for loans in Euro to leading European banks for a period of three months commencing on the first day of such Interest Period and for a representative amount, plus the applicable Margin. If the Rate of Interest cannot be determined in accordance with the above provisions, the Rate of Interest shall be that determined as at the last preceding Interest Determination Date.

- (d) In these Conditions (except where otherwise defined), the expression:
- (i) **Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in London (United Kingdom), Dublin (Ireland), Luxembourg (Luxembourg) and Athens (Greece);
  - (ii) **Eurozone** means the region comprised of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25th March, 1957) as amended;
  - (iii) **Interest Determination Date** means the second Payment Business Day before the commencement of the Interest Period for which the rate will apply;
  - (iv) **Margin** means:
    - (A) in relation to the Class A1 Notes, 2 per cent. per annum;
    - (B) in relation to the Class A2 Notes, 2 per cent. per annum;
    - (C) in relation to the Class A3 Notes, 2 per cent. per annum;
    - (D) in relation to the Class B Notes, 2.5 per cent. per annum;
    - (E) in relation to the Class C Notes, 3 per cent. per annum.
  - (v) **Reference Banks** means the principal Eurozone office of each of five major banks engaged in the Eurozone interbank market selected by the Agent Bank in consultation with the Issuer, provided that, once a Reference Bank has been selected by the Agent Bank in consultation with the Issuer, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such;
  - (vi) **Screen Rate** means the rate for three month deposits in Euro which appears on the EURIBOR01 page of the Reuters screen service (or such other page as may replace that page on that service) or, in the case of the first Interest Period, a linear interpolation of the rates for 3 and 6 month deposits in Euro which appear as aforesaid;
  - (vii) **TARGET2** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and
  - (viii) **TARGET Day** means any day on which TARGET2 is open for the settlement of payments in euro.

The minimum Rate of Interest shall be zero. There will be no maximum Rate of Interest.

#### 4.4 Determination of Rate of Interest and Interest Amounts

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date, but in no event later than the second Business Day thereafter, determine the respective amounts (the **Interest Amounts**) payable in respect of interest on the aggregate Principal Amount Outstanding of each class of the Notes for the relevant Interest Period. The Interest Amounts shall be determined by applying the relevant Rate of Interest to such aggregate Principal Amount Outstanding, multiplying the sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure downwards to the nearest cent.

#### **4.5 Publication of Rate of Interest and Interest Amounts**

The Agent Bank shall cause the Rates of Interest and the Interest Amounts for each Interest Period and the relative Interest Payment Date to be notified to the Issuer, the Cash Manager, the Paying Agents, the Note Trustee, each of the Clearing Systems and to any stock exchange or other relevant authority on which the Notes are at the relevant time admitted to trading and/or listed and to be published in accordance with **Condition 14 (Notice to Noteholders)** as soon as possible after their determination and in no event later than the second Business Day thereafter. The Interest Amounts and Interest Payment Date 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.

#### **4.6 Determination by the Note Trustee**

The Note Trustee, or an appointee thereof may (but without any liability occurring to the Note Trustee as a result) if the Issuer does not at any time for any reason determine (or cause the Agent Bank to determine) the Rates of Interest and/or Interest Amounts in accordance with the above provisions, determine the Rates of Interest and/or Interest Amounts, the former at such rates as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and the latter in the manner provided in **Condition 4.4 (Determination of Rate of Interest and Interest Amounts))** and the determinations shall be deemed to be determinations by the Issuer.

In each case the Note Trustee may, at the expense of the Issuer, employ an expert to make such determination and/or calculation.

#### **4.7 Notifications, etc. to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this **Condition 4**, whether by the Reference Banks (or any of them) or the Agent Bank will (in the absence of gross negligence, wilful default, fraud or manifest error) be binding on the Issuer and all Noteholders and (in the absence of gross negligence, wilful default, fraud or manifest error) no liability to the Note Trustee or the Noteholders shall attach to the Reference Banks (or any of them) or the Agent Bank in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this **Condition 4**.

#### **4.8 Agent Bank**

The Issuer shall procure that, so long as any of the Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Rates of Interest and the Interest Amounts for any Interest Period, the Issuer shall, subject to the prior written approval of the Note Trustee, appoint the Eurozone office of another major bank engaged in the Eurozone interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

#### **4.9 Principal Paying Agent**

The Issuer shall procure that, so long as any of the Notes remains outstanding, there is at all times a Principal Paying Agent for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Principal Paying Agent. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Principal Paying Agent, the Issuer shall, subject to the prior written approval of the Note Trustee, appoint a

leading bank to act in its place. The Principal Paying Agent may not resign its duties or be removed without a successor having been appointed.

## **5. PAYMENTS**

### **5.1 Payments in respect of Notes**

Payments in respect of principal, and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)** for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered *pro rata* in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

### **5.2 Method of Payment**

Payments 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 euro cheque.

### **5.3 Payments subject to Applicable Laws**

Payments in respect of principal, and interest on the Notes are subject in all cases, to (i) any fiscal or other laws and regulations applicable in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### **5.4 Payment only on a Presentation Date**

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in **Condition 4 (Interest)**, be entitled to any further interest or other payment if the date on which the Global Note is presented for payment is after the due date.

**Presentation Date** means a day which (subject to **Condition 8 (Prescription)**):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Global Note is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a Payment Business Day.

In this **Condition 5.4**, **Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in London (United Kingdom), Dublin (Ireland),



Luxembourg (Luxembourg) and Athens (Greece) and **Payment Business Day** means any TARGET Day and **TARGET2** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 and **TARGET Day** means any day on which TARGET2 is open for the settlement of payments in euro.

## 5.5 Principal Paying Agent

The name of the Principal Paying Agent and its initial specified office are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent; and
- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange and competent authority.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with **Condition 14 (Notice to Noteholders)**.

## 6. REDEMPTION

### 6.1 Redemption at maturity

Unless previously redeemed in full, the Issuer will redeem the Notes at their respective Principal Amounts Outstanding on the Interest Payment Date falling in January 2040 (the **Final Maturity Date**).

### 6.2 Optional redemption in whole for taxation or other reasons

If:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Interest Payment Date, the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any class of the Notes any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Ireland or Greece or any political sub-division thereof or any authority thereof or therein having power to tax; or
- (b) any amount in respect of tax is required to be deducted or withheld from amounts payable to the Issuer under the Loans by reason of a change in law, or a change in the interpretation or administration thereof, which change becomes effective after the Closing Date, or the Seller is required to pay an additional amount in respect of tax to the Issuer as a result of a change in law or a change in the interpretation or administration thereof, which change becomes effective after the Closing Date in accordance with the terms of the Purchase Agreement; or
- (c) the Issuer has become subject to taxation or incurs a taxation liability in Greece by reason of a change in law, or a change in the interpretation or administration thereof, where such change becomes effective after the Closing Date; or

- (d) the Issuer has become or would become subject to Irish corporation tax in a corporation tax accounting period in an amount which materially exceeds the aggregate Issuer Profit Amount retained during that corporation tax accounting period, as a result of any change in, or amendment to, the laws or regulations of Issuer's jurisdiction or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a ruling by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation or limitation (as applicable) cannot be avoided by the Issuer taking reasonable measures available to it,

then the Issuer shall inform the Note Trustee accordingly by notice in writing and shall (in the case of **sub-paragraph (a) above**, in order to avoid the event described therein) use its reasonable endeavours to appoint a Paying Agent incorporated in another jurisdiction (approved in writing by the Note Trustee and on terms acceptable to the Note Trustee) or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes (in the case of **sub-paragraphs (a) to (d) above**), provided that (i) on or prior to such Interest Payment Date, the Note Trustee has not served a Note Acceleration Notice on the Issuer in accordance with the Conditions, (ii) the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the holders of the Most Senior Class Outstanding and (iii) such substitution would not require registration of any new security under U.S. securities laws or materially increase the disclosure requirements under U.S. law, provided further that if any taxes referred to in this Condition 6.2 arise in connection with FATCA, the requirement to avoid the effect of any event described in subparagraph (a) or (b) above shall not apply. If the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described above is continuing and that, (in the case of **sub-paragraph (a) above**), the appointment of a Paying Agent or (in the case of **sub-paragraphs (a) to (d) above**) a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to (in the case of **sub-paragraph (a) above**) appoint such a Paying Agent or (in the case of **sub-paragraphs (a) to (d) above**) arrange such a substitution, then the Issuer may, on any Interest Payment Date and having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)** and to the Note Trustee of its intention to redeem all (but not some only) of the Notes of each class, redeem all, but not some only, of the Notes at their respective Principal Amounts Outstanding together with accrued but unpaid interest up to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this **Condition 6.2**, the Issuer shall deliver to the Note Trustee a certificate signed by two directors of the Issuer stating that: (i) the event described above is continuing and that, in the case of **sub-paragraph (a) above** the appointment of a Paying Agent or (in the case of **sub-paragraphs (a) to (d) above**) a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to (in the case of **sub-paragraph (a) above**) appoint such a Paying Agent or (in the case of **sub-paragraphs (a) to (d) above**) arrange such a substitution; and (ii) the Issuer will have the necessary funds (not subject to the interest of any other person) to pay all principal and interest due in respect of the redemption in full of the Notes on the relevant Interest Payment Date pursuant to this Condition and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, ranking *pari passu* with the Notes or of a higher priority under the Pre-Acceleration Revenue Priority of Payments) and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

### 6.3 Mandatory redemption in whole

On any Interest Payment Date falling on or after the fourth Interest Payment Date, following notice from the Seller to the Issuer of not more than 60 days and not less than 30 days of such exercise that the Seller will exercise the Seller Call Option to offer to purchase (which the Issuer may or may not

accept) and have assigned to it the Portfolio and all rights attaching thereto in full, the Issuer shall (if it accepts) redeem all (but not some only) of the Notes of each class at their Principal Amount Outstanding together with accrued interest on the next Interest Payment Date subject to the following:

- (a) that the Issuer has given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with Condition 14 (Notices to Noteholders) of its intention to redeem all (but not some only) of the Notes of each class;
- (b) that prior to giving any such notice, the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that, subject to receiving the consideration payable pursuant to exercise of the Seller Call Option, it will have the necessary funds (not subject to the interests of any other person) to pay all principal and interest due in respect of the redemption in full of the Notes on the relevant Interest Payment Date pursuant to this Condition and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, ranking *pari passu* with the Notes and for amounts of a higher priority under the relevant Priority of Payments) and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders;
- (c) that on or prior to such Interest Payment Date, the Note Trustee has not served a Note Acceleration Notice on the Issuer in accordance with the Conditions; and
- (d) that prior to the purchase and assignment to it of the Portfolio, the Seller shall have provided to the Issuer a solvency certificate signed by a director dated the Seller Call Option Date confirming that the Seller is not insolvent or in a state of cessation of payment or any similar situation.

#### **6.4 Mandatory redemption in part**

On each Interest Payment Date falling in the Amortisation Period and prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Issuer shall apply Available Principal Funds available for such purpose in redemption of the Notes of the Most Senior Class Outstanding in accordance with the Pre-Acceleration Principal Priority of Payments.

For the avoidance of doubt the Notes will be redeemed, subject to and in accordance with the relevant Priority of Payments on each Interest Payment Date, provided that no amount shall be applied to redeem the Notes during the Revolving Period.

#### **6.5 Optional Redemption in Full**

On any Interest Payment Date, following notice from the Seller to the Issuer of not more than 60 days and not less than 30 days of such exercise that the Seller will exercise the Clean-Up Call Option to offer to purchase (which the Issuer may or may not accept) and have assigned to it the Portfolio and all rights attaching thereto, the Issuer shall (if it accepts) redeem all (but not some only) of the Notes of each class at their Principal Amount Outstanding together with accrued interest on the next Interest Payment Date subject to the following:

- (a) that the Issuer has given not more than 60 nor less than 30 days' notice to the Note Trustee and the Noteholders in accordance with **Condition 14** (Notices to Noteholders) of its intention to redeem all (but not some only) of the Notes of each class;
- (b) the Issuer shall have provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that, subject to receiving the consideration payable pursuant to exercise of the Clean-Up Call Option, it will have the necessary funds (not subject to the interests of

any other person) to pay all principal and interest due in respect of the redemption in full of the Notes on the relevant Interest Payment Date pursuant to this Condition and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date, ranking *pari passu* with the Notes and for amounts of a higher priority under the Pre-Acceleration Revenue Priority of Payments) and the Note Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders;

- (c) that the certificate referred to in (b) above confirms that the Principal Amount Outstanding of the Notes would on such Interest Payment Date (and taking into account any amount to be redeemed on such Interest Payment Date from Available Principal Funds) be equal to or less than 10% of the Principal Amount Outstanding of the Notes on the Closing Date;
- (d) that on or prior to such Interest Payment Date, the Note Trustee has not served a Note Acceleration Notice on the Issuer in accordance with the Conditions; and
- (e) that prior to the purchase and assignment to it of the Portfolio, the Seller shall have provided to the Issuer a solvency certificate signed by a director dated the Clean-Up Call Date confirming that the Seller is not insolvent or in a state of cessation of payment or any similar situation.

## **6.6 Principal Amount Outstanding**

The **Principal Amount Outstanding** of a Note on any date shall be its original principal amount less the aggregate amount of all principal payments in respect of such Note which have become due and payable and received by the relevant Noteholder since the Closing Date up to (and including) such date (except if and to the extent that any such payment has been improperly withheld or refused).

## **6.7 Notice of redemption**

Any such notice as is referred to in **Condition 6.2 (Optional redemption in whole for taxation or other reasons)**, **Condition 6.3 (Mandatory redemption in whole)** or **Condition 6.5 (Optional Redemption in Full)** above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above.

## **6.8 No purchase by the Issuer**

The Issuer will not be permitted to purchase any of the Notes.

## **6.9 Cancellation**

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

## **7. TAXATION**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law, or in connection with FATCA. In that event, subject to Condition 6.2 (Optional redemption in whole for taxation or other reasons), the Issuer or, as the case may be, the relevant Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. None of the Issuer, the Note Trustee or any Paying Agent shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

**FATCA** means Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

## 8. PRESCRIPTION

Claims in respect of principal and interest on the Notes will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this **Condition 8**, the **Relevant Date**, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the moneys payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such moneys having been received, notice to that effect is duly given to the Noteholders in accordance with **Condition 14 (Notice to Noteholders)**.

## 9. EVENTS OF DEFAULT

9.1 The Note Trustee in its absolute discretion may, and if so directed in writing by the holders of at least 25 per cent in aggregate Principal Amount Outstanding of the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding (the **Most Senior Class Outstanding**) or if so directed by an Extraordinary Resolution of the Most Senior Class Outstanding shall, (subject, in each case, to being indemnified and/or secured and/or pre-funded to its satisfaction, against all Liabilities for which it may become liable or which it may incur by so doing), but, in the case of the happening of any of the events described in sub-paragraph (d) below, only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Most Senior Class Outstanding, give notice (a **Note Acceleration Notice**) to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed, if any of the following events has occurred and is continuing (each, an **Event of Default**):

- (a) an Insolvency Event occurs with respect to the Issuer; or
- (b) the Issuer defaults in the payment of any interest on the Class A Notes, the Class B Notes or the Class C Notes when the same becomes due and payable, and such default continues for a period of ten Business Days, provided that a deferral of interest in accordance with **Condition 15 (Subordination by Deferral)** shall not constitute a default in the payment of such interest for the purposes of this Condition; or
- (c) the Issuer defaults in the payment of principal on any Note when due and payable, and such default continues for a period of five days; or
- (d) the Issuer fails to perform or observe any of its other obligations under these Conditions, the Trust Deed or any other Transaction Document to which it is a party and (except in any case where the Note Trustee or, in the case of the Deed of Charge and the Greek Security, the Security Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of thirty days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee or, as the case may be, the Security Trustee on the Issuer of notice requiring the same to be remedied; or
- (e) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Transaction Documents.

## 9.2 General

Upon the service of a Note Acceleration Notice by the Note Trustee in accordance with **Condition 9.1 above**, all classes of the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed. The security constituted by the Deed of Charge and the Greek Security will become enforceable upon the occurrence of an Event of Default.

## 9.3 Restriction

Except in the case of an Event of Default referred to in **Condition 9.1(b)** or **9.1(c)**, the Note Trustee will not be entitled to direct the Security Trustee to dispose of any of the assets comprised in the security constituted by the Deed of Charge and the Greek Security unless a financial adviser selected by the Note Trustee (and, if the Note Trustee is unable to obtain such advice having made reasonable efforts to do so, this **Condition 9.3** will not apply) has confirmed that, in its opinion, either (i) a sufficient amount would be realised from such disposal to allow discharge in full of all amounts owing to the holders of the Notes of the Most Senior Class Outstanding in accordance with the Post Acceleration Priority of Payments or (ii) a sufficient amount would not be so realised, but the resulting shortfall would be less than the shortfall that would result from not disposing of such assets.

## 10. ENFORCEMENT

### 10.1 Enforcement of Security

The Note Trustee may, at any time, in its absolute discretion and without notice and in such manner as it thinks fit: (a) take such proceedings and/or other steps as it may think fit against or in relation to the Issuer to enforce the Issuer's obligations under the Trust Deed or any other Transaction Documents and/or take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer; (b) exercise any of its rights under, or in connection with, the Trust Deed or any other Transaction Document; and/or (c) give any directions to the Security Trustee to take any action under or in connection with any of the Transaction Documents (including but not limited to, the giving of a direction to the Security Trustee to enforce the Issuer Security after the Issuer Security has become enforceable) (but in the case of directions as to any matters referred to in Clauses 19, 20 and 21 of the Trust Deed, the provisions of those Clauses shall apply), provided that:

- (a) the Note Trustee shall not be bound to take any such action unless (subject in all cases to restrictions contained in the Trust Deed to protect the interests of any higher ranking class or classes of Noteholders) it shall have been so directed by an Extraordinary Resolution of the holders of the Notes of the Most Senior Class Outstanding or so directed in writing by the holders of at least 25 per cent in aggregate Principal Amount Outstanding of the holders of the Notes of the Most Senior Class Outstanding;
- (b) the Security Trustee shall not, and shall not be bound to, take any such action unless it shall have been so directed by (i) the Note Trustee or (ii) if there are no Notes outstanding, the Secured Creditor who ranks most senior in the Post Acceleration Priority of Payments (other than the Note Trustee, Security Trustee and the Agents);
- (c) neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities for which it may become liable or which it may incur by so doing; and

- (d) neither the Note Trustee nor the Security Trustee shall be entitled to take any steps or proceedings to procure the winding-up, examinership, administration or liquidation of the Issuer.

## **10.2 Non-petition**

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any other Transaction Document to enforce the performance of any of the provisions of the Trust Deed or any other Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or any such other party unless the Note Trustee having become bound as aforesaid to take proceedings fails to do so within a reasonable period and such failure is continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, examinership, administration or liquidation of the Issuer, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in relation thereto.

## **10.3 Limited recourse**

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse in accordance with this **Condition 10** to the property, assets and undertakings of the Issuer the subject of any security created by the Deed of Charge and the Greek Security (the **Charged Assets**). If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal and interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, and/or interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **10.4 No recourse**

No recourse shall be had against any officer, director, manager, employee, shareholder, affiliate, agent, partner or principal of the Issuer or their respective successors or assigns for any amounts payable under the Notes or the Transaction Documents.

## **10.5 Survival**

The provisions of Conditions 10.2, 10.3 and 10.4 shall survive the redemption of the Notes.

## **11. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER**

- 11.1 The Trust Deed contains provisions for convening meetings of the Noteholders of each class and, in certain cases, more than one class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents. A meeting of a class or classes of Noteholders may be convened

by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of the relevant class holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of that class or classes. The Class A Noteholders will be considered as a single class.

- 11.2 An Extraordinary Resolution (other than in relation to a Basic Terms Modification) passed at any meeting of the holders of the Most Senior Class Outstanding shall be binding on the holders of all other classes of Notes irrespective of the effect upon them, except that: (i) an Extraordinary Resolution to sanction a modification, consent, approval, waiver, authorisation or determination referred to in Clauses 19, 20 and 21 of the Trust Deed will not take effect unless the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the other classes of Notes or it is sanctioned by an Extraordinary Resolution of the holders of the other classes of Notes; and (ii) an Extraordinary Resolution of the holders of the Most Senior Class Outstanding to sanction a Basic Terms Modification will not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the other classes of Notes.
- 11.3 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in **Condition 11.2** above) passed at any meeting of the holders of any class of Notes shall not be effective for any purpose unless either the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of each of the other classes of Notes outstanding ranking senior to such class of Notes or it is sanctioned by an Extraordinary Resolution of each such senior-ranking class of Notes (to the extent that there are Notes ranking senior to such class of Notes).
- 11.4 Subject as provided below, the quorum at any meeting of Noteholders of any class for passing an Extraordinary Resolution will be two or more Eligible Persons, provided that, while all the outstanding Notes of any class are represented by a Global Note, a single Eligible Person appointed in relation thereto or being holder of the Notes thereby represented shall be deemed to be two Eligible Persons for the purpose of forming a quorum holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of such class of Notes then outstanding, or, at any adjourned meeting, two or more Eligible Persons being or representing a Noteholder of the relevant class, whatever the aggregate Principal Amount Outstanding of the Notes of such class held or represented by it or them.
- 11.5 The quorum at any meeting of Noteholders of any class for passing an Extraordinary Resolution to (i) sanction a modification 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, of the method of calculating the amount payable in respect of interest or principal in respect of such class of Notes; (ii) alter the date of maturity of any Notes or any day for payment of interest or principal thereon or changing the amount of principal or the rate of interest payable in respect of such Notes; (iii) alter the currency in which payments under the Notes are to be made; (iv) alter the quorum or majority required to pass to an Extraordinary Resolution or an Ordinary Resolution; (v) sanction any scheme or proposal or substitution as described in paragraphs 19(j) and (l) of the provisions for convening meetings of the Noteholders contained in the Trust Deed or (vi) alter this definition or the proviso to paragraph 9 of the provisions for convening meetings of the Noteholders continued in the Trust Deed (each, a **Basic Terms Modification**) shall be two or more Eligible Persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one-quarter of the aggregate Principal Amount Outstanding of the Notes then outstanding of such class.
- 11.6 Other than in respect of a Basic Terms Modification or any provisions of the Trust Deed referred to in the definition of Basic Terms Modification, the Note Trustee may agree, or may direct the Security Trustee to agree, without the consent of the Noteholders:
- (a) to any modification, or to any waiver or authorisation of any breach or proposed breach, of these Conditions, the Trust Deed or any of the other Transaction Documents which, in the



opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders of any class; or

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

provided that the Note Trustee shall not exercise any powers conferred on it by Condition 11.6 in respect of any waiver, authorisation of any breach or proposed breach in contravention of any express direction given by Extraordinary Resolution of the Most Senior Class Outstanding or by a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class Outstanding but so that no such direction or request shall (a) affect any waiver, authorisation or determination previously given or made or (b) shall authorise or waive any such breach or proposed breach relating to a Basic Terms Modification unless the holders of each class of outstanding Notes have, by Extraordinary Resolution, so authorised its exercise.

- 11.7 The Note Trustee may also, without the consent of the Noteholders, determine that an Event of Default or Potential Event of Default shall not, or shall not subject to specified conditions, be treated as such, which is not, in the opinion of the Note Trustee materially prejudicial to the interests of the Noteholders of any class.
- 11.8 Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification, waiver, authorisation or determination shall be notified to the Noteholders by the Issuer as soon as practicable thereafter in accordance with **Condition 14 (Notice to Noteholders)**.
- 11.9 In connection with any such substitution of principal debtor referred to in **Condition 6.2 (Optional redemption in whole for taxation or other reasons)**, the Note Trustee may also agree, without the consent of the Noteholders, to a change of the laws governing the Notes, these Conditions and/or any of the other Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class Outstanding.
- 11.10 Where, in connection with the exercise or performance by the Note Trustee of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Note Trustee is required to have regard to the interests of the Noteholders of any class, it shall have regard to the general interests of the Noteholders of such class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders. The Note Trustee shall, except where expressly provided otherwise, have regard to the interests of each class of the Noteholders equally, provided that (except in the case of any consent, approval, modification, waiver, authorisation or determination referred to in Clauses 19, 20 and/or 21 of the Trust Deed), the Note Trustee shall have regard to the interests of the holders of the Most Senior Class Outstanding (only) if, in the Note Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class Outstanding and the other classes of Notes, and the Noteholders of such other classes of Notes shall have no claim against the Note Trustee for so doing.

- 11.11 For as long as the Notes are outstanding, neither the Note Trustee nor the Security Trustee shall be required to have regard to the interests of any other Secured Creditors other than to ensure application of the Issuer's funds in accordance with the relevant Priority of Payments.
- 11.12 An Extraordinary Written Resolution and/or an Electronic Consent, shall, in each case, for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of the relevant class of Notes duly convened and held and an Ordinary Written Resolution shall, in each case, for all purposes be as valid and effective as an Ordinary Resolution passed at a meeting of holders of the relevant class of Notes duly convened and held, as applicable. Such a Written Resolution and/or Electronic Consent will be binding on all holders of the relevant class of Notes whether or not they participated in such Written Resolution and/or Electronic Consent.

## **12. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the security constituted by the Deed of Charge and the Greek Security, unless indemnified and/or secured and/or pre-funded to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents or any of their affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents and/or such affiliate; (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or any other Secured Creditors; and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **13. REPLACEMENT OF GLOBAL NOTES**

If any Global Note or Definitive Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Principal Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Global Note or Definitive Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Global Note or Definitive Note must be surrendered before a new one will be issued.

## **14. NOTICE TO NOTEHOLDERS**

Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Notes are admitted to trading on, and listed on the official list of, the Irish Stock Exchange), any notice shall also be published in accordance with the relevant rules or guidelines of the Irish Stock Exchange by a notification in writing to the Irish Stock Exchange who will in turn release this notice via the Regulatory Information Service.

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then

admitted to trading and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

## **15. SUBORDINATION BY DEFERRAL**

### **15.1 Interest**

In the event that, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (which shall, for the purposes of this Condition 15, include any interest previously deferred under this Condition 15.1 and any accrued Additional Interest thereon that remains unpaid) payable in respect of the Class B Notes or the Class C Notes after having paid or provided for items of higher priority in the Pre-Acceleration Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of interest in respect of the Class B Notes or the Class C Notes, as applicable, to the extent of any insufficiency of funds to make such payment (but only after having paid or provided for all amounts specified as having a higher priority in the Pre-Acceleration Revenue Priority of Payments than interest payable in respect of the Class B Notes or the Class C Notes, as applicable). In any such event, the Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of interest (including as aforesaid) paid on the Class B Notes or the Class C Notes, as applicable, on the relevant Interest Payment Date in accordance with this **Condition 15.1** falls short of the aggregate amount of interest (including as aforesaid) payable (but for the provisions of this **Condition 15.1**) on the Class B Notes or the Class C Notes, as applicable, on that date pursuant to **Condition 4 (Interest)**. Such shortfall shall itself accrue interest at the same rate as that payable in respect of the Class B Notes or the Class C Notes, as applicable (the **Additional Interest**) and shall be payable together with such Additional Interest on the following Interest Payment Date, subject to the provisions of the preceding paragraph.

The provisions of this Condition 15.1 shall cease to apply on the Final Maturity Date, or any earlier date on which the Notes are redeemed in full or required to be redeemed in full at which time all deferred interest and accrued Additional Interest thereon shall become due and payable.

### **15.2 Principal**

All payments of principal shall be made in accordance with the relevant Priority of Payments.

### **15.3 General**

Any amounts of interest in respect of the Class B Notes or the Class C Notes otherwise payable under these Conditions which are not paid by virtue of this **Condition 15**, together with the Additional Interest thereon, shall in any event become payable on the Interest Payment Date falling in January 2040 or on such earlier date as the Class B Notes or Class C Notes become due and repayable in full under **Condition 6 (Redemption)** or **9 (Events of Default)**.

### **15.4 Notification**

As soon as practicable after becoming aware that any part of a payment of interest on the Class B Notes or the Class C Notes will be deferred or that a payment previously deferred will be made in accordance with this **Condition 15**, the Issuer will give notice thereof to the Class B Noteholders or the Class C Noteholders, as applicable, in accordance with **Condition 14 (Notice to Noteholders)** and to the Note Trustee.

## **15.5 Application**

This **Condition 15** shall cease to apply in respect of the Class B Notes upon the redemption in full of all Class A Notes, and in respect of the Class C Notes upon the redemption in full of the Class B Notes.

## **16. JURISDICTION AND GOVERNING LAW**

- 16.1 The Courts of England (the **Courts**) are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Global Notes, the Trust Deed and these Conditions (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any Global Notes, the Trust Deed and these Conditions or the consequences of their nullity) and accordingly any legal action of proceedings arising out of or in connection with the Notes and/or the Trust Deed and these Conditions may be brought in such Courts.
- 16.2 The Global Notes, the Trust Deed and these Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

## **17. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **USE OF PROCEEDS**

The net proceeds of the Notes (which are expected to amount to €640,000,000) will be used on the Closing Date to pay the Initial Loan Principal Component of the Initial Loan Purchase Price in relation to the purchase of the Initial Loans.

## THE ISSUER

### 1. General

The Issuer is a special purpose vehicle and incorporated and registered in Ireland (registered number 593580) as a designated activity company under the Companies Act 2014 of Ireland on 25 November 2016.

### 2. Registered Office

The Issuer's registered office is at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland. The telephone number of the Issuer is +351-1-6125555.

### 3. Principal Activities

The constitution of the Issuer permits the Issuer to, amongst other things, borrow money, grant security over its assets for the performance of its obligations and to purchase assets.

The Issuer was established to issue the Notes, to purchase the Loans, to enter into the Transaction Documents, and carry out any and all other activities related to the transactions described in this Prospectus.

The Issuer has no subsidiaries or employees.

Since its incorporation, the Issuer has not carried on any business or activities other than those incidental to its incorporation, the authorisation and issue of the Notes and the purchase of the Loans and activities incidental to the exercise of its rights and compliance with its obligations under the Transaction Documents and any other documents entered into in connection with the issue of the Notes.

Since its date of incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus.

There is no intention to accumulate surpluses in the Issuer (other than the amounts standing to the credit of the Cash Reserve and the Issuer Profit Ledger).

### 4. Directors

The directors of the Issuer and their business addresses and occupations are:

<b>Name</b>	<b>Business Address</b>	<b>Business Occupation</b>
Claudio Borza	Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland	Director
Cliona O'Faolain	Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland	Director

Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider will provide directors and certain other corporate and administration services to the Issuer in consideration for the payment by the Issuer of an annual fee to the Corporate Services Provider.

The company secretary of the Issuer is Wilmington Trust SP Services (Dublin) Limited.

## 5. Capital and Shares

The authorised share capital of the Issuer is €100 made up of 100 shares of €1. The Issuer has issued one share of €1 which is held on charitable trust by the Share Trustee pursuant to the Declaration of Trust.

## 6. Capitalisation

The following table sets out the capitalisation of the Issuer as at the date hereof:

<b>Share Capital</b>	<b>Amount</b>
<b>Authorised:</b>	
100	€100
<b>Issued:</b>	
1	€1

As at the date hereof, save as disclosed above, the Issuer has no loan capital outstanding or authorised but unissued shares, no term loans outstanding and no other borrowings or indebtedness in the nature of the borrowing nor any contingent liabilities or guarantees. The current financial period of the Issuer will end on 31 December 2017.

## 7. Financial Statements and auditors

Since its date of incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2017. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each calendar year.

## **CORPORATE SERVICES PROVIDER**

Wilmington Trust SP Services (Dublin) Limited (the **Corporate Services Provider**), an Irish company, acts as the corporate services provider for the Issuer. The office of the Corporate Services Provider serves as the general business office of the Issuer. Through the office and pursuant to the terms of the corporate services agreement entered into on or before the Closing Date (the **Corporate Services Agreement**) between the Issuer and the Corporate Services Provider, the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration for the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses.

The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving not less than 2 months' written notice to the other party. The termination of the Corporate Services Provider becomes effective only upon the appointment by the Issuer of a successor corporate services provider.

The Corporate Services Agreement contains standard limited recourse and non-petition provisions with respect to the Issuer.



## **THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

## ALPHA BANK A.E. (ALPHA BANK)

### The Group

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

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

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

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

The Bank's financial performance showed resilience within the 9M 2016. Core pre-provision income amounted to EUR896.4 million for the 9M 2016, up by 4.2 per cent. year-on-year, an increase that was driven mainly by the resilience of net interest income and a reduction in operating expenses. Core pre-provision income was resilient also in Q3 2016 as it stood at EUR299.2million, up by a marginal 0.1% on a quarterly basis. More specifically, net interest income in Q3 2016 stood at Euro 487.4 million, up by 0.8% quarter-on-quarter, as the decrease in wholesale funding costs supported by a decreased Eurosystem reliance and repayment of Pillar II bonds more than counterbalanced the lower contribution from the loan portfolio, benefiting also from the calendar effect. Lower average loan balances and spread reduction had a negative contribution of Euro 10 million, whereas the reduction of Pillar II bonds and the lower reliance on the emergency liquidity assistance mechanism contributed positively Euro 15 million to our net interest income. Time deposits repricing, following a period of stabilisation, has recently resumed with new time deposit rates currently at 71bps versus 81bps at the end of Q3, whereas the lower underlying quarterly evolution of the EURIBOR rate, currently at historically negative low levels, has continued to negatively affect sight and savings deposits spreads.

Net fee and commission income stood at Euro 82.6 million, up by 3.1% quarter-on-quarter positively affected by higher card usage and a higher contribution from foreign exchange transactions. Operating expenses (excluding extraordinary items and integration costs) decreased by 1.3% year-on-year to Euro 841.1 million with cost to income ratio standing at 48.4% for 9M 2016. In Q3 2016, personnel expenses decreased by 1.1% quarter-on-quarter to Euro 127.1 million. Group headcount, was reduced from 14,210 in September 2015 to 13,481 employees at the end of Q3 2016, mainly as a result of the successful Voluntary Separation Scheme (VSS) in Cyprus in Q1 2016 and the Former Yugoslav Republic of Macedonia discontinued operations. General expenses amounted to Euro 135 million, 5.8% quarter-on-quarter affected by seasonality mainly due to property related taxes and remedial management initiatives. Alpha Bank Group

network at the end of September 2016, reached a total number of 820 branches as a result of 36 branches reduction quarter-on-quarter mainly in Greece.

As at 30 September 2016 Alpha Bank had total assets of EUR66.2 billion, total customer deposits (including debt securities in issue held by customers) of EUR32.0 billion and total net loans of EUR44.9 billion.

As at 30 September 2016 the share capital of Alpha Bank, amounted to EUR461,064,360.00 divided into 1,536,881,200 shares, of which:

- 1,367,706,054 are common, nominal, paperless shares with voting rights, of a nominal value of EUR0.30 each, which are listed for trading on the Securities Market of Athex; and
- 169,175,146 are common, nominal, voting, dematerialised shares in accordance with the restrictions foreseen in the provision of article 7a of Law 3864/2010, owned by the Hellenic Financial Stability Fund – of a nominal value of EUR0.30 each. These shares, which are listed for trading on the Securities Market of Athex, have rights stipulated by law and are subject to the restrictions of the law.

As at 30 November 2016, Alpha Bank's equity was held by approximately 124,000 shareholders. On the same date, the shareholder base comprised the Hellenic Financial Stability Fund, representing approximately 11 per cent., and private shareholders representing approximately 89 per cent. of the common shareholder base. The private shareholders are analysed as follows:

- institutional shareholders representing approximately 85 per cent. of the shareholder base (of which approximately 82 per cent. were foreign institutional investors and 3 per cent. were Greek institutional investors); and
- individuals representing approximately 4 per cent. of the shareholder base.

## **History and Business of the Alpha Bank Group**

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

Alpha Bank was incorporated and registered in the Hellenic Republic as a public company under Greek Codified Law 2190/20 with limited liability (General Commercial Registry number 223701000, former Registry of Corporations number 6066/06/B/86/05) on 10 March 1918. The Bank is subject to regulation and supervision by the Single Supervisory Mechanism (the "SSM"), ECB, the Bank of Greece, the Hellenic Capital Market Commission (the HCMC), the Greek Ministry of Development and Greek banking, securities and accounting laws.

The purpose of the Bank as set out in Article 4 of Alpha Bank's articles of incorporation is to engage, on its account or on behalf of third parties, in Greece and abroad, independently or collaboratively, including a joint venture with third parties, in any and all (main and secondary) banking operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, community, foreign) may be in force each time. In order to serve the object described in the article, the Alpha Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes quoted in the article.

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

Southeastern Europe (Cyprus, Romania, Serbia, and Albania). It also maintains a presence in the United Kingdom and in Jersey.

At the income-generation level Alpha Bank operates the following business units:

*i. Retail Banking*

Includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad excluding countries in South-Eastern Europe. The Group, through its extended branch network, offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee) and debit and credit cards of the above customers.

*ii. Corporate Banking*

Includes all medium-sized and large companies, with international activities, corporations with international business activities, corporations managed by the Corporate Banking Division and shipping corporations operating in Greece and on abroad except from South-Eastern European countries. The Group offers working capital facilities, corporate loans, and letters of guarantee of the abovementioned corporations. This sector also includes leasing products which are provided by the subsidiary company Alpha Leasing A.E. as well as factoring services which are provided by the subsidiary company ABC Factors A.E..

*iii. Asset Management/Insurance*

Consists of a wide range of asset management services offered through Group's private banking units and its subsidiary, Alpha Asset Management A.E.D.A.K. In addition, it includes income received from the sale of a wide range of insurance products to individuals and companies through either AXA Insurance, which is the corporate successor of the subsidiary Alpha Insurance A.E. or the subsidiary Alphalife A.A.E.Z..

*iv. Investment Banking/Treasury*

Includes stock exchange, advisory and brokerage services related to capital markets, and also investment banking facilities, which are offered either by Alpha Bank or specialized subsidiaries (Alpha Finance A.E.P.E.Y., and Alpha Ventures S.A.). It also includes the activities of the dealing room in the interbank market (foreign currency swaps, bonds, futures, interest rate swaps, interbank placements, loans etc.).

*v. South-Eastern Europe*

Consists of the Group's subsidiaries, which operate in South-Eastern Europe. It is noted that Bulgaria's Branch and Alpha Bank's subsidiary Alpha Bank A.D. Skopje, are not included anymore in the results of the continuing activities in this sector. Their financial result is included in the category "Profit/Loss from discontinued operations".

*vi. Other*

This segment consists of the non-financial subsidiaries of the Group and Bank's income and expenses that are not related to its operating activity.

***Commercial Centres Division - Wholesale Banking***

Commercial Centres Division services medium sized enterprises. A medium sized enterprise is defined as an enterprise with credit lines greater than Euro 1 million or a turnover between Euro 2.5 million and Euro 75 million.

Commercial Centres Division supervises and coordinates 9 Business Centres (centralized front office units) which service approximately 5.100 groups of companies.

Through the Business Centres, a centralised customer relationship management system is provided, which under the current adverse economic conditions has enabled Alpha Bank to maintain a high-quality portfolio, mainly by attracting new business and reduce the undertaken credit risk.

### ***Risk Management***

The Group has established a comprehensive risk management framework, which has evolved over time and takes into account the common European legislation and the banking system rules, regulatory principles and supervisory guidance and the best international practices. This risk management framework is implemented in the course of day-to-day business, enabling corporate governance to remain effective.

The Group's focus is to maintain the highest operating standards, ensure compliance with regulatory risk rules and retain confidence in the conduct of its business activities through the sound provision of sustainable financial services.

The Group's risk governance framework, including risk management strategy and business model, is further developed and enhanced with a view to comply with the heightened standards and extensive guidelines of the new regulatory (Basel III implementation) and supervisory (SSM) framework, covering risk data governance, aggregation and reporting.

Risk culture is embedded into all business units through the implementation of the ALPHA BANK Group Risk Framework and initiatives aligned to the Group Risk Strategy.

The Group Risk Management Unit (the **RMU**) has been assigned with the responsibility of implementing the Group Risk Management Framework, according to the directions of the Group Risk Management Committee and operates independently from any executing processes.

Under the supervision of the General Manager – Group Chief Risk Officer, the following Credit and Risk Management Divisions operate within the Group and have been assigned with the responsibility of implementing the risk management framework, according to the directions of the Risk Management Committee:

- Market and Operational Risk Division
- Credit Control Division
  - Credit Risk Policy and Control Division
  - Credit Risk Methodologies Division
- Credit Risk Data and Analysis Division
  - Credit Risk Data Management Division
  - Credit Risk Analysis Division
- Wholesale Credit Division-Greece
- Wholesale Credit Division- International
- Retail Credit Division

Within the Group's firm-wide risk governance and management framework, each risk and credit unit of its international network adapts its risk management framework and policy to the local regulatory and legal requirements while, at the same time, being coherent with those of Alpha Bank, as established in the risk governance framework.

To this end, dedicated regional Risk and Credit Division Managers of the International Network have been appointed to establish the enterprise risk management coverage and have a direct reporting line to the Group Chief Risk Officer.

During 2016, in light of the ongoing developments in the domestic and international macroeconomic environment and the effectively adjusted regulatory framework, the Group's Credit Policy Framework and the Credit Risk Management Framework is continuously being revised and updated with the incorporation of the institutional and regulatory requirements relating to the effective management of loans in arrears and non-performing exposures, including the establishment of new independent credit risk monitoring bodies, new reporting requirements and the definitions set out in the aforementioned regulatory framework.

Furthermore, the Group has subsequently revised and upgraded its internal risk assessment systems and credit risk management processes in order to ensure compliance of internal and external risk reporting with the above reporting templates and data aggregation practices.

The Group's Risk Strategy is based on the Risk Policies & Procedures defined by the Group Risk Management Committee and approved by the Alpha Bank A.E. Board of Directors, which include all central rules of conduct for handling risks, are set out in specific manuals for each risk and reviewed and refined regularly so as to be adapted by the RMU of the Group.

### ***Credit Risk***

As a commercial banking group, one of the main types of risks inherent in the Group's business is credit risk. Credit risk is the risk that a borrower or counterparty fails to meet their contractual obligations in a timely manner, thus resulting in a financial loss for the Group.

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

A marked deterioration of the economic environment in Greece and Alpha Bank's other markets has had a negative impact on the quality of its loan portfolio. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in the Group's businesses. Non-performing or low credit quality loans have in the past, and may continue to, negatively impact the Group's operating results, financial condition and prospects. In this respect, high importance is given to provisions to cover credit risk. As of 30 September 2016 the cost of risk reached to 1.67 per cent. of the Group's average loans and advances to customers. The resulting reserves totalled €16.0 billion and translated to coverage of 26.2 per cent. of the loan portfolio as at 30 September 2016. Loans in arrears as a percentage of total loans stood at 38.3 per cent., as at 30 September 2016. As a result of Alpha Bank's prudent provisioning policy loans in arrears coverage stood at 68.4 per cent. as at 30 September 2016, increasing to 123.9 per cent. when collateral is taken into account.

## ***NPL Management***

As a result of the sustained downturn of the Greek economy, where GDP has declined by more than 30 per cent. since 2009, the quality of Alpha Bank's loan book has deteriorated, and the Bank experienced increased Non-Performing Loans (**NPL**) across all business segments.

As conditions have remained very tight amidst a very challenging economic outlook, Alpha Bank has continuously reviewed and adapted its NPL strategy to address this unfavourable economic environment. During 2014 and 2015, Alpha Bank has undertaken a major overhaul of its NPL management infrastructure and strategy, leveraging, among others, the recommendations of the Bank of Greece's ongoing 'Troubled Asset Review', as well as provisions in the Bank of Greece Executive Acts 42/2014 and 47/2015.

On September 30, 2016 the Bank submitted to the Single Supervisory Mechanism (**SSM**) the Non-Performing Exposures (**NPE**) / Non-Performing Loans (**NPL**) targets along with the NPE strategy explanatory note and the relevant action plan, depicting Alpha Bank's full commitment towards the active management and reduction of NPEs over the business plan period 2016-2019.

The business plan envisages a substantial decrease in both the NPL and the NPE ratios.

The successful implementation of the Bank's NPE strategy is conditional to a number of internal and external/ systemic factors that include – among others – the following:

- Realization of a specific macroeconomic scenario;
- Finalization of the deferred tax credit law (**DTC Law**) which is still pending;
- Implementation and assimilation of the Legal NPL Framework and the lifting of existing impediments on the resolution of NPLs;
- Consolidation of existing projects within Alpha Bank; and
- Consultation and approvals from internal and external stakeholders

Key levers for the realization of the aforementioned strategy constitute the following:

- Shift from short term to long term modifications;
- Restructure sustainable / going concern clients with strong signals of flexibility and resilience;
- Apply differentiated workout practices in a consistent and efficient manner (even for borrowers currently protected by the existing legal framework which will progressively fall under standard remedial procedures); and
- Expedite collateral liquidation and/or targeted restructuring offerings for denounced and gone concern clients.

The reduction of the Wholesale/Retail NPE & NPL stock, taking into consideration the new flows for the period 2016-2019, is driven by targeted resolution actions to specific segments of the Wholesale/Retail portfolio. These actions are envisaged to deliver comprehensive NPE resolution to a broad range of portfolio segments. Targeted loss mitigation approaches and a broad range of short- and long-term loan modification offerings are designed to accommodate a wide variety of financial difficulties faced by borrowers and to deliver sustainable and affordable solutions.

In order to successfully implement the aforementioned strategy, the Bank aims to transform its NPL operating model by addressing the following four operational areas: (i) execution strategy, (ii) organizational

structure, (iii) systems, tools and processes, and (iv) joint ventures (e.g. retail NPL servicing platform & KKR/Pillarstone) and sales, as also referred to in Alpha Bank's action plan submitted to SSM in conjunction with the NPE Strategy.



**THE ACCOUNT BANK, THE CASH MANAGER, THE AGENT BANK AND THE PRINCIPAL  
PAYING AGENT**

Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

## SUMMARY OF THE GREEK SECURITISATION LAW

The transactions described in this Prospectus are the subject of specific legislation enacted by the Greek Government in law 3156/2003 of the Hellenic Republic (published in Government Gazette issue no. 157/A/25.06.03) as the same may be amended or re-enacted from time to time (the **Greek Securitisation Law**). Article 10 of the Greek Securitisation Law contains express provisions setting out a framework for the assignment and securitisation of receivables, either existing or future claims, originated by a commercial entity resident in Greece or, resident abroad and having an establishment in Greece (a **Transferor**) resulting from its business activity.

Article 10 of the Greek Securitisation Law allows a Transferor to sell its receivables to a special purpose vehicle (an **SPV**) which must also be the issuer of bonds to be issued in connection with the securitisation of such receivables. In particular, it provides that:

- (a) the assignment of the receivables is to be governed by the assignment provisions of the Greek Civil Code, which provides that additional rights relating to the receivables including guarantees, mortgages, mortgage pre-notations and other security interests will be transferred by the Transferor to the SPV along with the transfer of the receivables;
- (b) the transfer of the receivables pursuant to the Greek Securitisation Law does not change the nature of the receivables, and all privileges which attach to the receivables for the benefit of the Transferor are also transferred to the SPV;
- (c) a summary of the receivables sale agreement must be registered with the competent Registry of Transcription, in accordance with the procedure set out under Article 3 of law 2844/2000 of the Hellenic Republic, following which the sale of the receivables is effected and perfected and the underlying obligors of the receivables will be deemed to have received notice that there has been a sale of the receivables;
- (d) following the registration of the summary of the receivables sale agreement, the validity of the sale of the receivables is not affected by any insolvency proceedings concerning the Transferor or the SPV;
- (e) following the transfer of the receivables and the registration of the summary of the receivables sale agreement, no security interest or encumbrance can be created over the receivables other than the interest that is created pursuant to the Greek Securitisation Law which comprises a pledge operating by law over the receivables in favour of the holders of the bonds issued in connection with the securitisation of the receivables and also the other creditors of the SPV;
- (f) the claims of the holders of the bonds issued in connection with the securitisation of the receivables and also the other creditors of the SPV from the enforcement of the pledge operating by law will rank ahead of the claims of any statutory preferential creditors;
- (g) the servicing and making of collections with respect to the receivables must be carried out by:
  - (i) a credit institution or financial institution licenced to provide services in accordance with its scope of business in the European Economic Area;
  - (ii) the Transferor; or
  - (iii) a third party that had guaranteed or serviced the receivables prior to the time of transfer to the SPV;

- (h) if the SPV is not resident in Greece, the entity responsible for servicing and making collections of the receivables must be resident in Greece if the receivables are payable by consumers in Greece;
- (i) amounts collected in respect of the receivables and security created over the receivables are not available to the creditors of the person making such collections and will not form part of its estate on its liquidation;
- (j) the proceeds of the collections made in respect of the receivables must immediately upon receipt be deposited by the person making such collections in a separate bank account held with a credit institution or financial institution in the European Economic Area or with such person, if it is a credit institution (the transfer of the Collections into the Issuer Collection Account fulfils this requirement);
- (k) the laws relating to bank confidentiality do not apply for the purposes of the sale of the receivables by the Transferor to the SPV or for the purposes of the agreements between the SPV and its creditors, but the SPV and its creditors are obliged to comply with the provisions of Greek law relating to confidentiality;
- (l) the Transferor can make available data relating to the obligors under the receivables to the SPV and the SPV can make such data available to its creditors, to the extent that it is necessary for the purposes of the securitisation, without having to obtain the consent of the obligors or of the Data Protection Authority of law 2472/1997 of the Hellenic Republic; and
- (m) amounts standing to the credit of a separate bank account into which collections are deposited are also secured in favour of the holders of the bonds issued in connection with the securitisation of the receivables and the other creditors of the SPV by virtue of a pledge operating by law.

The Bank of Greece, the Greek bank regulator, has issued its act No 2593/2007, which was replaced by act no. 2633/2010 which in turn was replaced by act no. 2645/2011 (the **Act**). The Act provides that each securitisation programme issued by a credit institution or by its subsidiaries must be notified to the Bank of Greece at least 30 days prior to the commencement of its implementation. It is not required under the Act that the Bank of Greece confirms in writing that the transactions contemplated in each securitisation are in compliance with the Greek Securitisation Law.

Although the Act has not been repealed, it is considered as having been superseded by Regulation 575/2013/EU on prudential requirements for credit institutions and investment firms (**CRR**), which directly applies in Greece and sets out in detail the calculation method of risk-weighted exposure amounts in case of securitisation. Nevertheless, in the absence of a relevant provision in the CRR and since the aforesaid Act has not been officially repealed, a notification to the Bank of Greece provided for under the Act shall take place.

## CHARACTERISTICS OF THE PORTFOLIO

The information set out below has been prepared on the basis of the Loans as of 16 December 2016. The pool of Loans comprising the Portfolio had the aggregate characteristics indicated in the tables below as at 16 December 2016.

(as of Initial Cut-Off Date)

Initial Loans Summary	Current (EUR)
Aggregate Current Principal Balance	639.829.217
Aggregate Original Principal Balance	1.081.088.556
Average Current Principal Balance	605.899
Maximum Current Principal Balance	6.871.000
Total number of Loans	1.056
Total number of Obligors	755
Weighted average seasoning (months)	48,0
Weighted average remaining maturity (months)	65,7
Weighted average original term (months)	113,7
Weighted average Current LTV (%) *	75,97%
Weighted average interest rate (%)	4,1%
Weighted average internal rating of the Borrowers (%)**	7,88
% of Floating Rate Assets	99,72%
% of Fixed Rate Assets	0,28%
Collateral Currency	EUR

\* excl. non collateralized by property loans

\*\* based on Rating Grade (1 – 15) corresponding to the Bank's Internal Rating (AA – E), please see end of file for analytical mapping of Internal Ratings to Internal Grades

### Outstanding Loan Amount

Loan Amount	Number of Loans	%	Current Balance	%
0 - 50,000	162	15,3%	4.311.831	0,7%
50,001 - 100,000	132	12,5%	9.947.212	1,6%
100,001 - 200,000	156	14,8%	23.346.352	3,6%
200,001 - 400,000	194	18,4%	56.842.881	8,9%
400,001 - 600,000	101	9,6%	50.621.246	7,9%
600,001 - 1,000,000	138	13,1%	107.509.574	16,8%
1,000,001 - 2,000,000	97	9,2%	144.357.126	22,6%
2,000,001 - 4,000,000	62	5,9%	172.953.601	27,0%
4,000,001 +	14	1,3%	69.939.395	10,9%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Interest Rate Distribution

Interest Rate	Number of Loans	%	Current Balance	%
0 - 3%	174	16,5%	147.554.899	23,1%
3.01% - 4%	137	13,0%	107.030.341	16,7%
4.01% - 5%	218	20,6%	191.314.861	29,9%
5.01% - 6%	308	29,2%	142.924.215	22,3%
6.01% - 7%	158	15,0%	44.869.802	7,0%
7.01% - 8%	34	3,2%	4.513.761	0,7%
8.01% - 9%	19	1,8%	1.314.203	0,2%
9.01% - 10%	4	0,4%	240.589	0,0%
10.01% +	4	0,4%	66.546	0,0%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Interest Rate Type Distribution

Interest Rate Type	Number of Loans	%	Current Balance	%
Fixed rate	9	0,9%	1.802.772	0,3%
Floating rate	1.047	99,1%	638.026.445	99,7%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Interest Rate Margin Distribution

Interest Rate Margin	Number of Loans	%	Current Balance	%
<= 0	106	10,1%	33.565.032	5,3%
0.01% - 1%	98	9,4%	44.240.960	6,9%
1.01% -2%	94	9,0%	58.274.141	9,1%
2.01% -3%	120	11,5%	82.674.290	13,0%
3.01% - 4%	139	13,3%	108.683.516	17,0%
4.01% - 5%	245	23,4%	199.326.516	31,2%
5.01% - 6%	212	20,2%	100.945.593	15,8%
6.01% - 7%	33	3,2%	10.316.396	1,6%
7.01% +	-	0,0%	-	0,0%
	<b>1.047</b>	<b>100%</b>	<b>638.026.445</b>	<b>100%</b>

### Floating Interest Type

Floating Interest Type	Number of Loans	%	Current Balance	%
ECB Rate	3	0,3%	1.498.470	0,2%
EUR1M	13	1,2%	11.317.171	1,8%
EUR3M	593	56,6%	343.520.414	53,8%
EUR6M	226	21,6%	226.348.157	35,5%
EUR12M	3	0,3%	1.975.421	0,3%
Bank Internal Rate	205	19,6%	51.323.186	8,0%
Interbank Rate	4	0,4%	2.043.626	0,3%
	<b>1.047</b>	<b>100%</b>	<b>638.026.445</b>	<b>100%</b>

### Interest Payment Frequency

Payment Frequency	Number of Loans	%	Current Balance	%
Monthly	162	15,3%	40.186.654	6,3%
Quarterly	617	58,4%	347.436.373	54,3%
Semiannually	259	24,5%	237.926.502	37,2%
Annually	7	0,7%	4.257.281	0,7%
Other	11	1,0%	10.022.408	1,6%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Principal Payment Frequency

Payment Frequency	Number of Loans	%	Current Balance	%
Monthly	254	24,1%	63.318.750	9,9%
Quarterly	383	36,3%	200.687.215	31,4%
Semiannually	293	27,7%	253.719.022	39,7%
Annually	39	3,7%	36.317.371	5,7%
Other	87	8,2%	85.786.860	13,4%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Maturity Year Distribution

Maturity Date	Number of Loans	%	Current Balance	%
2017	117	11,1%	29.632.757	4,6%
2018	187	17,7%	70.395.639	11,0%
2019	146	13,8%	60.440.653	9,4%
2020	110	10,4%	80.420.872	12,6%
2021	118	11,2%	72.337.412	11,3%
2022	92	8,7%	65.510.611	10,2%
2023	90	8,5%	89.992.469	14,1%
2024	60	5,7%	52.871.977	8,3%
2025	37	3,5%	40.395.753	6,3%
2026+	99	9,4%	77.831.073	12,2%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Rating Distribution

Rating	Number of Loans	%	Current Balance	%
A	11	1,0%	6.310.464	1,0%
A-	51	4,8%	29.913.063	4,7%
BB+	103	9,8%	67.061.691	10,5%
BB	130	12,3%	83.180.431	13,0%
BB-	157	14,9%	97.999.565	15,3%
B+	170	16,1%	88.976.716	13,9%
B	138	13,1%	70.550.417	11,0%
B-	158	15,0%	115.712.997	18,1%
CC+	138	13,1%	80.123.874	12,5%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Loan Purpose Distribution

Loan Purpose	Number of Loans	%	Current Balance	%
Working Capital	569	53,9%	386.560.388	60,4%
Fixed Assets	482	45,6%	243.055.429	38,0%
Other	5	0,5%	10.213.400	1,6%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Delinquency Distribution

	Number of Loans	%	Current Balance	%
Current	1.056	100,0%	639.829.217	100,0%
Delinquent Loans 30-59 dpd	-	0,0%	-	0,0%
Delinquent Loans 60-89 dpd	-	0,0%	-	0,0%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Industry Sector Distribution

Industry Sector	Number of Loans	%	Current Balance	%
Manufacturing	291	27,6%	157.410.967	24,6%
Electricity, gas, steam and air conditioning supply	48	4,5%	23.008.849	3,6%
Water supply; sewerage; waste management and remediation activities	9	0,9%	2.123.944	0,3%
Construction	38	3,6%	17.988.578	2,8%
Wholesale and retail trade; repair of motor vehicles and motorcycles	271	25,7%	135.003.904	21,1%
Transporting and storage	36	3,4%	19.230.671	3,0%
Accommodation and food service activities	261	24,7%	212.806.257	33,3%
Information and communication	12	1,1%	9.873.396	1,5%
Real estate activities	38	3,6%	37.409.942	5,8%
Professional, scientific and technical activities	9	0,9%	4.124.915	0,6%
Administrative and support service activities	15	1,4%	3.806.692	0,6%
Education	6	0,6%	2.093.708	0,3%
Human health and social work activities	8	0,8%	10.932.185	1,7%
Arts, entertainment and recreation	8	0,8%	3.117.683	0,5%
Other services activities	6	0,6%	897.527	0,1%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Debtor Region Distribution

Debtor Region	Number of Loans	%	Current Balance	%
Aegean Islands	117	11,1%	74.235.027	11,6%
Attica	400	37,9%	279.928.139	43,8%
Central Greece	38	3,6%	20.119.182	3,1%
Crete	126	11,9%	87.553.725	13,7%
Epirus	25	2,4%	11.934.771	1,9%
Ionian Islands	37	3,5%	23.368.835	3,7%
Macedonia	97	9,2%	51.729.064	8,1%
Peloponnese	48	4,5%	19.163.495	3,0%
Salonica	114	10,8%	45.685.232	7,1%
Thessaly	43	4,1%	19.474.611	3,0%
Thrace	11	1,0%	6.637.136	1,0%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Segment Type Distribution

Segment Type	Number of Loans	%	Current Balance	%
Small Enterprise	480	45,5%	176.109.140	27,5%
Medium Enterprise	344	32,6%	337.350.908	52,7%
Micro Enterprise	192	18,2%	72.122.897	11,3%
Non-SME	40	3,8%	54.246.272	8,5%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

based on "Extract of Article 2 of the annex to Recommendation 2003/361/EC"



### Main Collateral Type Distribution

Main Collateral Type	Number of Loans	%	Current Balance	%
Real, mortgage	795	75,3%	501.183.369	78,3%
Real, Financial collateral	73	6,9%	40.830.741	6,4%
Other	41	3,9%	24.645.729	3,9%
Unsecured	147	13,9%	73.169.379	11,4%
	<b>1.056</b>	<b>100%</b>	<b>639.829.217</b>	<b>100%</b>

### Property Type Distribution

Property Type	Number of Loans	%	Current Balance	%
Commercial Building	455	57,2%	343.385.609	68,5%
Industrial Building	174	21,9%	90.601.396	18,1%
Residential Building	64	8,1%	18.123.550	3,6%
Other Real Estate	102	12,8%	49.072.814	9,8%
	<b>795</b>	<b>100%</b>	<b>501.183.369</b>	<b>100%</b>

### Current LTV Distribution

Current LTV	Number of Loans	%	Current Balance	%
0%-20%	117	14,7%	47.013.625	9,4%
20%-30%	83	10,4%	44.520.243	8,9%
30%-40%	80	10,1%	53.594.842	10,7%
40%-50%	56	7,0%	42.166.178	8,4%
50%-60%	74	9,3%	55.031.229	11,0%
60%-70%	56	7,0%	50.775.079	10,1%
70%-80%	47	5,9%	29.882.219	6,0%
80%-90%	51	6,4%	35.660.440	7,1%
90%-100%	48	6,0%	33.141.195	6,6%
100%-130%	74	9,3%	42.908.390	8,6%
above 130%	109	13,7%	66.489.928	13,3%
	<b>795</b>	<b>100%</b>	<b>501.183.369</b>	<b>100%</b>

## **GREEK TAXATION**

Pursuant to the Circular of the Ministry of Finance no. 1042/26.01.2015 (par. 11, subparagraph 3) in conjunction with article 14, par. 11 of the Greek Securitisation Law, the income that the Issuer acquires from the interest payable on the transferred receivables is considered as income arising from business activity and thus, it is exempted from withholding tax.

No additional amounts would be payable by the Issuer or by any other person if any such withholding were required to be made.

According to the Issuer Collection Bank Account Agreement, the Issuer Collection Account is opened in the name of the Issuer. According to the bilateral treaty for the avoidance of double taxation between Greece and Ireland (enacted into Greek law by law 3300/2004 (the Double Taxation Treaty)), and provided that the Issuer will not be considered as a Greek tax resident, interest generated over the amounts deposited in the Issuer Collection Bank Account shall be subject to a 5% withholding tax in Greece.

The Issuer has not appointed any paying agent in Greece. Prospective Noteholders in Greece should consult with their own tax advisers as to the taxation of income from the Notes in Greece.

## **IRISH TAXATION**

### **Ireland**

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts, etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

### **Taxation of Noteholders**

#### **Withholding Tax**

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest which should include interest payable on the Notes. The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note where:

- (a) the Notes are Quoted Eurobonds, i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Irish Stock Exchange) and which carry a right to interest; and
- (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
  - (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
  - (ii) the person who is the beneficial owner of the Notes is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form.

Under certain anti-avoidance legislation, it is possible that profit dependant payments of interest on the Notes may be regarded as a distribution, giving rise to a withholding obligation, for Irish tax purposes if the beneficial owner of the interest is connected for certain purposes with the Issuer and, for listed Notes, the issuer is aware that the interest is not subject to tax in a "Relevant Territory", being a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty.

Thus, subject to that anti-avoidance provision, so long as the Notes continue to be quoted on the Irish Stock Exchange and are held in a clearing system recognised by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised), interest on the Notes can be paid by any Paying Agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a Paying Agent outside Ireland.

### **Draft Finance Bill 2016**

On 24 November 2016 draft legislation (Finance Bill 2016) was passed by Dáil Éireann in Ireland which effectively seeks to deny a tax deduction for profit dependent interest, or interest to the extent it exceeds a

reasonable commercial return, (the **Affected Interest**) where such interest is attributed to the holding by a qualifying company (for the purposes of section 110 of the Taxes Consolidation Act 1997) (a **Qualifying Company**) of "specified mortgages" (the **Draft New Rules**). A "specified mortgage" for this purpose includes a loan which is secured on, and which derives its value, or the greater part of its value, directly or indirectly from Irish land.

Where Affected Interest arises, it is treated as a distribution which is not deductible for tax purposes and which, if the Draft New Rules were to apply to the Issuer, would form part of its taxable profits and would also be subject to dividend withholding tax (subject to any available exemptions).

The Draft New Rules do not apply in the case of a "CMBS Transaction" which, broadly, is a securitisation transaction entered into by a Qualifying Company where the originator within the meaning of Article 4 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (the **CRR**)) retains a net economic interest in the credit risk of the securitisation position in accordance with Article 405 of the CRR and, in circumstances where it was involved in the original agreement which created the obligations being securitised, is a regulated financial institution.

As such, provided the Seller retains a net economic interest in accordance with Article 405 of the CRR and provided the Seller originated all of the Loans and/or continues to be a regulated financial institution, the Draft New Rules should not cause interest payable under the Notes to cease to be deductible for the Issuer and in this regard we refer you to the section of this Prospectus entitled "*Risk Retention Requirements*" for further information.

### **Encashment Tax**

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

### **Income Tax, PRSI and Universal Social Charge**

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest they receive on the Notes.

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax, notwithstanding that the Noteholder is not resident in Ireland. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and, the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is a company which is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory and which tax corresponds to income tax or corporation tax in Ireland or, in respect of the interest is exempted from the charge to Irish income tax under

the terms of a double tax agreement which is either in force or which is not yet in force but which will come into force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax, where the recipient is a person not resident in Ireland and resident in a Relevant Territory or is a company not resident in Ireland which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory are resident for the purpose of tax in a Relevant Territory and are not under the control of person(s) who are not so resident or is a company not resident in Ireland where the principal class of shares of the company or its 75% parent is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions is within the charge to income tax, and, in the case of Noteholders who are individuals, is subject to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

### **Capital Gains Tax**

A Noteholder will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade or business in Ireland through a branch or agency in respect of which the Notes were used or held and, in the case of Notes which derive their value or more than 50% of their value from Irish real estate, mineral rights or exploration rights, unless the Notes cease to be quoted on a stock exchange.

### **Capital Acquisitions Tax**

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, will be levied at 33 per cent.) if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland)).

### **Stamp Duty**

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) of the Stamp Duties Consolidation Act, 1999 so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the Issuer's business), on the issue, transfer or redemption of the Notes.

## SUBSCRIPTION AND SALE

### General

Pursuant to one or more Subscription Agreements entered into on or about the Closing Date, the Note Purchasers have agreed to subscribe and pay for the Notes at the issue price of 100 per cent. of their principal amount. The Note Purchasers intend to hold the Notes following the Closing Date. See also "*Use of Note Proceeds*".

### United States of America

The Notes have not been and will not be registered under the US Securities Act 1933 as amended (the "**Securities Act**") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes and any Coupons will bear a legend to the following effect: "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 in such legend provide that a United States person who holds a Note or Coupon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

The Notes 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 a United States person, 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 and regulations thereunder.

### Investor Compliance

Persons into whose hands this Prospectus comes are required by the Issuer and the Arranger to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

### Public Offers Generally

Save for applying for admission of the Notes to trading on the Irish Stock Exchange's regulated market and approval of the Prospectus by the Central Bank as competent authority under the Prospectus Directive, no action has been or will be taken in any jurisdiction by the Issuer or the Arranger that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

## TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

### Offers and Sales

The Notes (including interests therein represented by a Global Note, a Definitive Note or a Book-Entry Interest) have not been and will not be registered under the Securities Act or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to such registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

### *Investor Representations and Restrictions on Resale*

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

- (a) the Notes have not been and will not be registered under the Securities Act and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. person and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; provided, that the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control; and
- (b) unless the relevant legend set out below has been removed from the Notes such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing.

The Issuer, the Arranger, the Initial Note Purchasers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

The Notes bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

THIS LEGEND WILL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES "



## GENERAL INFORMATION

### 1. Authorisation

The issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer passed on 15 December 2016.

### 2. Irish Listing

It is expected that admission of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B Notes and the Class C Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market will be granted on or about the Closing Date, subject only to the issue of the Global Notes of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B Notes and the Class C Notes. The issue of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B Notes and the Class C Notes will be cancelled, if the related Global Notes as applicable are not issued. The estimated aggregate cost of the foregoing applications for admission to the Official List of the Irish Stock Exchange and admission to trading on its regulated market, is €9,000.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on its regulated market for the purposes of the Prospectus Directive.

### 3. Clearing Codes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

	ISIN	Common Code
Class A1 Notes	XS1538312890	153831289
Class A2 Notes	XS1538326502	153832650
Class A3 Notes	XS1538329944	153832994
Class B Notes	XS1538334944	153833494
Class C Notes	XS1538338184	153833818

### 4. Litigation

The Issuer is not and has not been involved in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since 25 November 2016 (being the date of incorporation of the Issuer) which may have or have had in the recent past, a significant effect on its financial position or profitability of the Issuer.

### 5. Financial Statements, Financial Position of the Issuer

No financial statements have been prepared in respect of the Issuer. So long as any of the Notes are admitted to trading on the Irish Stock Exchange's Main Securities Market, the most recently published audited annual accounts of the Issuer from time to time shall be available at the specified office of the Principal Paying Agent in London. The Issuer does not publish interim accounts.

Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.

Since 25 November 2016 (being the date of incorporation of the Issuer), there has been (a) no significant change in the financial or trading position of the Issuer and (b) no material adverse change in the financial position or prospects of the Issuer.

## **6. Availability of Documents**

From the date of this Prospectus and for so long as the Notes are listed on the Irish Stock Exchange's Main Securities Market, copies of the following documents are available (in both electronic and physical form) for inspection during usual business hours at the offices of the Principal Paying Agent:

- (a) the constitution of the Issuer;
- (b) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to herein;
- (c) the Master Definitions and Construction Schedule;
- (d) the Purchase Agreement;
- (e) the Deed of Charge;
- (f) the Trust Deed;
- (g) the Cash Management Agreement;
- (h) the Servicing Agreement;
- (i) the Agency Agreement;
- (j) the Bank Account Agreement;
- (k) the Issuer Collection Account Bank Agreement;
- (l) the Back-Up Servicing Agreement;
- (m) the Corporate Services Agreement;
- (n) the Greek Assignment Agreement; and
- (o) the Subordinated Loan Agreement.

## **7. Miscellaneous**

The Cash Manager on behalf of the Issuer will publish the quarterly Investor Report detailing, *inter alia*, certain aggregated loan data in relation to the Portfolio. Such Investor Reports will be published on the following website at [www.sf.citidirect.com](http://www.sf.citidirect.com) on or before each Calculation Date. The website and the contents thereof do not form part of this Prospectus. Investor Reports will also be made available to the Seller, the Security Trustee and the Note Trustee (in the case of the Security Trustee and the Note Trustee, on request). Other than as outlined above, the Issuer does not intend to provide post-issuance transaction information regarding the Notes or the Loans.

The Issuer confirms that the Loans backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. However, investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Consequently investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.

## GLOSSARY OF DEFINED TERMS

### 1. DEFINITIONS

Except where the context otherwise requires, the following defined terms used in the Transaction Documents and herein shall have the meanings set out below:

<b>Account Bank</b>	Means Citibank N.A., London Branch or, as the case may be, any other Eligible Bank which would subsequently be appointed as Account Bank pursuant to the Bank Account Agreement.
<b>Account Bank Required Rating</b>	Means, in relation to the Account Bank, a long term issuer default rating of at least BBB- by Fitch and BBB- by S&P or such other ratings as may be acceptable to the Issuer and any such rating is not withdrawn.
<b>Additional Interest</b>	Has the meaning given to it in Condition 15.1.
<b>Agency Agreement</b>	Means the agency agreement entered into on or prior to the Closing Date between the Issuer, the Note Trustee, the Principal Paying Agent and the Agent Bank.
<b>Agent</b>	Means the Principal Paying Agent, the Agent Bank and any other Paying Agent.
<b>Agent Bank</b>	Means Citibank N.A., London Branch, acting through its Agency and Trust business, appointed pursuant to the Agency Agreement.
<b>Aggregate Non-Defaulted Loan Balance</b>	Means on any date the aggregate Principal Balance of all the Non-Defaulted Loans as at that date.
<b>AIFMR or AIFM Regulation</b>	Means Regulation (EU) No. 231/2013, referred to as the Alternative Investment Fund Managers Regulation.
<b>Alpha Bank</b>	Means Alpha Bank A.E.
<b>Alpha Bank Group</b>	Means Alpha Bank and its subsidiaries collectively.
<b>Amortisation Period</b>	Means the period starting from the end of the Revolving Period and ending on the earlier of: (a) the date on which the Notes are redeemed in full; and (b) the Final Maturity Date.
<b>Ancillary Rights</b>	Means, in relation to any Loan, all ancillary rights, accretions and supplements to such right, including any guarantees or indemnities and any formative rights (“ <i>diplastika dikaiomata</i> ” in Greek) in respect of such Loan.

<b>Arranger</b>	Means Citigroup Global Markets Limited.
<b>Athens Pledge Registry</b>	Means the pledge registry seated in Athens which is competent for the registration of the notifications forms of Ministerial Decisions No's 161337/03 and 161338/03 (Government Gazette, Issue B 1688/18.11.2003) pursuant to Greek laws 2844/00 and 3156/03.
<b>Authorised Investments</b>	<p>Means:</p> <p>(a) any Euro denominated debt securities; and</p> <p>(b) Euro demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper),</p> <p>provided that in all cases either such investments (i) mature at least one Business Day before the next following Interest Payment Date or (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) on or before the next following Interest 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 (being an authorised financial institution) or if the relevant investments have a rating which is distinct from the rating of the issuing or guaranteeing entity then the rating of those investments, are rated at least F3 by Fitch and A-3 by S&amp;P and the long-term unsecured, unsubordinated and unguaranteed debt obligation rating of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised financial institution) or if the relevant investments have a rating which is distinct from the rating of the issuing or guaranteeing entity then the rating of those investments, are rated at least BBB- by Fitch and BBB- by S&amp;P.</p>
<b>Available Principal Funds</b>	Has the meaning given to it in the section titled " <i>Transaction Overview – Credit Structure and Cashflows</i> ".
<b>Available Revenue Funds</b>	Has the meaning given to it in the section titled " <i>Transaction Overview – Credit Structure and Cashflows</i> ".
<b>Back-Up Servicer</b>	Means National Bank of Greece S.A..
<b>Back-Up Servicing Agreement</b>	Means the back-up servicing agreement entered into on or about the Closing Date between the Back-Up Servicer, the Seller, the Servicer, the Issuer and the Security Trustee.

**Bank Account Agreement**

Means the agreement entered into on or about the Closing Date between the Issuer, the Cash Manager, the Account Bank, the Seller, the Servicer and the Security Trustee under which the Account Bank will provide the Issuer with certain banking functions including the establishment and operation of the Transaction Account, the Cash Reserve Account and the Commingling Reserve Account.

**Basic Terms Modification**

Has the meaning given to it in Condition 11.5.

**Block Voting Instruction**

Means in relation to any meeting an English language document issued by the Principal Paying Agent in which:

- (a) it is certified that on the date thereof Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting are blocked in an account with a Clearing System and that no Notes will cease to be so deposited or held or blocked until the first to occur of:
  - (i) the conclusion of the meeting specified in such Block Voting Instruction; and
  - (ii) the Notes ceasing with the agreement of the Principal Paying Agent to be so blocked and the giving of notice by the Principal Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Notes has instructed the Principal Paying Agent that the vote(s) attributable to the Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 Hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
- (c) the aggregate principal amount or aggregate total amount of the Notes so deposited or held or blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto

should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

- (d) one or more persons named in such Block Voting Instruction (each a "**proxy**") is or are authorised and instructed by the Principal Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction.

<b>Bond</b>	Means any bond initially subscribed by the Seller, including all the relevant Ancillary Rights and Related Security.
<b>Bond Certificates</b>	Means the printed form original certificates representing the Bonds, duly executed in accordance with the terms of the respective Bond Loan Programme and including all the material information required under Greek law 3156/2003.
<b>Bond Issuer</b>	Means, in respect of any Bond, the related issuer who is under the obligation to repay that Bond.
<b>Bond Loans</b>	Means the terms and conditions of a bond loan issued under Greek laws 2190/1920 and 3156/2003, as agreed between the Seller and the relevant Bond Issuer and Guarantor(s) (if any) and any other documents relating to or evidencing such bond loan;
<b>Bond Loan Programme</b>	Means the agreement evidencing the terms and conditions of each Bond Loan, as well as all ancillary agreements executed by the respective parties for the purposes of the Bond Loan.
<b>Bond Transfer Endorsement</b>	Means the transfer act printed on the back of the Bond Certificates and duly executed in accordance with the terms of the respective Bond Loan Programme.
<b>Bondholder</b>	Means each holder of a Bond issued by a Bond Issuer;
<b>Bondholders' Registry</b>	Means the register with regard to the Bonds as kept and updated from time to time in accordance with the terms of each respective Bond Loan.
<b>Bondholders' Representative</b>	Means the representative for the Bondholders in accordance with article 4 of Greek law 3156/2003 and the terms of each respective Bond Loan.
<b>Book-Entry Interests</b>	Means the beneficial interests in the Global Notes

	recorded by Euroclear and Clearstream, Luxembourg.
<b>Borrowers</b>	Means the enterprises or individual professionals in Greece who are borrowers under the Loans including the Bond Issuers, in the case of Bond Loans.
<b>Business Day</b>	Business Day means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in London (United Kingdom), Dublin (Ireland), Luxembourg (Luxembourg) and Athens (Greece)
<b>Calculation Date</b>	The date that is four Business Days prior to each Interest Payment Date or, following the service of a Note Acceleration Notice, the date that is five Business Days prior to any date on which a payment in respect of the Notes is to be made.
<b>Cash Management Agreement</b>	Means the agreement entered into on or about the Closing Date between the Issuer, the Cash Manager and the Security Trustee, governing the provision of certain cash management and bank account and ledger operation services to the Issuer in respect of the Portfolio and the Notes.
<b>Cash Manager</b>	Means Citibank N.A., London Branch, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB appointed pursuant to the Cash Management Agreement.
<b>Cash Manager Termination Event</b>	Has the meaning given to it in the section titled " <i>Description of Key Transaction Documents – Cash Management Agreement</i> ".
<b>Cash Reserve</b>	Means the cash reserve established and maintained on the Cash Reserve Account.
<b>Cash Reserve Account</b>	Means the account in the name of the Issuer at the Account Bank with account number 18131422, or such other replacement account as may be established from time to time in accordance with the Transaction Documents.
<b>Cash Reserve Required Amount</b>	Means on any Calculation Date an amount equal to: <ul style="list-style-type: none"> <li>(a) 1.5% of the Principal Amount Outstanding of the Class A Notes on that Calculation Date subject to a minimum amount of EUR 900,000; or</li> <li>(b) following the payment in full of all amounts due to Class A Noteholders and to other senior ranking parties, zero.</li> </ul>



<b>Central Bank</b>	Means the Central Bank of Ireland.
<b>Charged Assets</b>	Means all of the property, assets and undertakings of the Issuer charged by or pursuant to the Deed of Charge or the Greek Security.
<b>Charged Documents</b>	Means the Transaction Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party (other than the Deed of Charge and the Trust Deed).
<b>Class or Class of Notes</b>	Means the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class B Notes or the Class C Notes, as applicable.
<b>Class A Notes</b>	Means the Class A1 Notes, the Class A2 Notes and the Class A3 Notes.
<b>Class A1 Notes</b>	Means the €250,000,000 class A1 asset backed floating rate notes due 2040.
<b>Class A2 Notes</b>	Means the €50,000,000 class A2 asset backed floating rate notes due 2040.
<b>Class A3 Notes</b>	Means the €20,000,000 class A3 asset backed floating rate notes due 2040.
<b>Class A Noteholders</b>	Means the Class A1 Noteholders, the Class A2 Noteholders and the Class A3 Noteholders.
<b>Class A1 Noteholders</b>	Means the Noteholders in respect of the Class A1 Notes.
<b>Class A2 Noteholders</b>	Means the Noteholders in respect of the Class A2 Notes.
<b>Class A3 Noteholders</b>	Means the Noteholders in respect of the Class A3 Notes.
<b>Class B Noteholders</b>	Means the Noteholders in respect of the Class B Notes.
<b>Class B Notes</b>	Means the €100,000,000 class B asset backed floating rate notes due 2040.
<b>Class C Noteholders</b>	Means the Noteholders in respect of the Class C Notes.
<b>Class C Notes</b>	Means the €220,000,000 class C asset backed floating rate notes due 2040.
<b>Clean-Up Call Date</b>	Means the Interest Payment Date on which the Clean-Up Call Option is exercised.

<b>Clean-Up Call Option</b>	Has the meaning given to it in the section " <i>Description of Key Transaction Documents – Purchase Agreement</i> ".
<b>Clearing System</b>	Means Clearstream, Luxembourg and Euroclear.
<b>Clearstream, Luxembourg</b>	Means Clearstream Banking, société anonyme.
<b>Closing Date</b>	Means 22 December 2016.
<b>Collection Period</b>	Means the quarterly period commencing on and including the Collection Period Start Date and ending on but excluding the immediately following Collection Period Start Date except that the first Collection Period will commence on (and include) the Initial Cut-Off Date and end on but exclude the Collection Period Start Date falling in April.
<b>Collection Period Start Date</b>	Means the 1st of January, April, July and October of each year.
<b>Collections</b>	Means, in relation to any Loan, all cash collections, and other cash proceeds thereof including, without limitation: <ul style="list-style-type: none"> <li>(a) all interest collected;</li> <li>(b) all principal repayments and prepayments of principal thereunder and similar charges allocated to principal collected and to be collected thereunder;</li> <li>(c) all late payment penalties and similar charges;</li> <li>(d) all early payment penalties and similar charges;</li> <li>(e) all proceeds from enforcement or liquidation of any Loan or Related Security; and</li> <li>(f) all Insurance Proceeds.</li> </ul>
<b>Collection and Servicing Procedures</b>	Means the Servicer's customary and usual collection and servicing procedures for the Loans in accordance with its policies and procedures which, as of the Closing Date, are as set forth in the Servicing Agreement.
<b>Commingling Event</b>	Means the failure by the Servicer, or any of its

	<p>successors, to transfer any Collections amount due to be paid or transferred to the Issuer and such default has not been remedied for a period of 5 Business Days after the earlier of (i) the Servicer becoming aware of such default; and (ii) receipt by the Servicer of written notice from the Issuer or the Security Trustee (following delivery of a Note Acceleration Notice) requiring such default to be remedied.</p>
<b>Commingling Reserve</b>	<p>Means the commingling reserve established and maintained on the Commingling Reserve Account.</p>
<b>Commingling Reserve Account</b>	<p>Means the account in the name of the Issuer at the Account Bank with account number 18131414, or such other replacement account as may be established from time to time in accordance with the Transaction Documents.</p>
<b>Commingling Reserve Required Amount</b>	<p>Means, as at the end of any calendar month or as at any New Loan Cut-Off Date or any Substitution Date (and for the purposes of the Closing Date only, as at the Closing Date), an amount determined by the Servicer and notified to the Cash Manager being an amount equal to the highest amount which the Servicer expects to receive in Collections on any two consecutive Business Days in the forthcoming month and the first week of the next following month (and for the purposes of the Closing Date only, in December 2016).</p>
<b>Common Safekeeper</b>	<p>Means the common safekeeper appointed by the operator of Euroclear and Clearstream, Luxembourg on or before the Closing Date.</p>
<b>Conditions</b>	<p>Means the terms and conditions applicable to the Notes as set out in Schedule 3 (Terms and Conditions of the Notes) to the Trust Deed, as may from time to time be modified in accordance with the Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of such Global Note and any reference to a particularly numbered Condition shall be construed accordingly.</p>
<b>Corporate Services Agreement</b>	<p>Means the agreement entered into on or before the Closing Date between the Issuer and the Corporate Services Provider, pursuant to which the Corporate Services Provider will provide the Issuer with certain corporate and administrative functions.</p>
<b>Corporate Services Provider</b>	<p>Means Wilmington Trust SP Services (Dublin) Limited, a company incorporated in Ireland with limited liability (registered number 318390), and having its registered office at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland.</p>

<b>CRR</b>	Means Regulation (EU) No. 575/2013 referred to as Capital Requirements Regulation.
<b>Cumulative Default Ratio</b>	Means on any Calculation Date the ratio, whereby the numerator is the aggregate of all Principal Losses on all Loans from the Closing Date to the end of the immediately preceding Collection Period and the denominator is the sum of the aggregate Principal Balance of the Initial Loans as at the Initial Cut-Off Date and the aggregate Principal Balance of all New Loans as at the relevant New Loan Cut-Off Date.
<b>Declaration of Trust</b>	Means the declaration of trust pursuant to which the Share Trustee will hold the issued share of the Issuer on a charitable trust.
<b>Deed of Charge</b>	Means the deed of charge and assignment dated the Closing Date and made between, among others, the Issuer and the Security Trustee.
<b>Defaulted Loans</b>	Means Loans: <ul style="list-style-type: none"> <li>(a) which are in arrears by 90 or more consecutive days; or</li> <li>(b) on which the Borrower has been declared insolvent or bankrupt or is subject to insolvency proceedings; or</li> <li>(c) which are written off or deemed uncollectable in accordance with the Seller's credit and collection policies.</li> </ul>
<b>Deferred Consideration</b>	Means in respect of an Interest Payment Date, the amount of available funds remaining after payment of, or provision for (as applicable): <ul style="list-style-type: none"> <li>(a) the items described in (a) to (k) inclusive of the Pre-Acceleration Revenue Priority of Payments; or</li> <li>(b) the items described in (a) to (l) inclusive of the Post-Acceleration Priority of Payments.</li> </ul>
<b>Definitive Note</b>	Means Notes in definitive form being in the form or substantially in the form scheduled to the Trust Deed issued by the Issuer in exchange for such Permanent Global Note pursuant to Condition 1.2.
<b>Delinquent Loan</b>	Means a Loan which is a Non-Defaulted Loan and which is in arrears in an amount of €500 or more by more than 30 but less than 90 days.
<b>Delinquent Loan Ratio</b>	Means on any Calculation Date the ratio, whereby

the numerator is the aggregate of the Principal Balance of all the Delinquent Loans and the denominator is the sum of the aggregate Principal Balance of all the Loans that are not Defaulted Loans, both as calculated as at the end of the immediately preceding Collection Period.

**Early Amortisation Event**

During the Revolving Period, an Early Amortisation Event means the occurrence of any of the following:

- (a) a Seller Termination Event;
- (b) an Event of Default;
- (c) the Cash Reserve Account is not funded up to the Cash Reserve Required Amount;
- (d) the Set-Off Reserve Ledger is not funded up to the Set-Off Reserve Required Amount;
- (e) the Commingling Reserve is not funded up to the Commingling Reserve Required Amount;
- (f) a Servicer Termination Event;
- (g) a breach of the Portfolio Triggers;
- (h) following application of the relevant Priority of Payments, on any Interest Payment Date, the debit balance of the Principal Deficiency Ledger exceeds €100,000; and
- (i) following application of the relevant Priority of Payments the amounts standing to the credit of the Replenishment Ledger exceeds 15 per cent of the Initial Aggregate Loan Balance.

**Eligible Bank**

Means a bank or credit institution that (a) satisfies the Account Bank Required Rating; (b) is an institution authorised to carry on banking business (including accepting deposits) under the FSMA ; and (c) is a bank for the purposes of section 878 of the Income Tax Act 2007 and is, in each case, approved in writing by the Security Trustee.

**Eligibility Criteria**

Means the eligibility criteria in respect of the Loans as set out in Appendix 2 of the Purchase Agreement.

**Eligible Person**

Means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a holder of a Note in definitive form;

- (b) a bearer of any Voting Certificate; and
- (c) a proxy specified in any Block Voting Instruction.

**Enforcement Procedures**

Means the exercise of rights and remedies against a Borrower and/or Guarantor in respect of such Borrower's obligations arising from any Loan where such Borrower and/or Guarantor is in default.

**English Security**

Means the security granted by the Issuer to the Security Trustee under and pursuant to the Deed of Charge to hold on trust for the Secured Creditors.

**ESM**

European Stability Mechanism.

**EURIBOR**

Euro-zone Interbank Offered Rate.

**EUR or euro or €**

means the lawful currency for the time being of the member states of the European Union that have adopted or may adopt the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act of 1986 and the Treaty of European Union of 7 February 1992 and the Treaty of Amsterdam of 2 October 1997 establishing the European Community.

**Euroclear**

Means Euroclear Bank S.A/N.V.

**Eurosystem**

Means the European System of Central Banks as the term is used by the Governing Council of the European Central Bank.

**Event of Default**

Has the meaning given to it in Condition 9.

**Extraordinary Resolution**

Has the meaning given to it in the section titled "*Transaction Overview – Overview of the Terms and Conditions of the Notes – Rights of Noteholders and Relationship with Other Secured Creditors*".

**FATCA**

Means Sections 1471 through 1474 of the US Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

**FCA**

Means the Financial Conduct Authority.

**Final Maturity Date**

Means the Interest Payment Date falling in January 2040.

**Fitch**

Means Fitch Ratings Limited.

<b>Force Majeure Event</b>	Has the meaning given to it in the section titled " <i>Description of Key Transaction Documents – Servicing Agreement</i> ".
<b>FSMA</b>	Means the Financial Services and Markets Act 2000 as amended from time to time.
<b>Global Note</b>	Means, respectively, (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular class, or (ii) any of the Temporary Global Notes or Permanent Global Notes, as the context may require).
<b>Greek Assignment Agreement</b>	Means the agreement entered into on or prior to the Closing Date between the Seller and the Issuer under which the Seller assigns and transfers the Initial Loans, any New Loans and any Substitute Loans along with all Ancillary Rights, claims and rights and any Related Security attaching to such Initial Loans, New Loans or Substitute Loans (as applicable) to the Issuer.
<b>Greek Bankruptcy Code</b>	Greek law 3588/2007.
<b>Greek Reassignment Agreement</b>	Means the agreement entered into on each Repurchase Date between the Seller and the Issuer under which the Issuer reassigns and transfers to the Seller the Loans repurchased on such date together with any claims, rights and Related Security attaching to those Loans.
<b>Greek Securitisation Law Pledge</b>	Means a pledge by operation of law over the Issuer's rights, title and interest in the Portfolio and the Related Security (if any) in relation to each of the Loans (if any) and the Issuer Collection Account pursuant to paragraph 18, article 10 of Greek law 3156/2003 (as it may be amended or re-enacted from time to time).
<b>Greek Security</b>	Means the Greek Securitisation Law Pledge.
<b>Guarantor</b>	Means, in relation to a Loan, entities or individuals assuming an obligation to guarantee repayment of such Loan.
<b>ICSD</b>	Means any or each of Euroclear and Clearstream, Luxembourg.
<b>Income Deficit</b>	Means for each Interest Payment Date, the extent, if any, by which the aggregate of items (a) to (f) of the definition Available Revenue Funds will be insufficient to pay items (a) to (d) of the Pre-Acceleration Revenue Priority of Payments.

<b>Industry Sector</b>	Means each of the industry sectors as categorised in Greece by the Hellenic Republic National Statistical Service of Greece with reference to NACE 2 digit code.
<b>Initial Aggregate Loan Balance</b>	Means EUR 640,000,000.
<b>Initial Cut-Off Date</b>	Means 16 December 2016.
<b>Initial Issuer Expenses</b>	Means the initial expenses of the Issuer including the expenses of the Issuer in connection with the purchase and assignment of the Initial Loans and all rights attaching thereto and the issue of the Notes.
<b>Initial Loans</b>	Means the Loans purchased by the Issuer from the Seller on the Closing Date pursuant to the Purchase Agreement.
<b>Initial Loan Purchase Price</b>	Means an amount equal to: <ul style="list-style-type: none"> <li>(a) the Principal Balance of the Initial Loans to be assigned to the Issuer on the Closing Date as at the Initial Cut-Off Date (the <b>Initial Loan Principal Component</b>); plus</li> <li>(b) any accrued but unpaid interest, fees or other amounts in relation to the Initial Loans as at the Initial Cut-Off Date (the <b>Initial Loan Revenue Component</b>).</li> </ul>
<b>Insolvency Event</b>	In respect of a relevant entity (other than Alpha Bank) (each a <b>Relevant Entity</b> ) means: <ul style="list-style-type: none"> <li>(a) an order is made or an effective resolution passed for the winding up of the Relevant Entity, except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Security Trustee in writing; or</li> <li>(b) the Relevant Entity, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (a) above, ceases or through an authorised action of its board of directors, threatens to cease to carry on all or substantially all of its business or is deemed unable to pay its debts as and when they fall due within the meaning of Section 123(1)(a) of the Insolvency Act and 123(2) of the Insolvency Act or, where applicable, Section 222 to 224 of the Insolvency Act or, where applicable, Section 509 or 570 of the</li> </ul>



Companies Act 2014, as amended, of Ireland; or

- (c) proceedings corporate action or other steps shall be initiated against the Relevant Entity under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation, examinership or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator or examiner, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator or examiner) and (except in the case of presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator, the service of a notice of intention to appoint an administrator or the taking of any steps to appoint an administrator) such proceedings are not, in the reasonable opinion of the Security Trustee, being disputed in good faith with a reasonable prospect of success or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, examiner, trustee in sequestration or other similar official shall be appointed in relation to the Relevant Entity or in relation to the whole or any substantial part of the undertaking or assets of the Relevant Entity, or an encumbrancer (other than the Issuer, the Security Trustee or the Note Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Relevant Entity, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Relevant Entity and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within thirty days of its commencement, or the Relevant Entity (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation, examinership or other similar laws or makes a conveyance or assignment or assignation

for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; and

- (d) any event occurs which, under English law or any applicable law, has an analogous effect to any of the events referred to in paragraphs (a), (b) or (c) above.

In relation to Alpha Bank Insolvency Event means corporate action taken or pending, or other steps taken and/or proceedings commenced or threatened or pending in respect of:

- (a) the special liquidation, bankruptcy, winding-up, liquidation, dissolution, mandatory management, administration or reorganisation of Alpha Bank;
- (b) the making of an administration order in respect thereof or filing of documents with the court for administration including, without limitation, any actual or proposed appointment of an administrator made by either the holder of a qualifying floating charge or Alpha Bank or its directors or to place or force Alpha Bank into voluntary or involuntary liquidation;
- (c) the serving of the notice of intention to appoint an administrator;
- (d) Alpha Bank entering into any composition or arrangement with its creditors generally;
- (e) the commencement of a creditors collective action against Alpha Bank;
- (f) the appointment, or proposed appointment, of a receiver, administrative receiver, or similar officer in respect of Alpha Bank or any of its property, undertaking or assets;
- (g) no cessation of payments (other than cessation of payments due to errors or omissions of an administrative or operational nature) of all or a part Alpha Bank's debts and no event equivalent to the foregoing has occurred in or under the laws of any relevant jurisdiction;
- (h) as to Alpha Bank, any other insolvency proceeding pursuant to Greek law 4261/2014, the Greek Bankruptcy Code (to

the extent applicable), Greek law 3458/2006 and resolution measures under Greek law 4335/2015.

<b>Interest Amount</b>	Has the meaning given to it in Condition 4.4.
<b>Interest Determination Date</b>	Has the meaning given to it in Condition 4.3.
<b>Interest Payment Date</b>	Has the meaning given to it in Condition 4.2.
<b>Interest Period</b>	Initially the period commencing on and including the Closing Date and ending on but excluding the first Interest Payment Date and thereafter the period commencing on and including the immediately preceding Interest Payment Date and ending on but excluding such subsequent Interest Payment Date.
<b>Internal Rating</b>	Means the scale from AA to D used by Alpha Bank rate Borrowers using its internal models, as modified and recalibrated by Alpha Bank from time to time.
<b>Internal Rating Grade</b>	Means the scale from 1 to 15, as mapped to Internal Ratings.
<b>Investor Report</b>	Means the quarterly report prepared by the Cash Manager as set out in the Cash Management Agreement substantially in the form set out in the Cash Management Agreement.
<b>Irish Stock Exchange</b>	Means the Irish Stock Exchange plc.
<b>Issuer</b>	Means Alpha Proodos Designated Activity Company, a company incorporated in Ireland as a designated activity company with registration number 593580 and with its registered office at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland.
<b>Issuer Accounts</b>	Means each of the Issuer Collection Account, the Transaction Account, the Cash Reserve Account and the Commingling Reserve Account.
<b>Issuer Collection Account</b>	Means the account in the name of the Issuer (Account No: 949002005000612) held at the Issuer Collection Account Bank, or such additional or replacement bank account as may be opened with the prior consent of the Security Trustee and designated as such;
<b>Issuer Collection Account Bank</b>	Means Alpha Bank or, as the case may be, any other bank which is subsequently appointed as Issuer Collection Account Bank pursuant to the Issuer Collection Account Bank Agreement.
<b>Issuer Collection Account Bank</b>	Means the Greek law governed agreement entered

<b>Agreement</b>	into on or prior to the Closing Date between the Issuer, the Issuer Collection Account Bank and the Security Trustee under which the Issuer Collection Account Bank will provide the Issuer with certain banking functions including the establishment and operation of the Issuer Collection Account.
<b>Issuer ICSD Agreement</b>	Means the International Central Securities Depository agreement between Euroclear/Clearstream, Luxembourg and the Issuer dated on or about the Closing Date.
<b>Issuer Profit Amount</b>	Means €250 on each Interest Payment Date to be credited to the Issuer Profit Ledger and to be retained by the Issuer as profit in respect of the business of the Issuer.
<b>Issuer Profit Ledger</b>	Means the ledger of the Issuer on the Transaction Account to which the Issuer's share capital and the Issuer Profit Amount is credited.
<b>Issuer Security</b>	The English Security and the Greek Security.
<b>Liability</b>	Means any losses, damages, costs, charges, claims, demands, expenses, judgments, decrees, actions, proceeding or other liability whatsoever (including, without limitation in respect of taxes, duties, levies, imposts and other charges) and including any VAT or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.
<b>Loan Agreement</b>	Means, in respect of a Loan other than a Bond Loan, the agreement representing such Loan advanced to the relevant Borrower and, if applicable, any guarantee agreement in relation thereto.
<b>Loan Documentation</b>	Means (a) in relation to a Loan other than a Bond Loan, the relevant Loan Agreement (however constituted) and any other documents relating to or evidencing such Loan; and (b) in relation to a Bond Loan, the Bond Loan Programme, the Bond Certificates and the Bondholders' Registries evidencing such Bond Loan (c) all documents relating to or evidencing the Related Security for that Loan or Bond Loan (as the case may be).
<b>Loans</b>	Means the term loans including the Term Loans and the Bond Loans arising under Greek law originally advanced by the Seller to borrowers comprising enterprises or individual professionals in Greece for the purpose of, <i>inter alia</i> , financing working capital of such borrowers and which satisfy the Eligibility Criteria, together with all Ancillary Rights and any Related Security, which comprise the Portfolio;

<b>Loan Warranties</b>	Has the meaning given to it in the section " <i>Description of Key Transaction Documents – Purchase Agreement</i> ".
<b>Main Securities Market</b>	Means the regulated market of the Irish Stock Exchange.
<b>Margin</b>	Means: <ul style="list-style-type: none"> <li>(a) in relation to the Class A1 Notes 2 per cent. per annum;</li> <li>(b) in relation to the Class A2 Notes 2 per cent. per annum;</li> <li>(c) in relation to the Class A3 Notes 2 per cent. per annum;</li> <li>(d) in relation to the Class B Notes, 2.5 per cent. per annum; and</li> <li>(e) in relation to the Class C Notes, 3 per cent. per annum.</li> </ul>
<b>Markets in Financial Instruments Directive</b>	Means Markets in Financial Instruments Directive 2004/39/EC.
<b>Master Definitions and Construction Schedule</b>	Means the master definitions and construction schedule entered into on or about the Closing Date between, among others, the Issuer, the Seller, the Servicer, the Security Trustee, the Note Trustee, the Cash Manager, the Account Bank, the Issuer Collection Account Bank, the Principal Paying Agent, the Agent Bank and the Corporate Services Provider.
<b>Material Amendment</b>	Means, in respect of a Loan, the making of any change to the terms and conditions of that Loan which relates to a change in: (i) the interest rate terms; (ii) the final maturity date; (iii) the terms of the frequency by which a Borrower is obliged to make payments; and (iv) the Principal Balance of such Loan.
<b>Maximum Set-Off Risk</b>	Means, in relation to each Set-Off Borrower, the lesser of: <ul style="list-style-type: none"> <li>(a) the total amount deposited with the Seller by such Borrower as at the Closing Date if such Borrower is a borrower under an Initial Loan or the relevant New Loan Cut-Off Date if the Borrower is a borrower under a New Loan, less any deposit withdrawals by such Borrower after the Closing Date or the</li> </ul>

relevant New Loan Cut-Off Date, as the case may be; and

- (b) the aggregate Principal Balance of the Loan or Loans relating to such Borrower.

**Member State**

Means a member state of the European Union.

**Most Senior Class Outstanding**

Means the Class A Notes while they remain outstanding and thereafter the Class B Notes while they remain outstanding and thereafter the Class C Notes while they remain outstanding.

**Non-Defaulted Loans**

Means Loans that have not become Defaulted Loans since the Closing Date.

**Noteholders**

Means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in Condition 6.6) of the Notes of any class (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes, including for the purposes of any quorum or voting requirements, or the right to demand a poll at any meeting of the Noteholders) and such person shall be treated by the Issuer, the Note Trustee, the Security Trustee and all other persons as the holder of such Principal Amount Outstanding of such Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Note Trustee, the Security Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to the terms of the Global Note and the Trust Deed and for which purpose "Noteholders" means the bearer of the relevant Global Note; and related expressions shall be construed accordingly.

**Note Acceleration Notice**

Has the meaning given to it in Condition 9.1.

**Note Trustee**

Means Citibank N.A., London Branch.

**New Loans**

Means the Loans purchased by the Issuer from the Seller on any Business Day during the Revolving Period by applying the funds standing to the credit of the Replenishment Ledger pursuant to the Purchase Agreement.

**New Loan Cut-Off Date**

Means, in relation to the sale of a New Loan to the Issuer, the date such New Loan was sold to the Issuer by the Seller.

<b>New Loan Principal Component</b>	Has the meaning given to it in the definition of New Loan Purchase Price.
<b>New Loan Purchase Price</b>	Means an amount equal to the sum of: <ul style="list-style-type: none"> <li>(a) the Principal Balance of the relevant New Loan as at the relevant New Loan Cut-Off Date (the <b>New Loan Principal Component</b>); and</li> <li>(b) any accrued but unpaid interest, fees or other amounts in relation to the relevant New Loan as at the relevant New Loan Cut-Off Date (the <b>New Loan Revenue Component</b>).</li> </ul>
<b>New Loan Revenue Component</b>	Has the meaning given to it in the definition of New Loan Purchase Price.
<b>Note Purchasers</b>	Means the purchasers of the Notes issued on the Closing Date in accordance with the Subscription Agreements.
<b>Notes</b>	Means the Class A Notes, the Class B Notes and the Class C Notes and <b>Note</b> means any single note in issue.
<b>Notification Form</b>	Means the forms under the terms of Article 10, paragraphs 8 and 16 of the Securitisation Law respectively approved by the Greek Ministry of Justice (ministerial decisions nos. 161337 and 161338 of 30 October 2003).
<b>Ordinary Resolution</b>	Has the meaning given to it in the section titled " <i>Transaction Overview – Overview of the Terms and Conditions of the Notes – Rights of Noteholders and Relationship with Other Secured Creditors</i> ".
<b>Official List</b>	Means the official list maintained by the Irish Stock Exchange.
<b>Operating Procedures</b>	Means the Seller's operating procedures in respect of the Loans set out in the Operating Procedures Manual (as may be amended, varied or supplemented from time to time in accordance with the terms of the Servicing Agreement).
<b>Operating Procedures Manual</b>	Means the Seller's general operating procedures manual in respect of the administration of its business of lending to professionals (individuals and legal entities) resident in the Hellenic Republic delivered to the Servicer on the Closing Date.
<b>Paying Agents</b>	Means the institutions (including, where the context permits, the Principal Paying Agent) at their

	respective specified offices initially appointed as paying agents in relation to the Notes by the Issuer pursuant to the Agency Agreement and/or, if applicable, any successor paying agents at their respective specified offices.
<b>Payment Business Day</b>	Has the meaning given to it in Condition 4.2.
<b>Permanent Global Note</b>	Has the meaning given on Condition 1.1.
<b>Portfolio</b>	The portfolio consisting of the term loans, including the Term Loans entered into in the context of an umbrella agreement ( <i>allilohreos</i> ), the Bond Loans, the New Loans and any Substitute Loans and Related Security.
<b>Portfolio Covenants</b>	Has the meaning given to it in the section " <i>Description of Key Transaction Documents – Purchase Agreement</i> "
<b>Portfolio Triggers</b>	Means during the Revolving Period, the occurrence of any of the following: <ul style="list-style-type: none"> <li>(a) on any Calculation Date, the Cumulative Default Ratio exceeds the percentages set out below: <ul style="list-style-type: none"> <li>(i) from the Closing Date to (and including) the second Interest Payment Date, 6.0%; and</li> <li>(ii) from (but excluding) the second Interest Payment Date, 9.0%; or</li> </ul> </li> <li>(b) on any Calculation Date, the Delinquent Loan Ratio is greater than 10%.</li> </ul>
<b>Portfolio Schedule</b>	Means a schedule substantially in the form set out in Schedule 2 to the Purchase Agreement.
<b>Post Acceleration Priority of Payments</b>	Has the meaning given to it in the section titled " <i>Cashflows</i> " of this Prospectus.
<b>Potential Event of Default</b>	Means any event which with the giving of notice, laps of time, making of any determination or any combination thereof would constitute an Event of Default.
<b>Pre-Acceleration Principal Priority of Payments</b>	Has the meaning given to it in the section titled " <i>Cashflows</i> " of this Prospectus.
<b>Pre-Acceleration Revenue Priority of Payments</b>	Has the meaning given to it in the section titled " <i>Cashflows</i> " of this Prospectus.
<b>Presentation Date</b>	Has the meaning given to it in Condition 5.4



<b>Principal Amount Outstanding</b>	Means, on any date, the original principal amount of a Note less the aggregate amount of all principal payments in respect of such Note which have become due and payable and received by the relevant Noteholder since the Closing Date (except if and to the extent that any such payment has been improperly withheld or refused) up to (and including) such date.
<b>Principal Balance</b>	Means in relation to any Loan on any date, the principal amount outstanding of such Loan at such time (i) including any expense, charge, fee, premium or payment capitalised and added to the principal amount outstanding in respect of such Loan in accordance with the relevant Loan Documentation but (ii) excluding accrued and unpaid interest. This does not include the portion of any Term Loan to the Termination Value of the relevant umbrella agreement ( <i>Allilohreos</i> ).
<b>Principal Deficiency Ledger</b>	Means the ledger by that name to record losses affecting the Loans and any use of Available Principal Funds to cover an Income Deficit.
<b>Principal Ledger</b>	Means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Principal Receipts received by the Issuer and the distribution of Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments or the Post-Acceleration Priority of Payments (as applicable).
<b>Principal Losses</b>	Means, in relation to a Defaulted Loan, the aggregate of the Principal Balance of such Loan (in each case determined immediately prior to such Loan becoming a Defaulted Loan).
<b>Principal Paying Agent</b>	Means Citibank N.A., London Branch.
<b>Principal Receipts</b>	Means on a Calculation Date: <ul style="list-style-type: none"> <li>(a) the aggregate amount received by the Issuer of any repayment and prepayment in full or in part of principal amounts under the Loans from any person in the immediately preceding Collection Period;</li> </ul>

- (b) the proceeds of any sale or repurchase of any Loans (other than Defaulted Loans or as a result of the exercise of the Seller Call Option, the Clean-Up Call Option or to fund an optional redemption in whole for taxation or other purposes pursuant to Condition 6.2) plus any amount payable by the Seller to the Issuer upon substitution of any Loans in the immediately preceding Collection Period, allocable to principal; and
- (c) the proceeds of any repurchase of any Loans as a result of the exercise of the Seller Call Option, the Clean-Up Call Option or to fund an optional redemption in whole for taxation or other purposes pursuant to Condition 6.2 received from but excluding the previous Interest Payment Date to and including the Interest Payment Date immediately following the relevant Calculation Date (as notified to the Cash Manager) which are allocable to principal.

**Priority of Payments**

Means the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments or the Post-Acceleration Priority of Payments.

**Prospectus**

Means this prospectus of the Issuer for the purposes of the Prospectus Directive.

**Prospectus Directive**

Means EU Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Relevant Member State.

**Prudent Lender**

Means a prudent lender making SME Loans to borrowers in Greece.

**Purchase Agreement**

Means the sale and purchase agreement entered into by the Seller, the Issuer and the Security Trustee on or about the Closing Date.

**Purchase Price**

Means the Initial Loan Purchase Price or the New Loan Purchase Price together with the Deferred Consideration.

**Rate of Interest**

Has the meaning given to it in Condition 4.3.

**Receiver**

Means any receiver, manager or administrative receiver appointed in respect of the Issuer by the Security Trustee in accordance with the Deed of Charge.

**Recoveries**

Means, in relation to any Defaulted Loan (or any

	Loan which has been a Defaulted Loan), any amounts received in relation to such Loans regardless of whether such amounts would otherwise be considered Revenue Receipts or Principal Receipts.
<b>Reference Banks</b>	Has the meaning given to it in Condition 4.3.
<b>Regulation S or Reg S</b>	Means Regulation S under the Securities Act.
<b>Related Security</b>	Means in relation to a Loan, any underlying security for the repayment of that Loan which comprises an unlimited or all moneys security in that such security purports to secure the repayment of all present and future sums that may be advanced by the Seller to the relevant Borrower, including all amounts advanced in respect of the Loan Documentation or in respect of any other amounts not being due under the Loan Documentation owed by a Borrower to the Seller ( <b>All Moneys Security</b> ) or other underlying security taken by the Seller where such underlying security was taken in respect of the relevant Loan only which only secures the relevant Borrower's obligations towards the Seller under the Loans ( <b>Other Related Security</b> ).
<b>Replenishment Ledger</b>	Means the ledger by that name established and maintained on the Transaction Account which records amounts paid from Available Principal Funds in accordance with the Pre-Acceleration Principal Priority of Payments and from which amounts may be used to purchase New Loans during the Revolving Period.
<b>Repurchase Price</b>	Has the meaning given to it in the section titled " <i>Description of Key Transaction Documents – Purchase Agreement – Repurchase Price</i> ".
<b>Required Replenishment Amount</b>	On any Calculation Date, an amount equal to the greater of (i) zero and (ii) the difference between (a) the aggregate Principal Amount Outstanding of the Notes and (b) the aggregate Principal Balance of the Loans minus the Principal Losses that have taken place as at the end of the immediately preceding Collection Period.
<b>Retired Loan</b>	Means the Loan which is substituted at the option of the Seller on the relevant Substitution Date.
<b>Revenue Ledger</b>	Means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Revenue Receipts received by the Issuer and distribution of the same in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Acceleration Priority of Payments (as applicable).

## Revenue Receipts

Means on a Calculation Date:

- (a) all payments of interest, fees, late or early repayment penalties and similar charges received by the Issuer in relation to the Loans in the immediately preceding Collection Period;
- (b) any Recoveries received by the Seller in respect of a Loan in the immediately preceding Collection Period, whether before or after a Loan has been fully enforced and all amounts have been recovered in respect of the Related Security;
- (c) the proceeds of any repurchase of any Loans (other than Defaulted Loans) or as a result of the exercise of the Seller Call Option, the Clean-Up Call Option or to fund an optional redemption in whole for taxation or other purposes pursuant to Condition 6.2) received by the Issuer plus any amount payable by the Seller to the Issuer upon substitution of any Loans in the immediately preceding Collection Period, allocable to interest (in case the accrued interest of the Retired Loan as of the Substitution Date exceeds the accrued interest of the Substitute Loan as of the Substitution Date);
- (d) the proceeds of any repurchase of Defaulted Loans pursuant to the Seller Repurchase Option received by the Issuer during the immediately preceding Collection Period; and
- (e) the proceeds of any repurchase of any Loans as a result of the exercise of the Seller Call Option, the Clean-Up Call Option or to fund an optional redemption in whole for taxation or other purposes pursuant to Condition 6.2 received from but excluding the previous Interest Payment Date to and including the Interest Payment Date immediately following the relevant Calculation Date (as notified to the Cash Manager) which are allocable to interest.

## Revolving Period

Means the period commencing on the Closing Date and ending on the earliest to occur of (a) five Business Days after the Interest Payment Date falling in January 2018 and (b) the date on which an Early Amortisation Event occurs.

<b>S&amp;P</b>	Means S&P Global Ratings, a division of Standard & Poor's Credit Market Services Europe Limited.
<b>Screen Rate</b>	Has the meaning given to it in Condition 4.3.
<b>Secured Creditors</b>	Secured Creditors means the Note Trustee, any Receiver, any Appointee of the Note Trustee, the Security Trustee, any Appointee of the Security Trustee, the Noteholders, the Servicer, the Back-Up Servicer, the Account Bank, the Issuer Collection Account Bank, the Agent Bank, the Cash Manager, the Principal Paying Agent, the Subordinated Loan Provider, the Corporate Services Provider and any Receiver appointed by the Security Trustee under the Deed of Charge and any other entity that accedes to the Deed of Charge from time to time in such capacity.
<b>Secured Liabilities</b>	Means any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the Issuer to the Secured Creditors under the Notes and/or the Transaction Documents and references to Secured Liabilities includes references to any of them.
<b>Secured Loans</b>	Means Loans which benefit from any Related Security for the Borrower's obligations.
<b>Securities Act</b>	Means the United States Securities Act of 1933, as amended.
<b>Securitisation Law</b>	Means law 3156/2003 (published in Government Gazette issue no. 157A/25.06.03) of the Hellenic Republic (as it may be amended from time to time).
<b>Security Trustee</b>	Means Citibank N.A., London Branch.
<b>Seller</b>	Means Alpha Bank.
<b>Seller Call Option</b>	Has the meaning given to it in the section " <i>Description of Key Transaction Documents – Purchase Agreement</i> ".
<b>Seller Power of Attorney</b>	Means the power of attorney given by Issuer in favour of the Seller, substantially in the form set out in the Purchase Agreement.
<b>Seller Repurchase Option</b>	Means the option of the Seller to repurchase any Defaulted Loan and its Related Security at its sole discretion.
<b>Seller Termination Event</b>	Means the occurrence of any of the following: <ul style="list-style-type: none"> <li>(a) the Seller defaults in the payment of</li> </ul>

any amount due under the Purchase Agreement or any other Transaction Documents to which it is party and fails to remedy that default for a period of 5 Business Days after the earlier of becoming aware of the default and receipt of written notice from the Issuer or (following the delivery of a Note Acceleration Notice) the Security Trustee requiring the default to be remedied;

- (b) the Seller fails to comply with any of its other covenants or obligations any Transaction Document to which it is party which in the opinion of the of the Issuer or (following the delivery of a Note Acceleration Notice) Security Trustee is materially prejudicial to the interests of the holders of the Most Senior Class Outstanding and does not remedy that failure within 15 Business Days after the earlier of becoming aware of the failure and receipt of written notice from the Issuer or (following the delivery of a Note Acceleration Notice) the Security Trustee requiring the failure to be remedied;
- (c) the Seller fails to maintain required licences and authorisations;
- (d) an Insolvency Event occurs in relation to the Seller;
- (e) any of the representations and warranties given by the Seller (other than the Loan Warranties), pursuant to the Purchase Agreement and the other Transaction Documents to which it is a party, has been proved to be untrue, false or misleading in any material respect and such untrue, false or misleading representation and warranty is prejudicial to the Issuer or the Noteholders and is not remedied within 7 Business Days following receipt by the Seller of a written notice thereof (provided that this shall not release the Seller from any repurchase obligation which arises

under the Purchase Agreement in relation to any breaches of any Loan Warranties);

- (f) an event shall occur or condition shall exist under any agreement or instrument relating to any debt of the Seller which is outstanding in a principal amount of at least €15,000,000 (or its equivalent in another currency in aggregate), and, as a result of such event or condition, the maturity of such debt is accelerated; or any such debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such debt shall be required to be made, in each case prior to the stated maturity thereof; or
- (g) it becomes unlawful for the Seller to perform or comply with any of its obligations under the Purchase Agreement or the other Transaction Documents to which it is a party.

**Servicer**

Means Alpha Bank.

**Servicer Fee**

The fee (inclusive of VAT) payable by the Issuer to the Servicer on each Interest Payment Date according to the applicable Priority of Payments and as set out in the Servicing Agreement.

**Servicer Power of Attorney**

Means the power of attorney given by the Issuer in favour of the Servicer, substantially in the form set out in the Servicing Agreement.

**Servicer Quarterly Report**

Means the quarterly report prepared by the Servicer in accordance with the Servicing Agreement substantially in the form attached as Schedule 1 to the Servicing Agreement.

**Servicer Termination Event**

Has the meaning given to it in the section titled "*Description of Key Transaction Documents – Servicing Agreement*".

**Servicing Agreement**

Means the servicing agreement entered into on or around the Closing Date between the Issuer, the Security Trustee and Alpha Bank pursuant to which Alpha Bank will be instructed to act as Servicer and to carry out certain management, collection, recovery

	and realisation activities in relation to the Loans and Related Security.
<b>Set-Off Borrower</b>	Means a Borrower having a deposit with the Seller who has not validly waived the right to set off against the Seller.
<b>Set-Off Event</b>	Means, relation to any Loan included in the Portfolio: <ul style="list-style-type: none"> <li>(a) the exercise by a Borrower of any alleged right of set-off in respect of any debt (present or future, actual or contingent) due or owing by the Seller to such Borrower or alleged to be so due and owing; or</li> <li>(b) any other claim, counterclaim or other similar right or action by a Borrower, as a result of which any amount due or to become due by such Borrower in respect of such Loan, is or may be reduced.</li> </ul>
<b>Set-Off Reserve</b>	Means the set-off reserve established and maintained on the Set-Off Reserve Ledger of the Transaction Account for the purposes of mitigating any risk arising from the occurrence of a Set-Off Event.
<b>Set-Off Reserve Ledger</b>	Means the ledger by that name established and maintained on the Transaction Account which will hold the Set-Off Reserve.
<b>Set-Off Reserve Required Amount</b>	Means, at the end of each calendar month or as at any New Loan Cut-Off Date or any Substitution Date (taking into account the New Loans to be sold on such New Loan Cut-Off Date and the Substitute Loans to be substituted on such Substitution Date, as applicable), an amount determined by the Servicer and notified to the Cash Manager being an amount equal to the aggregate of the Maximum Set-Off Risk in relation to each Set-Off Borrower.
<b>Share Trustee</b>	Means Wilmington Trust SP Services (Dublin) Limited.
<b>Solvency II Regulation</b>	Means the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance.
<b>SMEs</b>	Means small and medium enterprises.
<b>SME Loans</b>	Means loans to borrowers which qualify as SMEs according to Commission Recommendation 2003/361/EC as published in the Official Journal of



the European Union L 124, p. 36 of 20 May 2003.

<b>Subordinated Loan or Subordinated Loan Facility</b>	Means the subordinated loan facility provided by the Subordinated Loan Provider to the Issuer pursuant to the Subordinated Loan Agreement.
<b>Subordinated Loan Agreement</b>	Means the subordinated loan agreement entered into between, among others, the Subordinated Loan Provider and the Issuer on or about the Closing Date.
<b>Subordinated Loan Provider</b>	Means Alpha Bank.
<b>Subscription Agreements</b>	Means the agreements so named between the Issuer, the Note Purchasers and the Arranger.
<b>Subsidiary</b>	Means a subsidiary as defined in section 7 of the Companies Act 2014, as amended, of Ireland.
<b>Substitute Loan</b>	Means a Loan which is substituted into the Portfolio in accordance with the terms of the Purchase Agreement.
<b>Substitution Criteria</b>	Has the meaning given to it in the section " <i>Description of Key Transaction Documents – Purchase Agreement</i> ".
<b>Substitution Date</b>	Means the date on which a Substitute Loan is to be purchased by the Issuer from the Seller under the relevant provisions in the Purchase Agreement.
<b>Taxes</b>	means all present and future taxes and any levies, imposts, duties (other than stamp duty), fees, deductions, withholdings or charges in the nature of tax wheresoever imposed, including, without limitation, income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and <b>Tax</b> and <b>Taxation</b> shall be construed accordingly.
<b>Temporary Global Note</b>	Has the meaning given to it in Condition 1.1.
<b>Term Loans</b>	Means term loans entered into in the context of an umbrella agreement (" <i>Allilohreos</i> " in Greek), as well as their corresponding portion of the Termination Value.
<b>Termination Value</b>	Means the final termination amount of an umbrella agreement (" <i>Allilohreos</i> " in Greek), namely the net balance remaining upon termination of the Allilohreos.

<b>Transaction Account</b>	Means the account in the name of the Issuer at the Account Bank with account number 18131430, or such other replacement account as may be established from time to time in accordance with the Transaction Documents.
<b>Transaction Account Ledgers</b>	Means the ledgers maintained on the Transaction Account, being the Principal Ledger, the Revenue Ledger, the Replenishment Ledger, the Issuer Profit Ledger and the Set-Off Reserve Ledger.
<b>Transaction Documents</b>	Means the Agency Agreement, the Bank Account Agreement, the Issuer Collection Account Bank Agreement, the Corporate Services Agreement, the Deed of Charge, the Greek Assignment Agreement, the Greek Reassignment Agreement, the Master Definitions and Construction Schedule, the Purchase Agreement, the Subordinated Loan Agreement, any Transfer Notice, the Cash Management Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Trust Deed, the Issuer ICSD Agreement and any other agreement or document from time to time designated as such by the Issuer and the Security Trustee.
<b>Transaction Party</b>	Means any person who is a party to a Transaction Document and Transaction Parties means some or all of them.
<b>Transfer Notice</b>	Means a transfer notice from the Seller to the Issuer, the Security Trustee and the Cash Manager, substantially in the form as set out in Schedule 1 to the Purchase Agreement.
<b>Trust Deed</b>	Means the trust deed entered into on the Closing Date between the Issuer and the Note Trustee pursuant to which the Issuer and the Note Trustee agree that the Notes are constituted by the Trust Deed.
<b>U.S. Persons</b>	Has the meaning given to it in Regulation S and non-U.S. Persons means those persons that fall outside the definition of U.S. Persons in Regulation S.
<b>VAT</b>	Means: <ul style="list-style-type: none"> <li>(a) any tax chargeable under or pursuant to the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) or any legislation implemented by any member state of the European Union by virtue of the EC</li> </ul>

Directive 2006/112; and

- (b) any other tax of a similar nature, whether chargeable in a member state of the European Union or elsewhere.

**Voting Certificate**

Means an English language certificate issued by a Paying Agent in which it is stated:

- (a) that on the date thereof Notes (not being Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Notes will cease to be so blocked until the first to occur of:
  - (i) the conclusion of the meeting specified in such Voting Certificate; and
  - (ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes represented by such Voting Certificate.

**Issuer**

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IFSC, Dublin 1  
Ireland

**Corporate Services Provider of the Issuer**

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3 George's Dock  
IFSC, Dublin 1  
Ireland

**Arranger**

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Canary Wharf  
London E14 5LB  
United Kingdom

**Seller and Servicer**

Alpha Bank AE  
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102 52 Athens  
The Hellenic Republic

**Note Trustee and Security Trustee**

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London E14 5LB  
United Kingdom

**Irish Listing Agent**

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Dublin 2  
Ireland

**Principal Paying Agent, Account Bank, Agent Bank and Cash Manager**

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