

The date of this Prospectus is 7 May 2009

Axia II Finance Plc

(incorporated in England and Wales as a public limited company under registered number 6789992)

€ 459,000,000 Class A Asset Backed Floating Rate Notes due 2031

€ 441,000,000 Class B Asset Backed Floating Rate Notes due 2031

Arranger

Deutsche Bank AG, London Branch

For a discussion of certain risks and other factors that should be considered in connection with an investment in the Notes, see the section entitled "Risk Factors"

PROSPECTUS DATED 7 May 2009

AXIA II FINANCE PLC

(incorporated in England and Wales as a public limited company under registered number 6789992)

€ 459,000,000 Class A Asset Backed Floating Rate Notes due 2031

€ 441,000,000 Class B Asset Backed Floating Rate Notes due 2031

Issue Price of the Notes: 100 per cent.

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. € 459,000,000 Class A Asset Backed Floating Rate Notes due 2031 (the **Class A Notes**) and the € 441,000,000 Class B Asset Backed Floating Rate Notes due 2031 (the **Class B Notes** and, together with the Class A Notes, the **Notes**) will be issued by Axia II Finance Plc (the **Issuer**) on or about the Closing Date (as defined below).

	<u>Class A</u>	<u>Class B</u>
Initial Principal Amount Outstanding:	€ 459,000,000	€ 441,000,000
Issue Price:	100%	100%
Interest Rate:	Three-month EURIBOR	Three-month EURIBOR
	+	+
Margin	Margin	Margin
Margin until Interest Payment Date falling in January 2031	0.50 %	1.50 %
Interest Payment Dates:	Quarterly in arrear on the Interest Payment Dates falling in October, January, April and July in each year	
First Interest Payment Date:	29 October 2009	29 October 2009
Final Maturity Date:	Interest Payment Date falling in January 2031	
Expected Ratings (Moody's):	Aaa	Not rated

The ratings assigned to the Class A Notes address the expected loss posed to investors by the Final Maturity Date.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Notes will be in bearer form and in the denomination of €100,000 each and integral multiples of €1,000 in excess thereof and will be governed by English law. The Notes of each class will initially be in the form of a temporary global note (each a **Temporary Global Note**) of such class, without interest coupons, which will be delivered on or around the Closing Date to a common safekeeper for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). The Temporary Global Note of each class of Notes will be exchangeable, in whole or in part, for interests in a permanent global note (each a **Permanent Global Note** and, together with a Temporary Global Note, the **Global Notes**) of that class of Notes, in bearer form without interest coupons or talons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. Each Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Class A Notes or Class B Notes (as the case may be) in definitive form in denominations equal to the minimum denomination of the Notes and with interest coupons attached.

The Global Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Global Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg (together the **ICSDs**) 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 Prospectus has been approved by the Irish Financial Services Regulatory Authority (the **Financial Regulator**), as competent authority under Directive 2003/71/EC (the **Prospectus Directive**). The Financial Regulator only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Prospectus constitutes a prospectus for the purposes of the Prospectus Directive. The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The Notes will be subject to mandatory partial redemption and to optional redemption in whole, in both cases before the Final Maturity Date, in the specific circumstances, and subject to the conditions, described in the terms and conditions of the Notes (the **Conditions**) set out herein.

If any withholding or deduction for or on account of tax is applicable to payments of interest on, and principal of, the Notes, such payments will be made subject to such withholding or deduction without the Issuer or Paying Agent (as defined below) being obliged to pay any additional amounts as a consequence.

The Notes will be obligations of the Issuer only and will not be guaranteed by, or be the responsibility of, any other person. It should be noted, in particular, that the Notes will not be obligations or responsibilities of, and will not be guaranteed by, the Trustee, the Servicer, the Arranger, the Subordinated Loan Provider, the Paying Agent, the Agent Bank, the Cash Manager, the Issuer Account Bank, the Issuer Transaction Account Bank, the Corporate Services Provider, the Share Trustee or the Seller (each as defined elsewhere in this Prospectus).

For a discussion of certain risks and other factors which should be considered in connection with an investment in the Notes, see the section herein entitled *Risk Factors*.

**Arranger
Deutsche Bank AG, London Branch**



The date of this Prospectus is 7 May 2009.

RESPONSIBILITY STATEMENTS

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 U.S. STATE SECURITIES LAWS. THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the **SEC**), any U.S. state securities commission or any other regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

Except where another party referred to below accepts responsibility for certain information, the Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has 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. This statement does not prejudice any liability which may arise under English law. The Issuer further confirms that this Prospectus contains all information which is material in the context of the issue of the Notes, that such information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in it are honestly held by it and that there are no other facts the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect and all proper enquiries have been made to ascertain and to verify the foregoing. The Issuer accepts responsibility accordingly and the Issuer has confirmed to the Arranger that the Issuer accepts such responsibility.

Piraeus Bank S.A. (**Piraeus**) (in its capacity as the **Originator** and **Servicer**) accepts responsibility for the information in this Prospectus relating to itself, the Receivables Sale Agreement, the Servicing Agreement and all information relating to the Portfolio in the sections headed *Description of the Provisional Portfolio*, *Historical Loan Data* and *The Seller* (together the **Piraeus Information**) and such Piraeus Information 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 Originator and Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than the Piraeus Information) or any other information supplied in connection with the Notes or their distribution.

Piraeus Bank S.A. (the **Issuer Account Bank**) accepts responsibility for the information in this Prospectus relating to itself in the section headed *The Issuer Account Bank* (the **Issuer Account Bank Information**). To the best of the knowledge and belief of the Issuer Account Bank (which has taken all reasonable care to ensure that such is the case), the Issuer Account Bank Information 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 Issuer Account Bank as to the accuracy or completeness of any information contained in this Prospectus (other than the Issuer Account Bank Information) or any other information supplied in connection with the Notes or their distribution.

The Bank of New York Mellon (the **Issuer Transaction Account Bank**) accepts responsibility for the information in this Prospectus relating to itself in the section headed *The Issuer Transaction Account Bank* (the **Issuer Transaction Account Bank Information**). To the best of the knowledge and belief of the Issuer Transaction Account Bank (which has taken all reasonable care to ensure that such is the case), the Issuer Transaction Account Bank Information 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 Issuer Transaction Account Bank as to the accuracy or completeness of any information contained in this Prospectus (other than the Issuer Transaction Account Bank Information) or any other information supplied in connection with the Notes or their distribution.

The Notes will be obligations solely of the Issuer and will not be obligations of, and will not be guaranteed by, and will not be the responsibility of, any other entity. In particular, the Notes will not be the obligations of, and will not be guaranteed by, the Originator, the Servicer, the Cash Manager, the Trustee, the Paying Agent, the Agent Bank, the Issuer Transaction Account Bank, the Corporate Services Provider, the Initial Note Purchaser (each as defined below) or the Arranger (the **Transaction Parties**).

None of the Arranger, the Servicer, the Originator, the Trustee, the Cash Manager, the Issuer Account Bank, the Issuer Transaction Account Bank, the Corporate Services Provider, the Paying Agent or the Agent Bank have separately verified the information contained in this Prospectus other than the Piraeus Information in relation to the Servicer and the Originator, the Issuer Transaction Account Bank Information in relation to the Issuer Transaction Account and the Issuer Account Bank Information in relation to the Issuer Account Bank. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Servicer, the Originator, the Trustee, the Cash Manager, the Issuer Transaction Account Bank, the Issuer Account Bank, the Corporate Services Provider, the Paying Agent or the Agent Bank as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes. Each person receiving this Prospectus acknowledges that such person has not relied on the Arranger, the Servicer, the Originator, the Trustee, the Cash Manager, the Issuer Transaction Account Bank, the Issuer Account Bank, the Corporate Services Provider, the Paying Agent or the Agent Bank nor on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.

This Prospectus includes forward-looking statements including, but not limited to, statements made under the headings *Risk Factors*, *Servicing of the Portfolio and Taxation*. These forward-looking statements can be identified by the use of forward-looking terminology, such as the words "believes", "expects", "may", "intends", "should" or "anticipates" or the negative or other variations of those terms. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results and performance of the Notes or Piraeus to differ materially from any future results or performance expressed or implied in the forward-looking statements. These risks, uncertainties and other factors include, among others general economic and business conditions in Greece, currency exchange and interest rate fluctuations, government, statutory, regulatory or administrative initiatives affecting Piraeus, changes in business strategy, lending practices or customer relationships and other factors that may be referred to in this Prospectus. Some of the most significant of these risks, uncertainties and other factors are discussed in this Prospectus under the heading *Risk Factors*, and you are encouraged to carefully consider those factors prior to making an investment decision in relation to the Notes.

Representations about the Notes

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by any of the Transaction Parties. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

No action has been taken by the Issuer, the Initial Note Purchaser or the Arranger other than as set out in this Prospectus that would permit a public offer of the Notes in any country or jurisdiction where

action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in circumstances that will result in compliance with applicable laws, orders, rules and regulations, and the Issuer, the Initial Note Purchaser and the Arranger have represented that all offers and sales by them have been made on such terms.

Each person receiving this Prospectus shall be deemed to acknowledge that (i) such person has been afforded an opportunity to request from the Issuer, and to review, and has received, all additional information which it considers to be necessary to verify the accuracy and completeness of the information herein, (ii) such person has not relied on the Arranger or any person affiliated with the Arranger in connection with its investigation of the accuracy of such information or its investment decision, and (iii) except as provided pursuant to clause (i) above, no person has been authorised to give any information or to make any representation concerning the Notes offered hereby except as contained in this Prospectus, and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer or the Arranger.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

The contents of this Prospectus should not be construed as providing legal, business, 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 the Notes.

Selling Restrictions Summary

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, any of the Transaction Parties to subscribe for or purchase any of the Notes and this document may not be used for or in connection with an offer to, or a solicitation of an offer by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of this Prospectus and other offering material relating to the Notes, see *Subscription And Sale* herein.

Currency

In this Prospectus, unless otherwise specified, references to **€**, **EUR** or **euro** are to the lawful currency of the member states of the European Union participating in Economic and Monetary Union as contemplated by the Treaty establishing the European Communities as amended by, *inter alia*, the Treaty on European Union (the **Treaty**).

In this Prospectus, unless otherwise specified, references to **£**, **pounds** or **pounds sterling** are to the lawful currency for the time being of the United Kingdom.

In this Prospectus, unless otherwise specified, references to **Greece**, the **Republic**, the **Republic of Greece**, the **Greek State** or the **State** are to the Hellenic Republic and all references to the **Government** are to the government of the Hellenic Republic.

Noteholders (as defined herein) must comply with the laws of the Hellenic Republic relating to banking secrecy with regard to the Loans following a default by the Issuer.

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

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OVERVIEW

The information in this section is an overview of the principal features of the issue of the Notes. This overview does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this Prospectus.

Capitalised terms used in this section and throughout this Prospectus may be defined in other sections of this Prospectus and may not necessarily be defined where they first appear. An index of defined terms is contained at the end of this Prospectus.

The Parties

The Issuer: Axia II Finance Plc c/o Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London EC2M 7JH, UK, a public limited company incorporated in England and Wales (registered number 6789992) (the **Issuer**) has been established for the limited purposes of the issue of the Notes, the purchase of the Loans and their Related Security and entering into the Transaction Documents to which it is a party. The Issuer's authorised share capital consists of 50,000 ordinary shares of £1 each. The issued share capital consists of 50,000 ordinary shares allotted with £12,501.50 paid up. All of the Issuer's share capital is held directly or indirectly by the Share Trustee.

The Servicer: Piraeus Bank S.A. with registered offices at 4 Amerikis Street, 105 64 Athens, Greece, a credit institution incorporated in the Hellenic Republic (**Piraeus**) will act as agent for the Issuer and the Trustee to, *inter alia*, service the Portfolio (in such capacity, the **Servicer**) in accordance with the terms of a servicing agreement to be entered into between the Issuer, the Trustee and the Servicer on or about the Closing Date (the **Servicing Agreement**).

For more detailed information see *Servicing of the Portfolio* below.

The Seller: Piraeus (in such capacity, the **Seller**). Piraeus is, *inter alia*, in the business of originating term loans and bonds.

For more detailed information see *The Seller* below.

The Seller will sell its rights, title, interest and benefit in, to and under the Loans to the Issuer pursuant to the Receivables Sale Agreement to be entered into by the Issuer, the Seller and the Trustee on or about the Closing Date (the **Receivables Sale Agreement**). See *Summary of Principal Documents — Receivables Sale Agreement* below.

The Share Trustee: Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London EC2M 7JH, UK, a private limited liability company incorporated in England and Wales (registered number 02548079) (in such capacity, the **Share Trustee**). The entire issued share capital of the Issuer is held on trust by the Share Trustee for charitable purposes.

The Corporate Services Provider: Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London EC2M 7JH, UK, a private limited liability company incorporated in England and Wales (registered

number 02548079) (in such capacity, the **Corporate Services Provider**) in accordance with the terms of a corporate services agreement to be entered into between the Issuer, the Corporate Services Provider and the Trustee on or about the Closing Date (the **Corporate Services Agreement**).

See *Summary of Principal Documents – Corporate Services Agreement* below.

The Trustee:

BNY Corporate Trustee Services Limited having its registered office at One Canada Square, London E14 5AL, England (the **Trustee**). The Trustee will be appointed pursuant to the Trust Deed to represent the interests of the Noteholders and to hold the security granted or created, as the case may be, under the Deed of Charge, the Greek Pledge and the Greek law 3156/2003 (published in Government Gazette issue no. 157/A/25.06.03) (the **Securitisation Law**) on behalf of itself, the Noteholders, the Couponholders, the Servicer, the Seller, the Corporate Services Provider, the Subordinated Loan Provider, the Issuer Transaction Account Bank, the Issuer Account Bank, the Cash Manager, the Paying Agent, and the Agent Bank (together, the **Secured Parties**) and will be entitled to enforce the security granted or created, as the case may be, in its favour under the Deed of Charge, the Greek Pledge and the Securitisation Law.

The Paying Agent and the Agent Bank:

The Bank of New York Mellon, acting through its London branch at One Canada Square, London E14 5AL, England (in such capacities, the **Paying Agent** and the **Agent Bank** and together the **Agents**) acting in accordance with the terms of an agency agreement to be entered into between the Issuer, the Paying Agent, the Agent Bank and the Trustee on or about the Closing Date (the **Agency Agreement**).

The Issuer Account Bank:

Piraeus, with registered offices at 4 Amerikis Street, 105 64 Athens, Greece (the **Issuer Account Bank**) in accordance with the terms of the bank account agreement to be entered into between the Issuer, the Cash Manager, the Issuer Account Bank, the Issuer Transaction Account Bank and the Trustee on or about the Closing Date (the **Bank Account Agreement**).

The Issuer Transaction Account Bank:

The Bank of New York Mellon, acting through its London branch at One Canada Square, London E14 5AL, England (the **Issuer Transaction Account Bank**) in accordance with the terms of the Bank Account Agreement.

See *Summary of Principal Documents – Bank Account Agreement* below.

The Cash Manager:

The Bank of New York Mellon, acting through its London branch at One Canada Square, London E14 5AL, England (in such capacity, the **Cash Manager**) in accordance with the terms of a cash management agreement to be entered into between the Issuer, the Cash Manager and the Trustee on or about the Closing Date (the **Cash Management Agreement**).

See *Summary of Principal Documents — Cash Management Agreement* below.

The Subordinated Loan Provider:

Piraeus, with registered offices at 4 Amerikis Street, 105 64 Athens, Greece (in such capacity, the **Subordinated Loan Provider**) in accordance with the terms of a subordinated loan agreement to be entered into between the Issuer, the Subordinated Loan Provider and the Trustee on or about the Closing Date (the **Subordinated Reserve Loan Agreement**).

See *Summary of Principal Documents — Subordinated Reserve Loan Agreement* below.

Application of Proceeds of the Notes

Use of Issue Proceeds:

The proceeds of the issue of the Notes are expected to amount to approximately € 900,000,000. On the Closing Date, this amount will be applied by the Issuer towards payment to the Seller of the Initial Purchase Price for the acquisition of the Initial Portfolio.

The Portfolio:

The portfolio purchased from the Seller and owned by the Issuer from time to time (the **Portfolio**) will comprise:

(A) the loans in the Initial Term Loan Portfolio (as defined below) other than loans: (i) which have been repaid in full; or (ii) in respect of which enforcement procedures have been completed; or (iii) which have been repurchased by the Seller since the Closing Date (the **Initial Term Loans**); and

(B) the bonds in the Initial Bond Portfolio (as defined below) other than bonds: (i) which have been repaid in full; or (ii) in respect of which enforcement procedures have been completed; or (ii) which have been repurchased by the Seller since the Closing Date (the **Initial Bonds**).

The Portfolio may also comprise:

(A) loans that are transferred to the Issuer to replace Term Loans which have been repurchased by the Seller (the **Replacement Term Loans**);

(B) loans which are purchased by the Issuer during the Revolving Period (the **Subsequent Term Loans**);

(C) bonds that are transferred to the Issuer to replace Bonds which have been repurchased by the Seller (the **Replacement Bonds**); and

(D) bonds which are purchased by the Issuer during the Revolving Period (the **Subsequent Bonds**).

The Replacement Term Loans and the Replacement Bonds together are the **Replacement Loans**.

The Subsequent Term Loans and the Subsequent Bonds together are the **Subsequent Loans**.

The **Initial Portfolio** will consist of:

(A) the **Initial Term Loans Portfolio**, which will consist of the Initial Term Loans (excluding accrued interest) purchased by the Issuer from the Seller on or about the Closing Date; and

(B) the **Initial Bond Portfolio**, which will consist of the Initial Bonds purchased by the Issuer from the Seller on or about the Closing Date.

The Initial Portfolio will be drawn (in accordance with the criteria summarised below) only from, and will substantially comprise the Loans (as defined below) contained in, a provisional portfolio of Loans (the **Provisional Portfolio**) owned and selected by the Seller as at 6 April 2009 (the **Cut-Off Date**).

Principal Outstanding Balance means, at any time in relation to a Loan, the principal amount outstanding of such Loan at such time excluding (i) accrued interest and (ii) costs due but not received from the Obligor, calculated in accordance with the terms of the relevant Loan Documentation.

Characteristics of the Provisional Portfolio are more fully described under *Description of the Portfolio – Characteristics of the Provisional Portfolio* below.

Prior to the Closing Date, in forming the Initial Portfolio, the Seller will remove from the Provisional Portfolio all Loans which (a) are fully redeemed, (b) do not comply with the representations and warranties set out in the Receivables Sale Agreement (which include meeting the Eligibility Criteria), or (c) need to be removed to ensure that the aggregate Principal Outstanding Balance of Loans comprised in the Initial Portfolio is as close as possible to the aggregate principal amount of the Notes on the Closing Date.

The Loans:

The Portfolio will consist of term loans (**Term Loans**) originated by the Seller or bonds held by the Seller (**Bonds**) together with their related security that meet (i), in the case of the Term Loans and Bonds comprised in the Initial Portfolio, the Eligibility Criteria; (ii) in the case of the Replacement Loans, the Subsequent Loans Criteria (which, for the avoidance of doubt includes satisfaction of the Eligibility Criteria); or (iii) in the case of the Subsequent Loans, the Subsequent Loans Criteria (which, for the avoidance of doubt includes satisfaction of the Eligibility Criteria) (the Term Loans and the Bonds comprised in the Initial Portfolio together with any Replacement Loans and any Subsequent Loans being the **Loans**), together with their related security (if any) securing payments of any present and future obligations under the Loans pursuant to the relevant Loan Documentation, including judicial mortgage pre-notations under article 1274 of the Greek Civil Code (each, a **Pre-Notation**), guarantees from third parties (each, a **Guarantee**), pledges of all types and assignment of receivables by way of security (the **Pledges**), mortgages and any other ancillary rights (such Pre-Notations, Guarantees and all other privileges and security interests given in respect of the Loans, the **Related Security**).

Unless the context requires otherwise, any reference herein to a Term Loan or a Bond includes the relevant Related Security.

The Seller will sell and assign its rights, title, interest and benefit in, to and under the Loans and their Related Security to the Issuer pursuant to and in accordance with (i) the Receivables Sale Agreement; (ii) a Greek assignment agreement to be entered into between the Issuer and the Seller on or about the Closing Date (in respect of the Initial Term Loans and the Initial Bonds) and on each Repurchase Date and Subsequent Purchase Date in respect of Replacement Loans and Subsequent Loans (as the case may be), each such agreement being in the same form (each, a **Greek Assignment Agreement**); and (iii), as regards the Initial Bonds, the execution of an agreement, required under the terms of the programme of each Bond Loan to be executed between the Seller and the Issuer for the transfer of the Bonds and all rights (including Ancillary Rights and Privileges) arising therefrom (the **Bond Loan Transfer Agreement**), for the Bonds of each Bond Loan on or about the Closing Date and on each Repurchase Date and Subsequent Purchase Date in respect of Replacement and Subsequent Bonds (as the case may be) and the registration of such transfer with the respective Bondholders' Registry as well as the delivery of the Bond Certificates to the Bondholders' Representative under its capacity as Custodian.

Bondholders' Registry means the register with regard to the Bonds as kept and updated from time to time by the Bondholders' Representative in accordance with the terms of each respective Bond Loan.

Bond Certificates means the printed form certificates representing the Bonds, duly executed by the Issuer and the Bondholder Representative and including all the material information required under Greek law 3156/2003.

Bond Loan 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 Obligor and Guarantor(s) (if any) and any other documents relating to or evidencing that bond loan.

Each Loan in the Initial Portfolio is presently owned by the Seller and will be owned by the Seller until the Closing Date. All of the Loans will comply with the Eligibility Criteria, which include the requirement that the Loans have at the time of origination been advanced to enterprises having their tax residency in Greece (the **Obligors**), for business purposes. For a more detailed description of the Loans comprising the Provisional Portfolio (from which the Portfolio will be selected) see under *Description of the Provisional Initial Portfolio* below.

The Issuer, together with the Trustee, will have the benefit of certain warranties from the Seller relating to the Loans and the Related Security. In the event of a breach of the warranties in respect of a Loan or its Related Security given pursuant to the Receivables Sale Agreement, the relevant Loan and its Related Security will be

repurchased by the Seller. The terms and conditions of the sale of the Loans from the Seller to the Issuer are more fully described under *Summary of Principal Documents – Receivables Sale Agreement* below.

Unless the context requires otherwise, any reference in this Prospectus to a sale or repurchase of a Loan and its Related Security shall mean a sale or repurchase of the Seller's or, as applicable, the Issuer's rights, title, interest and benefit in, to or under the relevant Loan and its Related Security.

Revolving Period

Prior to each Interest Payment Date during the Revolving Period (as defined below), the Seller shall notify the Issuer in writing of its intention to sell Subsequent Loans to the Issuer. Subject to the Subsequent Loans conforming to the Subsequent Loans Criteria (which include meeting the Eligibility Criteria and as more fully described under *Summary of Principal Documents - Receivables Sale Agreement* below) and provided that the credit balance of the Reserve Account is not below the Required Reserve Fund Amount, the Issuer shall purchase, on each Interest Payment Date during the Revolving Period, the Subsequent Loans offered for sale by the Seller, using such funds as are available for such purpose in accordance with the Pre-Enforcement Priority of Payments.

Revolving Period means the period commencing on the Closing Date and ending on the earlier of:

- (a) the day following the eighth Interest Payment Date; or
- (b) the date on which:
 - a. Piraeus' rating falls below Baa1 (by Moody's); or
 - b. the Arrears Ratio is higher than 10 per cent.; or
 - c. the Default Ratio is higher than 3 per cent; or
- (c) the date on which the credit balance of the Reserve Account falls below the Required Reserve Fund Amount.

Default Ratio means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the aggregate of all cumulative Principal Losses as at the end of the Collection Period immediately preceding such Calculation Date;
- to
- (b) the aggregate Principal Outstanding Balance of the Loans as at the Closing Date,

with the understanding that this ratio shall not be influenced by any repurchased Defaulted Loans, as such loans will not be repurchased by the Seller.

Principal Loss means, in respect of a Loan, the amount required to be deemed as lost under the terms of the Servicing Agreement, being, for Defaulted Loans, an amount equal to 100 per cent. of the Principal Outstanding Balance of that Loan.

Defaulted Loan means a loan which is 180 Days in Arrears, or which has been referred to the Servicer's non-performing loans division (its **Workouts Division**), whichever occurs earlier.

180 Days in Arrears means, in respect of a Loan at any time, a classification to be applied to that Loan when interest or principal payments due remain unpaid for at least 180 days.

Arrears Ratio means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

(a) the aggregate of all Arrears as at the end of the Collection Period immediately preceding such Calculation Date; to

(b) the aggregate Principal Outstanding Balance of the Loans as at the last Calculation Date.

Arrears means, in respect of any Loan, any amount which is outstanding after being due and payable by the relevant Obligor for more than 30 days in accordance with the terms and conditions of the relevant Loan Documentation.

Description of the Notes

The Notes: The € 459,000,000 Class A Asset Backed Floating Rate Notes due 2031 and the € 441,000,000 Class B Asset Backed Floating Rate Notes due 2031 to be issued on the Closing Date by the Issuer.

Status, Form and Denomination: Each Class of Notes (which will be in the denomination of €100,000 each and additional increments of €1,000 in excess thereof, subject to *pro rata* redemption of Notes of the same Class pursuant to the Conditions), will initially be represented by a single Temporary Global Note for that Class. Interests in each Temporary Global Note will, upon certification as to non-U.S. beneficial ownership, be exchangeable for interests in a Permanent Global Note for that Class on and after the Exchange Date. The Permanent Global Note in respect of each Class will not be exchangeable for Definitive Notes for that Class save in certain limited circumstances. Each Global Note will be in the form of a new global note. The Notes will be in bearer form.

The Notes will constitute limited recourse obligations of the Issuer. The Notes will be constituted by a trust deed governed by English law to be dated on or about the Closing Date (the **Trust Deed**) and each Class of Notes will be secured by the same security. The Notes of each Class will rank *pari passu* with the other Notes of the same class. The Class B Notes will rank subordinate to the Class A Notes in point of security and as to the payment of interest and principal.

It should be noted that, subject to certain exceptions described below, if amounts are due and payable to the Trustee under the Trust

Deed or the Deed of Charge, to the Servicer under the Servicing Agreement, to the Cash Manager under the Cash Management Agreement, to the Issuer Account Bank under the Bank Account Agreement, to the Issuer Transaction Account Bank under the Bank Account Agreement, to the Corporate Services Provider under the Corporate Services Agreement, to any of the Agents under the Agency Agreement or, prior to enforcement of the Security, certain third party creditors of the Issuer, the Issuer's obligations in respect thereof, among others, will rank ahead of its obligations in respect of the Notes.

In connection with the exercise of the powers, trusts, rights, authorities, duties and discretions vested in it by the Trust Deed and/or any other Transaction Document, the Trustee shall:

- (a) except where expressly provided otherwise in these presents or in any other Transaction Document, have regard to the interests of the Class A Noteholders and the Class B Noteholders equally PROVIDED THAT if in the opinion of the Trustee (for so long as there are any Class A Notes outstanding) there is a conflict between the interests of the Class A Noteholders, on the one hand, and the interests of the Class B Noteholders, on the other, it shall have regard only to the interests of the Class A Noteholders but so that this proviso shall not apply in the case of powers, trusts, rights, authorities, duties and discretions:
 - (i) in relation to which it is expressly stated that they may be exercised by the Trustee only if in its opinion the interests of the Noteholders of each Class would not be materially prejudiced thereby; or
 - (ii) the exercise of which by the Trustee relates to any Basic Terms Modification, in which event the Trustee may exercise such powers, trusts, rights, authorities, duties and discretions only if it is satisfied that to do so will not be materially prejudicial to the interests of the Noteholders of any Class that will be affected thereby;
- (b) where it is required to have regard to the interests of the Noteholders (or any Class thereof), have regard to the interests of the Noteholders (or such Class) as a class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences thereof for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholders be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders; and

- (c) except where expressly provided otherwise, have regard only to the interests of the Noteholders and shall not be required to have regard to the interests of any Other Secured Party or any other person or to act upon or comply with any direction or request of any Other Secured Party or any other person whilst any amount remains owing to any Noteholder.

The Trust Deed will contain provisions limiting the powers of the holders of the Class B Notes (the **Class B Noteholders** and, together with holders of the Class A Notes (the **Class A Noteholders**), the **Noteholders**), *inter alia*, to pass any Extraordinary Resolution (as defined in the Trust Deed) which, in the opinion of the Trustee, may affect the interests of the Class A Noteholders.

The Notes will be obligations of the Issuer only. The Notes will not be obligations or responsibilities of, or guaranteed by, any person other than the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Trustee, the Servicer, the Arranger, the Subordinated Loan Provider, the Paying Agent, the Agent Bank, the Issuer Account Bank, the Issuer Transaction Account Bank, the Cash Manager, the Corporate Services Provider, the Share Trustee or the Seller.

On and from the Closing Date the obligations of the Issuer will be secured over the assets and undertaking of the Issuer only.

Floating Rate of Interest:

The Notes of each class will represent entitlements to payment of interest in respect of each successive Interest Period from the Closing Date at an annual rate in respect of each Class equal to EURIBOR plus the following percentages:

Class A Notes 0.50 per cent.

Class B Notes 1.50 per cent.

Interest Accrual Period:

Interest on the Notes is payable by reference to successive Interest Periods. Interest on the Notes will be payable quarterly in arrear in euro on the 29th day of October, January, April and July in each year (subject to adjustment for non-Business Days) (each an **Interest Payment Date**) commencing on the Interest Payment Date falling in October 2009. The first Interest Period will commence on (and include) the Closing Date and end on (but exclude) the Interest Payment Date falling in October 2009. Each subsequent Interest Period will commence on (and include) an Interest Payment Date and end on (but exclude) the next succeeding Interest Payment Date.

Interest on the Class A Notes for each Interest Period will accrue on their Principal Amount Outstanding at an annual rate equal to EURIBOR for three-month deposits (save in the case of the payment due on the first Interest Payment Date in respect of which it will be determined by reference to the linear interpolation of the rate for two-month and three-month euro deposits (**Note EURIBOR**)).

Interest on the Class B Notes for each Interest Period will accrue on their Principal Amount Outstanding at an annual rate equal to the sum of EURIBOR for three-month deposits (save in the case of the

payment due on the first Interest Payment Date in respect of which it will be determined by reference to Note EURIBOR).

The Class B Noteholders will only be entitled to receive payments of interest on the Class B Notes 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 as described below in *Summary – Application of Funds*. Any interest due on any Class B Notes not paid on an Interest Payment Date will itself accrue interest (at the interest rate then applicable to the Class B Notes) and, together with such accrued interest, will be paid to such Class B Noteholders on subsequent Interest Payment Dates 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.

Non-payment of interest in respect of the Class A Notes will constitute an Event of Default and such interest is not subject to deferral.

Withholding Tax: Payments of interest and principal will be made subject to any applicable withholding or deduction for or on account of any tax (wherever such tax is imposed) and neither the Issuer nor the Paying Agent will be obliged to pay any additional amounts as a consequence.

Final Redemption: Unless previously redeemed in full, each Class of Notes will mature at their then Principal Amount Outstanding on the Interest Payment Date falling in January 2031 (the **Final Maturity Date**), together with accrued interest thereon.

Optional Redemption: The Notes will be subject to redemption in full (but not in part), at the option of the Issuer on giving not more than 60 and not less than 30 days notice to the Noteholders, in an amount equal to their Principal Amount Outstanding plus accrued but unpaid interest in each of the following circumstances, on any Interest Payment Date:

- (a) following a Tax Event; or
- (b) if on such date the aggregate Principal Amount Outstanding of the Notes is 10 per cent. or less of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date; or
- (c) after it has become unlawful (by reason of a change in law in the Hellenic Republic or the United Kingdom or the interpretation or administration thereof since the Closing Date) for the Issuer to perform its obligations under the Notes or under any of the Transaction Documents,

provided that, in each case, the Issuer will only redeem the Notes on such Interest Payment Date if it is in a position to discharge all its liabilities in respect of the Notes and any amounts to be paid *pari passu* with, or in priority to, the Notes.

Tax Event means any of the following:

- (i) any amount is required to be deducted or withheld from amounts of interest or principal payable to the Issuer on the Loans, by reason of a change in law, or a binding change in the interpretation or administration thereof, where such change becomes effective after the Closing Date and/or the Seller and/or the Servicer is required to pay an additional amount to the Issuer as a result of a change in law or a binding change in the interpretation or administration thereof in accordance with the terms of the Receivables Sale Agreement or the Servicing Agreement, as applicable; or
- (ii) the Issuer (or the Paying Agent on its behalf) being obliged to make any withholding or deduction for or on account of tax (wherever imposed) from payments in respect of the Notes;
- (iii) 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 on or after the Closing Date; or
- (iv) the Issuer incurs a taxation liability in the UK by reason of a change in law or a change in the interpretation or administration thereof, where such change becomes effective on or after the Closing Date and which taxation liability is materially greater than the taxation liability it would have been subject to had such change in law or change in the interpretation or administration thereof not occurred, or
- (v) the Issuer is not or ceases to be a "securitisation company" as defined for the purposes of the Taxation of Securitisation Companies Regulations 2006,

and in the case of (ii) above, the Issuer having been unable (having used reasonable endeavours) 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 Trustee, on terms acceptable to the Trustee.

For more information on redemption of the Notes, see *Terms and Conditions of the Notes – Condition 6 (Redemption)* below.

Principal Amortisation:

Prior to the enforcement of the Security, Noteholders will be entitled to receive payments of principal on their respective Classes of Notes on each Interest Payment Date, but only to the extent that the Issuer has funds available for the 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 payments of principal on such Class of Notes as provided in the Conditions, the Trust Deed, the Cash Management Agreement, the Deed of Charge and the Greek Pledge and in the manner and in the amounts specified below.

- Rating:** It is expected that the Class A Notes, when issued, will be assigned an Aaa rating by Moody's Investors Services Inc. (**Moody's** and the **Rating Agency**). The Class B Notes will not be rated.
- The ratings assigned to the Class A Notes address the expected loss posed to investors by the Final Maturity Date.
- A credit rating for a security is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if in its judgement, circumstances in the future so warrant.
- Listing:** Application has been made for the Notes to be admitted to the Official List of the Irish Stock Exchange and trading on its regulated market.
- Purchases:** The Issuer is not permitted to purchase the Notes.
- Governing Law of the Notes:** English.
- Security for the Notes:** The Notes will have the benefit of security that is granted, or created, as the case may be:
1. by a pledge operating by law over the Issuer's interest in the Loans and the Related Security and in the Servicer Collection Account pursuant to paragraph 18, article 10 of the Securitisation Law; and
 2. pursuant to a deed of charge between, among others, the Issuer and the Trustee for the benefit of the Trustee, the Noteholders and all of the Other Secured Parties (the **Deed of Charge**) which will create the following English law security interests:
 - (i) a first fixed priority charge over the Issuer's right, title, interest and benefit, present and future, in and to all moneys now or at any time standing to the credit of the Issuer Transaction Account; and
 - (ii) first fixed priority security assignments over the Issuer's right, title and interest in the following English law governed documents:
 - (A) the Agency Agreement;
 - (B) the Receivables Sale Agreement;
 - (C) the Cash Management Agreement;
 - (D) the Note Purchase Agreement;
 - (E) the Servicing Agreement;
 - (F) the Subordinated Reserve Loan Agreement;
 - (G) the Corporate Services Agreement;

- (H) the Bank Account Agreement;
 - (I) the Issuer ICSDs Agreement;
 - (J) the Master Execution Deed; and
 - (K) all other agreements, contracts, deeds and instruments to which the Issuer is a party now or will be a party from time to time; and
- (iii) first fixed priority security over the Issuer's right, title, interest and benefit in and to any Authorised Investments made from time to time by or on behalf of the Issuer using moneys standing to the credit of the Issuer Transaction Account and all moneys, income and proceeds payable thereunder or accrued thereon and the benefit of all covenants relating thereto and all rights and remedies for enforcing the same; and
 - (iv) a floating charge over any rights or assets of the Issuer not secured by the above; and
3. pursuant to a greek accounts pledge agreement between, among others, the Issuer and the Trustee for the benefit of the Trustee, the Noteholders and all of the Other Secured Parties (the **Greek Pledge**) which will create a first rank pledge over the Issuer Bank Accounts and all present and future, actual or contingent, rights and claims of the Issuer under or in connection with the Issuer Bank Accounts, including interest, as well as proceeds related to, or arising from the Issuer Bank Accounts.

The pledges, charges and assignments referred to in paragraphs 1, 2 and 3 above are together the **Security**.

The documents referred to in paragraphs 2 and 3 above, together with the Trust Deed and the Greek Assignment Agreement, are referred to as the **Transaction Documents**.

Other Agreements

Servicing Agreement:

Under the Servicing Agreement, the Servicer will agree to provide to the Issuer and the Trustee (in relation to their respective interests therein) certain administration services. Such services will include administering and enforcing the Loans, the storing and safe-keeping of all documents relating to the Loans and the Related Security, maintaining all such licences, approvals, authorisations and consents as may be necessary in connection with the performance of the administration and arranging for prepayments of the Loans.

See *Servicing of the Portfolio* below.

Subordinated Reserve Loan Agreement:

The Subordinated Loan Provider will, pursuant to the terms of a subordinated loan agreement (the **Subordinated Reserve Loan Agreement**), make a subordinated reserve loan (the **Subordinated Reserve Loan**) to the Issuer.

The Subordinated Reserve Loan will be for an amount of € 45,000,000 and will be fully drawn by the Issuer on the Closing Date in order to fund the Required Reserve Fund Amount.

Interest on the Subordinated Reserve Loan will be paid, and principal repaid, by the Issuer on each Interest Payment Date or, following enforcement of the Security, on any Business Day from Available Funds or Available Security Funds, as the case may be subject to and in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

All amounts outstanding under the Subordinated Reserve Loan will be due and payable on the Final Maturity Date or on such earlier date as the Notes are repaid in full.

See *Summary of Principal Documents —Subordinated Reserve Loan Agreement* below.

Servicer Collection Account: The Servicer will open and maintain a bank account in the name of the Issuer to be designated as the collection account under the Securitisation Law (the **Servicer Collection Account**). The Servicer will be required, pursuant to the Servicing Agreement, to credit all amounts (including, without limitation, interest, principal, fees, charges and penalties but excluding amounts representing (i) interest accrued on the Loans prior to the Closing Date; and (ii) any Levy in respect of the Term Loans) received in accordance with the Servicing Agreement (the **Collections**) to the Servicer Collection Account by 5:00 p.m. (Athens time) on the next Transfer Business Day, or, if the Servicer ceases to be assigned a short-term unsecured, unsubordinated and unguaranteed debt rating of at least P-1 by Moody's, immediately following receipt or collection. The Collections will be credited to the Servicer Collection Account less deductions made by the Servicer in accordance with the Servicing Agreement (in respect of certain legal expenses associated with the ongoing servicing of the Loans). The Collections will be transferred by the Servicer from the Servicer Collection Account to the Issuer Collection Account at or about 5:00 p.m. (Athens time) on the Transfer Business Day immediately following the day on which the Collections have been credited to the Servicer Collection Account or if the Servicer ceases to be assigned a short-term, unsecured, unsubordinated and unguaranteed debt rating of at least P-1 by Moody's immediately upon transfer into the Servicer Collection Account and by no later than 5:00 p.m. (Athens time) on the Transfer Business Day such amounts are transferred into the Servicer Collection Account, or, in each case, if such day is not a Transfer Business Day, the immediately following Transfer Business Day. The Servicer Collection Account will be segregated from all other accounts held in the name of other customers of Piraeus and only amounts which relate to the Portfolio will be paid into the Servicer Collection Account (for additional detail, see *Servicing of the Portfolio*).

A **Transfer Business Day** is a day on which the Servicer is open for business in Athens and banks are generally open for business in London.

If a substitute servicer which is not a credit institution for the purposes of law 3601/2007 of the Hellenic Republic is appointed, such substitute servicer will be required to appoint an Eligible Bank in a jurisdiction in which such bank needs to be located for the purposes of paragraph 15, article 10 of the Securitisation Law and that is satisfactory to the Trustee to open and operate the Servicer Collection Account in the name of the Issuer.

Eligible Bank means a bank that has a short-term unsecured, unguaranteed and unsubordinated debt rating of no less than P-1 by Moody's.

If the relevant bank ceases to be an Eligible Bank, the Issuer will use reasonable endeavours to move the Servicer Collection Account to an Eligible Bank within 30 days after such event occurs.

Collections standing to the credit of the Servicer Collection Account may accrue interest on an annual basis at such rate as may be agreed between the Issuer, the Trustee and the relevant Eligible Bank.

Such accrued interest (the **Collection Account Income**) will be transferred by the Servicer to the Issuer Collection Account on or about the first day of each calendar month, or if such date is not a Transfer Business Day, on the immediately preceding Transfer Business Day.

The Servicer will on each Servicer Report Date supply to the Cash Manager a report setting out the amount of the Collection Account Income transferred to the Issuer during the Collection Period ending immediately before such Servicer Report Date.

No interest will accrue on amounts standing to the credit of the Servicer Collection Account for so long as the Servicer Collection Account is held with Piraeus.

Issuer Collection Account:

The Issuer will, on or about the Closing Date, open and maintain a designated bank account (the **Issuer Collection Account** and together with the Reserve Account and any other account in which the Issuer may have an interest from time to time (except for the Issuer Transaction Account), the **Issuer Bank Accounts**) with the Issuer Account Bank in Kallithea, Greece under the Bank Account Agreement, into which all amounts received by the Issuer (including all amounts received in respect of the Loans (other than as provided above)) and funds transferred from the Servicer Collection Account will be paid. One Business Day before each Interest Payment Date, all monies standing to the credit of the Issuer Collection Account (other than such amounts as are required to be retained in the Issuer Collection Account comprising the Interest Allocation Reserve) will be transferred to the Issuer Transaction Account (as defined below).

Issuer Transaction Account:

The Issuer will, on or about the Closing Date, open and maintain a designated bank account (the **Issuer Transaction Account**) with the Issuer Transaction Account Bank in London under the Bank Account Agreement, into which funds transferred from the Issuer Collection Account will be paid and from which the Issuer will make all payments required to be made by it (including payments under the Notes).

The Issuer Transaction Account Bank will, prior to each Calculation Date supply to the Cash Manager a report setting out the amount of the IBA Income for the Collection Period ending immediately prior to such Calculation Date.

Authorised Investment means any security, investment or deposit satisfying the Investment Criteria, purchased or made on behalf of the Issuer by the Cash Manager (on a non-discretionary basis) using funds available in the Issuer Transaction Account which is repayable or matures (as applicable) on or before the Interest Payment Date immediately following the date on which such security or investment is acquired or such deposit is made, or on demand, and where the proceeds receivable in accordance with the terms of such Authorised Investment upon its maturity are no less than the sum so invested or deposited.

Calculation Date means the date in each quarter falling two days (other than Saturdays or Sundays) before each Interest Payment Date, on which banks are open for business in London and Athens, and on which calculations are made for an Interest Period ending on the immediately succeeding Interest Payment Date by reference to the determinations made on the immediately preceding Calculation Date.

IBA Income means, in respect of a Collection Period, the aggregate of the interest received from time to time on the balance on the Issuer Transaction Account and the income received in respect of Authorised Investments prior to the Servicer Report Date immediately following such Collection Period.

Investment Criteria means any euro denominated senior, unsubordinated debt security, investment, commercial paper or other debt instrument issued by, or fully and unconditionally guaranteed by, an institution rated at least A1 and P1 by Moody's.

Reserve Account:

The Issuer will, on the Closing Date, open and maintain a designated bank account (the **Reserve Account**) with the Issuer Account Bank under the Bank Account Agreement.

The Reserve Account will be funded on the Closing Date in the amount of € 45,000,000 (the **Required Reserve Fund Amount**) from the proceeds of the Subordinated Reserve Loan.

Any balance of the Reserve Account from time to time will form part of the Available Funds.

Sources of Funds:

The Issuer's receipts (the **Receipts**) in respect of a Collection Period and in the case of Income Receipts will comprise the aggregate of

- (a) Income Receipts;
- (b) amounts of principal received in respect of the Loans;
- (c) recoveries of principal from Obligors under Loans being enforced or Loans which have been enforced, (ii) payments from Guarantors relating to Loans and (iii) auction proceeds arising out of the auction of any relevant properties relating to Loans;

- (d) all the proceeds of the repurchase of any Loan by the Seller from the Issuer pursuant to the terms of the Receivables Sale Agreement other than any proceeds of a repurchase that are set-off against amounts due from the Issuer to the Seller to purchase Replacement Loans from the Seller and of any other sale of any Loan; and
- (e) any indemnity amounts paid by the Seller pursuant to the Receivables Sale Agreement;

without double-counting.

Available Funds means, as at a Calculation Date, an amount, without double counting, equal to the aggregate of:

- (a) the Receipts standing to the credit of the Issuer Transaction Account at the close of business on such Calculation Date;
- (b) any other amounts (if any) standing to the credit of the Issuer Bank Accounts (except for (i) any amounts credited thereto by mistake, where such mistake is known to the Cash Manager as at such Calculation Date, (ii) amounts standing to the credit of the Servicer Collection Account and (iii) amounts standing to the credit of the Interest Allocation Reserve Ledger), other than any amounts standing to the credit of the Tax Reserve Ledger, such amounts standing to the credit of the Tax Reserve Ledger to be applied to meet any corporation tax liability of the Issuer in the U.K. under paragraph (iv) of the Pre-Enforcement Priority of Payments; and
- (c) any amounts standing to the credit of the Reserve Account.

Collection Date means the 1st day of October, January, April and July of each year.

Collection Period means each period starting on (and including) a Collection Date and ending on (and excluding) the immediately succeeding Collection Date.

Application of Funds:

Pre-Enforcement Priority of Payments:

Prior to the enforcement of the Security, on each Interest Payment Date the Issuer and/or Cash Manager will apply the aggregate of the Available Funds, as determined on the immediately preceding Calculation Date, in the following manner and order of priority (the **Pre-Enforcement Priority of Payments**) in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (i) *firstly*, in or towards payment of the costs, expenses, fees, remuneration or any other liability and indemnity payments (including, in each case, any tax thereon) (if any) payable to the Trustee or any persons appointed under the Trust Deed, the Deed of Charge, the Greek Pledge and/or any other Transaction Document to which it is a party;
- (ii) *secondly*, in or towards payment of, *pari passu* and *pro rata* according to the respective amounts thereof,
 - (A) all amounts due to the Issuer Account Bank and the Issuer Transaction Account Bank under the Bank Account Agreement;
 - (B) all amounts due to the Cash Manager under the Cash Management Agreement; and
 - (C) all amounts due to the Agents under the Agency Agreement;
- (iii) *thirdly*, in or towards payment of, *pari passu* and *pro rata* according to the respective amounts thereof,
 - (A) all amounts due to the Corporate Services Provider under the Corporate Services Agreement and
 - (B) all amounts due to the Servicer under the Servicing Agreement;
- (iv) *fourthly*, in or towards payment of amounts, (including audit fees and fees due to the Rating Agency), which are payable by the Issuer to third parties and incurred without breach by the Issuer pursuant to the Trust Deed or the Deed of Charge and not provided for payment elsewhere in the Pre-Enforcement Priority of Payments and to provide for any such amounts expected to become due and payable by the Issuer after that Interest Payment Date (but before the subsequent Interest Payment Date) and to provide for the Issuer's corporation tax liability in the U.K. (utilising for this purpose only any amounts standing to the credit of the Tax Reserve Ledger prior to such calculation date and, if required, any other Available Funds) or any other possible liability for taxation up to the subsequent Interest Payment Date;
- (v) *fifthly*, in or towards funding the Expenses Fund until the balance of the Expenses Fund is €100,000;

- (vi) *sixthly*, to retain in a separate ledger (the **Tax Reserve Ledger**) of the Issuer Transaction Account an amount equal to 0.01 per cent. of the Income Receipts for the Collection Period which ended immediately prior to such Calculation Date;
- (vii) *seventhly*, in or towards payment of interest due on the Class A Notes;
- (viii) *eighthly*, during the Revolving Period, in the application of the Principal Amortisation Amount in or towards the purchase of those Subsequent Loans that are offered for sale by the Seller in accordance with the terms of the Receivables Sale Agreement and, in the event that, following the application of such amounts towards the purchase price for such Subsequent Loans, the remaining balance of Principal Amortisation Amount is greater than €2,000,000 towards the redemption of the Notes in accordance with (x) firstly and then (xiii) secondly below;
- (ix) *ninthly*, redemption of the Class A Notes in an amount equal to the Class A Note Redemption Amount;
- (x) *tenthly*, for so long as there are Notes outstanding, in crediting the Reserve Account until the amount of the Reserve Account equals the Required Reserve Fund Amount;
- (xi) *eleventhly*, interest due on the Class B Notes, including any interest on the Class B Notes that has been deferred pursuant to Condition 5(i);
- (xii) *twelfthly*, redemption of the Class B Notes in an amount equal to the Class B Note Redemption Amount;
- (xiii) *thirteenthly*, in or towards payment, *pari passu* and *pro rata* according to the amounts thereof, of interest due on the Subordinated Reserve Loan;
- (xiv) *fourteenthly*, in or towards payment of principal outstanding under the Subordinated Reserve Loan;
- (xv) *fifteenthly*, in or towards payment of Deferred Consideration to the Seller; and
- (xvi) *sixteenthly*, the surplus, if any, to the Issuer

Expenses Fund means the expenses reserve which will be set up as a ledger in the Issuer Transaction Account to provide for the ongoing expenses of the Issuer on each Interest Payment Date or in respect of those payments due other than on an Interest Payment Date.

Servicer Performance Event means either:

- (a) the short-term, unsecured, unsubordinated and unguaranteed debt ratings of the Servicer falling below P-1 by Moody's;
- (b) the Servicer being in default of its obligations under the Servicing Agreement; or
- (c) the occurrence of certain insolvency events in respect of Piraeus.

Principal Amortisation Amount:

On each Calculation Date, the Cash Manager will calculate the Principal Amortisation Amount in respect of the immediately following Interest Payment Date.

Principal Amortisation Amount means, in respect of an Interest Payment Date, the aggregate of (i) any amount comprising the Principal Amortisation Amount on the immediately preceding Interest Payment Date which has been retained in the Issuer Transaction Account (which amount shall be zero on the first Interest Payment Date) and (ii) the lower of:

- (a) the Available Funds relating to such Interest Payment Date, minus:
 - (A) for so long as any Class A Notes are outstanding, the aggregate of all amounts falling due and payable under items (i) to (vii) (inclusive) of the Pre-Enforcement Priority of Payments on such Interest Payment Date; and
 - (B) following redemption of the Class A Notes in full but for so long as any Class B Notes are outstanding, the aggregate of all amounts falling due and payable under items (i) to (xi) (inclusive) of the Pre-Enforcement Priority of Payments on such Interest Payment Date; and
- (b) the greater of (i) zero and (ii) the Expected Amortisation Amount.

Expected Amortisation Amount means, in relation to each Calculation Date, the aggregate Principal Amount Outstanding of all Notes less the Principal Outstanding Amount of the Loans, excluding Defaulted Loans, in each case as at such Calculation Date.

Principal Outstanding Amount of the Loans means, in relation to each Calculation Date, (i) the aggregate of the Principal Outstanding Balances of the Loans less (ii) the aggregate Principal Loss, in each case as at the immediately preceding Determination Date.

Income Receipts:

On each Calculation Date, the Cash Manager will, on the basis of information supplied to it by the Servicer, the Issuer Account Bank, and the Issuer Transaction Account Bank, calculate the Income Receipts in respect of the immediately succeeding Interest Payment Date.

Income Receipts means, in respect of a Collection Period, the aggregate of:

- (a) Loan Income Receipts in respect of a Collection Period;
- (b) IBA Income in respect of a Collection Period; and
- (c) Collection Account Income (if any) in respect of a Collection Period,

in each case for the Interest Period ending on the immediately succeeding Interest Payment Date and without double-counting.

Loan Income Receipts means, in respect of a Collection Period ending immediately prior to such Calculation Date the aggregate of:

- (a) payments of interest and other fees received under the Loans; and
- (b) recoveries of interest and outstanding fees from defaulting Obligor under Loans being enforced or Loans which have been enforced,

in each case for that Collection Period and without double-counting.

Interest Allocation Reserve:

The Servicer shall, immediately prior to the transfer of the Loan Income Receipts for the Collection Periods ending on 30 June and 31 December in each year to the Issuer Transaction Account, credit 50% of the Semi-Annual Loan Income Receipts, minus any Available Funds Shortfall to a separate ledger maintained in the Issuer Collection Account (the **Interest Allocation Reserve Ledger** and any amounts standing to the credit of the Interest Allocation Reserve Ledger from time to time to be referred to as the **Interest Allocation Reserve**), to be retained in the Issuer Collection Account until the next transfer of Loan Income Receipts to the Issuer Transaction Account. The Issuer Account Bank shall transfer the remaining amount of such Semi-Annual Loan Income Receipts to the Issuer Transaction Account in accordance with the provisions of the Servicing Agreement, in order for these to form part of the Available Funds on the next Interest Payment Dates falling in July and January, respectively. The Servicer shall notify the Cash Manager of the amounts retained and transferred as set out above.

Amounts credited to the Interest Allocation Reserve Ledger in July and January in each year together with any interest accrued thereon (if applicable) shall be withdrawn from the Interest Allocation Reserve Ledger and added to the Loan Income Receipts for the Collection Periods ending on 30 September and 31 March, respectively, and, together with such Loan Income Receipts, transferred by the Issuer Account Bank to the Issuer Transaction Account one Business Day prior to the Interest Payment Dates falling in October and April, respectively, in accordance with the provisions of the Servicing Agreement and the Cash Management Agreement (as applicable), in order for these to form part of the Available Funds on such Interest Payment Dates.

The Servicer will open and maintain the Interest Allocation Reserve Ledger, transfer the relevant amounts to and from the Interest Allocation Reserve and record the amounts credited to and/or withdrawn from the Interest Allocation Reserve Ledger from time to time, further details of which are set out in the Servicing Agreement.

Available Funds Shortfall means the sum of the amounts payable under items (i) to (vii) and (x) of the Pre-Enforcement Priority of Payments on such Interest Payment Date minus the Available Funds which are available on the relevant Interest Payment Date in July or January (including the remaining amount of the Semi-Annual Loan Income Receipts over the preceding Collection Period). The outcome cannot be less than zero.

Semi-Annual Loan Income Receipts means the Loan Income Receipts from Loans paying interest on a 6 monthly or annual basis.

Post-Enforcement Priority of Payments:

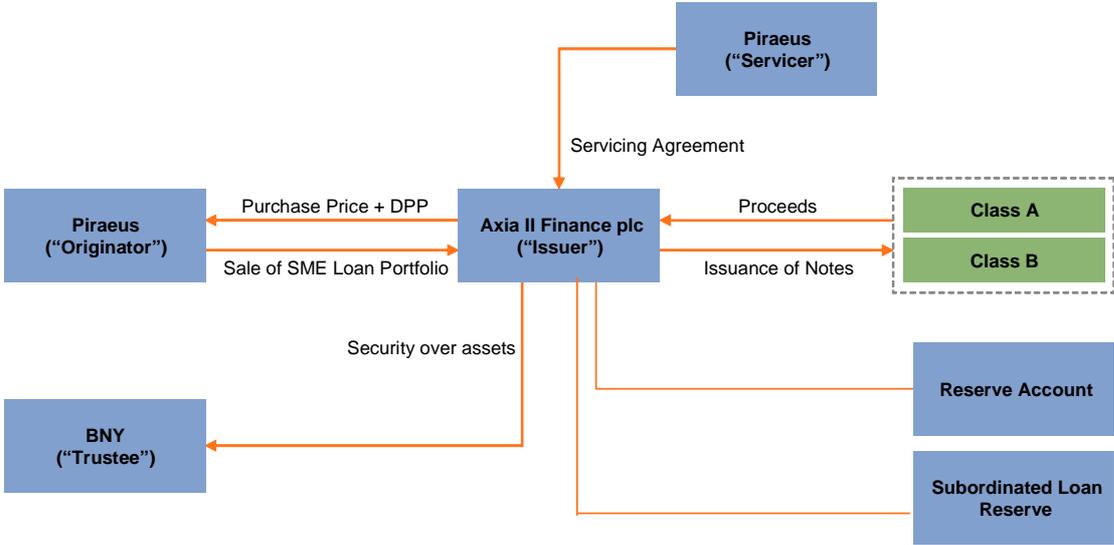
Following the delivery of an Acceleration Notice in accordance with Condition 10(a), the Trustee or a receiver appointed by it will apply all monies and receipts in respect of the Security (whether of principal or interest or otherwise) (together, the **Available Security Funds**) in the following manner and order of priority (the **Post-Enforcement Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full)

- (i) *firstly*, in or towards satisfaction of the costs, expenses, fees, remuneration and indemnity payments (including, in each case, any tax thereon) (if any) payable to the Trustee and any receiver or other person appointed by the Trustee and any costs, charges, liabilities and expenses incurred by the Trustee or such receiver or other person, in each case under the Trust Deed, the Deed of Charge and/or any other Transaction Document to which it is a party;

- (ii) *secondly*, in or towards satisfaction of, *pari passu* and *pro rata according* to the respective amounts thereof, (a) all amounts due to the Corporate Services Provider under the Corporate Services Agreement, (b) all amounts due to the Servicer under the Servicing Agreement, (c) all amounts due to the Issuer Account Bank and the Issuer Transaction Account Bank under the Bank Account Agreement, (d) all amounts due to the Cash Manager under the Cash Management Agreement and (e) all amounts due to the Agents under the Agency Agreement;
- (iii) *thirdly*, in or towards satisfaction of all interest and principal due or overdue on the Class A Notes;
- (iv) *fourthly*, in or towards satisfaction of all interest and principal due or overdue on the Class B Notes;
- (v) *fifthly*, in or towards payment, *pari passu* and *pro rata* according to the respective amounts thereof, of interest due or overdue on the Subordinated Reserve Loan;
- (vi) *sixthly*, in or towards payment of all principal and other amounts due or overdue on the Subordinated Reserve Loan;
- (vii) *seventhly*, in or towards satisfaction of all amounts of Deferred Consideration to the Seller; and
- (viii) *eighthly*, the surplus, if any, to the Issuer or other persons entitled thereto.

The Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments are collectively referred to as the **Priority of Payments** .

STRUCTURE DIAGRAM



RISK FACTORS

Prior to making an investment decision, prospective purchasers of the Notes should consider carefully, in light of the circumstances and their investment objectives, the information contained in this entire Prospectus and reach their own views prior to making any investment decision. Prospective purchasers should nevertheless consider, among other things, the risk factors set out below.

Liabilities under the Notes

The Notes are limited recourse obligations of the Issuer only and do not establish any liability or other obligation of any other person mentioned in this Prospectus including but not limited to the Transaction Parties. None of the foregoing or any other person has assumed any obligation in case the Issuer fails to make a payment due under any of the Notes.

No holder of any Notes will be entitled to proceed directly or indirectly against the Transaction Parties. None of the foregoing or any other person has assumed any obligation in case the Issuer fails to make a payment due under any of the Notes.

Recourse only to the assets of the Issuer

Although the Notes will be full recourse obligations of the Issuer, the ability of the Issuer to meet its obligations under the Notes will be directly or indirectly dependent primarily upon the receipt by it of principal and interest from the Obligor under the Loans and the receipt of funds (if available to be drawn) under the Subordinated Reserve Loan Agreement. Other than the foregoing and any interest earned by the Issuer in respect of the Issuer Bank Accounts and the Issuer Transaction Account, 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.

Upon enforcement of the security for the Notes, the Trustee or any receiver and the Noteholders will have recourse only to the Loans, the Issuer's interest in the relevant Related Security and to any other assets of the Issuer then in existence as described in this document.

Restriction on exercise of certain rights

The Deed of Charge will contain provisions to the effect that only the Trustee may enforce the Security and prohibiting the Other Secured Parties from taking any action (including petitioning for winding-up, liquidation or administration) against the Issuer for recovery of any amounts owed to them, unless (a) an Acceleration Notice has been served or the Trustee fails (when bound to do so) to serve an Acceleration Notice and (b) the Trustee fails (when bound to do so) to enforce the Security, and even in the circumstances described in (a) and (b), each Secured Party (other than the Trustee) will be prohibited from petitioning for the winding-up, liquidation or administration of the Issuer.

Subordination of the Class B Notes

The Class B Notes will be affected by considerations which do not affect the Class A Notes. In particular, the Class A Notes will rank in point of security prior to the Class B Notes. Accordingly, following an enforcement of the Security, any losses after application of the Issuer's assets (including any proceeds of sale of the Portfolio and the balances on the Issuer Bank Accounts) will be attributable first to the Class B Notes and then to the Class A Notes. Prior to such enforcement, the Class B Notes will support the timely payment of interest on the Class A Notes because of the higher ranking of payments under the Class A Notes than those due under the Class B Notes. Deferral of interest payable on the Class B Notes will not constitute an Event of Default, but will lead to the interest being deferred and becoming payable on the next Interest Payment Date in accordance with Condition 5(i).

Conflict between Classes of Noteholders

The Trust Deed will contain provisions requiring the Trustee to have regard to the interests of the Noteholders equally, as regards all powers, trusts, rights, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), provided that if in the opinion of the Trustee (for so long as there are any Class A Notes outstanding) there is a conflict between the interests of the Class A Noteholders, on the one hand and the interests of the Class B Noteholders on the other hand, it shall have regard only to the interests of the Class A Noteholders, but so that this proviso shall not apply in the case of powers, trusts, rights, authorities, duties and discretions:

- (A) in relation to which it is expressly stated that they may be exercised by the Trustee only if in its opinion the interests of the Noteholders of each Class would not be materially prejudiced thereby; or
- (B) the exercise of which by the Trustee relates to any Basic Terms Modification, in which event the Trustee may exercise such powers, trusts, authorities, duties and discretions only if it is satisfied that to do so will not be materially prejudicial to the interests of the Noteholders of any Class that will be affected thereby.

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 on the Loans (including full and partial prepayments under a Loan, sale proceeds arising on enforcement of a Loan and repurchases of Loans by the Seller due to breaches of representations and warranties under the Receivables Sale Agreement (although this may be mitigated by the repurchase of Replacement Loans by the Issuer)) and the price paid by the Noteholders for the Notes. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayments on the Loans.

Principal prepayments in full may occur as a result of, or in connection with, the voluntary refinancing or the sale of the relevant property by an Obligor or as a result of enforcement proceedings under the relevant Loan. In addition, repurchases of Loans by the Seller will have the same effect as a prepayment in full of such Loans although this may be mitigated by the purchase of Replacement Loans from the Seller in these circumstances.

The rate of prepayment of the Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, the availability of alternative financing, local and regional economic conditions and homeowner mobility. No assurance can be given as to the level of prepayment that the Portfolio will experience.

Performance of the Portfolio

The ability of the Issuer to meet its obligations to pay principal and interest on the Notes (and its operating and administrative expenses) will, ultimately, be subject to the risk of default by Obligors (such that, after completion of enforcement procedures in respect of the relevant Loan and its Related Security, the Issuer may not receive the full principal and interest due on such Loan). In the event of such a default, if the cash flows derived from the Loans, the Reserve Account and any other assets of the Issuer are insufficient to meet any shortfall, then Noteholders may not receive all sums expected to be received by them in respect of the Notes.

Deficiencies in receipts from Obligors will result in reductions in Available Funds or Available Security Funds, as the case may be, to be applied to meet the payments in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

If there are insufficient funds available as a result of such deficiencies, then the Issuer may not be able, after making the payments to be made in priority thereto, to pay, in full or at all, amounts of

interest and principal due to holders of, firstly the Class B Notes and secondly, the Class A Notes. In this situation, there may not be sufficient funds to redeem each class of the Notes on or prior to the Final Maturity Date.

Interest Allocation Reserve

Noteholders should be aware that the Interest Allocation Reserve will not be funded on the Closing Date and will only be opened, funded and maintained after the Collection Date in January 2010. The Interest Allocation Reserve will only consist of a proportion of Loan Income Receipts retained by the Servicer in the Interest Allocation Reserve Ledger, which will be transferred to the Issuer Transaction Account from time to time in accordance with the provisions of the Servicing Agreement (see *Servicing of the Portfolio* below).

Losses associated with declining property values and geographic concentration of properties

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 Obligor for the Loans consists of, *inter alia*, Pre-Notations or Mortgages granted in respect of the Loans. 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 an 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. See *Description of the Provisional Portfolio* below.

Searches and investigations

The Issuer has not made or caused to be made on its behalf all of the enquiries, searches or investigations which a prudent purchaser of assets such as the Portfolio would make (and will not do so) and the Trustee, the Arranger, the Cash Manager, the Issuer Account Bank, the Issuer Transaction Account Bank, the Corporate Services Provider, the Share Trustee and the Agents have made no such enquiries, searches or investigations. Each of the Issuer, the Trustee and such other parties will rely on the representations and warranties made by the Seller to be contained in the Receivables Sale Agreement. The ultimate remedy for the breach of such representations and/or warranties if this breach cannot be otherwise rectified by the next Interest Payment Date or, if the next Interest Payment Date falls less than 21 days from the date of receipt by the Seller of written notice of the breach, then by the second Interest Payment Date following receipt of such notice by the Seller, in each case in accordance with the Receivables Sale Agreement, will be limited to a repurchase by the Seller of the Loan(s) which are the subject of a breach of representation and/or warranty.

The Seller will be obliged to repurchase only those Loans (if any) in respect of which a representation and/or warranty given by the Seller pursuant to the Receivables Sale Agreement was breached at the time such representation and/or warranty was made or deemed to be made. The Seller will not be obliged to repurchase a Loan(s) in any other circumstances.

Interest Rates under the Loans

The terms and conditions pertaining to the Loans provide for the interest rate to be determined on a pure variable basis by reference to any of:

- (a) EURIBOR of an interest period each time agreed in the relevant Loan Documentation for euro deposits plus a margin plus, in respect of the Term Loans, any Levy of law

128/75 and any charges and contributions (in favour of the Bank of Greece, the Greek State or of third parties); or

- (b) the variable base rate of Piraeus for business and commercial lending (the **Piraeus Base Rate**) plus, if applicable, a margin plus, in respect of the Term Loans, any Levy of Law 128/75; or
- (c) the variable base rate of Piraeus for medium and long term business and commercial lending (the **Piraeus Base Tenor Loans Rate**) plus, if applicable, a margin plus, in respect of the Term Loans, any Levy of Law 128/75; or
- (d) a fixed interest rate.

The Piraeus Base Rate and the Piraeus Base Tenor Loans Rate are variable rates dependent on a number of factors including the Greek banking market conditions, the competitive environment between commercial lending banks in Greece and funding costs that Piraeus has in making loans.

The interest rate basis of Loans with a pure variable basis may be changed in the future to a combined rate basis and the Servicer will be authorised by the Issuer to make such a change (subject to the Loan Warranties and Eligibility Criteria set out in the Receivables Sale Agreement).

Following the occurrence of a Rate Event or the Servicer or any substitute or successor servicer being in default of any of its obligations under the Servicing Agreement, the Issuer and the Servicer under the Servicing Agreement will not be allowed to reduce the interest rates of Loans which are calculated on a variable basis by reference to (i) the Piraeus Base Rate or (ii) the Piraeus Base Tenor Loans Rate or (iii) to any other floating rate index determined or calculated from time to time by Piraeus Bank, below a rate equal to EURIBOR plus 1.00 per cent., provided that the weighted average interest rate of the variable rate Loans in the Portfolio is greater than or equal to the equivalent of EURIBOR plus 1.25 per cent. (the **Minimum Rate**).

Obligor Inability to Repay in Event of Interest Rate Fluctuation

Obligors of the floating rate Loans may become unable to repay the loans in the event of wide fluctuations in interest rates and may default. As a result of such defaults the Issuer may not receive payments it would otherwise be entitled to from such Obligors. If there are insufficient funds available as a result of such defaults, then the Issuer may not be able, after making the payments to be made in priority thereto, to pay, in full or at all, amounts of interest and principal due to holders of, firstly, the Class B Notes and secondly the Class A Notes. In this situation, there may not be sufficient funds to redeem each class of the Notes on or prior to the Final Maturity Date. Interest rates cannot be predicted and are influenced by a wide variety of economic, social and other factors.

Book-Entry Registration

The Notes will be represented by Global Notes each in the form of a new global note which will be delivered to a common safekeeper for Euroclear and Clearstream, Luxembourg, 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 Trustee as Noteholders, as that term is used in the Trust Deed. Until such time, beneficial owners will only be able to exercise their rights in relation to the Notes indirectly, through Euroclear or Clearstream, Luxembourg (as the case may be) and their respective participating organisations, and will receive notices (which are always published in a leading daily newspaper with general circulation in Ireland, normally expected to be the Irish Times) and other information provided for under the terms and conditions of the Notes only if and to the extent provided by Euroclear or Clearstream, Luxembourg (as the case may be) and their respective participating organisations.

Optional Redemption

Although the Issuer is entitled (as to which see Condition 6 (*Redemption*)) to redeem the Notes at its option in certain circumstances, it is not obliged to do so. The ability of the Issuer to redeem the Notes in any of the circumstances in which it is entitled to do so will be dependent primarily upon its ability to sell or refinance the Portfolio for an amount sufficient to enable the Issuer to make payments of all sums due to the Noteholders upon any such redemption. Accordingly, if the Issuer is unable to raise sufficient redemption funds, whether by sale or refinance of the Portfolio or otherwise, the Issuer will not be able to exercise its right of optional early redemption of the Notes.

Absence of secondary market and limited liquidity

There is not, at present, a secondary market for the Notes, nor can there be any assurance that a secondary market for the Notes will develop. Even if a secondary market does develop, it may not continue for the life of the Notes or it may leave Noteholders with illiquidity of investment. Illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes. Any Class of Notes may experience illiquidity, although generally illiquidity is more likely to occur in respect of Classes that are especially sensitive to prepayment, credit or interest rate risk or that have been structured to meet the investment requirements of limited categories of Noteholders.

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

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

There exist significant additional risks for the Issuer and investors as a result of the current crisis.

These risks include, among others, (i) the likelihood that the Issuer will find it harder to dispose of the Loans in accordance with the Transaction Documents, (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the increased illiquidity and price volatility of the Notes as there is currently no secondary trading in ABS securities. These additional risks may affect the returns on the Notes to investors.

Subordination of payments to Noteholders

Investors should be aware that payments to Noteholders will be subject to the orders of priority as set out in *Summary - Application of funds* above.

Rating of the Class A Notes

The ratings assigned to the Class A Notes address the expected loss posed to investors by the Final Maturity Date.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if in its judgement,

circumstances (including a withdrawal or downgrading in the credit rating of the Issuer Account Bank or the Issuer Transaction Account Bank) in the future so warrant.

Implementation of Basel II risk-weighted asset framework may result in changes to the risk-weighting of the Notes

Following the issue of proposals from the Basel Committee on Banking Supervision for reform of the 1988 Capital Accord, a framework has been developed which places enhanced emphasis on market discipline and sensitivity to risk. An updated version of the text of the proposed framework was published in November 2005 under the title "Basel II: International Convergence of Capital Management and Capital Standards: a Revised Framework" (the **Framework**).

The Framework is being implemented in stages (partly from year-end 2006 and the most advanced from year-end 2007). However, the Framework is not self-implementing and, accordingly, implementation dates in participating countries are dependent on the relevant national implementation process in those countries. In the United Kingdom, Basel II and the EU Capital Requirements Directive have been implemented through the Prudential Sourcebook for banks, building societies and investment firms and the Capital Requirements Regulation 2006 SI 2006/3221, although the most advanced approaches referred to above have only become available from 1 January 2008. In Greece the Basel II directives (2006/48/EC and 2006/49/EC) have been implemented by law 3601/2007 and secondary legislation pursuant to acts of the Bank of Greece.

As and when implemented, the Framework could affect risk weighting of the Notes for investors who are subject to capital adequacy requirements that follow the Framework. Consequently, investors should consult their own advisers as to the consequences to and effect on them of the application of the Framework and any relevant implementing measures. Proposals and guidelines for implementing the Framework in certain participating jurisdictions are still in development and no predictions can be made as to the precise effects of potential changes on any investor or otherwise.

EU Savings Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries, and certain dependent or associated territories of certain Member States, have also agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories. See further the section entitled "*Taxation – United Kingdom Taxation*" below.

The European Commission has published proposals for amendments to the Directive, which may amend or broaden the scope of the requirements described above.

Suspension of Enforcement Proceedings

Enforcement proceedings are usually commenced against an Obligor in respect of a Loan once it becomes 180 Days in Arrears, at which point the Loan is terminated. An order for payment is

obtained from the judge of the competent court of first instance (**Court of First Instance**) following service of the notice of termination of the Loan on the Obligor and non-payment of the Obligor. The order for payment and a demand to pay is served on the Obligor, activating in that way enforcement against the Obligor with the ultimate target to collect the proceeds from the auction of the relevant property securing the Loan. See for further details *Enforcing Security* below.

However, an Obligor may delay enforcement against the relevant property by contesting the order for payment and/or the procedure of enforcement which in turn will delay the receipt of proceeds from an enforcement against the property by the Issuer after the relevant Loan has been terminated.

An Obligor can file a petition of annulment against the order for payment pursuant to articles 632-633 of the Greek Civil Procedure Code (an **Article 632-633 Annulment Petition**) with the relevant Court of First Instance within 15 business days after service of the order for payment contesting the substantive or procedural validity of the order of payment. If the Obligor fails to contest the order for payment, the order may be served again on the Obligor and a further 10 business days are available to the Obligor to file an Article 632-633 Annulment Petition.

The order for payment will be final either if both terms of 15 and 10 business days elapse or if the Court of Appeal rejects the Article 632-633 Annulment Petition.

The filing of an Article 632-633 Annulment Petition entitles the Obligor to file a petition for suspension of the enforcement against the relevant property pursuant to article 632 of the Greek Civil Procedure Code (an **Article 632 Suspension Petition**). Upon filing an Article 632 Suspension Petition, enforcement procedures may be suspended until the hearing of the Article 632 Suspension Petition, which takes place approximately one to two months after the Article 632 Suspension Petition has been filed.

Following the issue of a decision in relation to the hearing of the Article 632 Suspension Petition (which itself can take up to two months to be issued), enforcement is suspended until the Court of First Instance has issued an official decision in respect of the Article 632-633 Annulment Petition. This can take up to approximately 20 months after the decision in respect of the Article 632 Suspension Petition. In some cases suspension of enforcement may be granted until the Court of Appeal reaches a final decision which means an additional pause of enforcement for another 12 months.

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

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

The filing of an Article 933 Annulment Petition entitles the Obligor to file a petition for the suspension of the enforcement until the decision of the Court of First Instance on the annulment motion is issued pursuant to article 938 of the Greek Civil Procedure Code (an **Article 938 Suspension Petition**). Again, foreclosure proceedings may be suspended until the hearing of this Article 938 Suspension Petition, which, in the normal case where the Obligor seeks the suspension of the auction, is heard 5 days prior to the auction and the relevant decision is issued 2 days prior to the auction. It should nevertheless be noted that such suspension is more difficult to obtain than the

suspension under the Article 632 Suspension Petition, since the Court has to assess not only the likelihood that the corresponding Article 933 Annulment Petition would be proved successful, but also that there is a danger of irreversible damage to the Obligor, should the foreclosure continue.

The Obligor may seek the postponement of the auction by alleging that the value of the property has been underestimated by the enforcing party or that the fixed first offer is too low. However, the initial auction price cannot be less than the taxable (“objective”) value of the property (set out in accordance with articles 41 and 41a of Greek law 1249/1982), pursuant to the recently passed law 3714/2008 for the protection of borrowers. Furthermore, suspension of the auction for up to six months may be sought by the Obligor, on the grounds that there is a good chance of the Obligor being able to satisfy the enforcing party or that, following the suspension period, a better offer would be received at auction.

Once the allocation of proceeds amongst the creditors of the Obligor has been determined pursuant to a deed issued by a notary public, the creditors of the Obligor may dispute the allocation and file a petition contesting the deed. The Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the collection of proceeds for up to two and a half years. This can further delay the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law provides that a bank is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that the bank provides a guarantee securing repayment of the money in the event that such challenge is upheld.

In addition, there is a period of mandatory suspension for all enforcement procedures between 1st and 31st August of each year, except for auctions, which cannot be conducted between 1st August and 15th September of each year.

Auction proceeds

The proceeds of an auction following the enforcement against a property securing a Loan have to be allocated in accordance with articles 975 and 976 of the Greek Civil Procedure Code. These articles require the notary public which acted as the auction clerk to deduct the expenses (including legal, bailiff's and notarial fees) incurred in connection with the enforcement and to satisfy in priority claims against the relevant Obligor pursuant to employment relationships and contracts for legal and educational services arising in the previous two years, from the proceeds. Up to one-third of the remaining proceeds are allocated to the following creditors of the Obligor, to the extent applicable, in the following order:

- (i) claims for hospitalisation and funeral costs of the Obligor and his family arising in the previous 12 months;
- (ii) costs for the nourishment of the Obligor and his family arising in the previous six months;
- (iii) claims by farmers or farming partnerships arising from sale of agricultural goods arising in the previous 24 months;
- (iv) claims of the Greek state and municipal authorities that have been assessed to be due and payable prior to the auction;
- (v) claims of social security funds arising prior to the day of the auction; and
- (vi) claims by the collective guarantees fund (if the obligor is or was an investment services company under the meaning of Greek law 3606/2007) arising in the previous 24 months.

The remaining two-thirds of the proceeds is allocated, first, to secured creditors in order of class and date of creation of security and any subsequently remaining amounts are allocated to unsecured

creditors. Accordingly, the Issuer as owner of a first (or in some cases, second) ranking Pre-Notation of Pledges could be limited to receiving approximately two-thirds of the proceeds raised by an auction of a property securing a Loan if a claim under article 975 exists. In such case, the proceeds may not be sufficient to discharge the amount that is owed by the Obligor to the Issuer under the Loan which may affect the Issuer's ability to meet its obligations in respect of the Notes.

Greek Securitisation Law

The Securitisation Law came into force in June, 2003. The transactions contemplated in this Prospectus are based, in part, on the provisions of the Securitisation Law. So far as the Issuer is aware, as at the date of this Prospectus there have been a number of other issues of securities based upon the Securitisation Law but there has been no judicial authority as to the interpretation of any of the provisions of the Securitisation Law. For further information on the Securitisation Law, see *Summary of the Greek Securitisation Law*. 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.

UK Taxation Position of the Issuer

The Issuer has been advised that it will fall within the new UK securitisation company regime (as introduced by the Taxation of Securitisation Companies Regulations 2006 (the **Securitisation Regulations**)), and as such will be taxed only on the amount of its retained profit, for so long as it satisfies the conditions of the Securitisation Regulations. The Issuer will covenant in the Transaction Documents not to do anything (or permit anything to be done) which will result in the Issuer ceasing to satisfy the conditions to qualify as a securitisation company within the scope of the Securitisation Regulations.

Greek Taxation of the Issuer

The structuring of the servicing arrangements between the Issuer and the Servicer is intended not to result in the Issuer having a permanent establishment in Greece for the purposes of Greek taxation law.

However, if the Issuer were deemed to have a permanent establishment in Greece, the Issuer would be taxed on its income generated in Greece as well as on its income generated in the UK, 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 rate of 25 per cent.) on its net profits generated in Greece. The net profits in such instance would be 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 aggregate of the amount set out in item (vi) of the Pre-Enforcement Priority of Payments and the Reserve Account (less an amount equal to the Subordinated Reserve Loan) held by it at the end of each fiscal year. The Issuer may also be liable to fines. However, this situation has not arisen before. Consequently, if this situation were to arise, the exact tax liabilities of the Issuer could not be predicted with certainty and may in fact be higher than as set out above.

Change of Law

The structure of the issue of the Notes is based on English law and the law of the Hellenic Republic in effect as at the date of this document. No assurance can be given as to the impact on the interests of the Noteholders of any possible change to English law or the law of the Hellenic Republic (or the laws of any other jurisdiction) or change in administrative practice in the United Kingdom or the Hellenic Republic after the date of this document.

Small companies moratorium

The Insolvency Act 2000 (the **Insolvency Act**) introduced significant changes to the UK insolvency regime including provisions which allow certain "small" companies to obtain protection from their creditors for a period of 28 days for the purposes of putting together a company voluntary arrangement with the option for the creditors to extend the protection period for a further two months.

During this period, no insolvency procedures may be commenced in relation to the company, any security created by the company over its property cannot be enforced and no other legal process can be taken in relation to the company except with the consent of the Court.

A company may continue to make payments in respect of its debts in existence before the beginning of the moratorium only if there are reasonable grounds for believing such payments will benefit the company and the payment is approved by either the moratorium committee of the creditors of the company or, if none, by a nominee of the company appointed under the provisions of the Insolvency Act 2000.

For the purposes of the Insolvency Act 2000, a "small company" is defined as one which satisfies two or more of the following criteria: (i) its turnover is not more than £5.6 million; (ii) its balance sheet total is not more than £2.8 million; and (iii) the number of its employees is not more than 50.

For as long as the turnover of the Issuer is greater than £5.6 million and its balance sheet total is greater than £2.8 million, the Issuer will not be regarded as a "small company" under the law as it currently stands. The Secretary of State for Trade and Industry may by regulation in the future modify the eligibility requirements for the applicability of the Insolvency Act 2000 and the definition of a "small company".

Whether or not the Issuer is a "small company" within the provisions of the Insolvency Act 2000 will be an accounting matter determined on a financial year by financial year basis for the Issuer.

Pursuant to Regulations made by the Secretary of State which came into force on 1 January 2003, companies which are party to an agreement which is or forms part of a capital market arrangement, under which a party incurs or when the agreement was entered into was expected to incur a debt of at least £10 million and which involves the issue of a capital market investment, are excluded from being eligible for the moratorium. The definitions of "capital market arrangement" and "capital market investment" are broad, such that, in general terms, any company which is a party to an arrangement which involves at least £10 million of debt, the granting of security to a trustee, and the issue of a rated, listed or traded debt instrument, may be ineligible to seek the benefit of the small companies moratorium.

In addition, there is an exclusion from the moratorium provisions for any company which has incurred a liability (including a present, future or contingent liability) of at least £10 million. While the Issuer should fall within this exception, there is no guidance as to how the legislation will be interpreted and the Secretary of State for Trade and Industry may by regulation modify the exceptions. No assurance may be given that any modification of the eligibility requirements for "small companies" and/or the exceptions will not be detrimental to the interests of the Noteholders.

The moratorium provisions may serve to limit the Trustee's ability to enforce the security granted by the Issuer if, first, the Issuer falls within the eligibility criteria for a moratorium at the relevant time; secondly, if the directors of the Issuer seek a moratorium in advance of a company voluntary arrangement; and, thirdly, if the Issuer is considered not to fall within an exception: in those circumstances, the enforcement of the security by the Trustee may, for a period, be prohibited by the imposition of the moratorium.

Even if a moratorium could delay enforcement proceedings against the Issuer, this would be for a maximum period of only three months as described above (subject to the Secretary of State

increasing, by order, the period for which a moratorium may be obtained). In addition, even if a protection period were granted in relation to it, it could obtain approval to continue to make payments in accordance with the Trust Deed and the Conditions.

Share of floating charge assets for unsecured creditors

The Enterprise Act 2002, which received royal assent on 7 November 2002 and was brought into force on 15 September 2003 (the **Enterprise Act**), also inserted a new Section 176A into the Insolvency Act, which provides that where a company has gone into liquidation or administration, or where there is a provisional liquidator or receiver, a "prescribed part" of the company's net property is to be applied in satisfaction of unsecured debts in priority over floating charge holders.

By virtue of the relevant prescribing order, the ring fencing of the "prescribed part" applies to floating charges which are created on or after 15 September 2003. The amount available for unsecured creditors will depend upon the value of the chargor's "**net property**", being the amount of the chargor's property which would otherwise be available for satisfaction of the claims of floating charge holders or holders of a debenture secured by a floating charge. As at the date of this Prospectus, the "**prescribed part**" has been set as 50% of the first £10,000 of a company's net property and 20% of the net property that exceeds £10,000; provided that such amount may not exceed £600,000. Where the company's net property is less than a prescribed minimum of £10,000, the liquidator, administrator or receiver may disapply this rule without application to the Court in respect of a company if it thinks that the cost of making a distribution to unsecured creditors would outweigh the benefits. If the company's net property is more than the prescribed minimum, the liquidator, administrator or receiver may apply to the Court for an order that the rule may be disappplied on the same ground.

Accordingly, any floating charge realisations upon the enforcement of the Security will be reduced by the operation of the ring fencing provisions. A receiver appointed by the Trustee would also be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Secured Creditors (including the Noteholders), respectively. Following the amendments to the Insolvency Act introduced by the Enterprise Act, the categories of preferential debts are certain amounts payable in respect of occupational pension schemes, employee remuneration and levies on coal and steel production. It should be noted, however, that pursuant to the covenants contained in the relevant Transaction Documents, the Issuer is not permitted to have any employees and its activities are otherwise restricted. Accordingly, if the Issuer complies with the covenants contained in the Transaction Documents it is unlikely that the Issuer will have any preferential creditors.

Appointment of administrative receiver in respect of Issuer

As a result of the amendments made to the Insolvency Act by the Enterprise Act, the holder of a qualifying floating charge created on or after 15 September 2003 is prohibited from appointing an administrative receiver and, consequently, is unable to prevent the chargor entering into administration, unless the floating charge falls within one of the exceptions set out in sections 72A to 72GA of the Insolvency Act.

The Trustee will not be entitled to appoint an administrative receiver over the assets of the Issuer unless the floating charges in its favour fall within at least one of the exceptions.

The exceptions include a capital markets exception in respect of, in certain circumstances, the appointment of an administrative receiver pursuant to an agreement which is or forms part of a "**capital market arrangement**" (as defined in the Insolvency Act). This exception will apply if a party incurs or, when the agreement in question was entered into, was expected to incur a debt of at least £50 million and if the arrangement involves the issue of a capital market investment (also defined in the Insolvency Act but, generally, a rated, traded or listed bond).

Although there is yet no case law on how this exception will be interpreted, the exception should be applicable to the transactions described in this Prospectus so far as it concerns the floating charge

created by the Issuer under the Deed of Charge. However, the Secretary of State may, by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. No assurance can be made that any such modification or provisions in respect of the capital market exception will not be detrimental to the interests of the Noteholders.

Financial Collateral Arrangements (No. 2) Regulations

The Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the **Regulations**) (which implement the Financial Collateral Directive (Directive 2002/47/EC)) sets out certain rules governing the provision of financial instruments and cash as collateral. The Regulations apply to financial collateral provided by way of an outright transfer and to security interests. The effect of the Regulations on the security interests to be created in connection with the transactions contemplated in this Prospectus may be to disapply key pieces of insolvency law such as the restrictions on the enforcement of security, which are contained in the Insolvency Act 1986 and which would otherwise apply to security taken over financial collateral.

Regulations are uncertain for a number of reasons, including whether the Regulations have interpreted Directive 2002/47/EC too widely and, in the absence of any case law on the Regulation or further guidance being given on its interpretation, the exact scope and effect of the Regulations is unclear.

Greek insolvency proceedings

The effect of Regulation 1346/2000 of the EU Council on Bankruptcy Proceedings is not yet clear since the legislation and its implementation across the various European Union member states is still relatively recent. It can not be excluded that Bankruptcy Proceedings may be commenced against the Issuer in Greece, in accordance with this Regulation. 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 Trustee to receive its rights and claims secured by a pledge under Paragraph 18 of Article 10 of the Law, since in accordance with Greek Law the Trustee, as the pledgee under Paragraph 18 of Article 10 of the Law, would be entitled to receive any claims out of the Loans and Related Security in accordance with Article 1254 of Greek Civil Code.

Enforcing Security

Once a loan agreement is in default and terminated, a letter is served on the obligor and on the guarantors, if any, informing them of this fact and requesting the persons indebted to pay all amounts due. Following notification and in the case of continued non-payment, a judge of the competent Court of First Instance is presented with the case upon which the judge issues an order for payment to be served on the obligor together with a demand for immediate payment. Service of the order and demand for payment is the first action of enforcement proceedings. Three working days after serving the payment order and demand, the property can be seized and the auction process starts (see below for a description of the auction process).

The obligor, after being served the order for payment, is granted 15 working days to contest the validity of the order for payment, either on the merits of the case or on the ground of procedural irregularities. This can be done by filing an Article 632-633 Annulment Petition before the Court of First Instance. At the same time, the obligor can file an Article 632 Suspension Petition for the suspension of the enforcement proceedings as a provisional measure. At the time of filing the Article 632 Suspension Petition, in most cases, immediate suspension is granted up until the hearing of the suspension petition. If the court decides that the arguments in the Article 632-633 Annulment Petition are correct and reasonable, the suspension of enforcement will be granted to the petitioner until the issue of the decision on the Article 632-633 Annulment Petition. If the judge decides that the Article 632-633 Annulment Petition has no grounds and rejects this, the suspension enforcement procedures can continue. If the obligor has not filed an Article 632-633 Annulment Petition and subsequent suspension in the first 15 working days, then the bank may again serve the order for payment whereby

a second period of 10 working days is granted to the obligor to contest the procedure. Failure to contest the order for payment will result in the bank acquiring a final deed of enforcement and then the Pre-Notation is converted to a mortgage.

The Article 632-633 Annulment Petition will need to be heard within 12 to 14 months after its filing and another six to eight months are required for a decision to be issued by the court, upon which either the enforcement procedures are continued due to the decision rejecting the Article 632-633 Annulment Petition, or the legal process before the Court of Appeal is continued by the bank until a final decision is reached regarding the contested order of payment. The defeated obligor may also continue the legal process but, in the experience of the Seller, it is highly unusual that a suspension of enforcement proceedings will be granted by the Court of Appeal if the initial suspension was granted up until the decision of the Court of First Instance.

The obligor may also file with the relevant Court of First Instance an Article 933 Petition for Annulment of certain actions of the foreclosure proceedings based on reasons pertaining to both the validity of the order for payment and to procedural irregularities. Both Article 632-633 and Article 933 Annulment Petitions may be filed either concurrently or consecutively, but it should be noted that the Article 933 Annulment Petition may not be based on reasons pertaining to the validity of the order for payment, should the order of payment have become final as mentioned above. The time for the filing of such Annulment Petitions varies depending on the action that is so contested. The filing of an Article 933 Annulment Petition entitles the Obligor to file an Article 938 Suspension Petition in relation to the enforcement until the decision of the Court of First Instance on the annulment motion is issued. Again, foreclosure proceedings may be suspended until the hearing of this Article 938 Suspension Petition, which, in the normal case where the Obligor seeks the suspension of the auction, is heard five days prior to the auction and the relevant decision is issued two days prior to the auction. It should nevertheless be noted that such suspension is more difficult to obtain than the suspension under the Article 632 Suspension Petition, since the Court has to assess not only the likelihood that the corresponding Annulment Petition would prove successful, but also that there is a danger of irreversible damage to the Obligor, should the foreclosure continue.

The actual auction process is started with seizure of the property, which takes place three working days after the order for payment is served on the obligor. The seizure statement that is issued by the bailiff who performs it, contains the auction date (a Wednesday from 12.00 hours to 14.00 hours) and place and the notary public who will act as the auction clerk. At this point all mortgagees (including those holding a Pre-Notation of mortgage) are informed of the upcoming auction.

The minimum auction price (which cannot be less than the taxable (“objective”) value of the property (set out in accordance with articles 41 and 41a of Greek law 1249/1982), pursuant to the recently passed law 3714/2008 for the protection of borrowers) is determined within the statement of the bailiff and can be contested by the obligor or any other lender if supported by evidence that the property value is significantly higher or lower than the proposed auction value. In such case, the auction is postponed until a date not exceeding six months from the initial auction date and for a new reserve price, both as determined by the judge.

In the auction, the property is sold to the highest bidder who then has 15 days to pay. Once the price of the property is paid, the notary public prepares a special deed listing all the creditors and allocating the proceeds of the auction. Each creditor must announce its claim to the notary public within 15 days of the auction.

Once the allocation of proceeds amongst the creditors of the Obligor has been determined pursuant to a deed issued by a notary public, the creditors of the Obligor may dispute the allocation and file a petition contesting the deed. The Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the collection of proceeds for up to two and a half years. This can further delay the time at which the Issuer finally receives the proceeds of the enforcement of the relevant property. However, the law

provides that a bank is entitled to the payment of its claim even if its allocation priority is subject to a challenge, provided that the bank provides a guarantee securing repayment of the money in the event that such challenge is upheld.

Any claims arising from employment relationships and contracts for legal and educational services arising in the previous two years are ranked before any other creditor after deduction of the enforcement expenses. After deducting such claims, one-third of the remaining proceeds is allocated to claims of the public sector and other preferential claims listed in article 975 of the Greek Civil Procedure Code and two-thirds to the secured creditors i.e. mortgagees or pledgees. Once the list of creditors is confirmed and adjudicated, the proceeds are distributed according to the ranking order.

The Issuer believes that the risks described above are certain of the principal risks inherent in the transaction for Noteholders but the inability of the Issuer to pay interest or repay principal on the Notes may occur for other reasons and, accordingly, the Issuer does not represent that the above statements of the risks of holding the Notes are comprehensive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for Noteholders, there can be no assurance that these measures will be sufficient or effective to ensure payment to the Noteholders of interest or principal on such Notes on a timely basis or at all.

USE OF PROCEEDS

The aggregate net and gross proceeds of the issue of the Notes will amount to € 900,000,000 and will be applied towards the Seller as part of the initial purchase price for the acquisition of the Initial Portfolio (the **Initial Purchase Price**).

The proceeds of the Subordinated Reserve Loan will amount to € 45,000,000 and will be used by the Issuer to fund the Reserve Account.

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 13 January 2009 (registered number 6789992) as a public limited company under the name of Axia II Finance Plc. The registered office of the Issuer is at c/o Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London EC2M 7JH, UK and its telephone number is 0207 614 1111. The Issuer has no subsidiaries or affiliates. The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.

Principal Activities

The principal objects of the Issuer are set out in Clause 4 of its Memorandum of Association. The principal activities of the Issuer will be to acquire the Portfolio, to issue securities, to enter into financial instruments and derivative contracts, to raise or borrow money and to grant security over its assets for such purposes and to lend money with or without security subject to and in accordance with the terms of the Transaction Documents. Copies of the Memorandum and Articles of Association of the Issuer may be inspected at the specified offices of the Issuer and the Paying Agent.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public limited company, the authorisation and issue of the Notes and of the other documents and matters referred to or contemplated in this document to which it is or will be a party and matters which are incidental or ancillary to the foregoing. In addition, no accounts have been made up by the Issuer as at the date of this Prospectus.

There is no intention to accumulate surpluses in the Issuer.

The Issuer will covenant to observe certain restrictions on its activities which are detailed in Condition 4 (*Covenants*).

Directors and Secretary

The directors of the Issuer and their respective business addresses and other principal activities are:

Name	Business Address	Other Principal Activities
Mark Howard Filer	Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London EC2M 7JH, UK	Company Director
Sunil Masson	Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London EC2M 7JH, UK	Company Director
Wilmington Trust SP Services (London) Limited	Wilmington Trust SP Services (London) Limited, Fifth Floor, 6 Broad Street Place, London EC2M 7JH, UK	

The secretary of the Issuer is Wilmington Trust SP Services (London) Limited.

One director of the Issuer is also a director of the Corporate Services Provider.

Capital and Shares

The authorised share capital of the Issuer is £50,000 divided into 50,000 ordinary shares of £1 each. There are no warrants or convertible notes in issue or outstanding.

The Issuer has issued 50,000 ordinary shares with a nominal value of £1 each, 2 of which are fully paid and 49,998 of which are partly paid up. One fully paid up share is held by Martin McDermott as nominee. The remaining issued shares are all held by Wilmington Trust SP Services (London) Limited which holds the entire authorised and issued share capital on trust for certain charitable purposes in its capacity as share trustee (**Share Trustee**). The paid up share capital of the Issuer is £12,501,50.

Employees

The Issuer has no employees. The directors are employees of the Corporate Services Provider. The Secretary of the Issuer is the Corporate Services Provider with offices at the same address as the Corporate Services Provider.

Corporate Services

The Issuer will appoint the Corporate Services Provider to provide corporate secretarial and administrative services pursuant to a corporate administration agreement dated the Closing Date between the Issuer, the Corporate Services Provider and the Trustee. The register of members is maintained by the Corporate Services Provider at its office.

Indebtedness

The Issuer has no indebtedness as at the date of this Prospectus other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein.

Material Contracts

Apart from the Transaction Documents to which it is a party, the Issuer has not entered into any material contracts other than in the ordinary course of its business.

No Material Adverse Change

Since the date of the Issuer's incorporation, there has been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

Financial Information

From the date of incorporation to the date of this Prospectus the Issuer has not commenced operations and at the date of this Prospectus, no financial statements of the Issuer have been prepared. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2009. The Issuer will not prepare interim financial statements.

The Issuer must hold its first annual general meeting within 18 months of the date of its incorporation and thereafter the gap between its annual general meetings must not exceed 15 months.

THE ISSUER ACCOUNT BANK

PIRAEUS BANK S.A.

Piraeus Bank S.A. is a credit institution with limited liability and was founded in the Hellenic Republic of Greece in 1916. Piraeus is a public bank under Greek Law and has been listed on the Athens Exchange (**ATHEX**) since 1918. Piraeus is subject to regulation and supervision by the Bank of Greece. Piraeus's registered office is at 4 Amerikis Str, 105 64 Athens, Greece. For more detailed information see *the Seller* below.

THE ISSUER TRANSACTION ACCOUNT BANK

THE BANK OF NEW YORK MELLON (formerly The Bank of New York)

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situate at One Canada Square, London E14 5AL.

The Bank of New York is a leading provider of corporate trust and agency services. Global Corporate Trust services \$11 trillion in outstanding debt for some 90,000 clients worldwide. The Bank is a recognized leader for trust services in several debt products, including corporate and municipal debt, mortgage-backed and asset-backed securities, derivative securities services and international debt offerings.

The Bank of New York Mellon Corporation (NYSE: BK) is a global financial services company focused on helping clients move and manage their financial assets, operating in 37 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset and wealth management, asset servicing, issuer services, and treasury services through a worldwide client-focused team. It has more than \$18 trillion in assets under custody and administration and \$1 trillion in assets under management, and it services more than \$11 trillion in outstanding debt. Additional information is available at www.bnymellon.com.

THE SELLER

PIRAEUS BANK S.A.

A. BUSINESS OF PIRAEUS BANK S.A. AND THE PIRAEUS GROUP

Overview of Piraeus Bank S.A.

Founded in 1916, Piraeus was initially headquartered in the city of Piraeus, port of Athens. Piraeus was nationalised in 1975 and reverted to private ownership in 1991. Today, Piraeus is the flagship company of the Piraeus Group of companies and the direct parent of the majority of the subsidiaries comprising the Piraeus Group.

Piraeus is a public bank under Greek Law and has been listed on the Athens Exchange (**ATHEX**) since 1918. Piraeus is subject to regulation and supervision by the Bank of Greece as well as the Hellenic Capital Market Commission. Piraeus's registered office is at 4 Amerikis Str, 105 64 Athens, Greece.

Both Piraeus and the Piraeus Group, as a whole, have developed rapidly over the last 17 years, through organic growth and acquisitions, and the Piraeus Group is now the fourth largest banking group in Greece. At 31 December 2008 the Piraeus Group's assets totalled €54.9 billion with 12.4 per cent market share (estimate) in terms of loans among all banks in Greece. The Piraeus Group contains a number of companies covering a wide spectrum of retail and commercial banking services in the Greek market, including small and medium-sized enterprises, corporate and investment banking, shipping, mutual funds management, equity brokerage, leasing, financial consulting and bancassurance. These services are offered through Piraeus' branch network and its subsidiaries, and through the electronic banking network of Winbank.

In addition to organic growth, the Piraeus Bank Group has made a series of strategic acquisitions with the goal of establishing a strong presence in the developing Greek banking market. Piraeus acquired and absorbed the Greek operations of Chase Manhattan Bank, Credit Lyonnais Hellas and National Westminster Bank in 1997, 1998 and 1999, respectively. In June 2000, through an exchange of shares, Piraeus merged with two of its banking subsidiaries, Macedonia-Thrace Bank and Chios Bank, in which it had held controlling interests since April 1998 and February 1999, respectively. In early 2002, Piraeus acquired the Hellenic Industrial Development Bank (**ETBA Bank**), thus enhancing the Group's capital base and increasing its market share in banking activities, leasing and asset management. ETBA Bank was absorbed by Piraeus in December 2003. In 2004, the acquisition of Interbank New York and its absorption by Marathon Bank took place. In December 2004, the merger with Devletoglou Securities formed Piraeus Sigma-Devletoglou Securities SA (renamed Piraeus Securities SA). In 2005, Bulgarian Eurobank (renamed Piraeus Bank Bulgaria AD), Serbian Atlas Bank (renamed Piraeus Bank Beograd) and Egyptian Commercial Bank (renamed Piraeus Bank Egypt SAE) were incorporated into Piraeus Bank Group. In the same year, the merger by absorption of Hellenic Investment Company was also completed. In September 2007, Piraeus Bank completed the acquisition of the 99.6% of the share capital of the Ukrainian Bank 'International Commerce Bank' (renamed OJSC Piraeus Bank ICB) In January 2008, Piraeus Bank Cyprus LTD, acquired the Cypriot branch network of Arab Bank.

At 31 December 2008 Piraeus Bank Group had a network of 895 branches (of which 537 were abroad) and 1,358 ATMs and employed 14,255 people (6,889 of whom were employed in Greece).

The Greek financial services sector has historically been characterised by the presence of specialised companies established around a principal bank. In a similar manner, the Piraeus Bank Group is comprised of Piraeus Bank S.A. and its subsidiaries. Piraeus Bank S.A. is not dependent upon any

other entities within the Group. The following table summarises the divisional structure of the principal subsidiaries of the Piraeus Bank Group as at 31 December 2008.

Piraeus Bank Group				
Commercial Banking	Investment Banking	Asset Management	Bancassurance	Non-Financial Companies
Tirana Bank I.B.C (91%)	Piraeus Securities (100%)	Piraeus Asset Management Mutual Funds (100%)	Piraeus Insurance and Reinsurance Brokerage S.A. (100%)	Piraeus Direct Services S.A. (100%)
Marathon Banking Corporation (88%)	Piraeus Egypt Brokerage Co (95%)	Piraeus Asset Management Europe S.A. (100%)	Piraeus Insurance Agency S.A. (100%)	Piraeus Card Services S.A. (100%)
Piraeus Bank Romania S.A. (100%)	SSIF Piraeus Securities Romania S.A. (99%)	Piraeus Group Capital LTD (100%)	Piraeus Insurance – Reinsurance Broker Romania S.R.L. (100%)	Exodus (50.1%)
Piraeus Bank Beograd A.D. (100%)				Picar S.A. (100%)
Piraeus Bank Bulgaria A.D. (100%)		Piraeus Group Finance PLC (100%)	Piraeus Insurance Brokerage EOOD (100%)	Piraeus Real Estate Property S.A. (100%)
Piraeus Bank Egypt S.A.E. (95%)		Piraeus Egypt Asset Management S.A.E. (86%)	Piraeus Insurance Consultant (93%)	ETBA Industrial Estates S.A. (65%)
OJSC Piraeus Bank ICB (100%)				Piraeus Real Estate Consultants S.R.L (100%)
Piraeus Bank Cyprus (100%)				Piraeus Real Estate Bulgaria EOOD (100%)
Piraeus Leasing S.A. (100%)				
Piraeus Best Leasing (48%)				Piraeus Real Estate Consultants Doo (100%)
Piraeus Multifin S.A. (100%)				Piraeus Real Estate Egypt LLC (100%)
Piraeus Factoring S.A. (100%)				
Multicollection S.A. (51%)				

Piraeus Leasing
Romania S.R.L.
(100%)

Tirana Leasing S.A.
(100%)

Piraeus Leasing
Bulgaria EAD
(100%)

Piraeus Auto Leasing
Bulgaria (100%)

Piraeus Egypt
Leasing Co (95%)

In September 2007, Piraeus Bank completed the €1.35 billion Share Capital increase by cash contribution, enhancing significantly its capital base, so as to continue the growth of its operations and volumes, both in the domestic and international markets.

As of 31 December 2008 Piraeus Bank's share capital consists of 329,543,528 common registered shares listed on the Athens Exchange and the total number of shareholders stood at 149,939. No individual shareholder owns an interest in excess of 5.0 per cent. No shareholder has a controlling interest in Piraeus Bank.

Ownership (%)	Shareholder Identity
26.4%	Foreign institutional investors
11.3%	Greek institutional investors
18.0%	Enterprises
3.8%	Treasury Stock
2.5%	Greek State (ex-ETBA Bank's shareholder)
38.0%	Individual Shareholders

Description of the Business of the Piraeus Group

The Piraeus Group, either through Piraeus or its subsidiaries, provides a wide variety of banking products and services to retail customers and corporate clients. The Piraeus Group is active in retail banking, corporate banking, shipping, investment banking, e-banking, and provides services in equity brokerage, asset management and bancassurance.

Retail Banking and Branch Network

Retail banking is mainly conducted through Piraeus's branch network in Greece and abroad. Piraeus offers a variety of products in retail banking and is focused on developing specialised products for the Greek market. Facilitated by Piraeus's branch network and alternative distribution channels, mortgage and consumer credit totals have grown significantly over the

last few years and are expected to continue, although at a decelerating pace, particularly as the loan market itself has significant room for development.

Personal Deposit Products

Piraeus offers a wide range of depositary and investment products suited for individual clients, in all major foreign currencies. Total deposits have been increasing, supported by the expanding branch network.

Personal Investment and Mutual Funds

Investment opportunities in mutual funds are provided by Piraeus Asset Management S.A (Greece) and Piraeus Asset Management Europe S.A.

Consumer Credit

Piraeus is a “universal” bank offering a full range of consumer loan products to retail customers. The Bank is among the leading banks in the Greek Consumer Lending market with a 8.6% market share (December '08).

As of 31st December 2008 the Piraeus Bank Group consumer loan portfolio constituted 13 per cent of total loans with an outstanding principal balance of €5,3 billion. Piraeus Bank Group offers consumer products broadly divided into two areas:

- Consumer Loans: Personal Revolving Loan, Personal Consumer Loan Variable or Fixed rate, Open Loans, Auto Loans, etc.
- Credit Cards: All major credit card brand names (Visa, MasterCard, Diners Club, etc).

Other Retail Banking Services

Bancassurance

In the framework of the Bancassurance Agreement (October 2007) between ING Group & Piraeus Bank, for a ten-year period co-operation, the latter has transferred to ING its stake in their joint venture capital (ING Piraeus Life Insurance SA). The distribution partnership will cover exclusive distribution of ING life, employee benefits and pension insurance products through the Piraeus Bank network in Greece and, respectively, the promotion of Piraeus Bank retail banking products from ING agent network in Greece.

e-banking - Winbank

Electronic banking was enhanced via the expansion of the ATM network to 1,358 terminals (826 on-site and 532 off-site) and the introduction of internet banking services through Winbank. Winbank, which handles a significant volume of tax and payment orders, has received the ISO 9001: 2000 Certification - the first electronic financial services unit certified in Greece. This e-banking unit had more than 225,000 unique customers at 31st December 2008.

The Piraeus Group is continually developing its electronic banking capacity to complement traditional distribution networks. The high standards of service of winbank have attracted a number of awards and distinctions.

Corporate Banking

The Piraeus Group offers financing services to businesses that operate in all sectors of the economy through its: branch network, corporate banking division, shipping banking division, project finance, and subsidiary leasing and factoring companies.

The needs of Small and Medium Enterprises are met through the branch network, where specialised products are offered, as well as loans targeted to specific market segments. The product range encompasses all types of working capital, trade finance, fixed assets & equipment and mortgages, leasing, factoring, documentary, letters of guarantee, foreign exchange, capital markets and advisory services.

Piraeus provides a wide range of modern bank services and products, including syndicated loans and bond issues to medium-large corporations. Piraeus manages its larger corporate relationships, including Greece's biggest corporate names, centrally, through the Corporate Banking Division. Also, Project Finance Division operates in areas such as infrastructure, energy and real estate.

Finally, Piraeus has established a specialised shipping centre providing the full range of banking products and services needed by shipping companies.

Investment Banking

Piraeus has a significant presence in the developing capital markets of Greece and has acquired a large share in the securities underwriting market. The Piraeus Group is one of the leading IPO advisory institutions and among the major underwriters in the Greek market. The Piraeus Group has also developed in the areas of syndicated loans arrangement, bond issuance, and offers consulting services for capital restructuring, company valuation, mergers and acquisitions and special financing for corporate clients. The Piraeus Group additionally provides stock brokerage and custodian services.

Other activities

Other activities of the Piraeus Group pertain to the real estate sector and information technology sectors, with the aim of exploiting investment opportunities and synergies on the real estate market, as well as implementing new technologies in the banking sector as they play an increasingly crucial role.

B. BUSINESS AND CORPORATE BANKING OF PIRAEUS BANK

In Greece, Piraeus Bank Group holds a traditionally strong position in financing services to businesses active in all sectors of the economy. The Bank is a well established player in business lending and project finance, having a particular goal to be the main servicing bank of the Small-Medium Enterprises (SMEs) in Greece.

As of 31st December 2008, Piraeus Bank Group loan portfolio consisted of 69% per cent business loans with an outstanding principal balance of €27 billion.

Piraeus Bank had a 16.2 per cent market share in Greece in loans to enterprises (December '08).

Piraeus Bank Group categorises its client base of enterprises as follows:

- Small and Medium Enterprises (SMEs) Banking (financing to enterprises with annual turnover less than €50 million)
- Large Corporate Banking (financing to enterprises with annual turnover over €50 million)

- Project Finance and Public Sector Operations (specialised services for the financing of large projects in the areas of infrastructure, energy and real estate)

Piraeus Bank manages relationships with business clients in the above segments through its network of 358 bank branches located throughout Greece (December 2008).

Additionally, Piraeus Bank operates a specialized central unit, in support of the branch network, the Division of Small Enterprises and Professionals, addressed to professionals and in general small enterprises with an annual turnover up to €2.5 million.

Products

Piraeus Bank offers through its business and corporate banking units a wide range of risk products (e.g. loans, leasing, factoring, and treasury products) and servicing products (e.g. trade finance, payroll services and payments services). On balance sheet risk products are mainly credit facilities (*allilohreos*) and loans (including those comprised in term and bond loans).

Bond loan subscription is a very well established form of bank financing in Greece and regulated by law. Corporate bonds are issued only by a "Société Anonyme" and bought by one or more banks and the bank prepares the legal issuance documentation for its corporate clients.

Term and Bond Loans broadly contain terms as follows:

- Term to maturity: 5-15 years and in special cases up to 25 years.
- Type of repayment: bullet or amortising through equal or unequal capital instalments. Balloon payments can also be considered.
- Floating rates of interest apply in most cases: indexed to various Bank Base Rates, EURIBOR or LIBOR and Inter-bank rates plus a level of spread which is determined on a client oriented basis.
- Mostly denominated in Euros and to a lesser extent, in US Dollars & Swiss Francs.
- Collateral and corporate/personal guarantees: may be required according to internal credit policy.
- Term Loans under Law 128 are subject to a 60bps levy, payable by the Obligor.
- Bond Loans are issued pursuant to Law 3156/2003 which provides for an exemption from the Levy.

Origination

The main source of origination for term and bond loans offered to Small and Medium sized Enterprises (SMEs) is The Piraeus Bank Branch Network as previously described in the segmentation of business and corporate banking clients. In cases of term and bond loans offered to Large Corporates, the origination source is the Large Corporates Division.

Term and bond loans can be offered either to existing or to new clients as part of a global proposal of risk and servicing products.

The Branch Network follows a decentralised model of customer service to SMEs, offering increased flexibility and responsiveness to client requests and local market needs.

The Large Corporates Division follows a centralised relationship-driven business model in order to meet the specialized needs of large corporates.

Organisation

Branch Network

The Piraeus Bank Branch Network structure consists of:

- Areas managed by General Managers supervising and coordinating the Branch Networks of Attica, Northern Greece and Southern Greece & Islands.
- Regions managed by Regional Managers reporting to the General Managers.
- Bank Branches managed by Branch Managers reporting to Regional Managers.
- Each Branch has one or more branch-based Account Officers managing relationships with SMEs. Account Officers report directly to the Branch Managers.

Large Corporate Division

Large Corporate Division structure consists of Areas located in Athens and Thessalonica managed by Area Managers who report to the head of Large Corporate Division. Relationships with Large Corporate clients are managed by Relationship Managers who report to the Area Managers.

Underwriting

Term and Bond Loans are products provided to new and existing business customers of Piraeus Bank. Credit Proposals include all risk products provided on a “One Obligor” Basis in line with Piraeus Bank Group’s Credit Policy.

The underwriting process can be divided in four steps:

1. Preparation of Credit Package - Submission of Credit Proposal

The Branch Manager in collaboration with the Branch Account Officer who is responsible for the relationship with the SME client (or the Relationship Manager of the Large Corporate Division for relationships with Large Corporates) prepares a full Credit Package comprising of all required analyses and documentation including a Credit Proposal on a “One Obligor Basis” as determined by Piraeus Bank Group’s Credit Policy. Personal and financial data of obligors as well as originality of documentation are verified at origination level prior to the preparation of the Credit Package.

The Credit Proposal includes the terms and conditions of each proposed credit limit and total exposure at the Obligor Group’s Level.

Each Obligor of the Group is rated at this stage by use of the Internal Rating System. An Obligor’s rating is a combination of financial assessment and a business analysis of the entity.

The Internal Rating System is implemented by the Group Credit Risk & Capital Management Division which is an independent operation within Piraeus Bank hierarchy reporting to the Chief Risk Officer.

The Credit Package is submitted by the Branch Committee (in case of SMEs) or the Relationship Manager (in case of Large Corporates) to the appropriate Corporate Credit Division for review and evaluation.

2. Review and Evaluation of the Credit Package

At this stage, a number of checks are performed such as:

- Compliance with the One-Obligor Concept;
- Completeness of credit package and proper completion of the documentation;
- Consistency with Credit Policy guidelines;
- Accuracy of the Obligors' Internal Rating and compliance to respective Credit Policy; and
- Existence of possible overrides from approved terms and conditions and relevant justification.

Fulfilment, on an aggregate basis, of the following criteria is also thoroughly examined:

- Sufficient knowledge of the obligor and its business activity;
- Satisfactory obligor's financial position (adequate capital structure, satisfactory liquidity ratios, profitability);
- Existence of both operational (e.g. profitability and cash flows) and non operational (e.g. liquidation of pledged collateral and/or security) ways of repayment;
- Minimum 3 years of business operation;
- Satisfactory market information (e.g. from suppliers, competitors);
- Absence of negative Credit Bureau records for the last three years;
- Long term perspective for future co operation; and
- Adequate Obligor's Internal Rating.

If the evaluation is considered satisfactory, the Credit Proposal is submitted for approval to the appropriate approval authority.

3. Approval Process

The approval of the submitted Credit Proposal lies within the four-eyes principle, which requires each credit limit to be evaluated by more than one individual reporting to separate departments.

In this context there are two categories of officers participating in the approval process for business lending:

- Marketing/ Lending officers who belong to the business units of the Bank and have as main task to attract customers, to sell all kinds of Bank's credit products and services (marketing), and to promote Bank's name, as well as to evaluate credit risks and participate in the approval procedure when extending credit facilities (lending) towards existing or prospective clients.
- Credit Officers who belong mainly to the Group Corporate Credit and have as main task the precise and in depth assessment and approval of credit risks to any kind of Obligors, the safeguarding of credit policy, and the monitoring of the overall quality of the credit portfolio

Any Credit Facility granted by the Bank requires the consent of at least two officers, one of each category, with adequate approval authority amounts.

The appropriate approval authority of a Credit Proposal is determined according to the following parameters on a "One Obligor" basis:

- Total amount of proposed credit exposure
- Maximum term of facilities
- Risk classification and level of unsecured risk
- Origination Unit.

4. Implementation of final approval

If the Credit Proposal is approved, a copy of the final approval duly signed is forwarded to the relevant origination unit. The loan administration officers will prepare all the legal documentation for Term Loans, including a formal pledge for any collateral. Piraeus Bank Legal Affairs Division will prepare the legal terms of the Bond Loans and of any collateral agreement and the loan administration officers will complete the necessary loan documentation. If there is a deviation of any of the approved terms, approval at the appropriate level is required. In case of Bond Loans, if there is a request for a modification of a standard Piraeus Bank legal template the request is passed to Piraeus Bank Legal Affairs Division. In case of Term Loans, if there is a request for a modification of a standard Piraeus Bank legal template the request is passed to one of the two divisions of legal services of Piraeus Bank. If all requirements are met, the Term Loan or Bond Loan will be granted.

Renewal and Credit Limit Extensions

Terms and conditions of approved Credit Proposals are valid internally for a maximum period of up to 12 months. Renewals of Credit Proposals contribute to the monitoring and control of credit risk and are conducted through structured and detailed annual reviews of active relationships.

Each origination unit is responsible to submit, following prompt notification by Loan Origination System reports, an updated Credit Proposal accompanied by a completely updated Credit Package on a "One-Obligor" Basis. Approval mechanisms for performing Obligors remain the same as those for the assessment of an initial Credit Proposal.

Submission of an updated Credit Proposal includes a complete review of the client's creditworthiness involving both financial and qualitative analysis together with updated Internal Rating of all members of the Obligor Group and updated evaluation of provided collateral and/or security. It can also include proposed changes in the total proposed amount of risk and/or the underlying credit limits or the type of provided facilities and their respective terms and conditions. The aim is to keep each relationship in line with the Piraeus Bank Group's Credit Policy on an ongoing basis.

Servicing & Collection

The first level of servicing and collections of performing Term and Bond Loans is carried out at Branch level for SMEs through loan administration officers based in each branch, and through centralised loan administration units for loans to Large Corporates. Branch loan administrators are handled by a Head Administrator located at the Branch, who reports directly to the Branch Manager and closely cooperates with the Account Officer that manages the relationship with the client.

The responsibilities of loan administrators include preparation of standard legal loan documents, including those of Term and Bond Loans together with a formal pledge of any collateral, correct input of loan data in the appropriate IT systems including the collateral system and performance of collections. They are also responsible for monitoring on an on-going basis any discrepancies or late payments of any kind and are required to promptly inform the Branch Manager and the Account Officer (or the Relationship Manager for Large Corporates). They proceed with collection activities and verify automatic assignment of clients in arrears buckets. Selected back-office operations are centralised for reduction of processing costs.

Delinquent Account Management

The second level of servicing of delinquent Term Loans and Bond Loans is carried out in line with the new Basel II Regulations. As per Basel II the obligor is deemed as being in default once in arrears for over 90 days. A default is also internally noted in the case of a serious deterioration of a client's creditworthiness, regardless of whether that client is in fact in arrears for over 90 days or not.

All arrears from day one are tracked automatically by centralised computer systems and reports are communicated to the origination units. Origination units are responsible for promptly identifying

problems and proposing to the Regional Managers and the Corporate Credit Division the classification of the obligors.

The classification process is based primarily on the experience, common sense and sound judgment of origination units' executives and the appropriate approval authorities. There are four classification categories, indicating increasing potential risk of loss: Special Mention, Distressed Restructuring, Substandard, and Doubtful/Loss. Classified customers in the above categories are rated with classified ratings, regardless of their current Internal Rating generated by the Internal Rating system.

Restructuring Loan Division

For delinquencies up to 45 days the servicing and collection is handled solely by the origination units and their supervisors. Delinquent loans between 45 and 74 days are still handled by the relevant origination units and their supervisors, while they are monitored by the centralised Restructuring Loan Division. Delinquencies above 75 days for Term Loans and above 45 days for Bond Loans are reported to the Restructuring Loan Division and copies of all relevant documents are provided. Once the file is reviewed, Restructuring Loan Division provides directions to origination units (i.e. loan restructuring, pre-notes of assets), according to the decisions of the appropriate approval authorities, aiming either to enable the client return to normal status or to minimize Piraeus Bank exposure. Next steps include follow up of the agreed repayment of the loan in accordance with the repayment plan and provision of directions for the handling of any issues may arise regarding the repayment of the loan. In case the client fails to cope with the repayment plan the loan and all relevant documentation is forwarded to the Workouts Division.

Workouts Division

All non-performing term and bond loans are handled internally by the Workouts Division in conjunction with Judicial Affairs Division/Legal Counsel. The Workouts Division handles and monitors non-performing Bond and Term Loans for business lending and other Piraeus Bank Group businesses. It collaborates with Judicial Affairs Division/Legal Counsel to ensure efficient execution and timely liquidation as well as assessing the possibility of recovery for each Bond and Term Loan. It takes decisions regarding settlement agreements, write-offs and levels of provisions. All the expenses associated with Bond and Term Loans including legal costs, revaluation costs and other execution activities are charged to the client.

Foreclosure Process and Performance

The procedure for foreclosure consists of delivering a statement by a court bailiff for the immediate repayment of the whole amount due under the relevant Bond or Term Loan, closing the relevant client account, assigning the Bond or Term Loan a 'denounced' status category and forwarding the two relevant files to Workouts Division and to the Judicial Affairs Division/Legal Counsel.

Write-off Policy

Write offs are then performed on a case-by-case basis, after all legal procedures necessary for recovery are completed, including the liquidation of collateral, as is required by Greek banking regulations and Greek tax authorities.

DESCRIPTION OF THE PROVISIONAL PORTFOLIO

The Loans

The Portfolio

On the Closing Date, the Issuer will purchase the Initial Portfolio from the Seller pursuant to the terms of the Receivables Sale Agreement and the Greek Assignment Agreement. The Initial Portfolio shall not exceed and will be as close as possible to the initial aggregate Principal Amount Outstanding of the Notes on the Closing Date, and will be selected (in accordance with the criteria summarised below) from the Provisional Portfolio, which will substantially comprise a pool of loans owned by the Seller which have the characteristics indicated below as at the Cut-Off Date.

The Initial Portfolio will be selected so that each Loan in it complies with the Eligibility Criteria.

The Loans comprised in the Initial Portfolio will be amortising loans.

The Issuer has not made or caused to be made on its behalf all of the enquiries, searches or investigations which a prudent purchaser of the relevant assets would make and the Trustee has made no such enquiries, searches or investigations and will not be liable for failing to do so but each of them will rely on the representations and warranties to be made by the Seller to be contained in the Receivables Sale Agreement.

Characteristics of the Provisional Portfolio (the tables below have not been subject to any audit)

1. Summary

Original Balance (EUR): 973,763,959.00
 Current Balance (EUR): 907,312,293.00
 Loans: 288
 Disbursements: 288

Obligor Groups: 244
 Obligor Names: 253
 WA Interest Rate (%): 3.92

2. Top 20 Obligor Groups

Top 20 Obligor Groups	Obligor Groups	Pct	Balance	Pct
6185838	1	0.41	40,000,000.00	4.41
5703776	1	0.41	34,000,000.00	3.75
4751193	1	0.41	28,000,000.00	3.09
1000332	1	0.41	25,000,000.00	2.76
4752467	1	0.41	25,000,000.00	2.76
4754477	1	0.41	21,344,000.00	2.35
6688113	1	0.41	17,500,000.00	1.93
4752356	1	0.41	15,000,000.00	1.65
4753671	1	0.41	15,000,000.00	1.65
4848314	1	0.41	15,000,000.00	1.65
6222305	1	0.41	15,000,000.00	1.65
5084571	1	0.41	14,500,000.00	1.60
4985305	1	0.41	13,450,000.00	1.48
5198803	1	0.41	12,865,000.00	1.42
5190207	1	0.41	12,788,000.00	1.41
4771879	1	0.41	12,787,200.00	1.41
4771915	1	0.41	11,376,811.00	1.25
4849479	1	0.41	10,710,000.00	1.18
4845318	1	0.41	10,600,000.00	1.17
4753648	1	0.41	10,399,999.00	1.15
Other	224	91.8	546,991,283.00	60.29
Total:	244	100	907,312,293.00	100

3. Top 20 Obligor Names

Top 20 Obligor Names	Obligor Names	Pct	Loans	Balance	Pct
2279467	1	0.4	1	40,000,000.00	4.41
1000332	1	0.4	1	25,000,000.00	2.76
1028853	1	0.4	1	25,000,000.00	2.76
2280703	1	0.4	1	25,000,000.00	2.76
2283782	1	0.4	1	21,344,000.00	2.35
5703766	1	0.4	1	20,000,000.00	2.20
3304195	1	0.4	1	17,500,000.00	1.93
1091191	1	0.4	1	15,000,000.00	1.65
1113840	1	0.4	1	15,000,000.00	1.65
1117364	1	0.4	1	15,000,000.00	1.65
2288616	1	0.4	1	15,000,000.00	1.65
4094917	1	0.4	1	14,500,000.00	1.60
5703770	1	0.4	1	14,000,000.00	1.54
4473882	1	0.4	2	12,865,000.00	1.42
5189140	1	0.4	2	12,788,000.00	1.41
4502322	1	0.4	3	11,376,811.00	1.25
4385856	1	0.4	2	10,710,000.00	1.18
4163653	1	0.4	1	10,600,000.00	1.17
1137020	1	0.4	1	10,399,999.00	1.15
5580941	1	0.4	2	10,084,617.00	1.11
Other	233	92.09	262	566,143,866.00	62.4
Total:	253	100	288	907,312,293.00	100

4. Obligor Category

Obligor Category	Obligor Names	Pct	Loans	Balance	Pct
Corporate	30	11.86	31	328,023,167.00	36.15
SME	223	88.14	257	579,289,126.00	63.85
Total:	253	100	288	907,312,293.00	100

5. Obligor Annual Turnover

Obligor Annual Turnover	Obligor Names	Pct	Loans	Balance	Pct
0	13	5.14	16	35,659,898.00	3.93
1 - 5,000,000	138	54.55	159	192,228,355.00	21.19
5,000,001 - 10,000,000	22	8.7	27	73,200,540.00	8.07
10,000,001 - 20,000,000	27	10.67	30	108,669,459.00	11.98
20,000,001 - 30,000,000	11	4.35	11	89,945,124.00	9.91
30,000,001 - 50,000,000	12	4.74	14	79,585,750.00	8.77
50,000,001 >=	30	11.86	31	328,023,167.00	36.15
Total:	253	100	288	907,312,293.00	100

6. Internal Rating

Internal Rating	Obligor Names	Pct	Loans	Balance	Pct
0.0 - 1.9	4	1.58	4	5,870,931.00	0.65
2.0 - 2.9	18	7.11	18	199,847,500.00	22.03
3.0 - 3.9	33	13.04	40	138,244,635.00	15.24
4.0 - 4.9	40	15.81	46	126,174,063.00	13.91
5.0 - 5.9	46	18.18	50	138,317,063.00	15.24
6.0 - 6.9	40	15.81	44	140,836,660.00	15.52
7.0 - 7.9	40	15.81	46	87,432,185.00	9.64
8.0 - 8.9	27	10.67	32	62,490,656.00	6.89
9.0 - 9.9	6	2.37	8	8,098,600.00	0.89
Total:	253	100	288	907,312,293.00	100

Average: 5.7

7. Nace Description (Top 20)

Nace Description (Top 20)	Obligor Names	Pct	Loans	Balance	Pct
Hotels	39	15.42	51	118,153,868.00	13.02
Sale of motor vehicles	7	2.77	8	66,518,000.00	7.33
Building of complete constructions or parts thereof; civil engineering	22	8.7	28	66,195,359.00	7.30
Other wholesale	16	6.32	20	43,708,462.00	4.82
Manufacture of jewellery and related articles	1	0.4	1	40,000,000.00	4.41
Miscellaneous manufacturing n.e.c.	6	2.37	6	32,411,000.00	3.57
Radio and television activities	2	0.79	2	30,000,000.00	3.31
Renting of automobiles	2	0.79	2	25,241,033.00	2.78
Manufacture of basic iron and steel and of ferro-alloys	1	0.4	1	25,000,000.00	2.76
Wholesale of food, beverages and tobacco	6	2.37	6	23,563,333.00	2.60
Manufacture of other food products	6	2.37	6	22,558,579.00	2.49
Human health activities	1	0.4	1	21,344,000.00	2.35
Manufacture of pharmaceuticals, medicinal chemicals and botanical products	2	0.79	2	19,800,000.00	2.18
Retail sale of food, beverages and tobacco in specialized stores	4	1.58	5	19,363,250.00	2.13
Retail sale in non-specialized stores	7	2.77	7	17,524,179.00	1.93
Manufacture of basic precious and non-ferrous metals	1	0.4	1	17,500,000.00	1.93
Letting of own property	5	1.98	7	16,664,351.00	1.84
Real estate activities on a fee or contract basis	3	1.19	4	16,450,235.00	1.81
Other land transport	6	2.37	7	15,387,377.00	1.70
Manufacture of beverages	4	1.58	5	15,166,100.00	1.67
Other	112	44.27	118	254,763,167.00	28.08
Total:	253	100	288	907,312,293.00	100

8. Top Regions

Top Regions	Obligor Names	Pct	Loans	Balance	Pct
ATTICA	90	35.57	98	535,102,790.00	58.98
SALONICA	34	13.44	39	89,935,441.00	9.91
IRAKLIO	15	5.93	17	57,091,526.00	6.29
DODEKANISA	8	3.16	12	37,862,689.00	4.17
HANIA	8	3.16	11	22,269,150.00	2.45
KYKLADES	5	1.98	7	21,284,860.00	2.35
IOANNINA	12	4.74	12	20,701,898.00	2.28
EVROS	4	1.58	5	15,754,483.00	1.74
KILKIS	3	1.19	3	13,479,191.00	1.49
ZAKINTHOS	6	2.37	8	10,522,014.00	1.16
Other	68	26.88	76	83,308,251.00	9.18
Total:	253	100	288	907,312,293.00	100

9. Original Balance (Loan Part)

Original Balance (Loan Part)	Disbursements	Balance	Pct
1 - 5,000,000	218	253,127,005.00	27.90
5,000,001 - 10,000,000	53	354,900,916.00	39.12
10,000,001 - 15,000,000	10	125,440,372.00	13.83
15,000,001 - 20,000,000	2	37,500,000.00	4.13
20,000,001 >=	5	136,344,000.00	15.03
Total:	288	907,312,293.00	100

Minimum: 20,000

Maximum: 40,000,000

Average: 3,381,125

10. Current Balance (Loan Part)

Current Balance (Loan Part)	Disbursements	Balance	Pct
1 - 5,000,000	220	262,694,125.00	28.95
5,000,001 - 10,000,000	53	361,274,169.00	39.82
10,000,001 - 15,000,000	8	109,499,999.00	12.07
15,000,001 - 20,000,000	2	37,500,000.00	4.13
20,000,001 >=	5	136,344,000.00	15.03
Total:	288	907,312,293.00	100

Minimum: 10,413

Maximum: 40,000,000

Average: 3,150,390

11. Issue Date (Loan Part)

Issue Date (Loan Part)	Disbursements	Balance	Pct
2003	2	106,500.00	0.01
2004	8	18,602,236.00	2.05
2005	8	15,491,498.00	1.71
2006	34	217,431,069.00	23.96
2007	67	342,022,603.00	37.70
2008	169	313,658,387.00	34.57
Total:	288	907,312,293.00	100

12. Maturity Date (Loan Part)

Maturity Date (Loan Part)	Disbursements	Balance	Pct
<= 2010	29	99,141,517.00	10.93
2011 - 2011	36	200,240,946.00	22.07
2012 - 2012	30	85,902,010.00	9.47
2013 - 2013	25	61,444,547.00	6.77
2014 - 2014	10	26,128,653.00	2.88
2015 - 2015	18	47,061,562.00	5.19
2016 - 2016	11	40,774,567.00	4.49
2017 - 2017	28	98,110,690.00	10.81
2018 - 2018	52	86,455,310.00	9.53
2019 >=	49	162,052,491.00	17.86
Total:	288	907,312,293.00	100

13. Seasoning (months) (Loan Part)

Seasoning (months) (Loan Part)	Disbursements	Balance	Pct
1 - 6	18	33,608,893.00	3.7
7 - 12	121	169,069,016.00	18.63
13 - 18	37	164,402,021.00	18.12
19 - 24	34	168,129,395.00	18.53
25 - 30	32	165,136,202.00	18.2
31 - 36	21	148,790,278.00	16.4
37 >=	25	58,176,488.00	6.41
Total:	288	907,312,293.00	100

Minimum: 6

Maximum: 76

Average: 22

14. Coupon Type (Loan Part)

Coupon Type (Loan Part)	Disbursements	Balance	Pct
V	286	893,168,293.00	98.44
F	2	14,144,000.00	1.56
Total:	288	907,312,293.00	100

15. Benchmark Index (Loan Part)

Benchmark Index (Loan Part)	Disbursements	Balance	Pct
Base Internal Rate	5	578,626.00	0.06
Base Tenor Loans Internal Rate	17	556,016.00	0.06
Euribor 12M	1	3,787,200.00	0.42
Euribor 1M	18	49,640,336.00	5.47
Euribor 3M	171	506,921,357.00	55.87
Euribor 6M	74	331,684,758.00	36.56
Fixed 4,1%	1	9,000,000.00	0.99
Fixed 4,7%	1	5,144,000.00	0.57
Total:	288	907,312,293.00	100

16. Margin over Benchmark (Loan Part)

Margin over Benchmark (Loan Part)	Disbursements	Balance	Pct
<= 0.00	14	768,794.00	0.08
0.51 - 1.00	34	285,268,721.00	31.44
1.01 - 1.50	65	265,668,573.00	29.28
1.51 - 2.00	95	267,939,191.00	29.53
2.01 - 2.50	41	57,432,271.00	6.33
2.51 - 3.00	30	28,089,067.00	3.10
3.01 >=	9	2,145,676.00	0.24
Total:	288	907,312,293.00	100

Minimum: -2.15

Maximum: 5.00

WA: 1.44

17. Current Interest Rate (Loan Part)

Current Interest Rate (Loan Part)	Disbursements	Balance	Pct
<= 3.00	31	215,249,258.00	23.72
3.01 - 3.50	39	148,733,384.00	16.39
3.51 - 4.00	45	158,826,589.00	17.51
4.01 - 4.50	47	130,053,127.00	14.33
4.51 - 5.00	35	81,514,294.00	8.98
5.01 - 5.50	24	74,544,242.00	8.22
5.51 - 6.00	21	46,308,998.00	5.10
6.01 - 6.50	15	44,522,525.00	4.91
6.51 >=	31	7,559,876.00	0.83
Total:	288	907,312,293.00	100

Minimum: 1.81

Maximum: 11.25

WA: 3.92

18. Interest Payment Frequency (Loan Part)

Interest Payment Frequency (Loan Part)	Disbursements	Balance	Pct
1	28	66,665,323.00	7.35
3	182	488,029,784.00	53.79
6	76	323,829,986.00	35.69
12	2	28,787,200.00	3.17
Total:	288	907,312,293.00	100

19. Repayment Profile (Loan Part)

Repayment Profile (Loan Part)	Disbursements	Balance	Pct
BULLET	50	307,703,261.00	33.91
FIXED	140	276,085,522.00	30.43
VARIABLE	98	323,523,510.00	35.66
Total:	288	907,312,293.00	100

20. Principal Payment Frequency (Loan Part)

Principal Payment Frequency (Loan Part)	Disbursements	Balance	Pct
0	57	358,922,460.00	39.56
1	25	40,987,075.00	4.52
2	9	15,867,386.00	1.75
3	115	173,482,272.00	19.12
5	3	24,875,000.00	2.74
6	75	262,899,150.00	28.98
7	1	3,278,950.00	0.36
12	3	27,000,000.00	2.98
Total:	288	907,312,293.00	100

21. Collateral (including Personal Guarantees)

Collateral (including Personal Guarantees)	Loans	Balance	Pct
N	34	304,265,474.00	33.53
Y	254	603,046,819.00	66.47
Total:	288	907,312,293.00	100

22. Interest Arrears Amount (including Technical Arrears) (Loan Part)

Interest Arrears Amount (including Technical Arrears) (Loan Part)	Disbursements	Balance	Pct
0	238	845,324,621.00	93.17
1 - 1,000	10	912,223.00	0.10
1,001 - 5,000	10	2,476,971.00	0.27
5,001 - 10,000	11	10,605,528.00	1.17
10,001 >=	19	47,992,950.00	5.29
Total:	288	907,312,293.00	100

23. Capital Arrears Amount (including Technical Arrears) (Loan Part)

Capital Arrears Amount (including Technical Arrears) (Loan Part)	Disbursements	Balance	Pct
0	251	850,463,598.00	93.73
1 - 1,000	5	1,889,956.00	0.21
1,001 >=	32	54,958,739.00	6.06
Total:	288	907,312,293.00	100

24. Number of Interest Payments in Arrears (including Technical Arrears)

Number of Interest Payments in Arrears (including Technical Arrears)	Disbursements	Balance	Pct
0	238	845,324,621.00	93.17
1	50	61,987,672.00	6.83
Total:	288	907,312,293.00	100

Minimum arrears amount is EUR 5

25. Number of Capital Payments in Arrears (including Technical Arrears)

Number of Capital Payments in Arrears (including Technical Arrears)	Disbursements	Balance	Pct
0	251	850,463,598.00	93.73
1	37	56,848,695.00	6.27
Total:	288	907,312,293.00	100

Minimum arrears amount is EUR 5

26. Collateral Amount

Collateral Amount	Loans	Balance	Pct
0	113	492,730,892.00	54.31
1 - 500,000	68	34,306,137.00	3.78
500,001 - 1,000,000	30	29,972,097.00	3.30
1,000,001 - 1,500,000	11	25,650,953.00	2.83
1,500,001 - 2,000,000	8	20,039,637.00	2.21
2,000,001 - 2,500,000	10	30,792,030.00	3.39
2,500,001 - 3,000,000	5	16,784,698.00	1.85
3,000,001 - 3,500,000	3	10,846,638.00	1.20
3,500,001 >=	40	246,189,211.00	27.13
Total:	288	907,312,293.00	100

27. Collateral: Cash

Collateral: Cash	Loans	Balance	Pct
Yes	12	44,740,810.00	4.93
No	276	862,571,483.00	95.07
Total:	288	907,312,293.00	100

28. Collateral: Cheques

Collateral: Cheques	Loans	Balance	Pct
Yes	12	49,821,010.00	5.49
No	276	857,491,283.00	94.51
Total:	288	907,312,293.00	100

29. Collateral: Debt Securities

Collateral: Debt Securities	Loans	Balance	Pct
Yes	2	6,500,000.00	0.72
No	286	900,812,293.00	99.28
Total:	288	907,312,293.00	100

30. Collateral: Equities

Collateral: Equities	Loans	Balance	Pct
Yes	2	11,429,630.00	1.26
No	286	895,882,663.00	98.74
Total:	288	907,312,293.00	100

31. PRENOTICE_1ST_LIEN

PRENOTICE_1ST_LIEN	Loans	Balance	Pct
Yes	103	250,676,074.00	27.63
No	185	656,636,219.00	72.37
Total:	288	907,312,293.00	100

32. PRENOTICE_2ND_LIEN

PRENOTICE_2ND_LIEN	Loans	Balance	Pct
Yes	38	68,337,510.00	7.53
No	250	838,974,783.00	92.47
Total:	288	907,312,293.00	100

33. PRENOTICE_3RD_LIEN

PRENOTICE_3RD_LIEN	Loans	Balance	Pct
Yes	15	54,362,568.00	5.99
No	273	852,949,725.00	94.01
Total:	288	907,312,293.00	100

34. Receivables

Receivables	Loans	Balance	Pct
Yes	2	2,540,000.00	0.28
No	286	904,772,293.00	99.72
Total:	288	907,312,293.00	100

35. Bank Guarantee

Bank Guarantee	Loans	Balance	Pct
No	288	907,312,293.00	100
Total:	288	907,312,293.00	100

36. Other Physical Collateral

Other Physical Collateral	Loans	Balance	Pct
Yes	2	48,483.00	0.01
No	286	907,263,810.00	99.99
Total:	288	907,312,293.00	100

SUMMARY OF THE GREEK SECURITISATION LAW

The transactions described in this Prospectus are the subject of specific legislation enacted by the Government of the Hellenic Republic, law 3156/2003 "*on Corporate Bonds, Securitization of Receivables and Receivables from Real Property and other related provisions*" (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 **Securitisation Law**). Article 10 of the Securitisation Law contains express provisions for the framework and the assignment due to the securitisation of receivables originated by a commercial entity resident in Greece (a **Transferor**) resulting from its business activity.

Article 10 of the 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 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 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 Land Registry, in accordance with the procedure set out under article 3 of the Greek law 2844/00 on registered pledge, 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 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 collections with respect to the receivables can be carried out by:
 - (i) a credit institution or financial institution 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 person responsible for servicing and making collections under 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;
- (k) amounts standing to the credit of the 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;
- (l) 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; and
- (m) 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.

The Bank of Greece, the Greek bank regulator, has issued its act No 2593/2007 and its circular No. 9/30.10.2003 (the **Securitization Secondary Legislation**) on the weighting of securitisation notes held by a banking institution and establishing rules on the regulatory supervision of securitizations by local banks. The Securitization Secondary Legislation provides that each securitization programme 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 Law or the Securitization Secondary Legislation that the Bank of Greece confirms in writing that the transactions contemplated in each securitization are in compliance with the Law.

SERVICING OF THE PORTFOLIO

All Loans will be serviced by Piraeus in its capacity as Servicer under and in accordance with the terms of the Servicing Agreement. The Servicer will also service loans which will not be included in the Portfolio.

Under the Servicing Agreement, the Servicer will agree to service the Loans and their Related Security on behalf of the Issuer and, following an Event of Default, the Trustee. The Servicer will provide services (the **Services**) to the Issuer and, following an Event of Default, the Trustee in relation to the Loans and Related Security which include the Servicer being obliged to:

- (a) service the Loans and the Related Security with the same level of care and diligence as would a Prudent Lender if it were the owner of the Loans and the Related Security;
- (b) keep in force all licences, approvals, authorisations and consents which may be necessary in connection with the performance of the Services and prepare and submit all necessary applications and requests for any further approval, authorisation, consent or licence required by Greek law or regulation in connection with the business of the Issuer;
- (c) not knowingly fail to comply with any material legal and regulatory requirements in the performance of the Services or cause the Issuer to fail to comply with any Greek legal and regulatory requirements;
- (d) make the necessary calculations and determinations to prepare a quarterly report to be delivered to the Issuer, the Trustee, the Rating Agency and the Cash Manager setting out information in relation to the Portfolio including, but not limited to the Default Ratio;
- (e) make the necessary calculations and determinations to prepare a quarterly report to be delivered to the Issuer, the Trustee, the Cash Manager and the Rating Agency setting out the information in relation to the total Receipts for the period from the immediately preceding Collection Date until the day preceding the date of such quarterly report;
- (f) make the necessary calculations for the operation of the Interest Allocation Reserve Ledger;
- (g) notify the Issuer, the Cash Manager and the Trustee of a material breach of any of the representations, warranties and undertakings of the Seller contained in the Receivables Sale Agreement or of the Servicer contained in the Servicing Agreement and of any event which could result in the termination of its appointment as Servicer;
- (h) take all such action within its control, or in the case of the Bonds, instruct the Bondholders' Representative to take such action as may be required from time to time to maintain and/or preserve any and all of the Related Security and its priority as a Prudent Lender would take as if the Loan(s) had not been transferred to the Issuer pursuant to the Receivables Sale Agreement;
- (i) procure payment of all applicable stamp duties (if applicable in the future), registration and other documentary taxes in respect of the Loans and/or the Related Security to the extent the same has not been paid by the Seller on or prior to the assignment of the Seller's rights, title, interest and benefit in, to and under the Loans and their Related Security pursuant to the terms of the Receivables Sale Agreement;
- (j) pay, on behalf of the Issuer, the Levy, in respect of Term Loans, which is payable by the Issuer provided that if at any time there is a change in the law with respect to the payment of such Levy, the Servicer shall only be required to pay such amounts of Levy for so long as the Servicer is the Seller under the Receivables Sale Agreement or a member of the Piraeus Group;

- (k) if there is a default or delay in the making of any payment when due in respect of the Loans, take all such action in respect thereof as would a Prudent Lender, including without limitation, enforcing Loans in accordance with the Enforcement Procedures and granting to an Obligor or a Guarantor conditional indulgence in under payments or delayed payments in respect of the Loans, provided that the Servicer will not be permitted to grant any waiver in respect of principal unless an independent third party has verified to the Trustee that the proposed waiver is likely to lead to a higher recovery amount;
- (l) collect from Obligors any legal costs incurred in the administration or enforcement of a Loan or, where applicable, net-off such costs from any relevant recoveries;
- (m) keep in safe custody the Loan Documentation, including the Bond Certificates, for all the Loans;
- (n) for as long as the Servicer is Piraeus or an affiliate of Piraeus, ensure that the Seller offers to purchase on behalf of and in the name of the Issuer from the Seller, Replacement Loans in accordance with and subject to the terms of the Receivables Sale Agreement;
- (o) provide the Cash Manager with information relating to Receipts, Replacement Loans and Retired Loans in respect of each Collection Period;
- (p) upon the occurrence of a Rate Event or the Servicer or any substitute or successor servicer being in default of any of its obligations under the Servicing Agreement, not to effect reductions to the base rate on which floating interest in respect of certain Loans is calculated from such base rate to below the Minimum Rate;
- (q) segregate collections representing interest which accrued on the Loans prior to the Closing Date and remit such amounts to the Seller;
- (r) provide information to the Obligor in respect of the Loans in accordance with the Transparency Regulations including but not limited to, information in respect of the Principal Outstanding Balance of a Loan, the Instalment Amount and, where applicable, a breakdown of such Instalment Amount.

Enforcement Procedures means the Servicer's customary and usual servicing procedures for enforcing loans and their related security that are comparable to the Loans and their Related Security in accordance with its policies and procedures relating to its term loans and bond loans business.

Levy means the levy payable in respect of the Term Loans under law 128/1975 of the Hellenic Republic.

Loan Documentation means, in respect of a Loan, (a) the agreements (however constituted) for each Loan between the Seller and the relevant Obligor and any other documents relating to or evidencing that Loan, including, as regards Bond Loans, the Bond Certificates and the Bondholders' Registries, and (b) all documents relating to or evidencing the Related Security for that Loan.

Minimum Rate means, in respect of any Loan whose interest rate is calculated on a variable basis by reference to (i) the Piraeus Base Rate, or (ii) the Piraeus Base Tenor Loans Rate, or (iii) to any other floating rate index determined or calculated from time to time by Piraeus Bank, and following the occurrence of a Rate Event, after converting the absolute Piraeus Base Rate immediately prior to such Rate Event into a margin over EURIBOR, an interest rate equal to EURIBOR plus 1.00 per cent., provided that the weighted average interest rate of the variable rate Loans in the Portfolio is greater than or equal to the equivalent of EURIBOR plus 1.25 per cent.

Rate Event means the replacement of Piraeus as Servicer.

Related Security means all the related security securing payments of any present and future obligations under the Loans pursuant to the relevant Loan Documentation (including Guarantees, pledges of all types, assignment of receivables by way of security, mortgages, Pre-Notations, and any other ancillary rights).

Replacement Loan means any Replacement Term Loan or Replacement Bond.

Replacement Bond means any Bond to be sold by the Seller to the Issuer after the Closing Date in accordance with the Receivables Sale Agreement.

Replacement Term Loan means any Term Loan to be sold by the Seller to the Issuer after the Closing Date in accordance with the Receivables Sale Agreement.

Transparency Regulations means the Act of the Governor of the Bank of Greece no. 2501/2001, as amended and in force from time to time, as well as all other applicable from time to time legislation relating to the obligations of credit institutions for the provision of information to clients of such credit institutions.

The Servicer (for so long as the Servicer is Piraeus) will be entitled to agree a change to the terms and conditions of a Loan which relates to a change in:

- (1) the terms of either the type or tenor of the base rate of interest;
- (2) the terms of the frequency by which an Obligor is obliged to make interest payments, provided that the Obligor is at all times obliged to make interest payments at least once every six months;
- (3) a change in the terms of the interest margin over the base rate of interest;
- (4) the terms of the frequency by which an Obligor is obliged to make principal payments;
- (5) a change in any term relating to dates for prepayment;
- (6) a change in any applicable prepayment penalties;
- (7) a change in any terms relating to an extension or reduction of the maturity of the relevant loans;
or
- (8) in relation to a secured Loan, a change to the terms of the Related Security or the value of Related Security, including the full discharge of such Related Security,

provided that such change:

- (i) does not cause the Loan to cease to comply with the Eligibility Criteria or, in the event of a Subsequent Loan or a Replacement Loan, the Eligibility Criteria and the Subsequent Loans Criteria;
- (ii) would not cause any of the Loan Warranties to be untrue if given on the effective date of the relevant variation;
- (iii) would not result in the maturity of any Loan being extended beyond the date which falls five years prior to the Final Maturity Date and provided further that not more than 15 per cent (by Principal Outstanding Balance) of the Portfolio may be subject to an extension or reduction of the maturity of the relevant Loans by more than 25 per cent. of the then remaining term to maturity of the relevant Loan;
- (iv) would not result in the decrease of the Principal Outstanding Balance of such Loan; and

- (v) would be approved by the competent body of the Seller and which is a variation permitting an Obligor to defer payments of principal falling due representing not more than the equivalent of 6 months of such payments in any calendar year,

and any change in the frequency of interest payments on any Loan as referred to in subsection (2) above, any deferral of principal payments on any Loan as referred to in subsection (4) above and any extension of the maturity of any Loan as referred to in subsection (7) above, and which is made in accordance with the requirements above, being a **Flexible Option Variation**, provided that (a) not more than 15 per cent. (by Principal Outstanding Balance) of the Portfolio may be subject to such a Flexible Option Variation and (b) such Flexible Option Variation shall occur only once during the term of such Loan,

each such change to the terms and conditions of a Loan being a **Permitted Variation**).

Applicable Rate means, in respect of a Loan at any time, the rate of interest (inclusive of any margin) applicable to that Loan at such time and determined by reference to a floating rate basis.

The Servicer will, or in respect of the Bonds only the Servicer will procure that the representative for the holders of the Bonds in accordance with article 4 of Greek law 3156/2003 (the **Bondholders' Representative**) will, credit all amounts paid by the Obligors under or in respect of their Loans, the Loan Documentation and Related Security, including amounts representing interest accrued on the Loans prior to the Closing Date, less deductions in respect of Costs and Expenses, by 5:00 p.m Athens time one Transfer Business Day after the date of receipt or collection of such amounts to the Servicer Collection Account. If at any time the Servicer ceases to have a short-term unsecured, unguaranteed and unsubordinated debt rating of at least P-1 by Moody's then the Servicer must, on the day of such loss of rating, immediately transfer all amounts paid by the Obligors under or in respect of their Loans, the Loan Documentation and Related Security, including amounts representing interest accrued on the Loans prior to the Closing Date, less deductions in respect of any Costs and Expenses, to the Issuer Collection Account. The Servicer will also identify and record, among other things, the amount of receipts and collections and the items to which they relate including, but not limited to, principal, interest, fees, levies, legal costs. All amounts standing to the credit of the Servicer Collection Account will be held in the name of the Issuer but for the benefit of the Secured Parties pursuant to paragraph 18, article 10 of the Securitisation Law.

Costs and Expenses means any amount, up to an aggregate amount of:

- (a) VAT on amounts payable to any third parties; and
- (b) Legal Expense Amounts, in each case incurred in connection with any Enforcement Proceeds.

Legal Expense Amounts means all legal expenses incurred by the Servicer in connection with the enforcement of any Loan, any Related Security, or the rights and remedies in relation thereto of the Issuer and/or the Trustee or otherwise in performance of the Services, but does not include Proceeds Guarantee Expenses.

Proceeds Guarantee Expenses means expenses incurred by the Servicer in connection with the issuance of a guarantee pursuant to Greek law 4001/1956 of the Hellenic Republic, and amounts drawn thereunder.

The Servicer will transfer all amounts standing to the credit of the Servicer Collection Account to the Issuer Collection Account at or about 5:00 p.m. Athens time one Transfer Business Day after these amounts were transferred to the Servicer Collection Account. If at any time the Servicer ceases to have a short-term unsecured, unguaranteed and unsubordinated debt rating of at least P-1 by Moody's then the Servicer must, on the day of such loss of rating, immediately transfer all amounts standing to the credit of the Servicer Collection Account to the Issuer Transaction Account and thereafter

immediately on receipt of any amounts into the Servicer Collection Account transfer such amounts to the Issuer Transaction Account and by no later than 5:00 p.m. Athens time on the Transfer Business Day on which such amounts were transferred into the Servicer Collection Account, or in each case, if such day is not a Transfer Business Day, on the immediately following Transfer Business Day, and by 4:00 p.m. London time, notify the Cash Manager of the amount transferred.

If at any time the Servicer ceases to have a short-term unsecured, unguaranteed and unsubordinated debt rating of at least P-2 or a long-term unsecured, unsubordinated and unguaranteed debt rating of at least Baa3 by Moody's then the Servicer must, by 4:00 p.m. London time on the day of such loss of rating, notify the Cash Manager of such loss of rating and at its own cost notify each Obligor that they should, with immediate effect, make payments in respect of their Loan or Loans into the Issuer Transaction Account rather than the Servicer Collection Account and the Issuer (with the prior written consent of the Trustee) shall appoint an adequately rated substitute servicer within 30 days from such loss of rating.

The Servicer shall, immediately prior to the transfer of the Loan Income Receipts for the Collection Periods ending on 30 June and 31 December in each year to the Issuer Transaction Account, credit 50% of the Semi-Annual Loan Income Receipts, minus any Available Funds Shortfall to a separate ledger maintained in the Issuer Collection Account (the **Interest Allocation Reserve Ledger** and any amounts standing to the credit of the Interest Allocation Reserve Ledger from time to time to be referred to as the **Interest Allocation Reserve**), to be retained in the Issuer Collection Account until the next transfer of Loan Income Receipts to the Issuer Transaction Account. The Issuer Account Bank shall transfer the remaining amount of such Semi-Annual Loan Income Receipts to the Issuer Transaction Account in accordance with the provisions of the Servicing Agreement, in order for these to form part of the Available Funds on the next Interest Payment Dates falling in July and January, respectively. The Servicer shall notify the Cash Manager of the amounts retained and transferred as set out above. The Cash Manager shall not incur any liability if in its reports it relies on the calculations provided by the Servicer.

Available Funds Shortfall means the sum of the amounts payable under items (i) to (vii) and (x) of the Pre-Enforcement Priority of Payments on such Interest Payment Date minus the Available Funds which are available on the relevant Interest Payment Date in July or January (including the remaining amount of the Semi-Annual Loan Income Receipts over the preceding Collection Period). The outcome cannot be less than zero.

Semi-Annual Loan Income Receipts means the Loan Income Receipts from Loans paying interest on a 6 monthly or annual basis.

Amounts credited to the Interest Allocation Reserve Ledger in July and January in each year together with any interest accrued thereon (if applicable) shall be withdrawn from the Interest Allocation Reserve Ledger and added to the Loan Income Receipts for the Collection Periods ending on 30 September and 31 March, respectively, and, together with such Loan Income Receipts, transferred by the Issuer Account Bank to the Issuer Transaction Account one Business Day prior to the Interest Payment Dates falling in October and April, respectively, in accordance with the provisions of the Servicing Agreement and the Cash Management Agreement (as applicable), in order for these to form part of the Available Funds on such Interest Payment Dates. The Servicer shall notify the Cash Manager of the amounts transferred as set out above.

The Servicer will open and maintain the Interest Allocation Reserve Ledger, transfer the relevant amounts to and from the Interest Allocation Reserve and record the amounts credited to and/or withdrawn from the Interest Allocation Reserve Ledger from time to time, further details of which are set out in the Servicing Agreement. If at any time the Servicer ceases to have a short-term unsecured, unguaranteed and unsubordinated debt rating of at least P-2 by Moody's then the Servicer must, by 4:00 p.m. London time on the day of such loss of rating, notify the Cash Manager of such loss of rating and the Cash Manager shall open a separate ledger in the Issuer Transaction Account, which

shall replace the Interest Allocation Reserve Ledger (with any balance on the Interest Allocation Reserve Ledger being transferred by the Issuer Account Bank to the ledger in the Issuer Transaction Account), and shall operate this ledger in the same manner as the Servicer was required to operate the Interest Allocation Reserve Ledger. As soon as an adequately rated substitute servicer is appointed in accordance with the Servicing Agreement, such substitute servicer shall open a new Issuer Collection Account, open a separate ledger in this account which shall replace the ledger operated by the Cash Manager (with any balance on the ledger in the Issuer Transaction Account being transferred by the Cash Manager to the ledger in the new Issuer Collection Account), and shall operate this ledger in the same manner as the Servicer was required to operate the Interest Allocation Reserve Ledger. After the transfer by the Cash Manager of the balance on the ledger in the Issuer Transaction Account to the ledger in the new Issuer Collection Account, the Cash Manager's operation of its ledger shall be terminated.

The Servicer will also be responsible for setting the interest rate chargeable to Obligor under the Loans on behalf of the Issuer. Pursuant to the Servicing Agreement, the Servicer will be authorised and required to set and notify the interest rate chargeable to the relevant Obligor under the Loans based at (in the case of the EURIBOR based Loans) EURIBOR plus the applicable margin and (in the case of the Piraeus Base Rate based Loans) on the occurrence of a change in the Piraeus Base Rate.

The Servicer shall notify the Obligor of any such rate changes in a manner contemplated by the terms of the relevant Loans or by virtue of any Greek legal or regulatory requirements. In addition, the Servicer shall, on request by the relevant Obligor or an Obligor's solicitor or conveyancer, provide information regarding the redemption of the relevant Loan. Following the occurrence of a Rate Event, the Servicer will not be permitted to set the rate of interest chargeable to the Obligor at a rate lower than the Minimum Rate.

The Cash Manager will be obliged to determine and notify to the Servicer (on request) the Minimum Rate at the time the Servicer requests a determination of the Minimum Rate to comply with its obligations under the Servicing Agreement.

The Servicer will on the 14th Business Day of October, January, April and July of each year, or if such a day is a Saturday or a Sunday, or is not a day on which banks are open for business in Athens (an **Athens Business Day**), then on the immediately succeeding Athens Business Day (the **Servicer Report Date**), commencing on the Servicer Report Date falling in October 2009, and in respect of the immediately preceding Collection Period produce a report (the **Servicer Report**). The Servicer Report will be delivered to the Issuer, the Trustee, the Rating Agency and the Cash Manager. The Servicer Report will set out information on, among other things, the Loans, any amount of Loans on which there has been a Permitted Variation and details of Loan Income Receipts. The Servicer shall also produce, on or about each Servicer Report Date, a report as updated from time to time, containing information on each individual Loan. Each Servicer Report shall be made available on a public website, being <https://gctinvestorreporting.bnymellon.com>.

The Servicer will not, without, *inter alia*, the prior written consent of the Issuer and Trustee (such consent not to be unreasonably withheld or delayed for a period of 15 days following receipt of the Servicer's relevant written notification), be entitled to sub-contract or to delegate the performance of all or any of the Services provided that the consent of the Issuer and the Trustee shall not be required to the sub-contracting or delegation of all or any of the Services to a member of the Piraeus Group. In addition where the sub-delegation or sub-contracting involves the custody of documents and/or the receipt of monies by the sub-contractor or delegate, the sub-contractor or delegate has executed:

- (i) a declaration in form and substance acceptable to the Issuer and Trustee that such documents are and will be held to the order of Trustee or as the Trustee may direct and/or that any monies received will be paid into the Servicer Collection Account; and

- (ii) a written waiver of any Security Interest arising in connection to any delegated services for the extent that any Security Interest relates to the Portfolio or any monies received from the Obligor.

The Servicer will make certain representations and warranties to the Issuer in accordance with the terms of the Servicing Agreement relating to itself and its entering into the Transaction Documents to which it is a party. The Servicer will also be required to make covenants in favour of the Issuer relating to itself in the performance of the Services in accordance with the terms of the Servicing Agreement.

The Servicer will receive a fee for providing the Services pursuant to the Servicing Agreement payable on each Interest Payment Date or following enforcement of the Security on any Business Day in accordance with the Pre-Enforcement Priority of Payments or the Post Enforcement Priority of Payments, as applicable and the Deed of Charge. The Servicer will also be entitled to be reimbursed for costs and expenses that it incurs in connection with the provision of the Services and the costs of enforcement action against Obligors, in either case, to the extent that these have not previously been deducted from gross amounts paid by the Obligors to the Servicer or from recoveries. Whilst Piraeus is the Servicer, the Servicer will be entitled to deduct and retain for itself from all amounts received in respect of the Loans and their Related Security arising under or in respect of enforcement action taken against, or against the property or assets of, any Obligor or Guarantor (**Enforcement Proceeds**):

- (iii) VAT on amounts payable to third parties;
- (iv) Legal Expense Amounts, in each case incurred in connection with such Enforcement Proceeds; and
- (v) any other expenses actually and properly incurred by the Servicer which have not been collected by it.

The appointment of Piraeus as Servicer (in relation to the provision of the Services) can be terminated on the occurrence of insolvency of Piraeus or relevant material default under the Servicing Agreement. In the event that the appointment of the Servicer is terminated, the Trustee will not be responsible for performing any of the duties of the Servicer pending the appointment of a substitute servicer. If a substitute servicer is appointed to service the Loans and their Related Security such appointment is required to comply with Paragraph 14, Article 10 of the Securitisation Law.

SUMMARY OF PRINCIPAL DOCUMENTS

The description of certain of the Transaction Documents set out below is a summary of certain features of such documents and is qualified by reference to the detailed provisions thereof. Prospective Noteholders may inspect a copy of the documents described below upon request at the specified office of each of the Issuer and the Paying Agent.

Receivables Sale Agreement

Under the Receivables Sale Agreement, the Seller will agree to sell to the Issuer the Initial Portfolio, and the Issuer will agree to purchase the Initial Portfolio at a price equal to the aggregate of:

- (a) the Initial Purchase Price; and
- (b) by way of deferred purchase price, any excess Available Funds held by the Issuer following the payment of, or provision for, the amounts referred to in paragraphs (i) to (xiv) (inclusive) of the Pre-Enforcement Priority of Payments or the amounts referred to in paragraphs (i) to (vi) (inclusive) of the Post-Enforcement Priority of Payments, as appropriate (the **Deferred Consideration**).

On the Closing Date the Issuer will estimate the Initial Purchase Price (on the basis of the aggregate Principal Outstanding Balance of the Loans at the Cut-Off Date minus the Principal Outstanding Balance of any Loans that do not comply with the Loan Warranties on the Closing Date and minus any principal payments received on any Loans between the Cut-Off Date and the Closing Date) and will apply the proceeds of the issue of the Notes towards payment of such estimated amount. To the extent the Seller has calculated that the actual Initial Purchase Price is not equal to the estimated Initial Purchase Price following a reconciliation on or about ten Business Days after the Closing Date, the Issuer will either apply any retained proceeds of the issue of the Notes or receive a repayment from the Seller, as the case may be, towards any difference between such amounts. Any surplus proceeds will be repaid on the first Interest Payment Date to the Noteholders so that the initial aggregate Principal Amount Outstanding of the Notes on the Closing Date equals the aggregate Principal Outstanding Balance of the Loans.

Representations and Warranties as to the Loans

As at the date the Loans are sold to the Issuer, the Loans and their Related Security forming the Portfolio will be **required** to comply with the Eligibility Criteria as set out below. They will also be required to comply with the representations and warranties given by the Seller as at the Cut-Off Date in respect of the Portfolio in the Receivables Sale Agreement (the **Loan Warranties**) which include (but are not limited to) the representations and warranties set out below:

- (a) Immediately prior to the transfer of each Loan under the Receivables Sale Agreement, the Seller was the absolute legal and beneficial owner of each Loan and its Related Security.
- (b) The Seller has not received written notice of any litigation or (to the best of the Seller's knowledge or belief) claim calling into question in any material way its title to any Loan and its Related Security.
- (c) No Loan or its Related Security is subject to any Security Interest (other than, after the sale of the Loans, under the Transaction Documents or the Securitisation Law).
- (d) The Seller has no continuing obligations under any Loan to the relevant Obligor and/or Guarantor which could result in a pledge, lien, right of set-off or counterclaim and no pledge, lien, dispute, claim, right of set-off or counterclaim is or has been alleged to have been created or to have arisen under or with respect to such Loan which could affect the relevant Obligor's and/or Guarantor's repayment obligations under such Loan.

- (e) In respect of each Loan, the Seller has not (other than pursuant to the Transaction Documents or the Securitisation Law):
 - (i) assigned, novated, transferred, disposed of, participated, sub-participated or otherwise dealt with that Loan, any Related Security or any interest therein, or entered into any agreement or arrangement to do the same, in such a manner as to confer rights in them on any third parties; and/or
 - (ii) created or agreed to create, or caused by its operation of its ownership of the relevant Loan and its Related Security the creation of, any Security Interest in respect of such Loans or Related Security or any interest in such Loans.
- (f) The sale of each Loan does not and will not constitute a breach by the Seller of the terms of the relevant Loan Documentation, including restrictions on disposition, and does not require the consent or approval of any person.
- (g) Each Loan was entered into in the ordinary course of business by the Seller, in accordance with the terms of the Seller's lending criteria subject only to any deviations in line with the Seller's credit policy and which a Prudent Lender would allow.
- (h) The Seller has procured that full and proper accounts, books and records have been kept showing clearly all material transactions, payments, receipts and proceedings relating to each Loan.
- (i) No Loan is in Arrears at the Cut-Off Date or, in respect of a Replacement Loan, as at the relevant Repurchase Date on which the Loan is sold and assigned to the Issuer (this criterion shall also apply to Subsequent Loans).
- (j) No Loan or any payment thereunder has ever been written off according to the Seller's credit and collection policies.
- (k) At least one scheduled payment of interest has been paid by the relevant Obligor in respect of each Loan at the Cut-Off Date or, in respect of a Replacement Loan, as at the relevant Repurchase Date on which the Loan is sold and assigned to the Issuer.
- (l) In respect of each Loan, the Seller has not received any written notice in accordance with the Loan Documentation or otherwise, that any event of default (howsoever described in the relevant Loan Documentation) in respect of the Obligor or Guarantor, if any, has occurred and is continuing and the Seller has not waived any Obligor's or Guarantor's material obligations or any event of default (howsoever described in the relevant Loan Documentation) under any Loan.
- (m) The interest rate in respect of each Loan is either fixed or floating set with reference to 1, 3, 6 months or 360 days EURIBOR for euro deposits plus a margin, or the Piraeus Base Rate plus, if applicable, a margin, or the Piraeus Base Tenor Loans Rate plus Levy (if any).
- (n) Each Loan and its Related Security comply with the following criteria (the **Eligibility Criteria**):
 - (i) the Loan has been originated by and is an asset of the Seller;
 - (ii) the Loan and Loan Documentation are governed by Greek law;
 - (iii) the Loan is denominated, and all payments are required to be made by the relevant Obligor, in euro;

- (iv) the Loan was advanced for any of the following business purposes:
 - (A) capital expenditures, working capital, and/or general corporate needs; and
 - (B) for the refinancing of any of (A) above;
- (v) the Loan is payable under the terms of the relevant Loan Documentation, does not provide for the outstanding balance to be discounted pursuant to a prepayment in full and the Loan is not subject to any interest grace period;
- (vi) no notice of prepayment of the Loan has been given;
- (vii) all payments and repayments in respect of a Loan will be made by the relevant Obligor and/or Guarantor from an account which is located in Greece;
- (viii) the Obligor is not and has not been in material breach of any term of the Loan Documentation;
- (ix) the Obligor does not form part of the Piraeus Group;
- (x) at the time of the origination of the Loan the Obligor was a company or an individual enterprise validly existing with tax residency in Greece;
- (xi) the application for the Loan was approved by an authorised competent body of the Seller;
- (xii) in respect of the Loan, the identity of the Obligor was confirmed by the Seller prior to the execution of the Loan Documentation;
- (xiii) if the Loan is secured, it is assisted by means of a mortgage or a Pre-Notation having various ranking over Charged Assets being located in Greece, and/or, in some cases other collateral in the form of, including but not limited to, a pledge over receivables or shares or other securities or cash of which the Seller is the primary beneficiary; and
- (xiv) in relation to Loans regarding which the Related Security consists of, or includes, a mortgage or Pre-Notation:
 - (A) the purchase price of the Charged Assets over which a Mortgage or Pre-Notation is granted as security for the Loan, if any, has been fully paid by the relevant Obligor;
 - (B) the relevant Mortgage or Pre-Notation securing such Loan has been registered in the relevant Land Registry and Cadastre (where applicable) in favour of the Seller rendering the relevant Mortgage or Pre-Notation a fully valid security interest for the performance of all payment obligations (including the repayment of all principal advances, interest, costs and expenses) under the Loan;
 - (C) the Charged Assets in respect of which security has been given for the Loan has been valued according to a methodology which has been approved by the Seller, based on the independent valuation of a certified engineer approved by the Seller;
 - (D) a search of the relevant Land Registry and Cadastre (where applicable) for investigation of the title certificate in relation to the Charged Assets in respect of which security has been given for the Loan has been carried out prior to drawdown of the Loan by the

Obligor in accordance with the Seller's procedures and no adverse entries have been found.

- (o) Each Loan and its Related Security constitutes a legal, valid and binding obligation of the Obligor and Guarantor, (if any), and is duly perfected and enforceable in accordance with the terms of the law and the Loan and Related Security, as applicable.
- (p) The grantor of each Mortgage and each Pre-Notation and each of the Pledges, if any, has a good and marketable title to the relevant Charged Assets.
- (q) The Seller has properly recalculated interest and/or has charged interest that is due under each Loan in accordance with article 30 of law 2789/00, as amended by paragraph 1 of article 42 of law 2912/01 (and the laws for stay of enforcement under article 30 of law 2789/00, as amended by paragraph 1 of article 47 of law 2873/00 and law 2912/01, no longer apply thereto) and article 39 of law 3259/04 and no Obligor has requested a recalculation thereof.
- (r) The aggregate Principal Outstanding Balances of all the Loans in the Portfolio having a fixed rate of interest do not exceed 3.0 per cent. of the aggregate Principal Outstanding Balance of all Loans in the Portfolio.
- (s) The aggregate Principal Outstanding Balances of all the Loans in the Portfolio on which interest is payable annually do not exceed 3.5 per cent. of the aggregate Principal Outstanding Balance of all Loans in the Portfolio.
- (t) All Loans can be identified and segregated on any day.
- (u) No Loan contains any provision allowing the deferral by the Obligor of scheduled interest payments.
- (v) Each Loan has been administered by the Seller according to a level of skill, care and diligence which a prudent lender would apply if it were the owner of the Loans.
- (w) Each Loan and its Related Security complies with the Eligibility Criteria.
- (x) Each Replacement Loan or Subsequent Loan complies with the Subsequent Loans Criteria set out in Schedule 3 to the Receivables Sale Agreement.
- (y) Each Bond is in printed form and represented by a Bond Certificate duly executed by the Issuer and the Bondholder Representative and includes all material information required under Greek law 3156/2003.
- (z) No Bond is admitted for listing on any stock exchange.
- (aa) The interests of bondholders regarding each Bond are represented by the Bondholder Representative.
- (bb) The Seller has agreed to act as Bondholder Representative for all the Bond Loans and perform all the obligations of the Bondholder Representative in accordance with the terms of each Bond Loan.
- (cc) Each Bond is held by Piraeus as bondholder.

Arrears means in respect of any Loan, any amount which is outstanding after being due and payable by the relevant Obligor for more than 30 days in accordance with the terms and conditions of the relevant Loan Documentation;

Cadastre means the official real property registration office or offices of the cadastre (*Ktimatologio*) of the Hellenic Republic competent, *inter alia*, for registration of Pre-Notations and mortgages;

Charged Assets means any asset securing a Loan under the terms of the relevant Loan Documentation by way of a pre-notation, mortgage or any other type of security in favour of the Seller;

Guarantor means, in relation to a Loan, the individual or individuals or legal entities assuming an obligation to guarantee repayment of such Loan;

Instalment Amount means, in respect of a Loan, the amount which, under the terms of the relevant Loan Documentation, the relevant Obligor is obliged to pay to the lender on each payment date specified therein;

Land Registry means the official real property registration office or offices of the mortgage office (*Ypothikofilakio*) of the Hellenic Republic;

"**Moody's Risk Advisor Model**" the rating model developed by the Seller in conjunction with Moody's KMV Company;

"**Mortgagor**" means an Obligor, or a Guarantor, as the case may be being the grantor of a Pre-Notation or mortgage;

"**Piraeus Group**" means Piraeus together with its subsidiaries and subsidiary undertakings;

"**Security Interest**" means any mortgage, mortgage Pre-Notation, pledge (including any pledge operating by law), lien, charge, assignment, hypothecation or security interest or other agreement or arrangement having the effect of conferring security;

The Seller will also undertake to provide information in respect of deposits held by Obligors (including, without limitation, notifying and determining the amount and withdrawals made) on a monthly basis or at the request of the Issuer or any agent appointed on its behalf.

Replacement Loans

If a Loan or its Related Security fails to comply with the Eligibility Criteria or there is a breach of any of the Loan Warranties given by the Seller, then the Seller will have an obligation to remedy such breach prior to the next Interest Payment Date following receipt of written notice of such breach from the Issuer (unless such Interest Payment Date falls less than 21 days after the receipt by the Issuer of written notice of such breach by the Issuer in which case prior to the Second Interest Payment Date to fall after receipt of such notice). If such breach is not capable of remedy, or, if capable of remedy, is not remedied by the next Interest Payment Date (or where applicable), the second following Interest Payment Date, the Seller has an obligation to repurchase the relevant Loan or procure the substitution of a similar loan and security in replacement of such Loan subject to the provisions of the Receivables Sale Agreement .

The consideration payable by the Seller in relation to the repurchase of a relevant Loan (**Retired Loan**) will be an amount equal to the aggregate of: (a) the Principal Outstanding Balance of the relevant Retired Loan plus interest accrued thereon but not yet paid (including the interest not yet paid by the relevant Obligor) as at the date of the repurchase (each a **Repurchase Date**); (b) any amount of principal waived pursuant to the provisions of the Servicing Agreement and/or not recovered on completion of the Enforcement Procedures in relation to the relevant Retired Loan; and (c) the costs and expenses properly documented and incurred by the Issuer and/or the Trustee in relation to such repurchase.

If a Loan expressed to be included in the Portfolio has never existed or has ceased to exist on the date on which it is due to be repurchased, the Seller will be required, on demand, to indemnify the Issuer against any and all liabilities suffered by the Issuer by reason of the breach of the relevant Loan Warranty.

In addition, if an Obligor requests a variation to the rate of interest chargeable under a Loan and the Servicer is unwilling to make such a variation in accordance with the definition of Permitted Variation, the Seller may repurchase such Retired Loan, provided that the Seller sells to the Issuer one or more Replacement Loans (as defined below), having in aggregate a Principal Outstanding Balance of not less than 100 per cent. of the Retired Loan(s).

On any day a Retired Loan is to be repurchased and consideration to be paid by the Seller or any day on which the Seller is to make an indemnity payment, the Seller may sell Loans (**Replacement Loans**) to the Issuer such that the aggregate of the Principal Outstanding Balance of the Replacement Loans will be equal to or less than the consideration or indemnity payment in cash that is payable by the Seller to the Issuer on such day. The Issuer may discharge its liability to pay the consideration for a Replacement Loan by setting-off amounts due to it in respect of consideration for a Retired Loan or in respect of any other payment payable to the Issuer by the Seller.

Each Replacement Loan or Subsequent Loan must, as of the relevant Repurchase Date or Subsequent Purchase Date, respectively, satisfy the following criteria (the **Subsequent Loans Criteria**):

- (a) The Replacement Loan or Subsequent Loan has to meet the Eligibility Criteria;
- (b) it is not such that, as a result of the transfer of such Replacement Loan or Subsequent Loan to the Issuer, the Aggregate Principal Outstanding Balance of the Loans exceeds (a) the Aggregate Principal Outstanding Balance of the Loans prior to such transfer, increased by (b) the then Available Principal Receipts;
- (c) a credit estimate has been obtained regarding the Obligor of each Replacement Loan or Subsequent Loan which exceeds 2.0 per cent. of the aggregate Principal Outstanding Balance of all Loans in the Portfolio, prior to inclusion of such Replacement Loan or Subsequent Loan in the Portfolio;
- (d) it is not such that, as a result of the transfer of such Replacement Loan or Subsequent Loan to the Issuer, the weighted average interest rate of the variable rate Loans in the Portfolio falls below the equivalent of EURIBOR plus 1.25 per cent.;
- (e) it is not such that, as a result of the transfer of such Replacement Loan or Subsequent Loan to the Issuer, the total notional amount of the Loans owed by Obligors belonging to the largest Moody's Industry Group (as defined in the Moody's CDOROM) exceeds 15% of the Maximum Portfolio Notional Amount; and
- (f) as a result of the transfer of such Term Loan or Bond to the Issuer, the Moody's CDOROM Condition is satisfied for the Notes.

Available Principal Receipts means, as at each day during the Revolving Period, amounts of principal received in respect of the Loans which are Receipts and are standing to the credit of the Issuer Transaction Account.

Maximum Portfolio Notional Amount means on any date:

- (a) the current Aggregate Principal Outstanding Balance of the Loans, plus
- (b) any Available Principal Receipts.

Moody's CDOROM Condition means, on any Repurchase Date or Subsequent Purchase Date, a condition that is satisfied for the Notes if the Moody's Metric on such Repurchase Date or Subsequent Purchase Date is less than or equal to the Hurdle Moody's Metric, as determined solely by Piraeus using the Moody's CDOROM in accordance with Schedule 11 of the Receivables Sale Agreement until Moody's advises otherwise.

Moody's CDOROM means a dynamic, analytical computer programme developed by Moody's and used to determine the expected loss in respect of the Notes by Moody's on or before the Closing Date, as updated by Moody's from time to time, details of which are set out in Schedule 11 of the Receivables Sale Agreement.

Moody's Metric means, on any date of determination, a numerical equivalent of a rating deduced from the expected loss, determined solely by Piraeus using Moody's CDOROM on such date.

Hurdle Moody's Metric means, in respect of the Class A Notes, 0.33.

Subsequent Loans

During the Revolving Period, subject to the terms of the Receivables Sale Agreement, it is envisaged that the Issuer will acquire from the Seller, on a quarterly basis on each Interest Payment Date falling within the Revolving Period (a **Subsequent Transfer Date**) the Subsequent Loans which shall have substantially the same characteristics as the Loans in the Initial Portfolio.

As consideration for the acquisition of each portfolio of Subsequent Loans, the Issuer shall pay to the Seller a price (the **Subsequent Purchase Price**) equal to the Principal Outstanding Balance of all the Subsequent Loans to be sold at the relevant **Subsequent Valuation Date** (being the Calculation Date prior to each Subsequent Transfer Date) minus the Principal Outstanding Balance of any Loans that do not comply with the Loan Warranties on the Subsequent Transfer Date and minus any principal payments received between the Subsequent Valuation Date and the Subsequent Transfer Date on any Subsequent Loans to be sold, in full on the relevant Subsequent Transfer Date, in accordance with the Pre-Enforcement Principal Priority of Payments.

Subsequent Loans Criteria

The Subsequent Loans Criteria shall apply in relation to any purchase of Subsequent Loans by the Issuer.

The Receivables Sale Agreement also provides that the representations and warranties given by the Seller will be deemed to be repeated, *mutatis mutandis*, in connection with every transfer of Subsequent Loans made by the Seller pursuant to the Receivables Sale Agreement, in relation to the facts and circumstances at the relevant Subsequent Transfer Date.

The Receivables Sale Agreement will be governed by English law.

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, pursuant to article 445 *et seq.* of the Greek Civil Code, all of its interests in and arising from the Loans and related rights and privileges (including the Related Security) to the Issuer. The Greek Assignment Agreement will be subject to the terms and conditions of the Receivables Sale Agreement. The Issuer will also enter into documents in the form of the Greek Assignment Agreement in connection with the assignment of such rights and privileges to the Issuer in connection with the sale and purchase of all Replacement Loans and Subsequent Loans.

The Greek Assignment Agreement will be governed by Greek law.

Trust Deed

The Notes will be constituted by the Trust Deed. Pursuant to the terms of the Trust Deed, the Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer without assigning any reason and without being responsible for any costs occasioned by such retirement. The Noteholders will have the power (exercisable by an Extraordinary Resolution of each Class of Notes) or, if none of the Notes remains outstanding, all of the Other Secured Parties will have the power to remove any trustee or trustees for the time being under the Trust Deed. The Issuer undertakes that it will use all reasonable endeavours to procure a new trustee to be appointed as soon as reasonably practicable after the Trustee under the Trust Deed retires or is removed. The retirement or removal of any such trustee will not become effective until a successor trustee is appointed. If a successor trustee has not been appointed within two months after the date of the notice of retirement of the Trustee, then the retiring Trustee may appoint its own successor trustee.

The Trust Deed also provides for the indemnification and exoneration of the Trustee as further described in Condition 13 (*Indemnification and Exoneration of the Trustee*). The Trust Deed also provides that the Trustee will not be responsible or liable for any special, indirect, punitive or consequential loss or damage, whether or not foreseeable, in respect of the Security.

The Trust Deed will be governed by English law.

Deed of Charge

The Issuer will enter into the Deed of Charge on the Closing Date with the Other Secured Parties. Under the Deed of Charge, the Issuer will grant fixed and floating security over all of its assets (other than those charged under the Greek Pledge and pursuant to Paragraph 18 of Article 10 of the Securitisation Law) in favour of the Trustee for the benefit of the Secured Parties.

The Deed of Charge will also provide that (other than in certain limited circumstances) only the Trustee may enforce the security created under the Deed of Charge and Paragraph 18 of Article 10 of the Securitisation Law. The proceeds of any such enforcement of the Deed of Charge and Paragraph 18 of Article 10 of the Securitisation Law will be required to be applied by the Trustee in accordance with the order of priority set out in the Post-Enforcement Priority of Payments.

The Deed of Charge will be governed by English law.

Greek Pledge

The Issuer will enter into a Greek accounts pledge agreement with the Trustee and the Issuer Account Bank on the Closing Date, pursuant to which the Issuer will provide a first rank pledge over the Issuer Bank Accounts in favour of the Trustee and all Other Secured Parties.

The Greek Pledge will be governed by Greek law.

Cash Management Agreement

The Cash Manager will provide certain cash management services (the **Cash Management Services**) pursuant to the terms of the Cash Management Agreement. Among other things, the Cash Manager will be required to determine and record all Receipts, to determine the amounts of any losses suffered in respect of the Portfolio (based entirely on information received from the Servicer), to determine the amounts of any deficiencies relating to the Notes, and to arrange for the making of payments to the Noteholders, the Other Secured Parties (as defined in Condition 3(a) (*Status and Relationship between Classes of Notes*)) and to certain other third parties in accordance with the Priority of Payments.

The Cash Manager will carry out certain services in relation to the Issuer Bank Accounts and the Issuer Transaction Account on behalf of the Issuer:

- (a) operating the Issuer Transaction Account in such a manner as to enable the Issuer to perform its financial obligations pursuant to the Notes and the Transaction Documents;
- (b) providing the Issuer and the Trustee with certain cash management, calculation, notification and reporting information in relation to the Issuer Bank Accounts and the Issuer Transaction Account;
- (c) taking the necessary action and giving the necessary notices to ensure that the Issuer Bank Accounts and the Issuer Transaction Account are credited with the appropriate amounts in accordance with the Cash Management Agreement;
- (d) taking all necessary action to ensure that all payments are made out of the Issuer Transaction Account in accordance with the Cash Management Agreement and the Conditions;
- (e) maintaining adequate records to reflect all transactions carried out by or in respect of the Issuer Bank Accounts and the Issuer Transaction Account; and
- (f) calculating amounts (based entirely on information received from the Servicer) received in respect of the Levy and transferring such amounts to the Servicer or, following replacement of the Servicer, to the Bank of Greece or other competent authority responsible for its collection.

On each Calculation Date, the Cash Manager shall, on the basis of the information supplied to it by the Servicer, the Issuer Account Bank and the Issuer Transaction Account Bank, calculate the Available Funds, the Available Funds Shortfall and, if applicable, any debits or credits with regard to the Interest Allocation Reserve Ledger in the Issuer Transaction Account.

In order to fulfil its obligations, the Cash Manager will rely on being provided with certain information from other parties. This will include:

- (i) the Servicer Report, to be delivered on or before each Servicer Report Date, pertaining to the immediately preceding Collection Period; and
- (ii) a report from the Issuer Transaction Account Bank, on or before each Servicer Report Date, as to the income received in respect of Authorised Investments, pertaining to the immediately preceding Collection Period.

Following the end of each Interest Period, the Cash Manager will prepare and provide certain reports to the Noteholders and the Rating Agency.

The Cash Management Agreement will be governed by English law.

Bank Account Agreement

The Issuer, the Cash Manager and the Trustee will enter into an account agreement with the Issuer Transaction Account Bank and the Issuer Account Bank whereby the Issuer Transaction Account Bank will open the Issuer Transaction Account in the name of the Issuer and the Issuer Account Bank will open the Issuer Collection Account and the Reserve Account in the name of the Issuer.

The Issuer Transaction Account Bank will agree to open and maintain the Issuer Transaction Account which is to be held in the name of the Issuer and provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies from time to time standing to the credit of the Issuer Transaction Account. Amounts standing to the credit of any Issuer Transaction Account will be invested by the Cash Manager on a non-discretionary basis in Authorised

Investments and the income from such Authorised Investments will accrue to the Issuer Transaction Account. The Issuer Transaction Account will be an interest-bearing account.

The Issuer Account Bank will agree to open and maintain the Issuer Bank Accounts which are to be held in the name of the Issuer and provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies from time to time standing to the credit of the Issuer Bank Accounts.

The Issuer Transaction Account Bank will agree to comply with any instructions given by the Cash Manager or the Issuer (and in relation to directions given by the Issuer, as confirmed in writing by the Trustee) or the Trustee in relation to the management of the Issuer Transaction Account. The Issuer Account Bank will agree to comply with any instructions given by the Issuer or the Trustee in relation to the management of the Issuer Bank Accounts. The Issuer Transaction Account Bank and the Issuer Account Bank will each waive all rights of set-off which they may have in respect of the Issuer Transaction Account or the Issuer Bank Accounts, as the case may be.

If the short-term, unsecured, unsubordinated and unguaranteed debt rating of the Issuer Transaction Account Bank or the Issuer Account Bank are downgraded below the requisite ratings, set out in the Bank Account Agreement (being a rating assigned to its short term, unsecured and unsubordinated debt obligations of at least P-1 by Moody's, the Issuer must use reasonable endeavours to find a substitute issuer account bank with the requisite short-term debt rating and move the Issuer Transaction Account or the Issuer Bank Accounts, as the case may be, (and the balances standing to the credit thereto) to such substitute issuer account bank or issuer transaction account bank, as the case may be, within 30 calendar days.

The Bank Account Agreement will be governed by English law.

Corporate Services Agreement

The Issuer will enter into the Corporate Services Agreement with the Corporate Services Provider on the Closing Date. Under the Corporate Services Agreement, the Corporate Service Provider will agree to provide certain corporate book-keeping, secretarial and accounting services to the Issuer. In return for the services so provided, the Corporate Services Provider will receive a fee payable by the Issuer in accordance with the Priority of Payments.

The Corporate Services Provider will provide corporate administration and secretarial services to the Issuer which will include: (a) dispatch of shareholder and board meeting notices; (b) handling enquiries and making appropriate filings (or assisting the Issuer's auditors in so doing) with regulatory bodies; (c) keeping and maintaining books, records and statutory accounts and procuring that the same are distributed to relevant parties; (d) advising on the appointment of company lawyers and auditors and supervising performance of any agents of the relevant companies; and (e) maintaining registrations and licences.

No termination of the appointment of the Corporate Services Provider may occur unless a successor corporate services provider acceptable to the Issuer has been appointed and has acceded to the terms of the Corporate Services Agreement.

The Corporate Services Agreement will be governed by English law.

Subordinated Reserve Loan Agreement

The Subordinated Loan Provider will, pursuant to the Subordinated Reserve Loan Agreement, make a Subordinated Reserve Loan to the Issuer.

The Subordinated Reserve Loan will be for a principal amount of € 45,000,000 and will be drawn in full by the Issuer on the Closing Date in order to fund the Reserve Account.

Interest on the Subordinated Reserve Loan will be paid by the Issuer on each Interest Payment Date or following enforcement of the Security on any Business Day subject to and in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

Amounts drawn down under the Subordinated Reserve Loan will be partially repaid by the Issuer on each Interest Payment Date or following enforcement of the Security on any Business Day from Available Funds or Available Security Funds, as applicable in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

All amounts outstanding under the Subordinated Reserve Loan will be due and payable on the earlier of (i) the Interest Payment Date on which all Notes have been repaid in full, and (ii) the Final Maturity Date.

The Subordinated Reserve Loan Agreement will be governed by English law.

SUMMARY OF PROVISIONS RELATING TO NOTES IN GLOBAL FORM

Each class of Notes will initially be in the form of a Temporary Global Note which will be delivered on or around the Closing Date to a common safekeeper for Euroclear and Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable in whole or in part for interests in the related Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected until certification of non-U.S. beneficial ownership is received by the Paying Agent. Details of any exchange of a Temporary Global Note for a Permanent Global Note will be entered in the records of Euroclear and Clearstream, Luxembourg.

The Permanent Global Notes will become exchangeable in whole, but not in part, for Notes in definitive form in the denomination of €100,000 each and additional increments of €1,000 in excess thereof at the request of the bearer of a Permanent Global Note against presentation and surrender of the Permanent Global Note to the Paying Agent if any of the following events (each, an "**Exchange Event**") occurs:

1. an Event of Default (as set out in Condition 10 (*Events of Default*)) has occurred and is continuing; or
2. the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
3. as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction or any political sub-division thereof or of any authority therein or thereof having the 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 be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive form.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with receipts, coupons and talons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Notes and the Permanent Global Notes will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Notes and the Permanent Global Notes. The following is a summary of certain of those provisions:

Nominal Amounts: The nominal amount of the Notes represented by each Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear and Clearstream, Luxembourg (together, the **relevant Clearing Systems**). The records of the relevant Clearing Systems (which expression means the records that each relevant Clearing System holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of the Notes and, for these purposes, a statement issued by a relevant Clearing System stating the nominal amount of the Notes at any time (which statement shall be made available to the bearer upon request) shall be conclusive evidence of the records of the relevant Clearing System at that time.

Payments: All payments in respect of the Temporary Global Notes and the Permanent Global Notes will be made against presentation and (in the case of payment of principal in full with all interest

accrued thereon) surrender of a Temporary Global Note or (as the case may be) a Permanent Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

A record of each payment made on a Global Note, distinguishing between any payment of interest and principal will be entered *pro rata* in the records of the relevant Clearing System and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing System and represented by the relevant Global Note shall be reduced by the aggregate nominal amount of such instalment so paid. Any failure to make the entries referred to above shall not affect the discharge of the corresponding liabilities of the Issuer in respect of the Notes.

Notices: Notwithstanding Condition 15 (*Notice to Noteholders*), while any of the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) kept with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

Transfers: For so long as the Notes are represented by the relevant Global Notes, the Notes so represented by such Global Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear, or, as the case may be, Clearstream, Luxembourg and the Issuer, the Paying Agent and the Trustee may treat each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of Class A Notes or Class B Notes (as the case may be) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes) as the holder of such principal amount of such Notes for all purposes, other than with respect to the payment of interest and repayment of principal on such Notes, the right to which shall be vested solely in the bearer of the relevant Global Note and in accordance with its terms.

Meetings: The holder of each Global Note will be treated as being two persons for the purposes of any quorum requirement of, or the right to demand a poll at, a meeting of holders of each class of the Notes, as the case may be, and, at any such meeting, as having one vote in respect of each €100,000 principal amount of each class of the Notes for which the Global Note may be exchanged.

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions (the **Conditions**) of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed. Subject to any contrary provisions in the Conditions, the Conditions will apply to the Notes in global and in definitive form.*

The issue of the € 459,000,000 Class A Asset Backed Floating Rate Notes due 2031 (the **Class A Notes**) and the € 441,000,000 Class B Asset Backed Floating Rate Notes due 2031 (the **Class B Notes**) and, together with the Class A Notes, the **Notes**) by Axia II Finance Plc (the **Issuer**) was authorised by resolution of the Board of Directors of the Issuer passed on or about the Closing Date.

The Notes are constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 7 May 2009 (the **Closing Date**) between the Issuer and BNY Corporate Trustee Services Limited (the **Trustee**, which expression includes its successors as trustee or any further or other trustee under the Trust Deed) as trustee for the holders of the Notes (the **Noteholders**).

The proceeds of the issue of the Notes will be applied in or towards, *inter alia*, the purchase of the Portfolio.

References herein to the Notes shall include references to:

- (a) any Global Note (as defined below);
- (b) in relation to any Notes represented by a Global Note, units of €100,000 (as reduced by any payment under Condition 6(a) (*Mandatory Redemption of the Notes in Part*) (unless the context otherwise requires)); and
- (c) any Definitive Notes (as defined below) issued in exchange for a Global Note.

References herein to interest include references to Deferred Interest and interest thereon, unless the context otherwise requires.

The Noteholders and the holders of the Coupons (as defined below) (the **Couponholders**) are subject to and have the benefit of an agency agreement (as amended and/or supplemented from time to time, the **Agency Agreement**) dated the Closing Date between the Issuer, The Bank of New York Mellon as paying agent (the **Paying Agent**, which expression includes any successor paying agent appointed from time to time in respect of the Notes) and, in a separate capacity under the same agreement, as agent bank (the **Agent Bank**, which expression includes any successor agent bank appointed from time to time in connection with the Notes) and the Trustee.

The security for the Notes is granted or created (i) pursuant to a deed of charge under English law (the **Deed of Charge**, which expression includes such deed of charge as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified) dated the Closing Date and made between, among others, the Issuer and the Trustee, (ii) pursuant to a pledge agreement under Greek Law between, among others, the Issuer and the Trustee for the benefit of the Trustee, the Noteholders and all of the Other Secured Parties (the **Greek Pledge** and (iii) pursuant to Paragraph 18, Article 10 of Greek Law 3156/2003 (published in Government Gazette issue no. 157/A/25 July 2003) as the same may be amended or re-enacted from time to time (the **Securitisation Law**).

The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement, the Deed of Charge, the Greek Pledge and the Securitisation Law applicable to them and all the provisions of the other Transaction Documents (including the Receivables Sale Agreement, the Greek Assignment Agreement, the Corporate Services Agreement, the Servicing Agreement, the Subordinated Reserve

Loan Agreement, the Bank Account Agreement and the Cash Management Agreement (each as defined in the master definitions schedule signed for identification by, among others, the Issuer and the Trustee on or about the Closing Date (the **Master Definitions Schedule**)) applicable to them.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement, the Deed of Charge, the Greek Pledge and the other Transaction Documents. Capitalised terms used in these Conditions but not otherwise defined shall have the meanings set out in the Master Definitions Schedule.

As used in these Conditions:

- (a) a reference to a **Class** of Notes or the respective holders thereof shall be a reference to the Class A Notes or the Class B Notes (and, unless the context otherwise requires, shall include in each case any Coupons appertaining thereto) or, as the case may be, the respective Noteholders and **Classes**, in a similar context, shall be construed accordingly; and
- (b) **Most Senior Class of Notes** means:
 - (i) the Class A Notes; or
 - (ii) if no Class A Notes are then outstanding (as defined in the Trust Deed), the Class B Notes (if, at any time, any Class B Notes are then outstanding).

Copies of the Transaction Documents are available for inspection by Noteholders and Couponholders at the specified office of the Paying Agent.

1. GLOBAL NOTES

(a) *Temporary Global Notes*

The Notes of each Class will initially be represented by a Temporary Global Note of the same Class (each, a **Temporary Global Note**).

The Temporary Global Notes will be delivered on behalf of the subscribers of the Notes with a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) on or around the Closing Date. Upon delivery of the Temporary Global Notes, Euroclear or Clearstream, Luxembourg will credit the account of each Accountholder (as defined below) with the principal amount of Notes for which it has subscribed and paid.

(b) *Permanent Global Notes*

Each Temporary Global Note will be exchangeable in whole or in part for interests in the related Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected until certification of non-U.S. beneficial ownership is received by the Paying Agent. Details of any exchange of a Temporary Global Note for a Permanent Global Note will be entered in the records of Euroclear and Clearstream, Luxembourg.

(c) *Form and Title*

Each Global Note shall be issued in bearer form without Coupons or Talons (as defined below).

Title to the Global Notes will pass by delivery. Notes represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

For so long as the Notes of a Class are represented by one or both Global Notes in respect of that Class, the Issuer, the Trustee and all other parties shall (to the fullest extent permitted by applicable laws) deem and treat each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (an **Accountholder**) as being the holder of such principal amount of such Notes, in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes or interest in such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders), other than for the purposes of payment of principal and interest on such Global Notes, the right to which shall be vested, as against the Issuer, the Paying Agent and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to the terms of the Trust Deed. The expressions **Noteholders** and **holder of Notes** and related expressions shall be construed accordingly.

Subject to the preceding paragraph, in determining whether a particular person is entitled to a particular principal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

2. DEFINITIVE NOTES

(a) *Issue of Definitive Notes*

The Permanent Global Notes will become exchangeable in whole, but not in part, for Notes in definitive form in the denomination of €100,000 each and additional increments of €1,000 in excess thereof at the request of the bearer of a Permanent Global Note against presentation and surrender of the Permanent Global Note to the Paying Agent if any of the following events (each, an **Exchange Event**) occurs:

- (i) an Event of Default (as set out in Condition 10 (*Events of Default*)) has occurred and is continuing; or
- (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (iii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction or any political sub-division thereof or of any authority therein or thereof having the 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 the 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 if the Notes were in definitive form.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with receipts, coupons and talons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Notes and the Permanent Global Notes will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Temporary Global Notes and the Permanent Global Notes.

(b) *Title to and Transfer of Definitive Notes*

Each Definitive Note shall be issued in bearer form, serially numbered, in the denomination of €100,000 each and additional increments of €1,000 in excess thereof with (at the date of issue) interest coupons (**Interest Coupons**) and principal coupons (**Principal Coupons**) (severally or together **Coupons**, which expression includes talons for further Coupons (**Talons**), except where the context otherwise requires) and Talons attached.

Title to the Definitive Notes and Coupons will pass by delivery.

The Issuer, the Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Definitive Note and the holder of any Coupon as the absolute owner for all purposes (whether or not the Definitive Note or the Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss, of any trust or other interest therein or of any writing on the Definitive Note or Coupon) and the Issuer, the Trustee and the Paying Agent shall not be required to obtain any proof thereof or as to the identity of such holder.

3. STATUS, SECURITY, PRIORITY OF PAYMENTS AND LIMITED RECOURSE

(a) *Status and Relationship between Classes of Notes*

The Class A Notes and the Class B Notes constitute limited recourse secured obligations of the Issuer and are secured by a pledge operating by law (pursuant to the Securitisation Law) and assignments, pledges and other fixed and floating security interests over all of the assets of the Issuer (as more particularly described in the Deed of Charge and the Greek Pledge) (the **Secured Property**) (such pledge, assignments, pledges and fixed and floating security together, the **Security**). Notes of the same Class rank *pari passu* and rateably without any preference or priority amongst themselves.

The Notes are constituted by the Trust Deed. In the event of the security being enforced, the Class A Notes will rank in priority to all other Classes of Notes in point of security and as to the payment of principal and interest, the Class B Notes will be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes.

In connection with the exercise of the powers, trusts, rights, authorities, duties and discretions vested in it by these Conditions, the Trust Deed and/or any other Transaction Document the Trustee shall:

- (i) except where expressly provided otherwise in these Conditions, the Trust Deed or any other Transaction Document, have regard to the interests of the Class A Noteholders and the Class B Noteholders equally PROVIDED THAT if in the opinion of the Trustee (for so long as there are any Class A Notes outstanding) there is a conflict between the interests of the Class A Noteholders on the one hand and the interests of the Class B Noteholders on the other hand, it shall have regard only to the interests of the Class A Noteholders, but so that this proviso shall not apply in the case of such powers, trusts, rights, authorities, duties and discretions:
 - (A) in relation to which it is expressly stated that they may be exercised by the Trustee only if in its opinion the interests of the Noteholders of each Class would not be materially prejudiced thereby; or
 - (B) the exercise of which by the Trustee relates to any Basic Terms Modification, in which event the Trustee may exercise such powers, trusts, rights, authorities, duties and discretions only if it is satisfied that to do so will not be materially prejudicial to the interests of the Noteholders of any Class that will be affected thereby;

- (ii) where it is required to have regard to the interests of the Noteholders (or any Class thereof), have regard to the interests of the Noteholders (or such Class) as a class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences thereof for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholders be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders; and
- (iii) except where expressly provided otherwise, have regard only to the interests of the Noteholders and shall not be required to have regard to the interests of any Other Secured Party or any other person or to act upon or comply with any direction or request of (whilst any amount remains owing to any Noteholder) any Other Secured Party or (at any time) any other person.

As used in these Conditions:

Other Secured Parties means the Trustee, any appointee of the Trustee, the Servicer, the Seller, the Corporate Services Provider, the Subordinated Loan Provider, the Issuer Account Bank, the Issuer Transaction Account Bank, the Cash Manager, the Paying Agent and the Agent Bank; and **Secured Parties** means the Noteholders, the Couponholders, the Other Secured Parties and any other party so designated by the Issuer and the Trustee.

(b) *Security and Priority of Payments*

The Security in respect of the Notes and Coupons and the payment obligations of the Issuer under the other Transaction Documents is set out in the Deed of Charge and the Greek Pledge and as provided in the Securitisation Law. The Cash Management Agreement contains provisions regulating the priority of application by the Cash Manager of the Secured Property (and proceeds thereof) among the persons entitled thereto prior to the Security becoming enforceable and the Deed of Charge contains provisions regulating such application by or on behalf of the Trustee after the Security has become enforceable. The Security will become enforceable on the giving of an Acceleration Notice pursuant to Condition 10 (*Events of Default*) or upon any failure by the Issuer to pay the full amount due and payable on a redemption of the Notes pursuant to or under Condition 6(c) (*Optional Redemption in Full for Taxation*), (d) (*Optional Redemption in Full for Other Reasons*) or (e) (*Redemption on Maturity*).

(c) *Limited Recourse of Notes*

Only the Security shall be available to satisfy the obligations of the Issuer under the Notes and the Transaction Documents. Accordingly, recourse against the Issuer in respect of such obligations shall be limited to the Security and the claims of the Secured Parties against the Issuer under the Transaction Documents may only be satisfied to the extent of the Security. Once the Security has been realised:

- (a) neither the Trustee nor any other Secured Party shall be entitled to take any further steps or other action against the Issuer to recover any sums due but unpaid;
- (b) all claims in respect of any sums due but unpaid shall be extinguished; and
- (c) neither the Trustee nor any other Secured Party shall be entitled to petition or take any other step for the winding up of, or the appointment of a receiver to, the Issuer.

4. COVENANTS

(a) *Restrictions*

Save with the prior written consent of the Trustee (having regard to the interests of the Noteholders) or as provided in these Conditions or as permitted by the other Transaction Documents, the Issuer shall not so long as any of the Notes remains outstanding:

(i) Negative Pledge:

(save for the Security) create or permit to subsist any mortgage, sub-mortgage, charge, sub-charge, assignment, pledge, lien, hypothecation or other security interest whatsoever, however created or arising (unless arising by operation of law) over any of its property, assets or undertakings (including the Secured Property) present or future, or any interest, estate, right, title or benefit therein or use, invest or dispose of, including by way of sale or the grant of any security interest of whatsoever nature or otherwise deal with, or agree or attempt or purport to sell or otherwise dispose of (in each case whether by one transaction or a series of transactions) or grant any option or right to acquire any such property, assets or undertakings, present or future or any interest, estate, right, title or benefit therein;

(ii) Restrictions on Activities:

- (a) engage in any activity whatsoever which is not, or is not reasonably incidental to, any of the activities in which the Transaction Documents provide or envisage the Issuer will engage in;
- (b) open or have an interest in any account whatsoever with any bank or other financial institution, save where such account or the Issuer's interest therein is immediately charged in favour of, and to the satisfaction of, the Trustee so as to form part of the Security;
- (c) have any subsidiaries;
- (d) own or lease any premises or have any employees;
- (e) amend, supplement or otherwise modify its Memorandum and Articles of Association;
- (f) issue any further shares; or
- (g) act as a director of any company.

(iii) Borrowings:

incur or permit to subsist any other indebtedness in respect of borrowed money whatsoever, except in respect of the Notes, or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person. If the Issuer decides to issue further Notes then it will seek confirmation from the Rating Agency that such issue will not result in any downgrade in the credit rating of the Notes;

(iv) Merger:

except as required or permitted pursuant to Conditions 6(c) (*Optional Redemption in Full for Taxation*) and 12(c) (*Meetings of Noteholders, Modification, Waiver Substitution and Trustee's Discretion*), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person unless:

- (A) the person (if other than the Issuer) which is formed pursuant to or survives such consolidation or merger or which acquires by conveyance or transfer the properties and assets of the Issuer substantially as an entirety shall be a person incorporated and existing under the laws of England and Wales, the objects of which include the funding, purchase and administration of term loans and bond loans and mortgages, and who shall expressly assume, by an instrument supplemental to each of the Transaction Documents, in form and substance satisfactory to the Trustee, the obligation to make due and punctual payment of all moneys owing by the Issuer, including principal and interest on the Notes, and the performance and observance of every covenant in each of the Transaction Documents to be performed or observed on the part of the Issuer;
- (B) immediately after giving effect to such transaction, no Event of Default (as defined in Condition 10 (*Events of Default*)) shall have occurred and be continuing;
- (C) immediately after giving effect to such transaction, the Security shall be subsisting, valid and effective in full in accordance with the Deed of Charge, the Greek Pledge and Securitisation Law;
- (D) such consolidation, merger, conveyance or transfer has been approved by an Extraordinary Resolution of each Class of the Noteholders;
- (E) all persons required by the Trustee shall have executed and delivered such documentation as the Trustee may require;
- (F) the Issuer shall have delivered to the Trustee a legal opinion of English lawyers and as the case may be, Greek lawyers, acceptable to the Trustee in a form acceptable to the Trustee to the effect that such consolidation, merger, conveyance or transfer and such supplemental instruments and other documents comply with paragraphs (A) (C) and (E) above and are binding on the Issuer or such other persons; and
- (G) the Issuer shall have delivered to the Trustee a legal opinion of Greek lawyers acceptable to the Trustee to the effect that the transactions contemplated by the Transaction Documents and the Security continue to comply with applicable provisions of Greek law (including the Securitisation Law); or

(v) Other:

cause or permit the validity or effectiveness of any of the Transaction Documents, or the priority of the security interests created thereby, to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the Trust Deed, the Deed of Charge, the Greek Pledge or any of the other Transaction Documents, or dispose of any part of the Secured Property.

(b) *Servicer:*

So long as any of the Notes remain outstanding, the Issuer will procure that there will at all times be a servicer for the administration of the Portfolio and the performance of the other administrative duties set out in the Servicing Agreement. Any appointment by the Issuer of a servicer other than Piraeus is subject to the approval of the Trustee and the terms of the Servicing Agreement. The Issuer will not be permitted to terminate Piraeus's appointment as Servicer without, *inter alia*, the written consent of the Trustee. The appointment of the Servicer may be terminated by the Issuer (with the prior written approval of the Trustee) or the Trustee if, *inter alia* (and subject to any grace periods applicable

thereto), the Servicer defaults in any material respect (as determined in the sole discretion of the Trustee) in the observance and performance of any obligation imposed on it under the Servicing Agreement and which default is not remedied within a specified period after written notice of such default has been served on it by the Issuer or the Trustee.

5. INTEREST

(a) *Period of Accrual*

The Notes will bear interest from (and including) the Closing Date. Interest shall cease to accrue on any part of the Principal Amount Outstanding (as defined in Condition 6(a) (*Mandatory Redemption of the Notes in Part*)) of any Note from the due date for redemption unless, upon due presentation, payment of principal or any part thereof due is improperly withheld or refused or any other default is made in respect thereof. In such event, interest will continue to accrue as provided in the Trust Deed.

(b) *Interest Payment Dates and Interest Periods*

Interest on the Notes is, subject as provided below in relation to the first payment, payable quarterly in arrear on the 29th day of October, January, April and July in each year or, if any such day is not a Business Day (as defined below), the next succeeding Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (each, an **Interest Payment Date**). The first such payment is due on the Interest Payment Date falling in October 2009 in respect of the period from (and including) the Closing Date to (but excluding) that Interest Payment Date. Each period from (and including) an Interest Payment Date (or the Closing Date, in the case of the first Interest Period) to (but excluding) the next (or, in the case of the first Interest Period, the first) Interest Payment Date is in these Conditions called an **Interest Period**.

(c) *Rates of Interest*

The rate of interest payable from time to time in respect of each Class of Notes (the **Rate of Interest**) and the Interest Payment (as defined below) in respect of each Class of Notes will be determined by the Agent Bank on the basis of the following provisions:

- (i) the Agent Bank will, at or as soon as practicable after 11.00 a.m. (London time) on the Business Day that falls two Business Days prior to the first day of each Interest Period (each, an **Interest Determination Date**), determine the Rate of Interest applicable to, and calculate the amount of interest payable on each of, the Notes (each payment so calculated, an **Interest Payment**), for such Interest Period. The Rate of Interest applicable to the Notes of each Class for any Interest Period (a **Rate of Interest**) will be equal to:
 - (A) in the case of the Class A Notes, EURIBOR (as determined in accordance with Condition 5(c)(ii)) plus 0.50 per cent. per annum (the **Class A Margin**); and
 - (B) in the case of the Class B Notes, EURIBOR (as so determined) plus 1.50 per cent. per annum (the **Class B Margin**).

The Interest Payment in relation to a Note of a particular Class shall be calculated by applying the Rate of Interest applicable to the Notes of that Class to the Principal Amount Outstanding of each Note of that Class, multiplying the product of such calculation by the actual number of days in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (fractions of a cent being rounded upwards).

For the purposes of these Conditions:

Business Day means a TARGET Business Day.

TARGET Business Day means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System settles payments in euro.

(ii) Determination of EURIBOR

For the purposes of determining the Rate of Interest in respect of each Class of Notes under Condition 5(c)(i), EURIBOR will be determined by the Agent Bank on the basis of the following provisions:

- (A) on each Interest Determination Date, the Agent Bank will determine the interest rate for three-month euro deposits (or, in respect of the first such Interest Period, a linear interpolation of the rate for five-month and six-month euro deposits) at a rate equal to the European Interbank Offered Rate for three month euro deposits (**EURIBOR**) calculated, supplied and distributed by Reuters, which is currently published in the EURIBOR01 electronic pages (or in any other page that might replace such page in the future), as determined at 11:00 a.m. (Central European Time) (the **Euro Screen Rate**); or
- (B) if, on any Interest Determination Date, the Euro Screen Rate is unavailable, the Agent Bank will request the Reference Banks (as defined below) to provide the Agent Bank with their offered quotations to leading banks in the Eurozone interbank market for three-month Euro deposits as at 11:00 a.m. (Central European Time) on the relevant Interest Determination Date and, subject as provided below, will determine the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of one per cent.) of such offered quotations. As used herein, **Reference Banks** means four leading banks active in the Eurozone interbank market selected by the Agent Bank;
- (C) if, on any Interest Determination Date, less than all but at least two of the Reference Banks provide such offered quotations, the Agent Bank will determine a rate in accordance with paragraph (B) above on the basis of the offered quotations of those Reference Banks providing such quotations (along with (B) above, the **Euro Reference Rate**); and
- (D) if, on any Interest Determination Date, only one of the Reference Banks provides the Agent Bank with such offered quotations, the Agent Bank will determine a rate for such Interest Determination Date on the basis of such annual rate of interest as the Agent Bank considers to be representative of the rates at which three-month Euro deposits are offered by leading banks in the Eurozone interbank market as of 11:00 a.m. (Central European Time) on such Interest Determination Date (the **Euro Reserve Reference Rate**);

and the Floating Rate of Interest in respect of each class of Notes for each Interest Period shall be the Euro Reference Rate determined as at the related Interest Determination Date plus the relevant margin in respect of each such class.

There will be no minimum or maximum Rates of Interest.

(d) *Publication of Rates of Interest and Interest Payments*

The Agent Bank will cause the Rate of Interest and the Interest Payment relating to each Class of Notes for each Interest Period and the Interest Payment Date to be forthwith notified to the Issuer, the Trustee, the Servicer, the Paying Agent, the Noteholders in accordance with Condition 15 (*Notice to Noteholders*), each of Euroclear and Clearstream, Luxembourg (so long as the Notes are in global form) and, for so long as the Notes are listed on the Irish Stock Exchange Limited (the **Irish Stock Exchange**), the Irish Stock Exchange within two Business Days of the relevant Interest Determination Date. The Interest Payments and Interest Payment Date so notified may subsequently be amended (or

appropriate alternative arrangements made by way of adjustment) without notice in the event of a lengthening or shortening of such Interest Period.

(e) *Determination or Calculation by Trustee*

If the Agent Bank at any time for any reason does not determine the Rates of Interest or calculate an Interest Payment in accordance with paragraph (c) above, the Trustee shall procure the determination of the Rates of Interest at such rates as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (c) above) and without any liability accruing to itself, it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall procure the calculation of the Interest Payment in accordance with paragraph (c) above, and each such determination or calculation shall be deemed to have been made by the Agent Bank.

(f) *Notification to be Final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Reference Banks (or any of them) or the Agent Bank or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Reference Banks, the Agent Bank, the Paying Agent, the Trustee and all Noteholders and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Issuer, the Reference Banks, the Agent Bank, the Paying Agent or the Trustee in connection with the exercise by them of any of their powers, duties and discretions under this Condition.

(g) *Agent Bank*

The Issuer will procure that, so long as any of the Notes remain outstanding, there will at all times be an Agent Bank. The Issuer reserves the right at any time with the prior written consent of the Trustee to terminate the appointment of the Agent Bank in accordance with the provisions of the Agency Agreement. Notice of any such termination will be given to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*). If any person shall be unable or unwilling to continue to act as the Agent Bank, or if the appointment of the Agent Bank shall be terminated, the Issuer will, with the written approval of the Trustee, appoint a successor Agent Bank to act as such in its place, provided that neither the resignation nor the removal of the Agent Bank shall take effect until a successor approved by the Trustee has been appointed.

(h) *Eurozone*

Eurozone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25th March, 1957), as amended from time to time.

(i) *Deferral of Payment*

Interest on the Notes is payable subject to, and in accordance with the order of priorities set out in, the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any Deferred Interest and accrued interest thereon) payable in respect of the Class B Notes, after having paid or provided for items of higher priority, then the Issuer shall be entitled (unless there are then no Class A Notes outstanding) to defer, to the next Interest Payment Date, the payment of interest in respect of the Class B Notes to the extent only of any insufficiency of funds after having paid or provided for all amounts specified as having a higher priority than interest payable in respect of the Class B Notes.

Any amount of interest (including any Deferred Interest (as defined below) arising on the immediately preceding Interest Payment Date and accrued interest thereon) on the Class B Notes which is not

payable on an Interest Payment Date as a result of the provisions of this paragraph (i) is the **Deferred Interest** arising on any such Interest Payment Date. Interest will accrue on the amount of any such Deferred Interest at the Rate of Interest from time to time applicable to the Class B Notes and on the same basis as interest on the Class B Notes then applicable. Any Deferred Interest and accrued interest thereon is payable on the next Interest Payment Date unless and to the extent that this paragraph (i) applies. As soon as practicable after becoming aware that any part of a payment of interest on the Class B Notes will be deferred or that a payment previously deferred will be made in accordance with this paragraph (i), the Issuer will give notice thereof to the Class B Noteholders and/or the Class A Noteholders (as applicable) in accordance with Condition 15 (*Notice to Noteholders*). Any deferral of interest in accordance with this paragraph (i) will not constitute an Event of Default. The provisions of this paragraph (i) shall cease to apply on the Final Maturity Date, at which time all Deferred Interest and accrued interest thereon shall become due and payable.

6. REDEMPTION

(a) *Mandatory Redemption of the Notes in Part*

On each Interest Payment Date (other than an Interest Payment Date on which the Notes are redeemed in full under paragraph (c), (d) or (e) below), each Note of each Class shall be redeemed in an amount equal to the Note Redemption Amount (as defined below) applicable to the relevant Class of Notes, divided by the number of Notes of that Class outstanding on the relevant Interest Payment Date. The Cash Manager (which expression when used in this Condition 6 (*Redemption*) shall include any substitute Cash Manager appointed to perform some or all of the role, as the case may be, of the Cash Manager) shall on the Calculation Date relating to such Interest Payment Date, determine the Note Redemption Amount and the Principal Amortisation Amount (each as defined below) applicable to each Class of Notes as set out below:

180 Days in Arrears means, in respect of a Loan at any time, a classification to be applied to that Loan when interest or principal payments due remain unpaid for at least 180 days.

Arrears means, in respect of any Loan, any amount which is outstanding after being due and payable by the relevant Obligor for more than 30 days in accordance with the terms and conditions of the relevant Loan Documentation.

Calculation Date means the date in each quarter falling two days (other than Saturdays or Sundays) before each Interest Payment Date, on which banks are open for business in London, and on which calculations are made for the Interest Period ending on the immediately succeeding Interest Payment Date by reference to the determinations made on the immediately preceding Calculation Date.

Class A Note Redemption Amount means on any Calculation Date an amount equal to the lesser of:

- (a) the Principal Amortisation Amount; and
- (b) the then Principal Amount Outstanding of the Class A Notes.

Class B Note Redemption Amount means on any Calculation Date an amount equal to the lesser of:

- (a) the Principal Amortisation Amount less any amounts repayable on the Class A Notes on the next following Interest Payment Date; and
- (b) the then Principal Amount Outstanding of the Class B Notes.

Collection Date means the 1st day of October, January, April and July of each year.

Collection Period means each period starting on (and including) a Collection Date and ending on (but excluding) the immediately succeeding Collection Date.

Default Ratio means, on any Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

(a) the aggregate of all cumulative Principal Losses as at the end of the Collection Period immediately preceding such Calculation Date;

to

(b) the aggregate Principal Outstanding Balance of the Loans as at the Closing Date,

with the understanding that this ratio shall not be influenced by any repurchased Defaulted Loans, as such loans will not be repurchased by the Seller.

Defaulted Loan means a Loan which is 180 Days in Arrears, or which has been referred to the Servicer's non-performing loans division (its Workouts Division), whichever occurs earlier.

Determination Date means the first Business Day following the end of a Collection Period.

Expected Amortisation Amount means, in relation to each Calculation Date, the aggregate Principal Amount Outstanding of all Notes less the Principal Outstanding Amount of the Loans, excluding Defaulted Loans, in each case as at such Calculation Date.

Note Redemption Amount means the Class A Note Redemption Amount and the Class B Note Redemption Amount or any one of them, as the context may require.

Principal Amortisation Amount means, in respect of an Interest Payment Date, the aggregate of (i) any amount comprising the Principal Amortisation Amount on the immediately preceding Interest Payment Date which has been retained in the Issuer Transaction Account (which amount shall be zero on the first Interest Payment Date) and (ii) the lower of:

(a) the Available Funds relating to such Interest Payment Date, minus:

(A) for so long as any Class A Notes are outstanding, the aggregate of all amounts falling due and payable under items (i) to (vii) (inclusive) of the Pre-Enforcement Priority of Payments on such Interest Payment Date; and

(B) following redemption of the Class A Notes in full but for so long as any Class B Notes are outstanding, the aggregate of all amounts falling due and payable under items (i) to (xi) (inclusive) of the Pre-Enforcement Priority of Payments on such Interest Payment Date; and

(b) the greater of (i) zero and (ii) the Expected Amortisation Amount.

Principal Amount Outstanding means in respect of any Note at any time the principal amount thereof as at the Closing Date as reduced by any payment of principal to the holder of the Note up to (and including) that time.

Principal Outstanding Amount of the Loans means, in relation to each Calculation Date, (i) the aggregate of the Principal Outstanding Balances of the Loans less (ii) the aggregate Principal Loss, in each case as at the immediately preceding Determination Date.

Principal Outstanding Balance means, at any time in relation to a Loan, the principal amount outstanding of the Loan at such time excluding (i) accrued interest and (ii) costs due but not received from an Obligor, calculated in accordance with the terms of the relevant Loan Documentation.

Principal Loss means, in respect of a Loan, the amount required to be deemed as lost under the terms of the Servicing Agreement, being, for Defaulted Loans, an amount equal to 100 per cent. of the Principal Outstanding Balance of that Loan.

(b) *Calculation of Note Principal Payments and Principal Amount Outstanding*

On each Calculation Date the Cash Manager shall determine (x) the amount of the Note Redemption Amount applicable to each Class of Notes due on the Interest Payment Date next following such Calculation Date and (y) the Principal Amount Outstanding of each Note of each Class on the first day of the next following Interest Period (after deducting any Note Redemption Amount in relation to Notes of the relevant Class due to be made on the Interest Payment Date next following such Calculation Date). Each determination by the Cash Manager of any Note Redemption Amount and the Principal Amount Outstanding of a Note (in each case in the absence of wilful default, bad faith or manifest or proven error) shall be final and binding on all persons.

The Issuer or the Cash Manager on its behalf will cause each determination of a Note Redemption Amount and Principal Amount Outstanding for each Class of Notes to be notified forthwith upon such determination to the Trustee, the Paying Agent, the Agent Bank and, for so long as any Class of Notes is listed on the Irish Stock Exchange, to the Irish Stock Exchange and to the Noteholders in accordance with Condition 15 (*Notices to Noteholders*).

If the Cash Manager at any time for any reason does not determine a Note Redemption Amount or the Principal Amount Outstanding applicable to the Notes for each Class of Notes in accordance with the preceding provisions of this paragraph (b), such Note Redemption Amount and Principal Amount Outstanding, as the case may be, for each Class of Notes shall be determined by or on behalf of the Trustee in accordance with this paragraph (b) and paragraph (a) above (but based on such information as it has in its possession) but without any liability for doing so, and each such determination or calculation shall be deemed to have been made by the Cash Manager.

(c) *Optional Redemption in Full for Taxation*

If the Issuer at any time satisfies the Trustee that:

- (i) any amount is required to be deducted or withheld from interest or principal payable to the Issuer on 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 and/or the Seller and/or the Servicer is required to gross-up any amount to be paid to the Issuer as a result of such change of law, or such change in the interpretation or administration thereof, in accordance with the terms of the Receivables Sale Agreement or the Servicing Agreement, as applicable;
- (ii) the Issuer has become subject to taxation or has incurred a taxation liability in Greece by reason of a change in law, or a change in the interpretation or administration thereof, which change becomes effective on or after the Closing Date;
- (iii) the Issuer (or the Paying Agent on its behalf) would be required to make any withholding or deduction for or on account of any present or future tax, duty or charge of whatsoever nature (wherever incurred or levied); or
- (iv) the Issuer has incurred a taxation liability in the United Kingdom by reason of a change in law or a change in the interpretation or administration thereof, which change becomes effective on or after the Closing Date and which taxation liability is materially greater than the taxation liability it would have been subject to had such change in law or change in the interpretation or administration thereof not occurred; or

- (v) the Issuer is not or ceases to be a "securitisation company" as defined for the purposes of the Taxation of Securitisation Regulations 2006,

then the Issuer shall inform the Trustee accordingly and shall, in the case of (iii) above, in order to avoid the event described therein, use its reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved in writing by the Trustee and on terms acceptable to the Trustee as principal debtor under the Notes in accordance with Condition 12(c) (*Meetings of Noteholders, Modification, Waiver Substitution and Trustee's Discretion*), and if the Issuer is unable to arrange such a substitution which would have the result of avoiding the event described in paragraph (iii) above, or in any case on the occurrence of an event described in (i), (ii) or (iv) above, then the Issuer may, having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices to Noteholders*), redeem all (but not some only) of the Notes at their respective Principal Amounts Outstanding together with accrued interest on the next Interest Payment Date, provided that, prior to giving any such notice, the Issuer shall have satisfied the Trustee that it will have the funds, not subject to the interest of any other person, required to fulfil its obligations hereunder in respect of the Notes and any amounts required under the Cash Management Agreement or the Deed of Charge to be paid *pari passu* with, or in priority to, the Notes and shall have delivered to the Trustee a certificate signed by two directors of the Issuer stating that the event described above applies (or, in the case of paragraph (iii) above, will apply on the occasion of the next Interest Payment Date and cannot be avoided by the Issuer using its reasonable endeavours to arrange a substitution as aforesaid) and that the Issuer will have the funds referred to above and the Trustee shall (in the absence of manifest errors) 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.

(d) *Optional Redemption in Full for Other Reasons*

On any Interest Payment Date on or after:

- (i) the date on which the aggregate Principal Amount Outstanding of the Notes (after taking account of any payment of principal on the Notes which, but for this paragraph (ii), would fall to have been made on such Interest Payment Date) would be 10 per cent. or less of their original aggregate Principal Amount Outstanding as at the date of issue of the Notes; or
- (ii) it becomes unlawful (by reason of a change in law of the Hellenic Republic or the interpretation or administration thereof since the Closing Date) for the Issuer to perform its obligations under the Notes or any of the Transaction Documents,

the Issuer may, having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*), redeem all (but not some only) of the Notes at their respective Principal Amounts Outstanding together with accrued interest provided that, prior to giving any such notice, the Issuer shall have satisfied the Trustee that it will have the funds, not subject to the interest of any other persons, required to fulfil its obligations hereunder in respect of the Notes and any amounts required under the Cash Management Agreement and/or the Deed of Charge and/or the Greek Pledge to be paid *pari passu* with, or in priority to, the Notes and shall have delivered to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer will have such funds and the Trustee shall (in the absence of manifest errors) accept the certificate as sufficient evidence of the satisfaction of such condition precedent and it shall be conclusive and binding on the Noteholders.

After giving notice of redemption pursuant to this sub-paragraph, the Issuer shall not make any further payment of principal on the Notes and no further reduction shall be made to the Principal Amount Outstanding of any such Note other than by way of redemption pursuant to this paragraph (d).

(e) *Redemption on Maturity*

Save to the extent otherwise redeemed or cancelled in accordance with this Condition the Issuer shall redeem the Notes of each Class at their respective Principal Amounts Outstanding plus interest accrued and unpaid on the Interest Payment Date which falls in January 2031 (the **Final Maturity Date**).

(f) *Purchase*

The Issuer shall not purchase Notes.

(g) *Cancellation*

All Notes redeemed in full will be cancelled forthwith and may not be reissued.

7. PAYMENTS

- (a) Payments of principal and interest in respect of the Notes will be made in euro against presentation of the relevant Global Notes or Definitive Notes and/or Coupons (as the case may be) at the specified office of the Paying Agent. Payments of principal and interest will in each case be made by euro cheque drawn on a bank in the European Union and posted in Dublin or, at the option of the holder, by transfer to a euro denominated account maintained by the payee with a branch of a bank in the European Union. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on the relevant Global Note by the Paying Agent to which such Global Note was presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made. Payments of principal and interest in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto and to normal banking practice. Upon the date on which any Definitive Note becomes due and repayable in full, all unmatured Coupons appertaining to such Definitive Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.
- (b) None of the persons appearing from time to time in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note of the relevant Class shall have any claim directly against the Issuer or the Trustee in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer or the Trustee, as the case may be, shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note.
- (c) If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 5 (*Interest*) will be paid against presentation of such Note at the specified office of any Paying Agent.
- (d) If the date of presentation of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further payments of additional amounts by way of interest, principal or otherwise. In this Condition 7(d) (*Payments*) the expression **Payment Day** means any day which is or falls after the relevant due date for payment in respect of a Note or Coupon and is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Dublin and the place of presentation and, in the case of payment by transfer to a euro denominated account as referred to above, is a Business Day.

- (e) If the Paying Agent makes a partial payment in respect of any Note presented to it for payment, the Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make the appropriate entries in their records to reflect such payment.
- (f) The initial Paying Agent and its initial specified office is stated at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Paying Agent. The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agent or its specified office to be given in accordance with Condition 15 (*Notice to Noteholders*).

8. PRESCRIPTION

Claims for principal in respect of Global Notes shall become void unless presented for payment within a period of ten years from the relevant date (as defined below) in respect thereof. Claims for interest in respect of Global Notes shall become void unless presented for payment within a period of five years from the relevant date in respect thereof. Claims in respect of Definitive Notes and coupons shall become void unless made within ten years, in the case of principal, and five years, in the case of interest, of the appropriate relevant date. In this Condition, the **relevant date** means the date on which a payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Paying Agent or the Trustee on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*).

9. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature (and wherever imposed) unless the Issuer (or the Paying Agent) is required by applicable law to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or the Paying Agent (as the case may be) shall (subject to its obligations and rights under Condition 6(c) (*Optional Redemption in Full for Taxation*)) make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor the Paying Agent will be obliged to make any additional payments to Noteholders in respect of any such withholding or deduction.

10. EVENTS OF DEFAULT

- (a) The Trustee at its absolute discretion may, if respectively directed or requested to do so (a) by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or (b) in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or (c) only to the extent that none of the Notes remains outstanding, in writing by any other Secured Party, shall, (subject in each case to its being secured and/or indemnified to its satisfaction) give notice in writing (an **Acceleration Notice**) to the Issuer, declaring the Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events (each, an **Event of Default**):
 - (i) default by the Issuer being made for a period of three days in the payment of any principal (which becomes due and payable on the Final Maturity Date) of, or default is made for a period of five days in the payment of any interest on, any Class A Note

when and as the same ought to be paid in accordance with these Conditions, provided that a deferral of interest in accordance with Condition 5(i) (*Deferral of Payment*) shall not constitute a default in the payment of such interest for the purposes of this Condition 10(a)(i); or

- (ii) breach by the Issuer of any representation or warranty made by it in these Conditions, the Trust Deed or any of the other Transaction Documents to which it is a party and in any such case (except where the Trustee certifies that, in its opinion, such breach is incapable of remedy, when no notice will be required), such breach continues for a period of 30 days following the service by the Trustee on the Issuer of notice in writing requiring the same to be remedied; or
- (iii) the Issuer failing duly to perform or observe any other obligation, condition or provision binding upon it under these Conditions, the Trust Deed or any of the other Transaction Documents to which it is a party and in any such case (except where the Trustee certifies that, in its opinion, such failure is incapable of remedy, when no notice will be required), such failure continues for a period of 30 days following the service by the Trustee on the Issuer of notice in writing requiring the same to be remedied; or
- (iv) the Issuer, otherwise than for the purposes of such a pre-approved amalgamation or reconstruction as is referred to in sub-paragraph (v) below, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business (or a substantial part thereof) or the Issuer being (or being deemed to be) unable to pay its debts as and when they fall due; or
- (v) an order being made or an effective resolution being passed for the winding-up of the Issuer, except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved in writing by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding; or
- (vi) proceedings being initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to an application to the court for an administration order), or an administration order being granted or an administrative receiver or other receiver (including documents being filed with the Court for the appointment of an administrator or notice of intention to appoint an administrator being served), liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or any part of the undertaking or assets of the Issuer or an encumbrancer taking possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress or execution or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer, and such proceedings, distress, execution or process (as the case may be) not being discharged or not otherwise ceasing to apply within 15 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally,

provided that in the case of each of the events described in sub-paragraphs (ii) and (iii) of this paragraph (a), the Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class of Notes outstanding.

- (b) Upon any declaration being made by the Trustee in accordance with paragraph (a) above that the Notes are due and repayable the Security shall become enforceable and each Note shall

thereby immediately become due and repayable at its Principal Amount Outstanding together with accrued interest as provided in the Trust Deed subject to the Post-Enforcement Priority of Payments.

11. ENFORCEMENT

- (a) Following the service of an Acceleration Notice, the Trustee may, at its discretion and without further notice, take such proceedings or other action it may think fit to enforce the provisions of the Transaction Documents, the Notes and Coupons, provided that, subject to paragraph (c) below, enforcement of the Security shall be the only remedy available for the repayment of the Class A Notes and the Class B Notes and the payment of accrued interest (including any Deferred Interest and accrued interest thereon) and, at any time after the Security has become enforceable, take such steps as it may think fit to enforce the Security, but it shall not be bound to take any such proceedings, action or steps unless (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding or so requested in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding for the time being of the Most Senior Class of Notes outstanding and (b) it shall have been secured and/or indemnified to its satisfaction.
- (b) Subject to paragraph (c) below, no Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Transaction Documents or to enforce the Security unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing. The Trustee cannot, while any of the Notes are outstanding, be required to enforce the Security at the request of any of the Other Secured Parties under the Deed of Charge or the Greek Pledge or otherwise.
- (c) If the Trustee has taken enforcement action under the Deed of Charge or the Greek Pledge and distributed all of the resulting proceeds (including the proceeds of realising the security thereunder), to the extent that any amount is still owing to any Noteholder (a **Shortfall**), any such Noteholder shall be entitled to proceed directly against the Issuer in order to claim such Shortfall and the Trustee shall not be responsible for any liability occasioned thereby, nor shall it vouch for the validity of any such claim.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND TRUSTEE'S DISCRETIONS

- (a) The Trust Deed contains provisions for convening meetings of Noteholders of any 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 or any other documents the rights and benefits of the Issuer in respect of which are comprised in the Security.

The quorum at any meeting of the Noteholders of any Class for passing an Extraordinary Resolution shall be one or more persons present holding or representing over 50 per cent. in aggregate Principal Amount Outstanding of the Notes of the relevant Class then outstanding or, at any adjourned meeting, one or more persons present being or representing the Noteholders of the relevant Class whatever the aggregate Principal Amount Outstanding of the Notes of the relevant Class so held or represented, except that, at any meeting the business of which includes the making of any Basic Terms Modification, the necessary quorum for passing the related Extraordinary Resolution will be one or more persons present holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 33 per cent., in aggregate Principal Amount Outstanding of the Notes of the relevant Class for the time being outstanding.

An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all the Class B Noteholders irrespective of its effect upon them except an

Extraordinary Resolution to sanction a Basic Terms Modification (as defined below), which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Class B Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders.

An Extraordinary Resolution passed at any meeting of Class B Noteholders (other than a sanctioning Extraordinary Resolution referred to above) shall not be effective unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders.

As used in these Conditions and the Trust Deed:

- (i) **Extraordinary Resolution** means (a) a resolution passed at a meeting of the Noteholders of any Class duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll or (b) a resolution in writing signed by or on behalf of not less than 75 per cent. in aggregate Principal Amount Outstanding of the Noteholders of such Class which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders of such Class and shall be as valid, effective and binding as a resolution duly passed at such a meeting; and
- (ii) **Basic Terms Modification** means, in respect of a Class of Notes:
 - (A) a change in 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 date of payment in respect of any principal or interest in respect of such Notes;
 - (B) alteration of the currency in which payments under such Notes and the Coupons appertaining thereto are to be made;
 - (C) alteration of the quorum or majority required to pass an Extraordinary Resolution;
 - (D) the sanctioning of any such scheme or proposal in respect of such Notes as is described in paragraph 22(b) of Schedule 5 to the Trust Deed;
 - (E) alteration of this definition or the provisos to paragraphs 9 and/or 10 of Schedule 5 to the Trust Deed;
 - (F) alteration of the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments; and
 - (G) alteration of the Secured Property or amendment to any of the documents relating to the Secured Property or any other provision of the Security.
- (b) The Trustee may agree, without the consent of the Noteholders, (i) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions, the Trust Deed or any of the other Transaction Documents, which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders, or (ii) to any modification of these Conditions or any of the Transaction Documents, which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. The Trustee may also, without the consent of the

Noteholders, determine that any Event of Default shall not, or shall not subject to specified conditions, be treated as such provided that it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders to do so. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*), the Rating Agency and the Irish Stock Exchange as soon as practicable thereafter.

- (c) The Trustee may agree, without the consent of the Noteholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed and the Notes, subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer (unless all or substantially all of the assets of the Issuer are transferred to such body corporate), (ii) such body corporate being a single purpose vehicle and undertaking itself to be bound by provisions corresponding to those set out in these Conditions, (iii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced thereby and (iv) certain other conditions set out in the Trust Deed being complied with. In the case of a substitution pursuant to this paragraph (c), the Trustee may in its absolute discretion agree, without the consent of the Noteholders, to a change of the laws governing the Notes and/or any of the Transaction Documents provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders. No such substitution shall take effect unless it applies to all the Notes then outstanding.

13. INDEMNIFICATION AND EXONERATION OF THE TRUSTEE

The Trust Deed and certain of the Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Security unless secured and/or indemnified to its satisfaction. The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Secured Property, or any deeds or documents of title thereto, being held by or to the order of the Seller or any agent or related company of the Seller or by clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other persons whether or not on behalf of the Trustee.

The Trust Deed contains provisions pursuant to which the Trustee or any of its related companies is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the Secured Property and/or any of their subsidiary or associated companies and to act as trustee for the holders of any other securities issued by or relating to the Issuer and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the Secured Property and/or any of their subsidiary or associated companies, (ii) 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 the Noteholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed also relieves the Trustee of any liability for not having made or not having caused to be made on its behalf the searches, investigations and enquiries which a prudent chargee would normally have been likely to make in entering into the Deed of Charge. The Trustee has no responsibility in relation to the legality, validity, sufficiency, adequacy and enforceability of the Security or the Transaction Documents. The Trustee will not be obliged to take any action which might result in its incurring personal liabilities unless secured and/or indemnified to its satisfaction or to supervise the performance by the Servicer or any other person of their obligations under the Transaction Documents and the Trustee shall assume, until it has notice in writing to the contrary, that

all such persons are properly performing their duties, notwithstanding that the Security (or any part thereof) may, as a consequence, be treated as floating rather than fixed security.

The Trust Deed and certain of the other Transaction Documents contain other provisions limiting the responsibility, duties and liability of the Trustee. The Trustee shall be obliged to convene a meeting of Noteholders subject to it being indemnified and/or secured to its satisfaction upon the request in writing of Noteholders holding not less than one tenth of the aggregate Principal Amount Outstanding of the Notes. The Trustee will not be obliged to enforce the provisions of the Trust Deed unless it is directed to do so by the Noteholders and unless it is indemnified to its satisfaction.

14. REPLACEMENT OF THE NOTES AND COUPONS

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Paying Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

15. NOTICE TO NOTEHOLDERS

Any notice to the Noteholders shall be validly given if published (a) in one leading London daily newspaper (which is expected to be the *Financial Times*), and (b) (for so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require) in a leading English language newspaper having general circulation in Dublin (which is expected to be the *Irish Times*) or, if either such newspaper shall cease to be published or timely publication therein shall not be practicable, in the opinion of the Trustee, in another appropriate leading daily newspaper or newspapers as the Trustee shall approve having a general circulation in Europe. Any such notice published in a newspaper as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required. If publication is not practicable in any such newspaper as is mentioned above, notice will be valid if given in such other manner, and shall be deemed to have been given on such date, as the Trustee shall determine.

Whilst the Notes are represented by Global Notes, notices to Noteholders may be given by delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear for communication by them to Noteholders rather than by notification as required above provided that so long as the Notes are listed on the Irish Stock Exchange, the Irish Stock Exchange so agrees. Any notice delivered to Clearstream, Luxembourg and/or Euroclear as aforesaid shall be deemed to have been given on the day after the day of such delivery.

A copy of each notice given in accordance with this Condition 15 (*Notice to Noteholders*) shall be provided to Moody's Investors Services Inc. (**Moody's** and the **Rating Agency**), which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer with the consent of the Trustee to provide a credit rating in respect of the Notes or any Class thereof). For the avoidance of doubt, and unless the context otherwise requires, all references to rating and ratings in these Conditions shall be deemed to be references to the ratings assigned by the Rating Agency.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them 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 Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Neither this Note nor any Coupon or Talon confers any rights on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Trust Deed, this Note or any such Coupon or Talon, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

17. GOVERNING LAW AND JURISDICTION

The Notes, the Coupons, the Trust Deed and the other Transaction Documents are governed by English law (other than the Greek Assignment Agreement which is governed by Greek law) and are subject to the non-exclusive jurisdiction of the courts of England and Wales.

SUBSCRIPTION AND SALE

Piraeus in its capacity as initial note purchaser (the **Initial Note Purchaser**) has in a note purchase agreement dated on or about 7 May 2009 (the **Signing Date**) between the Issuer, the Initial Note Purchaser and the Arranger (the **Note Purchase Agreement**) upon the terms and subject to the conditions contained therein, agreed to subscribe and pay for the Notes at their issue price of 100 per cent. of their respective Principal Amount Outstanding. The Initial Note Purchaser intends to hold the Notes following the Closing Date. The Initial Note Purchaser is entitled in certain circumstances to be released and discharged from its obligations under the Note Purchase Agreement prior to the closing of the issue of the Notes.

Except for listing the Notes on the Irish Stock Exchange, no action is being taken to permit a public offering of the Notes, or the distribution of any document, in or from any jurisdiction where action would be required for such purposes. This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised.

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 appertaining thereto 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.

The Initial Note Purchaser has represented to and agreed with the Issuer that, except as permitted by the Note Purchase Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom:

In relation to the Notes the Initial Note Purchaser has further represented to and agreed with the Issuer that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom

Greece:

The Initial Note Purchaser and the Arranger represent, warrant and agree that they have not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in Greece any Notes to more than 100 institutional and private investors in compliance with article 10 of the Securitisation Law.

Ireland:

The Initial Note Purchaser and the Arranger represent, warrant and agree that, they have not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- (a) the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued by the Financial Regulator under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the **2005 Act**);
- (b) the Irish Companies Acts 1963 to 2006;
- (c) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Financial Regulator; and
- (d) the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Financial Regulator under Section 34 of 2005 Act.

Public Offers Generally

Save for applying for admission of the Notes to trading on the Irish Stock Exchange's regulated market and approval of this Prospectus by the Financial Regulator as competent authority in light of the Prospectus Directive, no action has been or will be taken in any jurisdiction by the Issuer, the Initial Note Purchaser 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.

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.

TAXATION

The following, which applies only to persons who are the beneficial owners of the Notes, is a summary of the Issuer's understanding of current law and practice in the United Kingdom and Greece as at the date of this Prospectus relating to certain aspects of the United Kingdom taxation and Greek taxation of the Notes. Special rules may apply to certain classes of taxpayer (such as dealers). Prospective Noteholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom and Greece should seek their own professional advice.

GREEK TAXATION

Interest on the Notes payable to Greek investors or investors with a permanent establishment in Greece would be subject to a withholding tax of 10 per cent on each amount of interest payable if the relevant payment was made by an institution in Greece acting as paying agent within the meaning of article 4 paragraph 2 of Law 3312/2005, which was implemented in the Greece EU Council Directive 2003/48 EC. Such withholding may not extinguish the income tax obligation of some of the above investors, as the latter may have to include the interest received in their overall income and be fully taxed for it in Greece.

No additional amounts would be payable by the Issuer or by any other person if any such deduction or withholding were required to be made.

UNITED KINGDOM TAXATION

The following is a summary of the Issuer's understanding of the law and published practice in the United Kingdom as at the date of this document in relation to certain aspects of the United Kingdom taxation of payments in respect of, and of the issue and transfers of, the Notes. The comments do not deal with all United Kingdom tax aspects of acquiring, holding or disposing of the Notes and relate only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of Noteholders (such as dealers or persons connected with the Issuer). The comments are made on the assumption that there will be no substitution of the Issuer pursuant to the Trust Deed and do not consider the tax consequences of any such substitution.

The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their own professional advisors. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom are particularly advised to consult their professional advisors as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

(A) Interest on the Notes

Payment of Interest on the Notes

For so long as the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the Irish Stock Exchange is such a "recognised

stock exchange" for this purpose) interest payments on the Notes will be treated as a "payment of interest on a quoted Eurobond" within the meaning of section 882 of the Income Tax Act 2007. In these circumstances, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid to a person who belongs in the United Kingdom for United Kingdom tax purposes and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the owner is within the charge to United Kingdom corporation tax as regards the payment of interest or that the payment is made to one of the persons listed in sections 933-937 of the Income Tax Act 2007 in the circumstances specified in section 930 of the Income Tax Act 2007, provided that HM Revenue and Customs have not given a direction (in circumstances where it is reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In all other cases, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply.

Noteholders who are individuals may wish to note that HM Revenue & Customs has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. Information so obtained may, in certain circumstances, be exchanged by HM Revenue & Customs with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

EU Directive on the Taxation of Savings Income

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a Directive on the taxation of savings income. Under the Directive, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period Austria, Belgium and Luxembourg will be required (unless during that period they direct otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependant upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have agreed to adopt similar measures with effect from the same date.

The European Commission has published proposals for amendments to the Directive, which may amend or broaden the scope of the requirements described above.

Further United Kingdom Income Tax Issues

Interest on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding. However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation wholly or partly in the United Kingdom in connection with which the interest is received or to which the Notes are attributable (and where that Noteholder is a company, unless that Noteholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

(B) United Kingdom Corporation Tax Payers

In general, Noteholders that are within the charge to United Kingdom corporation tax will be treated as realising profits or losses (including interest, and profits and gains arising as a result of currency fluctuations) for corporation tax purposes in respect of their holding of the Notes (and amounts payable thereunder) in accordance with the statutory accounting treatment applicable to such Noteholder.

(C) Other United Kingdom Tax Payers

Accrued Income Scheme – Individual Noteholders

A transfer of a Note by a Noteholder who is not within the charge to United Kingdom corporation tax and is resident, or ordinarily resident in the United Kingdom or a Noteholder who is not resident or ordinarily resident in the United Kingdom but who carries on a trade, profession or vocation in the United Kingdom through a permanent establishment to which the Note is attributable, may give rise to a charge to income tax in respect of an amount representing interest on the Note which has accrued since the preceding Interest Payment Date.

Taxation of chargeable gains - Individual Noteholders

As the Notes are denominated in euro, they will not be regarded by HM Revenue & Customs as constituting "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal (including a redemption) of Notes by an individual Noteholder who is resident or ordinarily resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable but in either case who is not within the charge to corporation tax, may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains, depending on the individual circumstances of the Noteholder.

(D) Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or on the transfer by delivery of a Note.

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the board of directors of the Issuer passed on or about the Closing Date.
2. It is expected that admission of the Notes to the Official List of the Irish Stock Exchange will be granted on the Closing Date subject only to the issue of the Global Notes.
3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Class A Notes is XS0427500185 and the Common Code is 042750018 AXIA II FINANCE PLC A VAR 25/01/31. The ISIN for the Class B Notes is XS0427500342 and the Common Code is 042750034 AXIA II FINANCE PLC B VAR 25/01/31.
4. Transactions will normally be effected for settlement in euro and for delivery on the third working day after the date of the transaction.
5. Save as disclosed in this Prospectus, the Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had, since the date of its incorporation, a significant effect on its financial position nor is the Issuer aware that any such proceedings are pending or threatened.
6. Save as disclosed in this Prospectus, since the date of its incorporation, the Issuer has not entered into any material contracts other than the Note Purchase Agreement, being contracts entered into other than in its ordinary course of business.
7. Save as disclosed in this Prospectus, since 13 January 2009 (being the date of incorporation of the Issuer), there has been (1) no material adverse change in the financial position or prospects of the Issuer, and (2) no significant change in the trading or financial position of the Issuer.
8. It is a condition of the issue of the Notes that the Class A Notes are on issue assigned an Aaa rating by Moody's.

The rating assigned to the Class A Notes address the expected loss posed to investors by the Final Maturity Date.

A credit rating on a security is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by Moody's. Each such rating should be evaluated independently of any other rating.

9. Save as disclosed in this document, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages, charges or given any guarantees.
10. The Issuer will not publish interim accounts. The Issuer will produce non-consolidated audited financial statements in respect of each financial year but will not produce consolidated audited financial statements. The Issuer anticipates that it will publish its first financial statement in approximately April 2010 in respect of the financial year ending 31 December 2009. Copies of the most recently published annual accounts from time to time will, so long as the Notes are admitted to the official list of the Irish Stock Exchange, be available at the specified office of the Paying Agent within six months of the related year end. The Servicer will produce on behalf of the Issuer quarterly reports on the performance of the Portfolio. These quarterly reports will be available on Bloomberg, at the offices of the Paying Agent and shall also be made available on a public website, being <https://gctinvestorreporting.bnymellon.com>.

11. The Trust Deed and the Deed of Charge and the Greek Pledge will provide that the Trustee may rely on reports and act on any advice, or other information from professional advisors or other experts in accordance with the Trust Deed or, as the case may be, the Deed of Charge, or the Greek Pledge whether or not such advice, report or other information, engagement letter or other document entered into by the Trustee and the relevant professional advisor or expert in connection therewith contains any limit on the liability of that relevant professional advisor or expert.
12. The address of the Arranger is as follows: Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
13. According to Rule 1.6 of the Irish Stock Exchange Listing and Admission to Trading - Guidelines for Asset Backed Debt, the Notes of each Class shall be freely transferable.
14. Final copies (when available) of the following documents may be inspected in electronic/physical form during usual business hours on any weekday (excluding Saturdays and public holidays) at the specified offices of Baker & McKenzie LLP, 100 New Bridge Street, London EC4V 6JA, England, the Paying Agent and the registered office of the Issuer for the life of the Prospectus:
 - (i) the Memorandum and Articles of Association of the Issuer;
 - (ii) the most recent balance sheet of the Issuer and the accountants' report thereon;
 - (iii) the most recently published annual audited non-consolidated financial statements of the Issuer;
 - (iv) the Agency Agreement;
 - (v) the Note Purchase Agreement;
 - (vi) the Receivables Sale Agreement;
 - (vii) the Trust Deed;
 - (viii) the Deed of Charge;
 - (ix) the Greek Pledge;
 - (x) the Subordinated Reserve Loan Agreement;
 - (xi) the Greek Assignment Agreement;
 - (xii) the Cash Management Agreement;
 - (xiii) the Bank Account Agreement;
 - (xiv) the Corporate Services Agreement;
 - (xv) the Servicing Agreement;
 - (xvi) the Master Definitions Schedule;
 - (xvii) the Master Execution Deed; and
 - (xviii) the Issuer ICSDs Agreement.

15. The total expenses related to the admission of the Notes to trading are estimated at €100,000.

DEFINITIONS

<p>£</p> <p>£ 6</p> <p>€</p> <p>€ 6</p> <p><i>I</i></p> <p>180 Days in Arrears 15, 96</p> <p>2</p> <p>2005 Act 109</p> <p>A</p> <p>Acceleration Notice 102</p> <p>Accountholder 88</p> <p>Agency Agreement 10, 86</p> <p>Agent Bank 10, 86</p> <p>Agents 10</p> <p>Applicable Rate 69</p> <p>Arranger 3</p> <p>Arrears 15, 76, 96</p> <p>Arrears Ratio 15</p> <p>Article 632 Suspension Petition 40</p> <p>Article 632-633 Annulment Petition 40</p> <p>Article 933 Annulment Petition 40</p> <p>Article 938 Suspension Petition 40</p> <p>Athens Business Day 71</p> <p>Authorised Investment 25</p> <p>Available Funds 26</p> <p>Available Funds Shortfall 31, 70</p> <p>Available Principal Receipts 78</p> <p>Available Security Funds 32</p> <p>B</p> <p>Bank Account Agreement 10, 81</p> <p>Basic Terms Modification 105</p> <p>Bond Certificates 13</p> <p>Bond Loan 13</p> <p>Bond Loan Transfer Agreement 13</p> <p>Bondholders' Registry 13</p> <p>Bondholders' Representative 69</p> <p>Bonds 12</p> <p>Business Day 94</p> <p>C</p> <p>Cadastre 77</p> <p>Calculation Date 25, 97</p> <p>capital market arrangement 45</p> <p>Cash Management Agreement 10, 80</p> <p>Cash Management Services 80</p> <p>Cash Manager 10</p> <p>Charged Assets 77</p> <p>Class 87</p> <p>Class A Margin 94</p> <p>Class A Note Redemption Amount 97</p> <p>Class A Noteholders 17</p> <p>Class A Notes 2, 86</p>	<p>Class B Margin 94</p> <p>Class B Noteholders 17</p> <p>Class B Notes 2, 86</p> <p>Classes 87</p> <p>Clearstream, Luxembourg 2, 87</p> <p>Closing Date 86</p> <p>Collection Account Income 24</p> <p>Collection Date 26, 97</p> <p>Collection Period 26, 97</p> <p>Collections 23</p> <p>Common Safekeeper 87</p> <p>Conditions 86</p> <p>Corporate Services Agreement 9, 82</p> <p>Corporate Services Provider 9</p> <p>Costs and Expenses 69</p> <p>Couponholders 86</p> <p>Coupons 89</p> <p>Court of First Instance 40</p> <p>Cut-Off Date 12</p> <p>D</p> <p>Deed of Charge 21, 80, 86</p> <p>Default Ratio 15, 97</p> <p>Defaulted Loan 15, 97</p> <p>Deferred Consideration 73</p> <p>Deferred Interest 96</p> <p>Definitive Notes 88</p> <p>Determination Date 97</p> <p>E</p> <p>Eligibility Criteria 74</p> <p>Eligible Bank 23</p> <p>Enforcement Procedures 67</p> <p>Enforcement Proceeds 72</p> <p>Enterprise Act 44</p> <p>EUR 6</p> <p>EURIBOR 94</p> <p>euro 6</p> <p>Euro Reference Rate 94</p> <p>Euro Reserve Reference Rate 95</p> <p>Euro Screen Rate 94</p> <p>Euroclear 2, 87</p> <p>Eurozone 96</p> <p>Event of Default 102</p> <p>Exchange Event 84, 88</p> <p>Expected Amortisation Amount 30, 97</p> <p>Expenses Fund 29</p> <p>Extraordinary Resolution 104</p> <p>F</p> <p>Final Maturity Date 19, 100</p> <p>Financial Regulator 2</p> <p>Flexible Option Variation 69</p> <p>Framework 39</p> <p>FSMA 109</p> <p>G</p> <p>Global Notes 2</p>
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