

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular attached to this electronic transmission and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER. THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the offering circular, you shall be deemed to have confirmed and represented to us that (i) you have understood and agree to the terms set out herein, (ii) you consent to delivery of the preliminary offering circular by electronic transmission, (iii) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (iv) if you are a person in the United Kingdom, then you are a person who (A) has professional experience in matters relating to investments or (B) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2001 or a certified high net worth individual within Article 48 of the Financial Services and Markets Act (Financial Promotion) Order 2001.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of ESTIA MORTGAGE FINANCE PLC, CITIGROUP GLOBAL MARKETS LIMITED or UBS LIMITED (nor any person who controls any of them respectively nor any director, officer, employee nor agent of any of them respectively nor affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from CITIGROUP GLOBAL MARKETS LIMITED or UBS LIMITED

ESTIA MORTGAGE FINANCE PLC

(incorporated in England and Wales as a public limited company under registered number 05441656)

€695,800,000 Class A Residential Mortgage Backed Floating Rate Notes due 2040

€36,200,000 Class B Residential Mortgage Backed Floating Rate Notes due 2040

€18,000,000 Class C Residential Mortgage Backed Floating Rate Notes due 2040

Issue Price of the Notes: 100 per cent.

Application has been made to the Irish Stock Exchange Limited (the **Irish Stock Exchange**) to admit to the Official List of the Irish Stock Exchange the €695,800,000 Class A Residential Mortgage Backed Floating Rate Notes due 2040 (the **Class A Notes**), the €36,200,000 Class B Residential Mortgage Backed Floating Rate Notes due 2040 (the **Class B Notes**) and the €18,000,000 Class C Residential Mortgage Backed Floating Rate Notes due 2040 (the **Class C Notes** and, together with the Class A Notes and the Class B Notes, the **Notes**.) to be issued by Estia Mortgage Finance Plc (the **Issuer**) on or about the Closing Date (as defined below).

A copy of this Offering Circular, which comprises approved listing particulars with regard to the Issuer and the Notes in accordance with the requirements of the Irish European Commission (Stock Exchange) Regulations 1984 (as amended) of Ireland (the **Regulations**) has been delivered to the Registrar of Companies in Ireland in accordance with Regulation 13 of the Regulations.

	Class A	Class B	Class C
Initial Principal Amount Outstanding:	€695,800,000	€36,200,000	€18,000,000
Issue Price:	100%	100%	100%
Interest Rate:	Three-month EURIBOR + Margin	Three-month EURIBOR + Margin	Three-month EURIBOR + Margin
Margin until Interest Payment Date falling in October 2014:	0.17%	0.29%	0.50 %
Step-Up Margin:	0.17%	0.29%	0.50%
Margin after Interest Payment Date falling in October 2014:	0.34%	0.58%	1.00%
Interest Payment Dates:	Quarterly in arrear on the Interest Payment Dates falling in January, April, July and October in each year		
First Interest Payment Date:	October 2005		
Final Maturity Date:	Interest Payment Date falling in April 2040		
Expected Ratings (Fitch and S&P):	AAA/AAA	A+/A+	BBB/BBB

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 of each class will initially be represented by a temporary global note of the same class in bearer form (each, a **Temporary Global Note**) without interest coupons, principal coupons or talons, which will be deposited with a common depository (the **Common Depository**) for Euroclear Bank S.A./N.V., as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) on or about 7 June 2005 (or such later date as may be agreed between the Issuer, the Joint Lead Managers (as defined below) and the Trustee (as defined below)) (the **Closing Date**). Each Temporary Global Note will be exchangeable not earlier than 40 days after the Closing Date (the **Exchange Date**) (and upon certification of non-U.S. beneficial ownership) for interests in a permanent global note representing the Notes of the relevant class (each, a **Permanent Global Note** and, together with the Temporary Global Notes, the **Global Notes**), each in bearer form, without interest coupons, principal coupons or talons, which will also be deposited with the Common Depository. Save in certain limited circumstances, Notes in definitive form will not be issued in exchange for the Global Notes.

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 Agents (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 Joint Lead Arrangers, the Joint Lead Managers, the Joint Bookrunners, the Subordinated Loan Provider, the Swap Provider, the Set-Off (Deposits) Loan Provider, the Set-Off (Additional Payments) Loan Provider, the Paying Agents, the Agent Bank, the Cash Manager, the Issuer Account Bank, the Corporate Services Provider, the Share Trustee or the Seller (each as defined elsewhere in this Offering Circular).

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 *Investment Considerations*.

Joint Lead Arrangers and Joint Lead Managers

CITIGROUP

PIRAEUS BANK S.A.

UBS INVESTMENT BANK

Joint Bookrunners

CITIGROUP

UBS INVESTMENT BANK

The date of this Offering Circular is 3 June 2005.

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation concerning the issue of the Notes not contained in this document and, if given or made, any such information or representation must not be relied upon as having been authorised by the Issuer, the Seller, the Trustee, the Servicer, the Subordinated Loan Provider, the Swap Provider, the Set-Off (Deposits) Loan Provider, the Set-Off (Additional Payments) Loan Provider, the Paying Agents, the Agent Bank, the Cash Manager, the Issuer Account Bank, the Corporate Services Provider, the Share Trustee, any of the Joint Lead Managers, any of the Joint Lead Arrangers or any of the Joint Bookrunners. Neither the delivery of this document nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or the information contained herein since the date hereof or that the information contained herein is correct at any time subsequent to the date hereof.

None of the Joint Lead Managers, the Joint Lead Arrangers, the Trustee, the Cash Manager, the Issuer Account Bank, the Corporate Services Provider, the Share Trustee, the Paying Agents or the Agent Bank have separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers, the Joint Lead Arrangers, the Joint Bookrunners, the Trustee, the Cash Manager, the Issuer Account Bank, the Corporate Services Provider, the Share Trustee, the Paying Agents or the Agent Bank as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Notes. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Joint Lead Arrangers, the Joint Bookrunners, the Trustee, the Cash Manager, the Issuer Account Bank, the Corporate Services Provider, the Share Trustee, the Paying Agents 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.

The Swap Provider has provided the information relating to it under the section headed *The Swap Provider* below and, together with the Issuer, accepts responsibility for the information contained in the relevant section relating to it. Save as aforesaid, the Swap Provider has not, however, been involved in the preparation of, and does not accept responsibility for, this Offering Circular or any part hereof.

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the Issuer and the terms of the offering including the merits and risks involved, and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. An investment in the Notes is, therefore, only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result therefrom for an indefinite period of time.

The contents of this Offering Circular 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.

The Notes (which include Notes in bearer form that are subject to U.S. tax law requirements) have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the Securities Act). Subject to certain exceptions, the Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. persons (as defined in Regulation S under the Securities Act).

Other than the approval of this Offering Circular as listing particulars in accordance with the requirements of the Regulations and delivery of a copy of this Offering Circular to the Registrar of Companies in Ireland for registration, no action has been taken under any regulatory or other requirements of any jurisdiction or will be so taken to permit a public offering of the Notes or the distribution of this document in any jurisdiction where action for that purpose is required. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this document (or any part of it) comes are required by the Issuer and the Joint Lead Managers to inform themselves about, and to observe, any such

restrictions. For a further description of certain restrictions on offers and sales of Notes and the distribution of this document see *Subscription and Sale* below.

Any documents and websites incorporated in this Offering Circular by reference do not form part of the listing particulars with regard to the Issuer and the Notes.

Neither this document nor any part hereof constitutes an offer of, or an invitation by, or on behalf of the Issuer, the Joint Lead Managers or the Joint Bookrunners to subscribe for or purchase any of the Notes and neither this document, nor any part hereof, may be used for or in connection with any offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. A more detailed description of the restrictions on offers, sales and deliveries of the Notes and the distribution of this Offering Circular is set out in *Subscription and Sale* below.

The Notes must not be offered or sold to the public, nor be subject to a public offer in the Hellenic Republic or any other jurisdiction. The Notes must not be offered or sold to more than 150 institutional or private Greek investors who are subject to the securities laws of the Hellenic Republic for the purposes of the transactions contemplated in this Offering Circular.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this document nor any part thereof nor any other offering circular, prospectus, form of application, advertisement, other offering materials nor other information may be issued, distributed or published in any country or jurisdiction (including the United Kingdom), except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations. See *Subscription and Sale* below.

References in this Offering Circular to **€** or **euro** or **EUR** are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome of 25th March, 1957 establishing the European Community (as amended from time to time).

References in this Offering Circular to **£**, **pounds** or **pounds sterling** are to the lawful currency for the time being of the United Kingdom.

References in this Offering Circular 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.

In connection with the issue and distribution of any class of Notes, UBS Limited or any person acting for it, may over-allot or effect transactions with a view to supporting the market price of any class of Notes of which such tranche forms part at a level higher than that which might otherwise prevail for a limited period after the Closing Date. However, there is no obligation on UBS Limited or any person acting for it to do this. Such stabilising, if commenced, may be discontinued at any time, shall be in compliance with all applicable laws, regulations and rules and must be brought to an end after a limited period.

TABLE OF CONTENTS

SUMMARY	5
STRUCTURE DIAGRAM	42
INVESTMENT CONSIDERATIONS	43
USE OF PROCEEDS	58
THE ISSUER	59
THE SWAP PROVIDER.....	64
THE SELLER	65
LENDING CRITERIA	72
DESCRIPTION OF THE PROVISIONAL MORTGAGE PORTFOLIO.....	75
HISTORICAL MORTGAGE LOAN DATA	82
THE MORTGAGE AND HOUSING MARKET IN GREECE.....	84
SUMMARY OF THE GREEK SECURITISATION LAW	90
SERVICING OF THE PORTFOLIO	92
SUMMARY OF PRINCIPAL DOCUMENTS	99
WEIGHTED AVERAGE LIVES OF THE NOTES	118
TERMS AND CONDITIONS OF THE NOTES	120
SUBSCRIPTION AND SALE	145
TAXATION.....	149
GENERAL INFORMATION	152
DEFINITIONS.....	155

SUMMARY

The information in this section is a summary of the principal features of the issue of the Notes. This summary 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 Offering Circular.

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

The Parties

The Issuer: Estia Mortgage Finance Plc c/o SPV Management Limited, Level 11, Tower 42, International Financial Centre, 25 Old Broad Street, London EC2N 1HQ, a public limited company incorporated in England and Wales (registered number 05441656) has been established for the limited purposes of the issue of the Notes and the purchase of the Loans and their Related Security. 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. of 20 Amalias Avenue and 5 Souri Street, 105 57 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 residential mortgage loans.

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 mortgage sale agreement to be entered into by the Issuer, the Seller and the Trustee on or about the Closing Date (the **Mortgage Sale Agreement**). See *Summary of Principal Documents — Mortgage Sale Agreement* below.

The Share Trustee: SPV Management Limited of Level 11, Tower 42, International Financial Centre, 25 Old Broad Street, London EC2N 1HQ, 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: SPV Management Limited of Level 11, Tower 42, International Financial Centre, 25 Old Broad Street, London EC2N 1HQ, 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: Citicorp Trustee Company Limited, having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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 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 Swap Provider, the Subordinated Loan Provider, the Set-Off (Deposits) Loan Provider, the Set-Off (Additional Payments) Loan Provider, the Issuer Account Bank, the Cash Manager, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent and any other paying agent appointed under the Agency Agreement (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 and the Securitisation Law.

The Swap Provider: UBS Limited, acting through its branch at 1 Finsbury Avenue, London EC2M 2PP (the **Swap Provider**) in accordance with the terms of a swap agreement to be entered into between the Issuer, the Trustee and the Swap Provider on or about the Closing Date (the **Swap Agreement**).

See *Summary of Principal Documents – Swap Agreement* below.

The Principal Paying Agent and the Agent Bank: Citibank N.A., London Branch, acting through its offices at 5 Carmelite Street, London EC4Y 0PA (in such capacities, the **Principal Paying Agent** and the **Agent Bank** and, together with the Irish Paying Agent and any other paying agent

appointed under the Agency Agreement, the **Agents**) acting in accordance with the terms of an agency agreement to be entered into between the Issuer, the Principal Paying Agent, the Irish Paying Agent, the Agent Bank and the Trustee on or about the Closing Date (the **Agency Agreement**).

The Irish Paying Agent: Citibank International plc, acting through its offices at 1 North Wall Quay, Dublin 1, Ireland (the **Irish Paying Agent**, together with the Principal Paying Agent and any other paying agent appointed under the Agency Agreement, the **Paying Agents**).

The Issuer Account Bank: Citibank N.A., London Branch acting through its offices at 5 Carmelite Street, London EC4Y OPA (in such capacity, 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 and the Trustee on or about the Closing Date (the **Bank Account Agreement**).

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

The Cash Manager: Citibank N.A., London Branch acting through its offices at 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (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, acting through its principal branch at 20 Amalias Avenue and 5 Souri Street, 105 57 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.

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

The Set-Off (Additional Payments) Loan Provider: Piraeus, acting through its principal branch at 20 Amalias Avenue and 5 Souri Street, 105 57 Athens, Greece (in such capacity, the **Set-Off (Additional Payments) Loan Provider**) in accordance with the terms of a subordinated loan agreement to be entered into between the Issuer, the Set-Off (Additional Payments) Loan Provider and the Trustee on or about the Closing Date (the **Set-Off (Additional Payments) Loan Agreement**).

See *Summary of Principal Documents — Set-Off (Additional Payments) Loan Agreement* below.

The Set-Off (Deposits) Loan Provider:

Piraeus, acting through its principal branch at 20 Amalias Avenue and 5 Souris Street, 105 57 Athens, Greece (in such capacity, the **Set-Off (Deposits) Loan Provider**) in accordance with the terms of a facility agreement to be entered into between the Issuer, the Set-Off (Deposits) Loan Provider and the Trustee on or about the Closing Date (the **Set-Off (Deposits) Facility Agreement**).

See *Summary of Principal Documents — Set-Off (Deposits) Facility Agreement* below.

Application of Proceeds of the Notes

Use of Issue Proceeds:

The aggregate gross and net proceeds from the issue of the Notes will be €750,000,000. 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 Loans:

The Portfolio will consist of residential mortgage loans which have been originated by the Seller that meet the Eligibility Criteria (the **Loans**) together with their related security including judicial mortgage pre-notations under article 1274 of the Greek Civil Code (each, a **Pre-Notation**) and as the case may be guarantees from third parties (each, a **Guarantee**) (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 Loan includes the relevant Related Security.

The Seller will sell and assign its rights, title, interest and benefit in, to and under the Loans and the Related Security to the Issuer pursuant to and in accordance with (i) the Mortgage Sale Agreement and (ii) a Greek assignment agreement to be entered into between the Issuer and the Seller on or about the Closing Date (the **Greek Assignment Agreement**).

Each Loan in the 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 private individuals resident in the European Union (the **Borrowers**, which expression includes co-Borrowers, if any) for the purpose of purchasing residential property, repairing and/or developing residential property or refinancing any loan originally made for such purposes. The Loans are secured on residential properties located in Greece pursuant to a Pre-Notation. For a more detailed description of the Loans comprising the Provisional Portfolio (from which the Initial Portfolio will be selected) see under *Description of the Provisional Mortgage 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 Mortgage 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 – Mortgage Sale Agreement* below.

Unless the context requires otherwise, any reference in this Offering Circular 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.

The Portfolio:

The portfolio purchased from the Seller and owned by the Issuer from time to time (the **Portfolio**) will comprise the Loans in the Initial Portfolio (as defined below) other than Loans in the Initial Portfolio: (i) which have been repaid in full; (ii) in respect of which enforcement procedures have been completed; or (iii) which have been repurchased by the Seller since the Closing Date. The Portfolio may also comprise Loans that have been transferred to the Issuer to replace Loans which have been repurchased by the Seller.

The **Initial Portfolio** will consist of Loans (excluding accrued interest) 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 contained in, a provisional portfolio of loans (the **Provisional Portfolio**) owned and selected by the Seller as at 31 March 2005 (the **Cut-Off Date**).

On the Cut-Off Date, the Provisional Portfolio had the characteristics shown below:

Aggregate Principal Outstanding Balance of all Loans:	€883,345,665.27
Total number of Loans:	18,964
Average Principal Outstanding Balance of each Loan:	€46,580.13
Principal Outstanding Balance of largest Loan:	€890,394.17
Weighted average Original LTV	54.93%
Weighted average Current LTV:	49.45%
Final maturity date of latest maturing Loan:	April 2035

Current LTV means in respect of any Loan, the ratio of (i) the amount of the Principal Outstanding Balance as at the Cut-Off Date in respect of such Loan to (ii) the valuation of the relevant property on or about the date when such Loan was originated.

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 Borrower, calculated in accordance with the terms of the relevant Loan Documentation.

Original LTV means in respect of any Loan, the ratio of (i) the amount of the Principal Outstanding Balance as at the date such Loan was originated to (ii) the valuation of the relevant property on or about the date such Loan was originated.

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 Mortgage Sale Agreement, 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.

Description of the Notes

The Notes: The €695,800,000 Class A Residential Mortgage Backed Floating Rate Notes due 2040, the €36,200,000 Class B Residential Mortgage Backed Floating Rate Notes due 2040 and the €18,000,000 Class C Residential Mortgage Backed Floating Rate Notes due 2040 to be issued on the Closing Date by the Issuer.

Status, Form and Denomination: The Notes will constitute secured, direct and unconditional 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 (except as provided below) principal. The Class C Notes will rank subordinate to the Class A Notes and the Class B Notes in point of security and as to the payment of interest and (except as provided below) principal. However, provided that the Performance Criteria are satisfied as provided for in Condition 6, the Class A Notes, Class B Notes and Class C Notes will, prior to enforcement, rank *pari passu* as to the payment of 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 Corporate Services Provider under the Corporate Services Agreement, to any of the Agents under the Agency Agreement, to the Swap Provider under the Swap 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 the Trust Deed or any other Transaction Document, have regard to the interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders equally provided that if in the opinion of the Trustee (1) (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 and/or Class C Noteholders on the other hand, it shall have regard only to the interests of the Class A Noteholders, (2) (for so long as there are any Class B Notes outstanding) there is a conflict between the interests of the Class B Noteholders and the interests of the Class C Noteholders, it shall, subject to (1) above, have regard only to the interests of the Class B Noteholders, but so that this proviso shall not apply in the case of such 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 the holders of the Class C Notes (the **Class C Noteholders**, and, together with holders of the Class A Notes (the **Class A Noteholders**) and the Class B 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 Trust Deed will also contain provisions limiting the powers of the Class C Noteholders, *inter alia*, to pass any Extraordinary Resolution which, in the opinion of the Trustee, may affect the interests of the Class B 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 Joint Lead Managers, the Joint Lead Arrangers, the Joint Bookrunners, the Subordinated Loan Provider, the Set-Off (Deposits) Loan Provider, the Set-Off (Additional Payments) Loan Provider, the Swap Provider, the Paying Agents, the Agent Bank, the Issuer 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.

Each Class of Notes (which will be in the denomination of €100,000 each, 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.

Interest:

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 27th day of January, April, July and October in each year (subject to adjustment for non-business days), (each an **Interest Payment Date**) commencing on the Interest Payment Date falling in October 2005. The first Interest Period will commence on (and include) the Closing Date and end on (but exclude) the Interest Payment Date falling in October 2005. 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 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 the linear interpolation of the rate for four-month and five-month euro deposits (**Note EURIBOR**)) plus, prior to the Interest Payment Date falling in October 2014 (the **Step-Up Date**), a margin of 0.17 per cent. per annum and, from and including the Step-Up Date, a margin of 0.34 per cent. per annum.

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) plus, prior to the Step-Up Date, a margin of 0.29 per cent. per annum and, from and including the Step-Up Date, a margin of 0.58 per cent. per annum.

Interest on the Class C 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) plus, prior to the Step-Up Date, a margin of 0.50 per cent. per annum and, from and including the Step-Up Date, a margin of 1.00 per cent. per annum.

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.

The Class C Noteholders will only be entitled to receive payments of interest on the Class C 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 C Notes as described in *Summary – Application of Funds* below. Any interest due on any Class C Notes not paid on an Interest Payment Date will itself accrue interest (at the interest rate then applicable to the Class C Notes) and, together with such accrued interest, will be paid to such Class C 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 any amount 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 Agents 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 April 2040 (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) falling on or after the Step-Up Date; or
- (c) 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

- (d) following any Regulatory Event which materially affects or will materially affect the amount of capital which the Seller is required to allocate in respect of the Portfolio and/or the transactions described in this document; or
- (e) 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.

Regulatory Event means a change, occurring on or after the date on which the Subscription Agreement is entered into, in the Basle Capital Accord of 1988 promulgated by the Basle Committee on Banking Supervision (the **Basle Accord**) or in the Greek or any national or international regulations, rules and instructions (the **Bank Regulations**) applicable to the Seller or any relevant subsidiary or branch thereof or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent Greek or any other national or international body (including any relevant Greek or any other international or national central bank or other competent authority).

Tax Event means any of the following:

- (i) any amount that 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 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 change in the interpretation or administration thereof in accordance with the terms of the Mortgage Sale Agreement or the Servicing Agreement, as applicable; or
- (ii) the Issuer (or any 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,

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 Rating Agencies and 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 and in the Deed of Charge and in the manner and in the amounts specified in *Application of Funds* below.

Rating:

It is expected that the Class A Notes, when issued, will be assigned an AAA rating by Fitch and an AAA rating by S&P. It is expected that the Class B Notes, when issued, will be assigned an A+ rating by Fitch and an A+ rating by S&P. It is expected that the Class C Notes, when issued, will be assigned a BBB rating by Fitch and a BBB rating by S&P.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if in its judgement, circumstances in the future so warrant (including a withdrawal or a downgrade in the credit rating of the Swap Provider).

Listing:

Application has been made to have the Notes approved for listing on the Irish Stock Exchange.

Purchases:

The Issuer is not permitted to purchase the Notes.

Governing Law of the Notes:

English.

Weighted Average Lives:	See under <i>Weighted Average Lives of the Notes</i> below.
Regulatory Treatment for the Notes by the Bank of Greece	The Bank of Greece has stated in a letter dated 27 April 2005 that, for credit institutions regulated by it, the risk weighting applicable to the Class A Notes will be 50 per cent., the Class B Notes will be 50 per cent. and the Class C Notes will be 50 per cent. in each case as at the date of this Offering Circular.
Security for the Notes:	<p>The Notes will have the benefit of security that is granted, or created, as the case may be:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> (i) a first priority charge over the bank account(s) of the Issuer including the Issuer Bank Accounts; (ii) first priority security assignments over the Issuer's right, title and interest in the following English law governed documents: <ol style="list-style-type: none"> (A) the Agency Agreement; (B) the Mortgage Sale Agreement; (C) the Cash Management Agreement; (D) the Swap Agreement; (E) the Subscription Agreement; (F) the Servicing Agreement; (G) the Set-Off (Additional Payments) Loan Agreement; (H) the Set-Off (Deposits) Facility Agreement; (I) the Subordinated Reserve Loan Agreement; (J) the Corporate Services Agreement; (K) the Bank Account Agreement;

- (L) any Collection Account Agreement; and
- (iii) a floating charge over any rights or assets of the Issuer not secured by the above.

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

The documents referred to in paragraph 2 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 mortgage 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.

Swap Agreement:

The Issuer will enter into the swap transaction (the **Swap Transaction**) under the Swap Agreement in order to mitigate its interest rate exposure arising as a result of differences between the rates of interest payable under the Loans and the rates at which the Notes bear interest.

The Swap Provider is subject to certain conditions imposed by the Rating Agencies as set out in the Swap Agreement.

See *Summary of Principal Documents - Swap Agreement* 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 €3,750,000, and will be fully drawn by the Issuer on the Closing Date in order to fund the Initial 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.

Set-Off (Additional Payments)
Loan Agreement:

The Set-Off (Additional Payments) Loan Provider will, in accordance with the terms of a loan agreement to be entered into between the Issuer, the Set-Off (Additional Payments) Loan Provider and the Trustee on the Closing Date (the **Set-Off (Additional Payments) Loan Agreement**), make a loan in the amount of approximately €12,605,543 (calculated on the Provisional Portfolio as at 2 June 2005) to the Issuer (the **Set-Off (Additional Payments) Loan**) which the Issuer will draw down on the Closing Date to the extent of the aggregate of an amount equal to the aggregate of the Additional Payments that the Seller has received from Borrowers up until the Closing Date.

In respect of Replacement Loans having applicable Additional Payments, the Issuer will make further drawings, at the time of acquisition of the relevant Replacement Loan, under the Set-Off (Additional Payments) Loan Agreement.

The proceeds of the drawings under the Set-Off (Additional Payments) Loan Agreement will be deposited in the Set-Off (Additional Payments) Reserve Account.

Interest on the Set-Off (Additional Payments) Loan will be paid on each Interest Payment Date or, following enforcement of the Security on any Business Day from Available 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.

The amount standing to the credit of the Set-Off (Additional Payments) Reserve Account may be reduced by such amount as the Rating Agencies confirm will not result in downgrading of the credit rating of the Notes. Any such amounts shall be used by the Issuer to repay all or part of the Set-Off (Additional Payments) Loan.

The Set-Off (Additional Payments) Loan is repayable 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 in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable, and is repayable in full on the earlier to occur of (a) the date which falls five years after the Final Maturity Date and (b) the date on which the Notes are redeemed in full.

Additional Payments means, in respect of any loan made by the Seller to a Borrower whose Loan forms part of the Portfolio, any:

- (a) additional payments (not representing principal repayable on or interest accrued in respect of such Loan) required to be made by such Borrower upon prepayment or other redemption of such Loan prior to its due date;
- (b) the difference (if any) between interest being calculated on a Loan on the basis of a 360 day year and interest being charged on a Loan on the basis of a 365 day year.
- (c) any commissions or other charges paid by the Borrowers in respect of an application for the making of a Loan; and
- (d) any interest which the Borrower is entitled to claim in respect of any amounts described in (a), (b) or (c) above which it has previously paid to the Seller.

in each case which is reclaimable by the Borrower from the Seller pursuant to the Final Class Action Decision.

See also *Set-Off (Additional Payments) Reserve Account and Summary of Principal Documents – Set-Off (Additional Payments) Loan Agreement*.

Set-Off (Deposits) Facility Agreement:

The Set-Off (Deposits) Loan Provider will, in accordance with the terms of a loan agreement to be entered into between the Issuer, the Set-Off (Deposits) Loan Provider and the Trustee on or about the Closing Date (the **Set-Off (Deposits) Facility Agreement**), make available a stand-by loan facility (the **Set-Off (Deposits) Facility**) with an initial facility commitment (the **Set-Off (Deposits) Facility Commitment**) equal to the aggregate amount of all Deposit Amounts held with the Seller by the Borrowers and (in respect of only those Loans where any amount has been or is being claimed from a Guarantor) the Guarantors of such Loans whose Loans form part of the Portfolio as at the Closing Date or in the case of any Replacement Loan as at the date the relevant Loan is assigned to the Issuer.

The Set-Off (Deposits) Facility Commitment will reduce in the manner set out in *Summary of Principal Documents - Set-Off (Deposits) Facility Agreement* below.

The Set-Off (Deposits) Facility will be drawn in full on the date (the **Rating Downgrade Date**) on which the Set-Off (Deposits) Loan Provider's short-term unsecured, unsubordinated and unguaranteed debt rating falls below F2 or the Set-Off (Deposits) Loan Provider's long-term unsecured, unsubordinated and unguaranteed debt rating falls below BBB+, in each case as determined by Fitch (the **Rating Downgrade**).

Following the Rating Downgrade Date and for so long as such

Rating Downgrade is continuing:

- (i) any decrease in the Set-Off (Deposits) Facility Commitment will result in a repayment of the Set-Off (Deposits) Loan on the following Interest Payment Date or, if earlier, the Set-Off (Deposits) Adjustment Date (as defined below) in the amount of such decrease; and
- (ii) any increase in the amount of the Set-Off (Deposits) Facility Commitment, as a result of a Loan becoming a Loan in respect of which any amount has been or is being claimed from a Guarantor, will result in a further drawing under the Set-Off (Deposits) Facility, in an amount equal to the Deposit Amount of any Guarantor of such Loan,

provided always that such repayment or drawing will be subject to the Set-Off (Deposits) Reserve Account being, and remaining after such repayment or drawing, funded in an amount no less than the Set-Off (Deposits) Facility Commitment from time to time.

The amounts drawn under the Set-Off (Deposits) Facility Agreement will constitute a borrowing under it (the **Set-Off (Deposits) Loan**). Once drawn the Set-Off (Deposits) Loan will be paid into the Set-Off (Deposits) Account and such amounts together with any other amounts standing to the credit of the Set-Off (Deposits) Account will constitute a fund (the **Set-Off (Deposits) Fund**).

Interest on the Set-Off (Deposits) Loan will be paid in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. Interest or other income earned by the Issuer on the amounts standing to the credit of the Set-Off (Deposits) Reserve Account will be transferred to the Issuer Collection Account on every Calculation Date and will form part of the Receipts.

Other than interest paid in respect of the Set-Off (Deposits) Loan as stated above, no commitment or other fees will be payable by the Issuer in respect of the Set-Off (Deposits) Loan Agreement.

The Set-Off (Deposits) Facility Commitment will be adjusted and/or if drawn the Set-Off (Deposits) Loan will be repaid from amounts standing to the credit of the Set-Off (Deposits) Reserve Account or a further drawing will be made in respect of the Deposit Amounts of any Guarantors in respect of only those Loans where any amount has been or is being claimed from a Guarantor in each case on the 12th day of each month (each, a **Set-Off (Deposits) Adjustment Date**) by (as applicable) an amount equal to the aggregate of all withdrawals made by Borrowers and (in respect of only those Loans where any amount has been or is being claimed from a Guarantor) Guarantors whose Loans form part of the Portfolio from deposits held by

them with the Seller at the Closing Date or (in the case of Guarantors in respect of those Loans where any amount has been or is being claimed from a Guarantor) any further withdrawals which would reduce the Deposit Amount after the date on which any payment is first claimed from the relevant Guarantor (provided that the minimum amount of the Set-Off (Deposits) Facility Commitment shall be zero).

The principal amount of the Set-Off (Deposits) Loan will be repaid in full (but the Set-Off (Deposits) Facility Commitment will not be affected) on the Interest Payment Date following the date on which the Seller's short-term unsecured, unsubordinated and unguaranteed debt rating increases to F2 and the Seller's long-term unsecured, unsubordinated and unguaranteed debt rating increases to BBB+, in each case as determined by Fitch (the **Rating Upgrade**).

Repayment of the Set-Off (Deposits) Loan may be made on the earlier of the next following Interest Payment Date or Set-Off (Deposits) Adjustment Date, following a Rating Downgrade (and before a Rating Upgrade) by making a withdrawal from amounts standing to the credit of the Set-Off (Deposits) Reserve Account in an amount (being greater than zero) equal to (i) the principal amount outstanding under the Set-Off (Deposits) Facility as at the relevant Interest Payment Date or Set-Off (Deposits) Adjustment Date, as applicable, less (ii) the Set-Off (Deposits) Facility Limit as at the relevant Interest Payment Date or Set-Off (Deposits) Adjustment Date, as applicable. In addition, the Set-Off Deposits Loan may be repaid from Available Funds or Available Security Funds, as the case may be in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable.

The Set-Off (Deposits) Facility Commitment (or, if drawn the Set-Off (Deposits) Loan) will be cancelled (and/or, as the case may be, the principal amount of the Set-Off (Deposits) Loan repaid) in full on the earlier of:

- (a) the date falling five years after the Final Maturity Date; and
- (b) the date on which:
 - (i) prior to the enforcement of the Security, the Trustee or, if all Notes have been redeemed in full, the Issuer, is satisfied (in each case in its absolute discretion) that the Issuer has no further actual or contingent liabilities in respect of any deposits held by any Borrower;
 - (ii) following the enforcement of Security, the date on which the Trustee or, if all the liabilities owing by the Issuer to the Secured Parties under the Transaction Documents have been

discharged in full and the Security released, the Issuer is satisfied (in each case in its absolute discretion) that no further withdrawals from the Set-Off (Deposits) Reserve Account are required to be made by the Cash Manager, in respect of amounts that Borrowers or (in respect of those Loans where any amount has been or is being claimed from a Guarantor) Guarantors may set-off or deduct from amounts payable under the Loans in respect of amounts held on deposit by the Borrowers or Guarantors, as appropriate, in accordance with the Cash Management Agreement.

See also *Set-Off (Deposits) Reserve Account* and *Summary of Principal Documents - Set-Off (Deposits) 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) insurance premium payments advanced by the Seller directly to the relevant insurance providers, neither of which form part of the Initial Portfolio purchased by the Issuer) received in accordance with the Servicing Agreement (the **Collections**) to the Servicer Collection Account by 5:00 p.m. (Athens time) or, if the Servicer ceases to be assigned a short-term unsecured, unsubordinated and unguaranteed debt rating of at least A-2 by S&P and F2 by Fitch by 2:00 p.m. (Athens time) on in each case the Athens Business Day 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 and insurance premium payments associated with the ongoing servicing of the Loans, on the date of receipt of these amounts by the Servicer. 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 Athens 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 A-2 by S&P and F2 by Fitch immediately upon transfer into the Servicer Collection Account and by no later than 5:00 p.m. (Athens time) on the Athens 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 2076/92 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 pursuant to the terms of a collection account agreement to be entered into at the relevant time between the Issuer, the Trustee and such bank (any such agreement, a **Collection Account Agreement**).

Eligible Bank means a bank that has a short-term unsecured, unguaranteed and unsubordinated debt rating of no less than F1 by Fitch and A-1+ by S&P or if:

- (i) the relevant bank holds an amount less than 20 per cent of the Principal Amount Outstanding of the Notes in the Servicer Collection Account and/or the Issuer Amounts; and
- (ii) monies are held by the relevant bank for a period of a 30 days or less,

A-1 by S&P.

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 the time period set out in the Collection Account Agreement.

Pursuant to the Collection Account Agreement, 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**) with the Issuer Account Bank in London 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. On each Calculation Date, all monies standing to the credit of the Issuer Collection Account 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 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 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 any of the Issuer Bank Accounts, which is repayable on or before the Servicer Report 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 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 balances on the Issuer Bank Accounts during such Collection Period and 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:

(i) having at least the applicable rating by the Fitch for the maturity of such investments set forth below:

Maturity	Fitch
more than 365 days	AAA
30 days or more to 365 days	F1+
Less than 30 days	F1

and

(ii) being rated at least AA- or A-1+ by S&P and without an 'r' or other suffix attached to such rating.

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 €3,750,000 (the **Initial Reserve Fund Amount**) from the proceeds of the Subordinated Reserve Loan and thereafter shall be funded out of Available Funds starting from the first Interest Payment Date and on each subsequent Interest Payment Date (subject to payment of amounts ranking in priority to the funding of the Reserve Account in the Pre-Enforcement Priority of Payments) until the balance reaches €13,500,000 (the **Required Reserve Fund Amount**).

Subject to all of the Performance Criteria being met, the Required Reserve Fund Amount will decrease on each Interest Payment Date following the date on which the Performance Criteria have been satisfied to the greater of:

- (a) 1.8 per cent of the Principal Amount Outstanding of the Notes on such Interest Payment Date; or
- (b) 0.5 per cent of the Principal Amount Outstanding of the Notes as at the Closing Date,

provided that if any one of the conditions set out in paragraphs (b) and (c) of the Performance Criteria is not satisfied on any Calculation Date, the Required Reserve Fund Amount will remain at the level at which it was on the immediately preceding Interest Payment Date. The Reserve Account will be replenished on each Interest Payment Date subject to and in accordance with the Pre-Enforcement Priority of Payments to the extent the balance of the Reserve Account has fallen or is below the Required Reserve Fund Amount for such Interest Payment Date.

Any balances of the Reserve Account from time to time will

form part of the Available Funds.

The **Performance Criteria** in respect of a Calculation Date are that:

- (a) on such Calculation Date the Reserve Account is funded to the Required Reserve Fund Amount;
- (b) on such Calculation Date the Default Ratio (as defined below) is less than 4.0 per cent.; and
- (c) the Class A Credit Enhancement Ratio as at such Calculation Date is equal to or exceeds 2 times the Class A Credit Enhancement Ratio as at the Closing Date.

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

- (a) the aggregate of
 - (i) the Principal Amount Outstanding of the Class B Notes as at such Calculation Date;
 - (ii) the Principal Amount Outstanding of the Class C Notes as at such Calculation Date;

over

- (b) the aggregate of the Principal Amount Outstanding of all the Notes as at such Calculation 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 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.

Principal Loss means, in respect of a Loan, the amount required to be deemed as lost under the terms of the Servicing Agreement, being:

- (a) for Defaulted Loans, an amount equal to 100 per cent. of the Principal Outstanding Balance of that Loan; and
- (b) for any other Loan, the amount of any principal loss in respect of that Loan in such amount and to be arising at such time as is in accordance with the normal accounting

practices of the Servicer from time to time.

Defaulted Loan means a loan which is 150 Days in Arrears, or which has been referred to the Servicer's non-performing loans division, whichever occurs earlier.

150 Days in Arrears means, in respect of a Loan at any time, a classification to be applied to that Loan when the aggregate amount due under the loan which has not been paid by the relevant Borrower when due and which remains outstanding is equal to or greater than six times the then current monthly instalment amount .

Set-Off (Additional Payments)
Reserve Account:

The Issuer will, on the Closing Date, create and maintain a designated account (the **Set-Off (Additional Payments) Reserve Account**) with the Issuer Account Bank under the Bank Account Agreement.

The Set-Off (Additional Payments) Reserve Account will hold the Set-Off (Additional Payments) Loan to the extent this has been drawn under the Set-Off (Additional Payments) Loan Agreement or accumulated in accordance with the Pre-Enforcement Priority of Payments.

Withdrawals from the Set-Off (Additional Payments) Reserve Account may be made only in accordance with the provisions of the Cash Management Agreement and the Deed of Charge. Other than to effect a repayment of the Set-Off (Additional Payments) Loan as described in the section *Set-Off (Additional Payments) Loan Agreement* above and in the section *Summary of Principal Documents - Set-Off (Additional Payments) Loan Agreement* below, the circumstances in which such a withdrawal may be made relate to the exercise by a Borrower of any set-off, counterclaim or deduction from any amount payable by such Borrower under a Loan in respect of Additional Payments. Amounts withdrawn for such purpose from the Set-Off (Additional Payments) Reserve Account will be transferred to the Issuer Transaction Account on the relevant Calculation Date and will form part of the Available Funds.

Amounts of interest or other income received in respect of the amounts standing to the credit of the Set-Off (Additional Payments) Reserve Account will be transferred to the Issuer Collection Account on the last day of each month and will form part of the Receipts.

See also *Set-Off (Additional Payments) Loan Agreement* above and *Summary of Principal Documents – Set-Off (Additional Payments) Loan Agreement* below.

Set-Off (Deposits) Reserve
Account:

The Issuer will, on the Closing Date, create and maintain a designated account (the **Set-Off (Deposits) Reserve Account** and, together with the Issuer Transaction Account, the Issuer Collection Account, the Reserve Account and the Set-Off

(Additional Payments) Reserve Account and any other account in which the Issuer may have an interest from time to time the **Issuer Bank Accounts**) with the Issuer Account Bank under the Bank Account Agreement.

The Set-Off (Deposits) Reserve Account will hold any drawings under Set-Off (Deposits) Facility to the extent this has been drawn under the Set-Off (Deposits) Facility Agreement or accumulated in accordance with the Pre-Enforcement Priority of Payments.

Withdrawals from the Set-Off (Deposits) Reserve Account may be made only in accordance with the provisions of the Cash Management Agreement and the Deed of Charge. Other than to effect a repayment of the Set-Off (Deposits) Loan as described in the sections *Set-Off (Deposits) Facility Agreement* above and in the section *Summary of Principal Documents – Set-Off (Deposits) Facility Agreement* below, the circumstances in which such a withdrawal may be made relate to the exercise by a Borrower or (in respect of those Loans where any amount has been or is being claimed from a Guarantor) Guarantor of any set-off, counterclaim or deduction relating to amounts held on deposit by the Borrower or Guarantor with the Seller from any amount payable by such Borrower or Guarantor under a Loan. Amounts withdrawn for such purpose from the Set-Off (Deposits) Reserve Account will be transferred to the Issuer Transaction Account on the relevant Calculation Date and will form part of the Available Funds.

Amounts of interest or other income received in respect of the amounts standing to the credit of the Set-Off (Deposits) Reserve Account will be transferred to the Issuer Collection Account on the last day of each month and will form part of the Receipts.

See also *Set-Off (Deposits) Facility Agreement* above and *Summary of Principal Documents – Set-Off (Deposits) Facility Agreement* below.

Sources of Funds:

The Issuer's receipts (the **Receipts**), in respect of a Collection Period and in the case of Income Receipts, including any amounts of Swap Income for the relevant Interest Period, will comprise the aggregate of:

- (a) Income Receipts;
- (b) amounts of principal received in respect of the Loans;
- (c) recoveries of principal from Borrowers under Loans being enforced or Loans which have been enforced;
- (d) any proceeds of an insurance policy relating to a Borrower or a Loan (to the extent not applied in the repair and/or reinstatement of the relevant Property);

- (e) all the proceeds of the repurchase of any Loan by the Seller from the Issuer pursuant to the terms of the Mortgage 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;
- (f) any indemnity amounts paid by the Seller pursuant to the Mortgage Sale Agreement; and
- (g) amounts transferred from the Set-Off (Additional Payments Reserve Account and the Set-Off (Deposits) Reserve Account to the Issuer Transaction Account,

without double-counting.

Available Funds means, as at a Calculation Date, an amount 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) the aggregate of the amounts (if any) due to be paid to the Issuer under the Swap Agreement on or prior to the immediately succeeding Interest Payment Date in respect of the Interest Period to which that Calculation Date relates but excluding any Excess Swap Collateral;
- (c) any other amounts (if any) standing to the credit of the Issuer Bank Accounts (except amounts credited thereto by mistake, where such mistake is known to the Cash Manager as at such Calculation Date), other than any amounts standing to the credit of (i) the Set-Off (Additional Payments) Reserve Account, (ii) the Set-Off (Deposits) Reserve Account and (iii) 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 (a)(iv) of the *Pre-Enforcement Priority of Payments*.

Collection Date means the 1st of January, April, July and October 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:

- (a) 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) *first*, 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 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 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 Rating Agencies), 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 any amounts standing to the credit of the Tax Reserve Ledger 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*, in or towards payment of amounts due and payable to the Swap Provider under the

Swap Agreement (other than Swap Subordinated Amounts or Swap Substitution Amounts);

- (vii) *seventhly*, to retain in a separate ledger (the **Tax Reserve Ledger**) of the Issuer Transaction Account an amount equal to 0.0100 per cent. of the Income Receipts for the Collection Period which ended immediately prior to such Calculation Date;
- (viii) *eighthly*, in or towards payment of interest due on the Class A Notes;
- (ix) *ninthly*, subject to paragraph (b) below, in or towards payment of interest due on the Class B Notes;
- (x) *tenthly*, subject to paragraphs (b) and (c) below, in or towards payment of interest due on the Class C Notes;
- (xi) *eleventhly*, and for as long as the Performance Criteria are satisfied on such Calculation Date or if they will be satisfied on the relevant Interest Payment Date following application of amounts pursuant to the preceding items in or towards redemption of, *pari passu* and *pro rata*:
 - (1) the Class A Notes in an amount equal to the Class A Notes Redemption Amount;
 - (2) the Class B Notes in an amount equal to the Class B Notes Redemption Amount; and
 - (3) the Class C Notes in an amount equal to the Class C Notes Redemption Amount.

If any of the Performance Criteria are not satisfied on such Calculation Date or if they will not be satisfied on the relevant Interest Payment Date following application of amounts pursuant to the preceding items in or towards redemption of, *pari passu* and *pro rata*, then towards redemption of the Notes in the following manner and order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (A) the Class A Notes in an amount equal to the Class A Note Redemption Amount;
- (B) the Class B Notes in an amount equal to the Class B Note Redemption Amount;

and

- (C) the Class C Notes in an amount equal to the Class C Note Redemption Amount;
- (xii) *twelfthly*, 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;
- (xiii) *thirteenthly*, for so long as there are Notes outstanding *pari passu* and *pro rata*, (1) following the occurrence of a Servicer Performance Event only, in crediting the Set-Off (Additional Payments) Reserve Account until the total amount standing to the credit thereof equals the Required Set-Off (Additional Payments) Reserve Amount; and (2) following a Rating Downgrade of the Set-Off (Deposits) Loan Provider (unless the Set-Off (Deposits) Loan Provider has subsequently had a Rating Upgrade) or the occurrence of a Servicer Performance Event, in crediting the Set-Off (Deposits) Reserve Account until the total amount standing to the credit thereof equals the Set-Off (Deposits) Facility Commitment (as the same may have reduced since the Closing Date);
- (xiv) *fourteenthly*, in or towards payment *pari passu* and *pro rata*, according to the respective amounts thereof of: (1) any Swap Subordinated Amounts and (2) any Swap Substitution Amounts;
- (xv) *fifteenthly*, in or towards payment, *pari passu* and *pro rata* according to the amounts thereof, of interest due on the Subordinated Reserve Loan, the Set-Off (Additional Payments) Loan and the Set-Off (Deposits) Facility;
- (xvi) *sixteenthly*, in or towards payment of principal outstanding under the Subordinated Reserve Loan;
- (xvii) *seventeenthly*, in or towards payment *pari passu* and *pro rata* of principal outstanding under each of the Set-Off (Additional Payments) Loan and the Set-Off (Deposits) Loan;
- (xviii) *eighteenthly*, in or towards payment of Deferred Consideration to the Seller; and;
- (xix) *nineteenthly*, the surplus, if any, to the Issuer.

- (b) If, on any Calculation Date, the Default Ratio is greater than 5.8 per cent., but less than 9.2 per cent., then the payment of interest due on the Class C Notes on the immediately succeeding Interest Payment Date pursuant to item (a)(x) above shall rank immediately below the redemption of principal of the Class B Notes pursuant to item (a)(xi)(2) in the Pre-Enforcement Priority of Payments set out above.
- (c) If, on any Calculation Date, the Default Ratio is 9.2 per cent. or greater, the priority of payments set out in (a)(ix) to (a)(xi) above will be replaced by the following:
 - (i) *ninthly*, redemption of the Class A Notes in an amount equal to the Class A Note Redemption Amount, calculated on the basis that the Performance Criteria have not been satisfied;
 - (ii) *tenthly*, interest due on the Class B Notes;
 - (iii) *eleventhly*, redemption of the Class B Notes in an amount equal to the Class B Note Redemption Amount, calculated on the basis that the Performance Criteria have not been satisfied;
 - (iv) *twelfthly*, interest due on the Class C Notes; and
 - (v) *thirteenthly*, redemption of the Class C Notes in an amount equal to the Class C Note Redemption Amount, calculated on the basis that the Performance Criteria have not been satisfied,

and the successive items in the Pre-Enforcement Priority of Payments starting with item (a)(xii) above shall follow in the same order as that in which they are listed in paragraph (a) above, with consequential alterations to their numerical ranking.

Class A Pro-Rata Percentage means, at any time, the fraction expressed as a percentage, the numerator of which is the Principal Amount Outstanding of the Class A Notes at such time, and the denominator of which is the Principal Amount Outstanding of all of the Notes at such time.

Class A Note Redemption Amount means on any Calculation Date:

- (a) if the Performance Criteria are satisfied on such Calculation Date, an amount equal to the Class A Pro-Rata Percentage of the Principal Amortisation Amount on such Calculation Date; and
- (b) if the Performance Criteria are not satisfied on such

Calculation Date, an amount equal to the lesser of:

- (i) the Principal Amortisation Amount; and
- (ii) the then Principal Amount Outstanding of the Class A Notes

Class B Pro-Rata Percentage means, at any time, the fraction expressed as a percentage, the numerator of which is the Principal Amount Outstanding of the Class B Notes at such time, and the denominator of which is the Principal Amount Outstanding of all of the Notes at such time.

Class B Note Redemption Amount means on any Calculation Date:

- (a) if the Performance Criteria are satisfied on such Calculation Date, an amount equal to the Class B Pro-Rata Percentage of the Principal Amortisation Amount on such Calculation Date; and
- (b) if the Performance Criteria are not be satisfied on such Calculation Date, an amount equal to the lesser of:
 - (i) the Principal Amortisation Amount less any amounts repayable on the Class A Notes on the next following Interest Payment Date; and
 - (ii) the then Principal Amount Outstanding of the Class B Notes.

Class C Pro-Rata Percentage means, at any time, the fraction expressed as a percentage, the numerator of which is the Principal Amount Outstanding of the Class C Notes at such time, and the denominator of which is the Principal Amount Outstanding of all of the Notes at such time.

Class C Note Redemption Amount means on any Calculation Date:

- (a) if the Performance Criteria are satisfied on such Calculation Date, an amount equal to the Class C Pro-Rata Percentage of the Principal Amortisation Amount on such Calculation Date; and
- (b) if the Performance Criteria are not be satisfied on such Calculation Date, an amount equal to the lesser of:
 - (i) the Principal Amortisation Amount less any amounts repayable on the Class A Notes and the Class B Notes on the next following Interest Payment Date; and
 - (ii) the then Principal Amount Outstanding of the

Class C Notes.

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.

Required Set-Off (Additional Payments) Reserve Amount means an amount equal to the Additional Payments in respect of the Initial Pool and the Additional Payments in respect of any Replacement Loans, being as at the Closing Date, approximately €12,605,543 (such amount calculated on the Provisional Portfolio as at 2 June 2005)) or such other amount as the Rating Agencies confirm is required in order to maintain the then current ratings of the Notes.

Servicer Performance Event means either:

- (a) the short-term, unsecured, unsubordinated and unguaranteed debt ratings the Set-Off (Additional Payments) Loan Provider being lower than F2 by Fitch;
- (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.

Swap Subordinated Amounts means any amount due from the Issuer to the Swap Provider, where such amount due is a positive number, as a result of a termination of the swap transaction under the Swap Agreement, when the Swap Provider is the sole Affected Party (as defined in the Swap Agreement) or the defaulting party under such provisions, provided that if such amount includes an amount attributable to collateral delivered by the Swap Provider in excess of the termination amounts otherwise due in respect of such swap transaction, then that part of the termination amount will not be a Swap Subordinated Amount.

Swap Substitution Amounts means the cost of the Swap Provider of finding an adequate hedging for the Swap Agreement in the event of the insolvency or reorganisation of Piraeus, such amounts to be calculated by the Swap Provider on the basis of quotations from at least three independent swap market makers.

Excess Swap Collateral means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by the Swap Provider to the Issuer in respect of the Swap Provider's obligations to transfer collateral to the Issuer under the Swap Agreement (as a result of the ratings downgrade provisions in the Swap Agreement), which is in excess of the Swap Provider's liability to the Issuer under the Swap Agreement as at

the date of termination of the transaction under the Swap Agreement, or which the Swap Provider is otherwise entitled to have returned to it under the terms of the Swap Agreement.

Swap Tax Credit Amount means any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to such payment obtained by the Issuer in relation to a payment made by the Swap Provider in accordance with the Swap Agreement.

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 lower of:

- (a) the Available Funds relating to such Interest Payment Date, minus:
 - (i) to the extent that the Pre-Enforcement Priority of Payments is by reference exclusively to paragraph (a) of the Pre-Enforcement Priority of Payments, all amounts falling due and payable under items (i) to (x) (inclusive) of the Pre-Enforcement Priority of Payments set out in paragraph (a) above of the Pre-Enforcement Priority of Payments on such Interest Payment Date;
 - (ii) to the extent that the Pre-Enforcement Priority of Payments is by reference to paragraphs (a) and (b) of the Pre-Enforcement Priority of Payments,
 - (A) for so long as any Class A Notes and/or the Class B Notes are outstanding, all amounts falling due and payable under items (i) to (ix) (inclusive) in each case of the Pre-Enforcement Priority of Payments set out in paragraph (a) above on such Interest Payment Date; and
 - (B) following redemption of the Class A Notes and the Class B Notes in full, all amounts falling due and payable under items (i) to (x) (inclusive) of the Pre-Enforcement Priority of Payments set out in paragraph (a) above on such Interest Payment Date; and
 - (iii) to the extent that the Pre-Enforcement Priority of Payments is by reference to paragraphs (a) and (c) above of the Pre-Enforcement Priority of Payments,

(A) for so long as any Class A Notes are outstanding, all amounts falling due and payable under items (i) to (viii) (inclusive) of the Pre-Enforcement Priority of Payments set out in paragraph (a) 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:

(1) all amounts falling due and payable under items (i) to (viii) (inclusive) of the Pre-Enforcement Priority of Payments set out in paragraph (a) of the Pre-Enforcement Priority of Payments; and

(2) items (i) and (ii) of the Pre-Enforcement Priority of Payments set out in paragraph (c) above,

on such Interest Payment Date; and

(C) following redemption of the Class A Notes and the Class B Notes in full, the aggregate of:

(1) all amounts falling due and payable under items (i) to (viii) (inclusive) of the Pre-Enforcement Priority of Payments set out in paragraph (a) above,

(2) items (i), to (iv) (inclusive) of the Pre-Enforcement Priority of Payments set out in paragraph (c) above,

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, 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 Losses, 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 Account Bank and, as the case may be, the Swap Provider, 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;
- (c) Collection Account Income (if any) in respect of a Collection Period; and
- (d) any Swap Income,

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 Borrowers under Loans being enforced or Loans which have been enforced,

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

Swap Income means, on any Calculation Date and in respect of an Interest Period, any net amount to be received from the Swap Provider under the Swap Agreement (which net amount shall exclude any collateral provided by the Swap Provider under the Swap Agreement) during the Interest Period ending immediately following such Calculation Date.

Post-Enforcement Priority of Payments:

Following the enforcement of the Security, the Trustee or a receiver appointed by it will apply all monies and receipts in

respect of the Security (other than amounts standing to the credit of the Set-Off (Additional Payments) Reserve Account (if any) or the Set-Off (Deposits) Reserve Account (if any) except to the extent such amounts have been transferred to the Issuer Transaction Account following set-off by a Borrower in respect of Additional Amounts or Deposit Amounts) (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 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 amounts due or overdue to the Swap Provider under the Swap Agreement (other than Swap Subordinated Amounts and Swap Substitution Amounts);
- (iv) *fourthly*, in or towards satisfaction of all interest and principal due or overdue on the Class A Notes;
- (v) *fifthly*, in or towards satisfaction of all interest and principal due or overdue on the Class B Notes;
- (vi) *sixthly*, in or towards satisfaction of all interest and principal due or overdue on the Class C Notes;
- (vii) *seventhly*, *pari passu* and *pro rata* in or towards satisfaction of all Swap Subordinated Amounts and Swap Substitution Amounts;
- (viii) *eighthly*, 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, and

the Set-Off (Additional Payments) Loan and the Set-Off (Deposits) Loan;

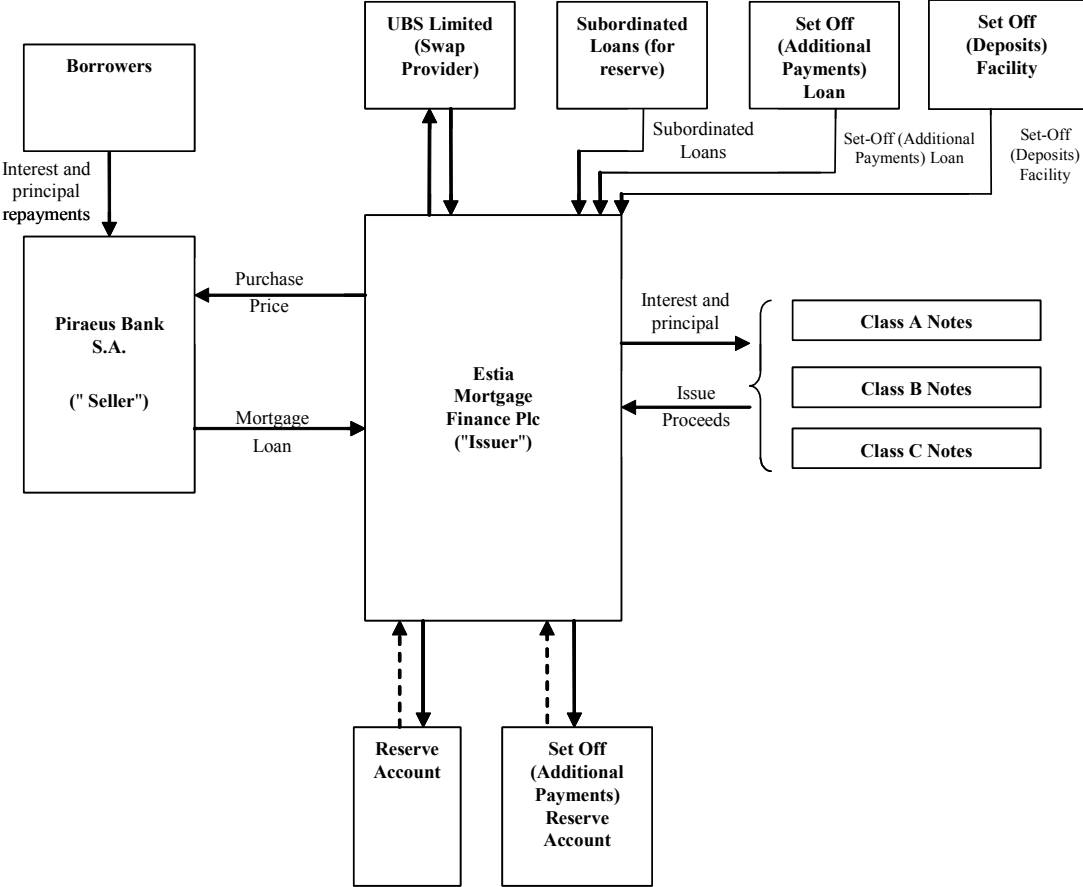
- (ix) *ninthly*, in or towards payment of all principal and other amounts due or overdue on the Subordinated Reserve Loan;
- (x) *tenthly*, in or towards payment, *pari passu* and *pro rata*, and according to the respective amounts thereof, of all principal and other amounts due or overdue on the Set-Off (Additional Payments) Loan and the Set-Off (Deposits) Loan;
- (xi) *eleventhly*, in or towards satisfaction of all amounts of Deferred Consideration to the Seller; and
- (xiii) *twelfthly*, the surplus, if any, to the Issuer or other persons entitled thereto.

Following the enforcement of the Security the Set-Off (Deposits) Facility and the Set-Off (Additional Payments) Loan will be cancelled in full (and/or, as the case may be, principal repaid from any amounts (if any) standing to the credit of the Set-Off (Deposits) Reserve Account and the Set-Off (Additional Payments) Reserve Account) on the earlier of:

- (a) the date falling five years after the Final Maturity Date; and
- (b) the date on which the Trustee or, if all the liabilities owing by the Issuer to the Secured Parties under the Transaction Documents have been discharged in full and the Security released, the Issuer, is satisfied (in its absolute discretion) that no further withdrawals from the Set-Off (Deposits) Reserve Account or the Set-Off (Additional Payments) Reserve Account (as applicable) are required to be made by the Cash Manager in respect of amounts that Borrowers or Guarantors may set-off or deduct from amounts payable under the Loans in respect of amounts payable by the Seller to the Borrowers or the Guarantors in accordance with the Cash Management Agreement.

To the extent that any amounts remain standing to the credit of the Set-Off (Additional Payments) Reserve Account or the Set-Off (Deposits) Reserve Account after repaying all amounts due under the Set-Off (Additional Payments) Loan or the Set-Off (Deposits) Loan, as applicable, such amounts shall be paid by the Issuer to the Seller as Deferred Consideration.

STRUCTURE DIAGRAM



INVESTMENT CONSIDERATIONS

The following is a summary of certain aspects of the issue of the Notes and related transactions about which prospective Noteholders should be aware. This summary is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Offering Circular. If you are in any doubt about the contents of this Offering Circular you should consult an appropriate professional adviser.

Liabilities under the Notes

The Notes will be obligations of the Issuer only. The Notes will not be obligations of the Trustee, the Seller, the Servicer, the Joint Lead Managers, the Joint Lead Arrangers, Joint Bookrunners, the Swap Provider, the Subordinated Loan Provider, the Set-Off (Additional Payments) Loan Provider, the Set-Off (Deposits) Loan Provider, the Paying Agents, the Agent Bank, the Cash Manager, the Issuer Account Bank, the Share Trustee or the Corporate Services Provider and will not be guaranteed by any person. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

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 and the Class C Notes

The Class B Notes and the Class C 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 and the Class C 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 Transaction Accounts) will be attributable first to the Class C Notes, then to the Class B Notes and finally to the Class A Notes. Prior to such enforcement, the Class B Notes and the Class C 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 and the Class C Notes. In turn, prior to enforcement, the Class C Notes will support the timely payment of interest on the Class B Notes because of the higher ranking of payments under the Class B Notes than those due under the Class C Notes.

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 (1) (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 and/or Class C Noteholders on the other hand, it shall have regard only to the interests of the Class A Noteholders, (2) (for so long as there are any Class B Notes outstanding) there is a conflict between the interests of the Class B Noteholders and the interests of the Class C Noteholders, it shall, subject to (1) above,

have regard only to the interests of the Class B 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 Mortgage 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 a Borrower or as a result of enforcement proceedings under the relevant Loan, as well as the receipt of proceeds from insurance policies. 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 mortgage 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. See *Weighted Average Lives of the Notes* below.

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 Borrowers (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 Swap Agreement, 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 Borrowers may result in reductions to the amounts payable and receivable by the Issuer under the Swap Agreement which in turn 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 C Notes, secondly, the Class B Notes and

thirdly, 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.

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 Borrowers for the Loans consists of, *inter alia*, Pre-Notations 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 residential 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 and housing markets than will other regions, and, consequently, could experience higher rates of loss and delinquency on residential loans generally. See *Description of the Provisional Mortgage Portfolio* below.

Prior ranking Mortgages or Pre-Notations

In some cases, a Pre-Notation held by the Issuer over a particular property may rank lower than a pre-notation or mortgage registered earlier over the same property, in favour of a third party creditor or the Seller itself. In these circumstances, the Issuer's claims to the proceeds of enforcement would rank behind those of the earlier creditor. However, the Seller has determined to its satisfaction, acting as a Prudent Mortgage Lender, that there are no actual outstanding claims capable of being made by each one of such third party creditors or that any such third party claims are limited to a maximum of €1,500. Where the Seller itself has a prior ranking mortgage or pre-notation over the same property, the loan in respect of which such mortgage or pre-notation was granted, must be transferred to the Issuer pursuant to the Mortgage Sale Agreement.

Properties under construction

It is a requirement under the Eligibility Criteria (see *Summary of Principal Documents - Mortgage Sale Agreement*) that any Loan granted for the construction of a property where such property is providing security for the relevant Loan that the property under construction must have been completed and must have been originated before 31 March 2005 i.e. the Cut-Off Date is at least eighteen months after the relevant Loan was originated. It is the general practice of the Seller to require an engineer's inspection (unless the property securing the loan is another fully completed property) to confirm that the final stage of construction of the property has been completed before full disbursement of the Loan. The probability of the construction of a property not being completed is therefore negligible.

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 Joint Lead Managers, the Joint Lead Arrangers, the Joint Bookrunners, the Swap Provider, the Cash Manager, the Issuer 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 Mortgage 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 Mortgage 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 Mortgage 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 either:

1. on a pure variable basis by reference to any of:
 - (a) one-month EURIBOR for euro deposits plus a margin; or
 - (b) the variable base rate of Piraeus for housing loans granted for the purpose of purchase, repairing or building residential property (the **Piraeus Base Rate**) plus, if applicable, a margin; or
2. on a combined basis with (a) a fixed rate for a pre-determined period and then (b) a floating rate set with reference to any of (i) one-month EURIBOR plus a margin or (ii) the Piraeus Base Rate plus, if applicable, a margin.

The Piraeus Base Rate is a variable rate dependent on a number of factors including the Greek banking market conditions, the competitive environment between mortgage lending banks in Greece and funding costs that Piraeus has in making loans. The Piraeus Base Rate is set by Piraeus by reference to one-month EURIBOR.

The interest rate basis of Loans with a pure variable basis may be changed in the future to either a fixed or a combined rate basis and the Servicer will be authorised by the Issuer to make such a change (subject to the definition of Rate Variation below and the Loan Warranties and Eligibility Criteria set out in the Mortgage 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 (i) calculated on a variable basis by reference to the Piraeus Base Rate or (ii) calculated on a combined basis in part by reference to the Piraeus Base Rate below a rate equal to the lesser of (a) EURIBOR plus 1.5 per cent., provided that the weighted average interest rate of the Loans in the Portfolio is greater than or equal to the equivalent of EURIBOR plus two per cent. and (b) EURIBOR plus the margin over EURIBOR applicable to the Piraeus Base Rate from time to time (such lesser rate the **Minimum Rate**).

Provided the Swap Provider continues to perform its obligations in respect of the Swap Agreement, the Issuer is expected to be able to meet its interest obligations in respect of the Notes. However, to the extent that there are Principal Losses and Loans in arrears, amounts payable by the Issuer to the Swap Provider and consequently by the Swap Provider to the Issuer will be reduced and accordingly the Issuer may have insufficient funds to enable it to make payment of interest on the Notes, notwithstanding the existence of the Swap Agreement.

Termination payments on the Swap Agreement

If a Swap Transaction under the Swap Agreement is terminated, the Issuer may be obliged to make a termination payment to the Swap Provider. The amount of the termination payment will be based on the then market value of the terminated Swap Transaction.

Except where the Swap Transaction has terminated as a result of the Swap Provider being in default or the Swap Provider failing to comply with the requirements following a Swap Provider Ratings Downgrade, any termination payment due from the Issuer following termination of the Swap Transaction (including any extra costs incurred (for example, from entering into spot interest rate swaps) if the Issuer cannot immediately enter into a replacement swap agreement), will rank in priority to payments in respect of the Notes.

Therefore, if the Issuer is obliged to make a termination payment to the Swap Provider or pay any other additional amounts as a result of the termination of the Swap Transaction, this could reduce the Issuer's ability to service payments on the Notes.

In the event that a Swap Provider fails to perform its obligations under the Swap Agreement the ability of the Issuer to meet its obligations in respect of the Notes may be adversely affected. If the Swap Transaction is terminated by the Issuer, there can be no guarantee that the Issuer will be able to enter into a replacement transaction on the same terms as the Swap Transaction or at all.

Optional Redemption

Although the Issuer is entitled (as to which see **Condition 6**) to redeem the Notes at its option in certain circumstances, including on any Interest Payment Date falling on or after the Step-Up Date, 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.

Limited liquidity

There is currently no secondary market for the Notes. There can be no assurance that a secondary market for the Notes will develop or that a market will develop for all classes or, if it does develop, that it will continue.

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.

Ratings of the Notes

The rating of each Class of the Notes addresses the timely payment of interest and ultimate payment of principal on or before the Final Maturity Date in respect of that Class of Notes.

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 Swap Provider or the Issuer Account Bank) in the future so warrant.

Proposed EU Directive on the Taxation of Savings Income

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

Insurance

Under the terms and conditions of the Loan Documentation, each Borrower is required to obtain and maintain fire and earthquake insurance, unless the property was built before 1st January 1960, in which case only fire insurance is available in the market. Accordingly, a claim under such policy for damage to the relevant property can be made only if the damage results from the occurrence of a fire or earthquake. However, this is not inconsistent with the terms and conditions of loans similar to the Loans made by other mortgage lenders in Greece who also only require borrowers to obtain and maintain fire and earthquake insurance.

In addition, certain Borrowers are required to take out (where applicable) life and permanent disability insurance policies, with the Seller as the primary loss payee, to secure their obligations under the relevant Loan.

Consumer Protection Litigation

Following the Athens Court of Appeal Decision 5253/03 in respect of a class action concerning mortgage loans originated by Emporiki Bank (the **Interim Class Action Decision**), certain provisions that mortgage lenders in Greece have included in their mortgage loans were held to be unenforceable on grounds of illegality or the provisions being contrary to good faith. Emporiki Bank brought an Appeal against the Interim Class Action Decision in the Supreme Court. The appeal was heard on 17 December 2004. The Supreme Court issued its decision 430/2005 on 4 March 2005 (the **Final Class Action Decision**) which partially upheld the arguments of Emporiki Bank. The Supreme Court held among other things that in particular:

- the agreement for payment of the levy of law 128/95 by borrowers and not by the credit institution is legal and valid;
- in case of a partial or total pre-payment of a floating interest rate loan pre-payment penalties contained in the Emporiki Bank mortgage loan agreements breached consumer protection law provisions and as such were not legal and valid.

The Loan Documentation for each Loan contains certain similar provisions to those that were held to be invalid and unenforceable in the Final Class Action Decision. However, the unenforceability of these provisions does not affect the enforceability of the Loans or their Related Security.

In particular, the Final Class Action Decision held that Additional Payments that are and were charged to borrowers are abusive and therefore illegal. The Seller, in common with other mortgage lenders, charged and has continued to charge the Additional Payments to its borrowers. Accordingly, Borrowers can claim back such amounts that have been charged by the Seller under the Loans and set-off such amounts against the amounts that they owe to the Issuer following the transfer of the Loans from the Seller to the Issuer. Furthermore, the Issuer would be liable to Borrowers should Additional

Payments continue to be charged after the Closing Date. Any such claim by a Borrower could reduce the Issuer's ability to make payments in respect of the Notes. See also *Investment Considerations – Set-off* below.

A successful litigant would also be entitled to interest on the Additional Payment at the default interest rate set by law from time to time (currently 10 per cent. per annum) for: (A) a period commencing on (in the case of Additional Payments arising as a result of prepayment penalties and excess interest arising from charging interest on the basis of a 365 day year and calculating it on the basis of a 360 day year) the later of (i) the date when the relevant Additional Payment was made and (ii) the date when the Final Supreme Court Decision was issued and expiring on the earlier of (a) the Closing Date or, in respect of a Replacement Loan, the relevant Repurchase Date on which such Loan was sold and assigned to the Issuer and (b) five years; or (B) (in the case of Additional Payments arising as a result of commissions and other charges paid by the Borrower in respect of an application for the making of a Loan) the shorter of the periods (i) commencing on the date when the relevant Additional Payment was made and expiring on the Closing Date and (ii) five years. A calculation of the exposure in respect of any Additional Payment takes this interest element into consideration.

Set-off

In addition to Additional Payments, any Borrower or, as applicable, a Guarantor may also set-off an amount that is held as a deposit (a **Deposit Amount**) with the Seller up to the amount of such Deposit Amount on the Closing Date (or the date on which the Issuer purchases the relevant Loan, if later) against the Issuer's claim against such Borrower or Guarantor under the relevant Loan if the Seller fails to satisfy the Borrower's or Guarantor's claim in respect of the Deposit Amount. The Deposit Amount, in respect of both Borrowers and Guarantors, at the Closing Date shall be equal to the upper limit of the set-off amount in respect of the Deposit Amount. If a Borrower or Guarantor makes a withdrawal after the Closing Date, the amount that can be set-off against the Issuer will be reduced by the amount that is so withdrawn notwithstanding any subsequent deposit made by such Borrower or Guarantor. The amounts which can be set-off in respect of deposits will also be reduced to nil if the relevant deposit has been withdrawn and the deposit account closed. Finally, the amounts which can be set-off in respect of deposits, will also be reduced by the amount by which they exceed the Principal Outstanding Balance of the corresponding Loan and fully in respect of Retired Loans.

A Borrower or Guarantor may exercise his set-off rights against the Issuer's claims from the Loans after having calculated the exact amount of the Deposit Amounts or the Additional Payment which he is entitled to set-off. Set-off may be invoked by a written notification addressed to the Servicer or the Issuer, following which, if the Issuer agrees with the calculation made by the Borrower or Guarantor the respective amount will be offset against the subsequent due and payable instalments; if the Issuer has legal grounds to consider the set-off as unlawful (e.g. if a Borrower or Guarantor attempts to set-off moneys deposited with the Seller after the Closing Date) and, if, due to such set-off, the Borrower or Guarantor does not fulfil his obligations under the loan agreement, the Issuer will be entitled to contest the set-off and terminate the loan agreement. In this case the Borrower or Guarantor is entitled to either commence separate court procedures for the acknowledgment of his set-off right, or to wait until the Issuer has commenced enforcement proceedings and invoke set-off before the enforcement courts, which will then decide on the merits of such claim in the course of the overall enforcement procedure.

In order to mitigate the Issuer's risk to set-off in respect of Deposit Amounts and Additional Payments (each an **Exposure Amount**), the Seller will, under the terms of the Mortgage Sale Agreement, indemnify the Issuer in respect of any Exposure Amount set-off by a Borrower or Guarantor. In addition, the Seller will also make available to the Issuer a loan in respect of the Additional Payments (the **Set-Off (Additional Payments) Loan**) and a stand-by facility in respect of the Deposit Amounts (the **Set Off (Deposits) Facility**). The Set-Off (Additional Payments) Loan will be equal to the Additional Payments and the Set-Off (Deposits) Facility will have a facility limit (the

Set-Off (Deposits) Facility Limit) equal to the aggregate of the Deposit Amounts of Borrowers on the Closing Date and thereafter in an amount equal to the Deposit Contributions (taking into account the Deposit Amounts of any Guarantors in respect of those Loans where the Servicer has claimed or is claiming any amount from a Guarantor). If the Set-Off (Additional Payments) Loan were to have been calculated on the Provisional Portfolio as at 2 June 2005 it would amount to approximately €12,605,543. If the Set-Off (Deposits) Facility Limit were to have been calculated on the Provisional Portfolio as at 2 June 2005 it would amount to approximately €108,713,260.

The Set-Off (Additional Payments) Loan will fluctuate in accordance with the level of Additional Payments in respect of existing Loans and any Replacement Loans and any actual payments received by the Seller in respect of an indemnity for Additional Payments under the Mortgage Sale Agreement. The Set-Off (Additional Payments) Loan will also be reduced in certain circumstances if there is a relevant change in the law in Greece which would reduce the exposure of the Issuer to set-offs or claims for repayment of Additional Payments subject to confirmation from the Rating Agencies that any such reduction would not result in a downgrade of the then current ratings of the Notes.

The Set-Off (Deposits) Facility Limit will decrease in an amount equal to matured time deposits, closed deposits accounts, Retired Loans and generally by the amounts withdrawn by Borrowers or Guarantors (in respect of those Loans where any amount has been or is being claimed from a Guarantor) from their Deposit Accounts, as applicable after the Closing Date or, in the case of Guarantors in respect of those Loans where any amount has been or is being claimed from a Guarantor, by any further withdrawals made after the date on which any payment is first claimed from the relevant Guarantor.

As indicated above, if the Seller does not perform its obligations under the Set-Off (Deposits) Facility Agreement or its indemnity obligations under the Mortgage Sale Agreement in each case for a period in excess of five Athens Business Days, then the Pre-Enforcement Priority of Payments will provide that an amount equal to the Set-Off (Deposits) Facility Limit will begin to accumulate in the Set-Off (Deposits) Reserve Account in priority to any payments under the Subordinated Reserve Loan, the Set-Off (Additional Payments) Loan, the Set-Off (Deposits) Loan and the Deferred Consideration to the Seller.

Pursuant to law 2832/00 of the Hellenic Republic, the Hellenic Deposits Guarantee Fund (the **Fund**) has been established for the purpose of providing compensation for persons who have deposited funds in bank accounts with credit institutions in Greece. All credit institutions established in the Hellenic Republic are obliged to participate in the compensation scheme available by virtue of the Fund. Compensation is available from the Fund if a credit institution fails to pay an amount due to a depositor in respect of a deposit held with it as a result of its insolvency and its financial position being confirmed by the Bank of Greece or a court in Greece. Compensation is limited to a maximum of €20,000 per depositor. Accordingly, a Borrower or Guarantor can claim compensation from the Fund if the Seller fails to pay such Borrower or Guarantor amounts due in respect of that Borrower's or Guarantor's deposit held with the Seller. The right for compensation exists in parallel with any set-off right, meaning that the Borrower may opt either for compensation from the Fund or to exercise a right of set-off for the satisfaction of its claim, and to the extent that the claim remains outstanding after the exercise of one of these options, the Borrower or Guarantor may pursue the other option in order to satisfy the balance of the claim.

The Issuer would not be liable to make a payment in respect of any compensation amounts received by a Borrower or Guarantor from the Fund or to make any payments to a Borrower or Guarantors to the extent that their loss of any Deposit Amount exceeded the amount of their Loan.

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 35 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 (vii) of the Pre-Enforcement Priority of Payments, the Set-Off (Additional Payments) Reserve Account (less an amount equal to the Set-Off (Additional Payments) Loan), the Set-Off (Deposits) Reserve Account (less an amount equal to the Set-Off (Deposits) Loan) 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.

Risks Relating to the Introduction of International Financial Reporting Standards

The UK corporation tax position of the Issuer depends to a significant extent on the accounting treatment applicable to it. From 1 January 2005, the accounts of the Issuer are required to comply with International Financial Reporting Standards (**IFRS**) or with UK GAAP (which has been substantially aligned with IFRS). There is a concern that companies such as the Issuer, might, under either IFRS or UK GAAP, be forced to recognise in their accounts movements in the fair value of assets, that could result in profits or losses for accounting purposes, which bear little or no relationship to the company's cash position. These movements in value would generally have been brought into charge to tax (or relieved) as a company's tax liability on such assets broadly follows the accounting treatment. However regulations have been enacted (SI 2004/3256 – the so called "disregard regulations") which disregard for tax purposes accounting gains and losses and fair value movements arising from certain derivatives and borrowings. In addition, the Finance Act 2005 contains legislation which allows "securitisation companies" to prepare tax computations for accounting periods beginning on or after 1 January 2005 and ending before 1 January 2007 on the basis of UK GAAP as applicable for a period of account ending on 31 December 2004, notwithstanding any requirement to prepare statutory accounts under IFRS or UK GAAP as applicable after that date. The Issuer is likely to be a "securitisation company" for these purposes.

The legislation contained in the Finance Act 2005 does not apply to accounting periods commencing after 31 December 2005 or ending after 31 December 2006. The stated policy of the Inland Revenue is that the tax neutrality of securitisation special purpose companies in general should not be disrupted as a result of the transition to IFRS and that they are working with participants in the securitisation industry to identify appropriate means of preventing any such disruption. However, if further measures are not introduced by the Inland Revenue to deal with accounting periods ending after 31 December 2006, then profits or losses (which are not ignored for tax purposes under the disregard regulations) could arise in the Issuer as a result of the application of IFRS or UK GAAP which would have tax effects not contemplated in the cashflows for the transaction and as such adversely affect the Issuer's ability to make repayments under the Notes.

The Finance Act 2005 contains a provision which enables HM Treasury to make regulations to create a permanent corporation tax regime for securitisation special purpose companies. However, no details of any proposed regime have yet been published so it is not currently possible to assess the effect that

such a regime, if introduced, would have on the cashflows for the transaction and the Issuer's ability to make payments under the Notes.

Subsidy Payments

In the Hellenic Republic, subsidies are available to borrowers of residential mortgage loans in respect of interest payments under such loans. Subsidies are available from both the Greek State and also the Greek Workers Housing Association (the **OEK**). The availability and amount of subsidy is determined by reference to the financial and social circumstances of a borrower. As at the Cut-Off Date, approximately six per cent. of the Loans (by Principal Outstanding Balance) are Subsidised Loans and accordingly interest payments under such Loans are partially made by the Greek State and/or the OEK. Therefore, following the sale of the Loans, the Issuer will receive the subsidised component of interest due under the Loans from the OEK and the Greek State. The Servicer will notify the OEK and the Greek State of the subsidised interest amounts that are payable by them and will undertake to take action necessary to ensure that the OEK and the Greek State make payment of the subsidised interest amounts that are payable by them.

Although the Greek State or the OEK, as appropriate, is required to make the subsidised interest amounts, the relevant Borrowers also remain liable to pay the full amount of interest due under their Loans. However, if either the Greek State and/or the OEK fails to pay any subsidised interest amounts, then the Borrower (although liable for the full amount of the interest payment) may not be able to make all payments which are due under the relevant Loan. If the Borrower fails to pay the full amount under the Loan made to it, the Issuer may not be able to satisfy its obligations in respect of the Notes.

Both the OEK and the Greek State will pay subsidised interest amounts under the relevant Subsidised Loans, as notified by the Servicer in arrears up to three months and six months after the date of notification by the Servicer. Accordingly, the Issuer will not receive the portion of the interest that is subsidised by the OEK and the Greek State in respect of such Subsidised Loan at the same time as the interest that is not subsidised is paid by the Borrower.

Although the Greek State and the OEK are bound to make payments of the subsidised amounts in respect of the Loans investors should note that enforcement of judgments against the Greek State or the OEK are subject to limitations.

If there is any change in Greek law or in administrative practice of the Greek State or the OEK affecting the timing and amount of subsidised interest amounts otherwise payable (but for that change) then this could adversely affect the ability of the Issuer to make payments in respect of the Notes.

Suspension of Enforcement Proceedings

Enforcement proceedings are usually commenced against a Borrower in respect of a Loan once it becomes 150 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 Borrower and non-payment of the Borrower. The order for payment and a demand to pay is served on the Borrower, activating in that way enforcement against the Borrower with the ultimate target to collect the proceeds from the auction of the relevant property securing the Loan. See for further details *The Mortgage Market in Greece - Enforcing Security* below.

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

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

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

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

Following the issue of a decision in relation to the hearing of the Article 632 Suspension Petition (which itself can take up to 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 Borrower requests adjournments of the hearings for the Article 632-633 Annulment Petition before the Court of First Instance and Court of Appeal, up until the decision of the latter.

The Borrower may also file with the relevant Court of First Instance a petition for the annulment of certain actions of the foreclosure proceedings based on reasons pertaining to both the validity of the order of payment and to procedural irregularities (an **Article 933 Annulment Petition**) pursuant to article 933 of the Greek Civil Procedure Code. Both Annulment Petitions may be filed either concurrently or consecutively, but it should be noted that the Article 632-633 and Article 933 Annulment Petitions may not be based on reasons pertaining to the validity of the order for payment, 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 Borrower to file a petition for the suspension of the enforcement until the decision of the Court of First Instance on the annulment motion is issued pursuant to article 938 of the Greek Civil Procedure Code (an **Article 938 Suspension Petition**). Again, foreclosure proceedings may be suspended until the hearing of this Article 938 Suspension Petition, which, in the normal case where the Borrower 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 Borrower, should the foreclosure continue.

The Borrower may seek the postponement of the auction by alleging that the value of the property has been underestimated by the enforcing party or that the fixed first offer is too low. Furthermore, suspension of the auction for up to six months may be sought by the Borrower, on the grounds that

there is a good chance of the Borrower being able to satisfy the enforcing party or that, following the suspension period, a better offer would be received at auction.

Once the allocation of proceeds amongst the creditors of the Borrower has been determined pursuant to a deed issued by a notary public, the creditors of the Borrower may dispute the allocation and file a petition contesting the deed. The Court of First Instance 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 Borrower 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 Borrower, to the extent applicable, in the following order:

- (i) claims for hospitalisation and funeral costs of the Borrower and his family arising in the previous 12 months;
- (ii) costs for the nourishment of the Borrower and his family arising in the previous six months;
- (iii) claims by farmers or farming partnerships arising from sale of agricultural goods arising in the previous 24 months;
- (iv) claims of the Greek state and municipal authorities that are due and payable prior to the auction;
- (v) claims of social security funds arising prior to the day of the auction; and
- (vi) claims by the collective guarantees fund (if the borrower is or was an investment services company under the meaning of Greek law 2396/96) arising in the previous 24 months (this should not be relevant for any Borrower).

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 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 Borrower 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 Offering Circular are based, in part, on the provisions of the Securitisation Law. So far as the Issuer is aware, as at the date of this Offering Circular there have been only two 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 Offering Circular with which potential Noteholders are likely to be unfamiliar. Particular attention should be paid to the sections of this Offering Circular containing such references.

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.

Insolvency Acts 1986 and 2000

Following certain amendments to the Insolvency Act 1986 by the Insolvency Act 2000 certain "small companies" are entitled to seek protection from their creditors for a period of 28 days for the purposes of putting together a company voluntary arrangement with the option for creditors to extend the moratorium for a further two months. A "small company" is now 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 employees is not more than 50. The position as to whether or not a company is a "small company" may change from time to time and consequently no assurance can be given that the Issuer will not, at any given time, be determined to be a "small company". The Secretary of State for Trade and Industry may by regulation modify the eligibility requirements for small companies and can make different provisions for different cases. No assurance can be given that any such modification or different provisions will not be detrimental to the interests of Noteholders.

However, secondary legislation has been enacted which excludes certain special purpose companies in relation to capital market transactions from the optional moratorium provisions. Such exceptions include (*inter alia*) (i) a company which is a party to an agreement which is or forms part of a capital market arrangement (as defined in the secondary legislation) under which a party has incurred a debt of at least £10 million and which involves the issue of a capital market investment (also defined, but generally a rated, listed or traded bond) and (ii) a company which has incurred a liability (including a present, future or contingent liability) of at least £10 million. While the Issuer is of the view that it should fall within the exceptions, 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 Noteholders.

If the Issuer is determined to be a "small company" and determined not to fall within one of the exceptions (by reason of modification of the exceptions or otherwise), then the enforcement of the Security by the Trustee may, for a period, be prohibited by the imposition of a moratorium.

Enterprise Act 2002

On 15th September, 2003, the corporate insolvency provisions of the Enterprise Act 2002 came into force, amending certain provisions of the Insolvency Act 1986 (as amended, the **Insolvency Act**).

These provisions introduced significant reforms to corporate insolvency law. In particular, the reforms restrict the right of the holder of a floating charge to appoint an administrative receiver (unless an exception applies) and instead give primacy to collective insolvency procedures (in particular, administration). Previously, the holder of a floating charge over the whole or substantially the whole of the assets of a company had the ability to block the appointment of an administrator by appointing an administrative receiver, who would act primarily in the interests of the floating charge holder.

The Insolvency Act contains provisions which continue to allow for the appointment of an administrative receiver in relation to certain transactions in the capital markets. The relevant exception provides that the right to appoint an administrative receiver is retained for certain types of security (such as the Security) which form part of a capital market arrangement (as defined in the Insolvency Act) and which involve indebtedness of at least £50,000,000 (or, when the relevant security document (being in respect of the transactions described in this Offering Circular, the Deed of Charge) was entered into, a party to the relevant transaction (such as the Issuer) was expected to incur a debt of at least £50,000,000) and the issue of a capital market investment (also defined but generally a rated, listed or traded bond). The Secretary of State may, by secondary legislation, modify the capital market exception and/or provide that the exception will cease to have effect. No assurance can be given that any such modification or provision in respect of the capital market exception, or its ceasing to be applicable to the transactions described in this document, will not be detrimental to the interests of the Noteholders.

The Insolvency Act also contains a new out-of-court route into administration for a qualifying floating charge-holder, the directors or the relevant company itself. The relevant provisions provide for a notice period during which the holder of the floating charge can either agree to the appointment of the administrator proposed by the directors or the company or appoint an alternative administrator, although a moratorium on enforcement of the relevant security will take effect immediately after notice is given. If the qualifying floating charge-holder does not respond to the directors' or company's notice of intention to appoint, the directors' or, as the case may be, the company's appointee will automatically take office after the notice period has elapsed. Where the holder of a qualifying floating charge within the context of a capital market transaction retains the power to appoint an administrative receiver, such holder may prevent the appointment of an administrator (either by the new out-of-court route or by the court based procedure) by appointing an administrative receiver prior to the appointment of the administrator being completed.

The new provisions of the Insolvency Act give primary emphasis to the rescue of a company as a going-concern and achieving a better result for the creditors as a whole. The purpose of realising property to make a distribution to secured parties is secondary. No assurance can be given that the primary purposes of the new provisions will not conflict with the interests of Noteholders were the Issuer ever subject to administration.

In addition to the introduction of a prohibition on the appointment of an administrative receiver as set out above, section 176A of the Insolvency Act provides that any receiver (including an administrative receiver), liquidator or administrator of a company is required to make a "prescribed part" of the company's "net property" available for the satisfaction of unsecured debts in priority to the claims of the floating charge holder. The company's "net property" is defined as the amount of the chargor's property which would be available for satisfaction of debts due to the holder(s) of any debentures secured by a floating charge and so refers to any floating charge realisations less any amounts payable to the preferential creditors or in respect of the expenses of the liquidation or administration. The "prescribed part" is defined in the Insolvency Act 1986 (Prescribed Part) Order 2003 (SI 2003/2097) to be an amount equal to 50 per cent. of the first £10,000 of floating charge realisations plus 20 per cent. of the floating charge realisations thereafter, provided that such amount may not exceed £600,000.

This obligation does not apply if the net property is less than a prescribed minimum and the relevant officeholder is of the view that the cost of making a distribution to unsecured parties would be disproportionate to the benefits. The relevant officeholder may also apply to court for an order that the provisions of section 176A should not apply on the basis that the cost of making a distribution would be disproportionate to the benefits.

Floating charge realisations upon the enforcement of the Security may be reduced by the operation of these "ring fencing" provisions.

Implementation of Basel II risk-weighted asset framework

The Basel Committee on Banking Supervision has issued proposals for reform of the 1988 Capital Accord and has proposed a framework which places enhanced emphasis on market discipline and sensitivity to risk. The third consultative paper on the New Basel Capital Accord was issued on 29 April 2003, with the consultation period ending on 31 July 2003. The committee announced on 11 May 2004 that it had achieved consensus on the remaining issues and published the text of the new Framework on 26 June 2004 under the title Basel II: International Convergence of Capital Management and Capital Standards: a Revised Framework (the **Framework**). This Framework will serve as the basis for national rule-making and approval processes to continue and for banking organisations to complete their preparations for implementation of the new Framework. The committee confirmed that it is currently intended that the various approaches under the Framework will be implemented in stages, some from year-end 2006; the most advanced at year-end 2007. If implemented in accordance with its current form, the Framework could affect risk-weighting of the Notes in respect of certain investors if those investors are subject to the new Framework following its implementation. Consequently, investors should consult their own advisers as to the consequences for them of the proposed implementation of the new Framework. No predictions can be made as to the precise effects of potential changes which might result if the Framework were adopted in its current form.

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 very 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.

USE OF PROCEEDS

The aggregate net and gross proceeds of the issue of the Notes will amount to €750,000,000 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 €3,750,000 and will be used by the Issuer to fund the Reserve Account.

The proceeds of the Set-Off (Additional Payments) Loan will amount to approximately €12,605,543 (calculated on the Provisional Portfolio as at 2 June 2005) and will be used to fund the Set-Off (Additional Payments) Reserve Account.

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 3 May 2005 (registered number 05441656) as a public limited company under the name of Estia Mortgage Finance Plc. The registered office of the Issuer is at c/o SPV Management Limited, Level 11, Tower 42, International Financial Centre, 25 Old Broad Street, London EC2N 1HQ. The authorised and issued share capital of the Issuer is £50,000 divided into 50,000 ordinary shares of £1 each held directly or indirectly by SPV Management Limited. SPV Management Limited 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. The Issuer has no subsidiaries.

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 Irish 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 Offering Circular.

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**.

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 Filer	SPV Management Limited Level 11 Tower 42 International Financial Centre 25 Old Broad Street London EC2N 1HQ	Company Director
Ruth Thomas	SPV Management Limited Level 11 Tower 42 International Financial Centre 25 Old Broad Street London EC2N 1HQ	Manager

Name	Business Address	Other Principal Activities
SPV Management Limited	Level 11 Tower 42 International Financial Centre 25 Old Broad Street London EC2N 1HQ	Company Director

The secretary of the Issuer is SPV Management Limited.

The Issuer has no employees.

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

Capitalisation and Indebtedness Statement

The unaudited capitalisation of the Issuer as at the date of this Offering Circular, extracted without material adjustment from unaudited accounting records and adjusted for the Notes to be issued on the Closing Date, is as follows:

Share Capital

Authorised:

€50,000 divided into 50,000 ordinary shares of £1 each	€72,760
--	---------

Issued:

50,000 ordinary shares of £1 each, 49,998 paid up as to 25 per cent. and two fully paid up	€18,192.18
--	------------

Loan Capital

€695,800,000 Class A Residential Mortgage Backed Floating Rate Notes due 2040	€695,800,000
---	--------------

€36,200,000 Class B Residential Mortgage Backed Floating Rate Notes due 2040	€36,200,000
--	-------------

€18,000,000 Class C Residential Mortgage Backed Floating Rate Notes due 2040	€18,000,000
--	-------------

€3,750,000 Subordinated Reserve Loan	€3,750,000
--------------------------------------	------------

€12,605,543 Set-Off (Additional Payments) Loan (on the basis of a calculation on the Provisional Portfolio as at 2 June 2005)	€12,605,543
---	-------------

Total capitalisation and indebtedness	€766,373,735.18
---------------------------------------	-----------------

Save for the foregoing, at the date of this document, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities and 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.

Notes:

The functional currency of the Issuer is euro. The proceeds from the issued share capital have been exchanged from sterling to euro. The share capital has been translated from sterling to euro using a rate of exchange of €1.4552 : £1 prevailing on 23 May 2005, being the date the share capital was paid up. The accounting records of the Issuer reflect the authorised and issued share capital translated from sterling to euro at the same rate of exchange.

Accountants' Report

The following is the text of a report received by the Issuer from PricewaterhouseCoopers LLP, the reporting accountants to the Issuer. The Issuer has not prepared audited accounts in respect of any period. The Issuer's accounting reference date is 31 December, with the first statutory accounts being drawn up to 31 December 2005, and thereafter annually on 31 December each year.

Estia Mortgage Finance Plc
c/o SPV Management Limited
Level 11
Tower 42
International Financial Centre
25 Old Broad Street
London EC2N 1HQ

3 June, 2005

Dear Sirs

Estia Mortgage Finance Plc

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the offering circular dated the date of this letter (the **Offering Circular**) of Estia Mortgage Finance Plc (the **Issuer**) in connection with the issue of €695,800,000 Class A Residential Mortgage Backed Floating Rate Notes due 2040, €36,200,000 Class B Residential Mortgage Backed Floating Rate Notes due 2040, and €18,000,000 Class C Residential Mortgage Backed Floating Rate Notes due 2040 (together, the **Notes**).

The Issuer was incorporated in England and Wales on 3 May 2005 (registered number 05441656) as a public limited company. The registered office of the Issuer is at c/o SPV Management Limited, Level 11, Tower 42, International Financial Centre, 25 Old Broad Street, London EC2N 1HQ.

Basis of preparation

The financial information set out below is based on the financial records of the Issuer, to which no adjustment was considered necessary.

Responsibility

The financial records are the responsibility of the directors of the Issuer.

The Issuer is responsible for the contents of the Offering Circular in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial records, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. Our work also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial records underlying the financial information and whether the accounting policies are appropriate to the circumstances of the Issuer and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Offering Circular, a true and fair view of the state of affairs of the Issuer as at the date stated.

Financial information

The balance sheet of the Issuer at 3 June, 2005 is as follows:

	Notes	€
Current assets		
Cash at bank		<u>18,192</u>
Net assets		<u><u>18,192</u></u>
<i>Represented by:</i>		
Called up share capital		<u>18,192</u>
Equity Shareholders' Funds		<u><u>18,192</u></u>

Notes to the financial information

1. *Accounting policies*

The balance sheet has been prepared in accordance with the historical cost convention and UK GAAP.

2. *Trading activities*

Since its incorporation, the Issuer has not traded. During this period the Issuer did not receive any income nor incur any expenses and has not declared or paid any dividends nor made any distributions. Accordingly, no profit and loss account has been presented.

3. *Called up share capital*

	€
<i>Authorised</i>	
50,000 ordinary shares of £1 each	<u>72,760</u>
<i>Allotted & called up</i>	
2 ordinary shares of £1 each fully paid up	3
49,998 ordinary shares of £1 each paid up as to 25 per cent.	<u>18,189</u>
	<u><u>18,192</u></u>

The share capital has been translated from sterling to euro using a rate of exchange of €1.4552 : £1 prevailing on 23 May 2005, being the date the share capital was paid up.

4. *Post balance sheet events*

On 3 June, 2005 the Issuer published the Offering Circular in connection with the issue of the Notes and entered into agreements detailed therein.

5. *Immediate and ultimate holding company*

The Issuer's ultimate parent company is SPV Management Limited, a company incorporated in England and Wales, which holds the shares of the Issuer on trust under a Share Trust Deed dated 23 May 2005 for certain charitable beneficiaries. Pursuant to the provisions of the Financial Reporting Standard 8 "Related party disclosures", Piraeus Bank S.A., a company incorporated in Greece, is deemed to be the main beneficiary of the activities of the Issuer.

Yours faithfully

PricewaterhouseCoopers LLP

Chartered Accountants"

THE SWAP PROVIDER

UBS Limited is a company limited by shares incorporated in Great Britain under the Companies Act 1985, registered in England and Wales with number 2035362 on 9 July 1986 and now having its registered office and principal place of business situate at 1 Finsbury Avenue, London EC2M 2PP in the United Kingdom of Great Britain and Northern Ireland.

UBS Limited is a wholly-owned subsidiary of UBS AG, a company incorporated with limited liability in Switzerland on 28 February 1978 registered at the Commercial Registry Office of the Canton of Zurich and the Commercial Registry Office of the Canton of Basel-City with Identification No: CH-270.3.004.646-4 having its registered offices at Bahnhofstrasse 45, 8001 Zurich and Aeschenvorstadt 1, 4051 Basel, Switzerland.

UBS Limited is a dealer in fixed income and derivative products in all major currencies. The long term unsecured, unsubordinated and unguaranteed debt obligations of UBS Limited are currently rated AA+ by Fitch, AA+ by S&P and Aa2 by Moody's. Its short term unsecured, unsubordinated and unguaranteed debt obligations are currently rated F1+ by Fitch, A-1+ by S&P and P-1 by Moody's.

The information contained in the preceding paragraphs has been provided by the Swap Counterparty for use in this Offering Circular. The Swap Counterparty has not been involved in the preparation of, and does not accept responsibility for, this Offering Circular as a whole.

THE SELLER

PIRAEUS BANK S.A.

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

1. 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 20 Amalias Avenue & 5 Souris Street, Athens, Greece 105 57.

Both Piraeus and the Piraeus Group, as a whole, have developed rapidly over the last few years, through organic growth and acquisitions, and the Piraeus Group is now the third largest privately-held banking group in Greece. At 31st December 2004 the Piraeus Group's assets totalled €16.6 billion with 11.0 per cent. market share in terms of loans among all commercial 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 dynamically 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.

At the beginning of 2002, a strategic alliance agreement for the Greek market was signed between the Piraeus Group and the international banking and insurance ING Group. As part of this agreement, the two groups have had a cross-shareholding since November 2002 and two joint ventures were established at the beginning of 2003 in the fields of Bancassurance - Employee Benefits and Asset Management.

As at 31st December 2004, the Piraeus Group had a network of 309 branches (of which 60 were abroad) and 449 ATMs and employed 5,358 people (4,191 of which were employed by Piraeus).

2. Piraeus Group Organisational Structure

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 Group is comprised of Piraeus and its subsidiaries. The following diagram summarises the divisional structure of the

principal subsidiaries of the Piraeus Group (including the percentage of each principal subsidiary owned by the Piraeus Group) as at 31st December 2004:

Piraeus Group				
Commercial Banking	Investment Banking	Asset Management	Bancassurance	Non-Financial Companies
-Piraeus Bank	-Piraeus Sigma Securities Devletoglou (80.0%)	ING Piraeus Asset Management (49.9%)	-ING Piraeus Life Insurance (49.9%)	e-Vision (100.0%)
-Tirana Bank (83.9%)		ING Piraeus Mutual Fund (49.9%)	-Piraeus Insurance Agency (99.0%)	Piraeus Direct Services (100.0%)
-Marathon Banking Corporation (78.3%)				ABC Professional (98.2%)
-Piraeus Bank Romania (100.0%)		Hellenic Investment (48.1%)		Exodus (50.1%)
-Piraeus Leasing Romania (100.0%)		Piraeus Asset Management Europe (99.9%)		Picar (100.0%)
-Piraeus Leasing (84.3%)				Piraeus Real Estate (87.5%)
-Piraeus Multifin (87.5%)				Piraeus Real Estate Investment Property (92.7%)
-Piraeus Factoring (100.0%)				ETBA Industrial Estates (65.0%)
-Multicollection (51.0%)				Piraeus Botifin (98.1%)

3. Ownership of Piraeus Bank S.A.

Piraeus Bank's share capital consists of 200,257,006 common registered shares listed on the Athens Exchange. As of 31st December 2004, the total number of shareholders stood at 221,411. The two largest shareholding interest groups are the members of the Vardinoyiannis family controlling an approximate 7.5 per cent. stake and the Dutch financial group ING, which holds 4.2 per cent. No single shareholder owns an interest in excess of 5.0 per cent.

<u>Ownership (%)</u>	<u>Shareholder Identity</u>
4.2	ING Group
25.1	Foreign institutional investors
11.3	Greek institutional investors

5.9	Corporates
2.7	Greek State (ex-ETBA Bank's shareholder)
0.7	Treasury shares
50.1	Individual shareholders

4. 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.

(a) 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, consumer credit totals have grown significantly over the last few years and are expected to continue, particularly as the loan market itself has significant room for development.

(i) 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.

(ii) Personal Investment and Mutual Funds

Investment opportunities in mutual funds are provided by ING Piraeus Mutual Funds Management S.A., and Piraeus Asset Management Europe S.A.

(iii) Consumer Credit

Consumer Credit accounts for 12.9 per cent. of the Piraeus Group's total loan advances as at 31st December 2004. The December 2004 domestic market share for the Piraeus Group reached 9.3 per cent. (4th overall) in the consumer credit segment (14.0 per cent. when excluding credit cards).

In addition, Piraeus offers customised interest-rate products off its individualised consumer loan platform. Piraeus also issues consumer factoring loans to individuals through a network of more than 3,500 retail outlets (merchant co-operation). With respect to credit card issuance, holders of Visa, MasterCard, and co-branded credit cards amounted to 276,450, generating €333 million in turnover. Debit cardholders totalled 410,342 as at 31st December 2004, and the market is expected to grow as spending habits converge with the European average. Piraeus is active in consumer vehicle financing via its subsidiary Piraeus Multifin S.A., granting financing for new and used vehicles at either the purchase (stock finance) or sale stages. Piraeus Multifin works with more than 300 car dealerships, including select central dealers.

(iv) Other Retail Banking Services

(A) Bancassurance

ING Piraeus Life Insurance S.A., a bancassurance joint venture between Piraeus and the ING Group, was established in 2003 for the purpose of offering insurance products through Piraeus's network and, banking products through the insurance advisors of ING. The upgraded electronic data processing system of ING Piraeus Life Insurance S.A. and specialised training of the sales forces of both networks assist this endeavour.

(B) e-banking - Winbank

The Piraeus Group is continually developing its electronic banking capacity to complement traditional distribution networks. Electronic banking was enhanced via the expansion of the ATM network to 449 terminals and the introduction of internet banking services through Winbank. Winbank, which handles a significant volume of tax and payment orders, recently received the ISO 9001: 2000 Certification - the first electronic financial services unit so certified in Greece. This e-banking unit had more than 130,000 unique customers at 31st December 2004.

(b) Corporate Banking

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

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. The needs of SMEs 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 has also established a specialised shipping centre providing the full range of banking products and services needed by shipping companies.

(c) 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.

(d) 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. MORTGAGE BUSINESS OF PIRAEUS BANK

In 1991 the Greek government deregulated the residential mortgage market to allow commercial banks to enter the market on the same basis as the state-owned mortgage lenders. The residential mortgage lending business of Piraeus has grown significantly since 2000, primarily due to the acquisitions of Macedonia – Thrace Bank and Chios Bank (as noted above).

As of 31st December 2004 the Piraeus loan portfolio consisted of 17.8 per cent. mortgage loans with an outstanding principal balance of €2.19 billion. As at such date Piraeus had a 7.6 per cent. share of the Greek mortgage market.

Origination

Loan applications are received by the Seller through one of the following distribution channels:

- Piraeus's network of 249 bank branches located throughout Greece;
- real estate agents, insurance brokers (including the ING network), independent financial advisers and construction companies that have contracted with the Seller to originate mortgage loans from their customers.

As of December 2004, 95 per cent. of total loans originated were originated by the Seller through its branches, 2 per cent. came through the ING Network and 3 per cent. were from external networks.

Mortgage Products

Piraeus offers a wide range of mortgage loan products. The basic products fall into two groups: a range of pure floating rates, and a range of fixed rates converting into floating rates. The floating rates may be set according to either the Piraeus Base Rate or one-month EURIBOR, while the fixed rates are offered for periods of one, two, three, five or ten years before refixing to the Piraeus Base Rate or one-month EURIBOR (in each case plus a margin, as applicable). The Piraeus Base Rate is itself set by reference to one-month EURIBOR. Almost all mortgages are annuity type loans with instalment and rate resetting frequency on a one, two or six monthly basis.

The underwriting process is handled centrally through Piraeus's credit approval and underwriting division in order to ensure uniformity in Piraeus's underwriting policy.

Loans originated through the Seller's branches are processed by the relevant branch's resident mortgage specialist. The branch's mortgage specialist will complete the loan application and forward this, together with the required borrower and property information, to Piraeus's credit approval and underwriting division located in Athens and in Thessaloniki.

All loan applications from the ING Network and other third party sources are similarly sent to Piraeus's credit approval and underwriting division.

Piraeus's credit approval and underwriting division will carry out checks on the borrower and the relevant property with respect to, *inter alia*:

- age of the borrower or guarantor;
- debt to income;

- credit history on other products with the Seller;
- LTV;
- check of the central credit performance database (Teiresias) for adverse history;
- loan term;
- length of time in employment;
- purpose of loan;
- additional collateral;
- property type; and
- residency.

The amount of the loan to be advanced to the borrower will additionally depend on the application of the Lending Criteria. Further details are described in the section entitled "Lending Criteria".

Valuations are carried out on all properties prior to the advancement of funds to the borrower. The valuations are conducted either through appraisers approved by the Seller or by one of approximately 200 outsourced professionals working throughout Greece. A commissioned appraiser must have a higher education degree in Civil Engineering. Commissioned appraisers are additionally provided with a detailed training manual setting out, amongst other things, the valuation techniques to be applied. Each commissioned appraiser is reimbursed a fixed amount per valuation report irrespective of the size of the loan or value of the property.

Two approaches are used by Piraeus to estimate the value of a property: the Cost Approach and the Sales Comparison Approach. The Cost Approach assesses the value of a property based on adding the construction cost to the land value as if it were vacant. The vacant land value is itself estimated using the highest and best use method or the sales comparison method. The Sales Comparison Approach estimates the value of the property by comparing the relevant property with similar properties sold recently in the relevant area. When possible, the appraiser will use both approaches to estimate the value of a property and the valuation report will include estimates according to both these approaches.

With respect to those properties under construction, valuations will be conducted at various stages of the construction. The release of additional funds to the Borrower under the loan will be conditional on such valuations. A valuation in respect of such property will be based on the Sales Comparison Approach, estimating the market value of the property at the estimated time of completion and the release of additional funds on the then current market value of the property at the date of such valuations.

Legal due diligence includes an inspection in the Public Books of the Registry of Transcription and the archives of the Register of Mortgages and the Register of Revendications (both kept at the Mortgage Office of the district where the property is situated) to confirm the ownership and the non-existence of any encumbrances or legal actions that are pending in relation to the property in question. If the lawyers confirm the legal good standing of the property, a pre-notation is obtained. All appropriate building licences, certificates and plans are obtained and checked, and finally a number of certificates relating to the pre-notation are obtained from the Registry of Transcription.

Insurance

In relation to property insurance, fire and earthquake insurance is obligatory and is based generally on the value (using the Cost Approach) of the property estimated in the appraiser's report. Properties constructed before the year 1960 are insured only for fire. The sum insured is based upon the outstanding principal balance of the Loan (if the Loan was originated prior to 1st January 2002) or the reinstatement cost of the property at the appraisal date (if the Loan was originated on or after 1st January 2002) or the initial principal balance of the Loan (if the Loan is subsidised by the Greek Workers Housing Association, a state entity established pursuant to legislative decree 2963/1954, as in force (the **OEK**).

In addition all Borrowers, and Guarantors (if any) must obtain life and permanent disability insurance although such requirement may be waived by Piraeus if it is not available to the particular Borrower and/or Guarantors as is customary in the Greece mortgage market. The sum insured will be an amount equal to the principal outstanding balance of the relevant Loan.

Mortgage Administration

All mortgages are administered and serviced by Piraeus on a centralised basis. The Collections Department of the Mortgage Lending Unit is responsible for collecting and administering loans which are current or in arrears, but not in a defaulted status.

Payments of mortgage instalments and insurance premia are due on a monthly basis. The majority of borrowers have an account with the servicer, into which funds are deposited ready to be debited by the Bank. For overdue instalments, the Collections Department follows a strict procedure depending on the number of days in arrears. No later than eleven (11) days after the first missed instalment the borrower is called and urged to pay. Further calls and a reminder letter(s) are made with increasing urgency and frequency until the amount overdue is either repaid or the loan reaches seven instalments overdue, at which point a decision is made whether to commence foreclosure procedures. When a loan is one hundred and twenty (120) days or more past due, a written payment arrangement policy is carried out with the borrower by specialised credit officers. Such policy will impose strict time limits and payment constraints to arrange payment of the outstanding amounts. Foreclosure proceedings normally commence after the sixth month in arrears.

LENDING CRITERIA

The Seller tests mortgage loan applications against certain basic lending indices (the **Lending Criteria**), the principal features of which are set out below.

The principal Lending Criteria are:

(a) *Security*

- (i) A loan must be secured by a first ranking pre-notation over a property in Greece. A lower ranking pre-notation may also be allowed, provided that the Seller additionally benefits from a first ranking pre-notation over the same property. In some cases, a lower ranking pre-notation may also be allowed where the Seller does not also benefit from a first ranking pre-notation over the same property, provided that there are no actual outstanding claims in excess of €1,500 capable of being made by the holder of any prior ranking pre-notation.

All loans in the Provisional Portfolio are secured by a first ranking pre-notation over a property in Greece, but, in some cases, a pre-notation obtained by the Seller over a particular property may rank lower than a pre-notation or mortgage registered earlier over the same property, in favour of a third party creditor or the Seller itself. In these circumstances, the Seller's claims (and in respect of loans in the Provisional Portfolio, the Issuer's claims following the transfer of these loans to the Issuer) to the proceeds of enforcement would rank behind those of the earlier creditor. However, the Seller has determined, based on appropriate legal checks and due diligence that there are no actual outstanding claims capable of being made by each one of such third party creditors amounting to more than €1,500 for each such Loan. Additionally, where the Seller has a prior ranking mortgage or pre-notation, the loan in respect of which the first ranking mortgage or pre-notation was granted must have been transferred to the Issuer together with the Loan, pursuant to the Mortgage Sale Agreement.

- (ii) In addition to the pre-notations over the properties, the Seller may have the benefit of additional security. The Seller attributes different weightings to the security with respect to the amount of money advanced under a loan.

The weightings attached to the collateral are set out in the table below.

Product	Weight (% of Loan Amount)
Savings Account	105%
Repos/Bonds	105%
Mutual Funds	105% – 200%
Athens Stock Exchange FTSE 20 stocks	200%

However, all Loans contained in the Portfolio will be secured solely by a Pre-Notation over the relevant Property or Properties.

- (iii) Each borrower must take out and maintain fire and earthquake insurance in an amount sufficient to recover (in respect of those loans originated prior to 1st January 2002) the outstanding principal balance of the relevant loan, (in respect of those loans originated on or after 1st January 2002) the reinstatement value of the property and (in respect of OEK Subsidised Loans, the initial principal balance of that Loan) save

where the relevant property was constructed prior to 1st January 1960, where only fire insurance is available. Additionally, each Borrower and Guarantor must take out and maintain (where applicable) life and permanent disability insurance in an amount equal to the outstanding principal balance of the relevant Loan. The Seller is in each case the primary beneficiary of such insurance policies.

(b) *Loan-to-Value Ratio (LTV)*

The LTV of each loan, calculated by dividing (x) the total principal amount advanced under such loan, taken together with all loans secured on the same property, by (y) the sum of the market values of all properties securing such loan(s), does not generally exceed 80 per cent. Since January 2004, on an exceptional basis, a maximum LTV of 100 per cent. could be acceptable in relation to the purchase of a completed residence. However the Portfolio will, in accordance with the Eligibility Criteria, consist solely of Loans with a maximum LTV of 83 per cent.

(c) *Debt Service-to-Income Ratio (DTI Ratio)*

The DTI Ratio, calculated by dividing (x) the total monthly obligations payable by the borrower on such loan, any other loans provided by the Seller and any other loans recorded on the Teiresias credit bureau, by (y) the borrower's gross monthly income before tax and after deduction of social security contributions, must under no circumstances exceed 45 per cent. The income of co-Borrowers or guarantors may be included in the determination of gross monthly income.

For some self-employed professionals, the Seller may increase the income shown in their tax return, depending on:

- the existing relationship with the borrower;
- the qualitative information provided by the borrower's branch manager;
- the type of borrower's profession;
- the reputation and years in his profession; and
- any other existing unencumbered assets like cash or real estate.

A minimum of a borrower's last year's tax return and, in the case of employees, the last three salary slips are required.

(a) *Minimum and maximum loan amount*

A loan cannot be for an amount less than €3860.52. Although there is no upper limit, the majority of loans are of a value of less than €1,000,000.

(b) *Term*

The initial term of a loan cannot exceed 30 years.

(c) *Borrowers*

A borrower must be at least 18 years of age and the sum of the borrower's age and loan term must not exceed 70 years.

(d) *Property characteristics*

A loan may only be granted for the following purposes:

- acquisition of residential property in Greece;
- construction of residential property in Greece;
- improvement of residential property in Greece; or
- refinancing of a mortgage loan granted by another credit institution or the Seller for one of the above purposes.

(e) *Subsidised loans*

For a borrower who has applied for a subsidy from the Greek State and/or the OEK, verification needs to be carried out to ensure that the appropriate procedures are followed and that the requirements set by the Greek State and the OEK are met.

DESCRIPTION OF THE PROVISIONAL MORTGAGE 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 Mortgage Sale Agreement and the Greek Assignment Agreement. The Initial Portfolio 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 in Tables A to R below as at 31 March 2005.

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 with instalments of both principal and interest due every month.

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 Mortgage Sale Agreement.

Characteristics of the Provisional Portfolio

Table A

Summary Data

Aggregate current Principal Outstanding Balance (€)	883,345,665.27
Aggregate original Principal Outstanding Balance(€)	1,013,674,570.60
Average current Principal Outstanding Balance (€)	46,580.13
Average original Principal Outstanding Balance (€)	53,452.55
Maximum current Principal Outstanding Balance (€)	890,394.17
Maximum original Principal Outstanding Balance (€)	974,321.35
Total number of Loans	18,964
Subsidised (%)	6.01
Weighted average seasoning (months)	30.16
Weighted average remaining maturity (months)	182.78
Weighted average Original LTV (%)	54.93
Weighted average Current LTV (%)	49.45
Weighted average interest rate (%)	5.05
Current Principal of loans in Arrears (%)	0.00

Table B

Original Loan Amount (€)	Number of Loans	%	Original Loan Balance (€)	%
1 - 37,500	8,061	42.51	153,292,561.29	17.35
37,501 - 75,000	7,574	39.94	357,241,831.89	40.44
75,001 - 100,000	1,650	8.70	131,352,838.01	14.87
100,001 - 150,000	1,169	6.16	129,114,081.61	14.62
150,001 - 250,000	374	1.97	64,356,509.15	7.29
250,001 - 500,000	120	0.63	37,872,033.98	4.29

>500,000	16	0.08	10,115,809.34	1.15
Total	<u>18,964</u>	<u>100.00%</u>	<u>883,345,665.27</u>	<u>100.00%</u>

Table C

Outstanding Loan Amount (€)	Number of Loans	%	Loan Balance (€)	%
1 - 37,500	9,733	51.32	206,878,518.64	23.42
37,501 - 75,000	6,413	33.82	336,787,711.24	38.13
75,001 - 100,000	1,490	7.86	128,444,409.36	14.54
100,001 - 150,000	894	4.71	108,343,296.05	12.27
150,001 - 250,000	316	1.67	58,471,059.37	6.62
250,001 - 500,000	102	0.54	34,295,127.64	3.88
>500,000	16	0.08	10,125,542.97	1.15
Total	<u>18,964</u>	<u>100.00%</u>	<u>883,345,665.27</u>	<u>100.00%</u>

Table D

Origination Date	Number of Loans	%	Loan Balance (€)	%
1994	2	0.01	61,519.62	0.01
1995	0	0.00	0.00	0.00
1996	6	0.03	114,249.59	0.01
1997	53	0.28	1,023,942.72	0.12
1998	647	3.41	15,737,463.47	1.78
1999	946	4.99	26,835,859.57	3.04
2000	1,900	10.02	69,106,580.37	7.82
2001	4,518	23.82	183,652,125.57	20.79
2002	4,258	22.45	194,592,738.07	22.03
2003	3,309	17.45	162,004,591.61	18.34
2004	2,906	15.32	194,043,815.27	21.97
2005	419	2.21	36,172,779.41	4.09
Total	<u>18,964</u>	<u>100.00%</u>	<u>883,345,665.27</u>	<u>100.00</u>

Table E

Maturity Date	Number of Loans	%	Loan Balance (€)	%
2006	345	1.82	2,477,704.72	0.28
2007-2010	2,141	11.29	40,609,164.07	4.60
2011-2015	5,273	27.81	172,054,936.85	19.48
2016-2020	6,494	34.24	323,808,093.26	36.66
2021-2025	2,386	12.58	156,129,109.77	17.67
2026-2030	1,292	6.81	100,230,478.82	11.35
2031-2035	1,033	5.45	88,036,177.78	9.97
Total	<u>18,964</u>	<u>100.00</u>	<u>883,345,665.27</u>	<u>100.00</u>

Table F

Remaining time to Maturity (months)	Number of Loans	%	Loan Balance (€)	%
0.01 – 40.00	962	5.07	10,948,704.45	1.24
40.01 – 60.00	968	5.10	19,341,854.88	2.19
60.01 – 90.00	2,298	12.12	56,906,736.01	6.44
90.01 – 120.00	2,691	14.19	96,106,903.13	10.88
120.01 – 150.00	3,429	18.08	144,095,170.61	16.31
150.01 – 180.00	3,576	18.86	193,172,205.81	21.87
Over 180	5,040	26.58	362,774,090.38	41.07
Total	18,964	100.00	883,345,665.27	100.00

Table G

Interest Rate	Number of Loans	%	Loan Balance (€)	%
2.00 - 4.00	1,002	5.28	90,214,921.41	10.21
4.01 - 4.50	846	4.46	72,125,049.77	8.16
4.51 - 5.00	6,992	36.87	288,146,254.86	32.64
5.01 - 5.50	6,490	34.22	316,880,171.87	35.86
5.51 - 6.00	2,679	14.13	80,584,520.09	9.12
6.01 - 6.50	468	2.47	20,849,712.22	2.36
6.51 - 7.00	70	0.37	2,908,190.91	0.33
7.01 - 7.50	31	0.16	931,406.44	0.11
7.51 - 8.00	1	0.01	38,549.46	0.00
8.01 – 8.50	380	2.00	10,547,307.90	1.19
Over 8.51	5	0.03	119,580.34	0.01
Total	18,964	100.00	883,345,665.27	100.00

Table H

Current Loan Amount/Original Market Value	Number of Loans	%	Loan Balance (€)	%
0.00 - 10.00	1,212	6.39	17,361,628.76	1.97
10.01 -20.00	2,893	15.26	68,789,238.93	7.79
20.01 - 30.00	3,174	16.74	105,516,986.55	11.95
30.01 - 40.00	3,120	16.45	132,016,249.42	14.95
40.01 - 50.00	2,816	14.85	143,463,940.56	16.24
50.01 - 60.00	2,271	11.98	133,651,554.98	15.13
60.01 - 70.00	1,834	9.67	136,009,225.13	15.40
70.01 - 80.00	1,602	8.45	140,708,641.06	15.93
80.01 - 83.00	42	0.22	5,828,199.88	0.66
Total	18,964	100.00	883,345,665.27	100.00

Table I

Original Loan Amount/Original Market Value	Number of Loans	%	Loan Balance (€)	%
00.00 - 10.00	468	2.47	8,667,829.30	0.98
10.00 - 20.00	2,058	10.85	48,167,737.31	5.45
20.01 - 30.00	2,705	14.26	81,434,650.83	9.22
30.01 - 40.00	2,959	15.60	112,904,015.47	12.78
40.01 - 50.00	2,861	15.09	130,987,075.26	14.83
50.01 - 60.00	2,799	14.76	140,463,730.68	15.90
60.01 - 70.00	2,091	11.03	135,079,627.70	15.29
70.01 - 80.00	2,699	14.23	200,479,400.28	22.70
80.01 - 83.00	324	1.71	25,161,598.44	2.85
Total	18,964	100.00	883,345,665.27	100.00

Table J

Employment Status	Number of Loans	%	Loan Balance (€)	%
Air Crew	18	0.09	1,407,833.84	0.16
Armed Forces Non Com. Officer	328	1.73	13,985,665.69	1.58
Armed Forces Personnel	206	1.09	9,009,945.23	1.02
Artists	77	0.40	3,202,074.36	0.36
Athletes	10	0.05	888,333.80	0.10
Building Construction Workers	232	1.22	9,160,625.77	1.04
Businessmen	1,778	9.38	110,314,814.19	12.49
Clergy	28	0.15	1,307,479.36	0.15
Doctors	647	3.41	40,338,786.52	4.57
Drivers	600	3.16	23,642,604.20	2.68
Economists	271	1.43	15,934,188.83	1.80
Education Professionals	907	4.78	41,088,421.04	4.65
Engineers	511	2.69	30,680,190.24	3.47
Farmers	339	1.79	11,470,815.99	1.30
Fishermen	23	0.12	806,298.69	0.09
Free Land Professionals	878	4.63	40,416,456.03	4.58
Handicraftsmen	45	0.24	1,950,117.13	0.22
Industrial Workers	76	0.40	3,046,066.87	0.34
Journalists	41	0.22	2,577,473.82	0.29
Lawyers	292	1.54	17,984,530.27	2.04
Marines	150	0.79	8,286,590.59	0.94
Mechanics	147	0.78	6,000,476.98	0.68
Merchants	1,238	6.53	63,202,601.79	7.15
Miscellaneous Other	3,200	16.87	118,801,252.11	13.45
Other Medical Professionals	214	1.13	9,571,568.02	1.08
Other Military Personnel	6	0.03	293,856.77	0.03
Other Scientists	136	0.72	8,122,346.51	0.92
Other Services	318	1.68	13,080,897.16	1.48
Other Technicians	252	1.33	10,728,368.90	1.21
Other Workers	222	1.17	8,657,618.42	0.98
Politicians	4	0.02	190,471.68	0.02
Private Sector Employees	3,157	16.65	141,921,644.85	16.07
Private Sector Executives	647	3.41	35,955,541.13	4.07
Public Sector Employees	1,686	8.89	66,283,742.35	7.50

Public Sector Executives	84	0.44	3,719,597.54	0.42
Security Services	22	0.12	1,003,353.37	0.11
Stock Farmers	21	0.11	911,582.32	0.10
Supervising Contractors	102	0.54	5,127,755.04	0.58
Not available	51	0.27	2,273,677.87	0.26
Total	18,964	100.00	883,345,665.27	100.00

Table K

Location of Property	Number of Loans	%	Loan Balance (€)	%
Eastern Macedonia Thrace	1,152	6.07	43,247,876.08	4.90
Attica	5,083	26.80	281,777,664.61	31.90
Western Greece	962	5.07	42,886,323.84	4.85
Western Macedonia	480	2.53	18,877,829.44	2.14
Ionian Islands	226	1.19	11,334,315.53	1.28
Epirus	622	3.28	26,053,085.24	2.95
Central Macedonia	5,815	30.66	242,634,098.89	27.47
Crete	941	4.96	46,752,780.50	5.29
Southern Aegean Islands	850	4.48	49,316,318.85	5.58
Northern Aegean Islands	332	1.75	14,593,583.39	1.65
Peloponnese	588	3.10	29,582,005.69	3.35
Mainland Greece	855	4.51	37,341,270.48	4.23
Thessaly	1,058	5.58	38,948,512.73	4.41
Total	18,964	100.00	883,345,665.27	100.00

Table L

Seasoning (in months)	Number of Loans	%	Loan Balance (€)	%
0 – 24.0	5,577	29.41	340,716,735.79	38.57
24.1 – 48.0	8,801	46.41	386,846,062.89	43.79
48.1 – 72.0	3,745	19.75	135,570,106.67	15.35
72.1 – 96.0	830	4.38	20,028,234.55	2.27
96.1 – 120.0	9	0.05	123,005.75	0.01
>120	2	0.01	61,519.62	0.01
Total	18,964	100.00	883,345,665.27	100.00

Table M

Original term (in months)	Number of Loans	%	Loan Balance (€)	%
0 – 60.0	351	1.85	6,492,273.21	0.74
60.1 – 120.0	2,926	15.43	74,624,682.86	8.45
120.1 – 180.0	6,591	34.76	265,388,780.54	30.04
180.1 – 240.0	5,275	27.82	258,342,177.71	29.25
240.1 – 300.0	2,077	10.95	142,725,981.09	16.16
> 300	1,744	9.20	135,771,769.86	15.37
Total	18,964	100.00	883,345,665.27	100.00

Table N

Real Estate Type	Number of Loans	%	Loan Balance (€)	%
Apartment	13,629	71.87	609,481,507.80	69.00
Detached House	3,886	20.49	178,064,548.52	20.16
Maisonette	1,444	7.61	95,644,358.81	10.83
PreConstructed	5	0.03	155,250.14	0.02
Total	18,964	100.00	883,345,665.27	100.00

Table O

Interest Type	Number of Loans	%	Loan Balance (€)	%
Fixed to Floating ¹	1,570	8.28	59,943,912.28	6.79
Floating – Piraeus Base Rae	15,240	80.36	626,551,030.91	70.93
Floating – one-month EURIBOR	2,154	11.36	196,850,722.08	22.28
Total	18,964	100.00	883,345,665.27	100.00

Table P

Fixed – Floating (End Fixed Period)	Number of Loans	%	Loan Balance (€)	%
To 31st December 2005	504	32.10	19,032,274.73	31.75
1st Jan 2006 – 31st Dec 2009	966	61.53	36,605,369.44	61.07
1st Jan 2010 – 31st Dec 2014	100	6.37	4,306,268.11	7.18
Total	1,570	100.00	59,943,912	100.00

Table Q

Subsidy Type	Number of Loans	%	Loan Balance (€)	%
None	18,059	95.23	830,249,182.01	93.99
OEK	480	1.38	33,510,102.67	1.32
State	261	2.53	11,684,839.82	3.79
Both	164	0.86	7,901,540.77	0.89
Total	18,964	100.00	883,345,665.27	100.00

Table R

% of Interest covered by subsidies	Number of Loans	%	Loan Balance (€)	%
10.01 - 20.00	58	6.41	2,160,585.25	4.07
20.01 - 30.00	33	3.65	1,403,027.42	2.64
30.01 - 40.00	183	20.22	8,872,976.77	16.71

¹ Fixed to Floating means any Loan that has a fixed rate of interest for a predetermined period and then converts to a floating rate of interest, set by reference to one month EURIBOR for euro deposits plus a margin or the Piraeus Base Rate plus, if applicable, a margin.

40.01 - 50.00	12	1.33	797,768.50	1.50
50.01 - 60.00	184	20.33	10,816,160.05	20.37
60.01 - 70.00	153	16.91	10,623,650.37	20.01
70.01 - 80.00	199	21.99	14,202,916.03	26.75
80.01 - 90.00	72	7.96	3,649,561.34	6.87
90.01 - 100.00	11	1.22	569,837.53	1.07
Total	<u>905</u>	<u>100.00</u>	<u>53,096,483</u>	<u>100.00</u>

HISTORICAL MORTGAGE LOAN DATA

Piraeus has extracted data on the historical performance of its total mortgage loan portfolio, with respect to certain criteria, including that all of the mortgage loans were:

- (i) originated in respect of residential properties;
- (ii) denominated into euro; and
- (iii) all floating rate loans.

The following tables show only the default and prepayment historical rates. Investors should note that the tables have not been audited.

As the Provisional Portfolio represents only a portion of the total Seller's residential mortgage portfolio, actual defaults and prepayments experience comprised therein may be different from that set below. There can be no assurance that the experience for the Provisional Portfolio will be, in the future, similar to the historical experience of the total Seller's residential mortgage portfolio set forth below.

Cumulative Gross Defaults by Quarter of Origination

The default data presented below indicate, for a given quarter of origination, the cumulative principal balance outstanding of defaulted residential mortgage loans, quarter by quarter, divided by the principal amount originated in the quarter of origination.

Piraeus considers any residential mortgage loan which became a Defaulted Loan for the first time during a quarter as defaulted.

Quarter of origination/quarter of default	Cumulative gross defaults from origination											
	Q+0	Q+1	Q+2	Q+3	Q+4	Q+5	Q+6	Q+7	Q+8	Q+9	Q+10	Q+11
2002_Q1	0.00%	0.00%	0.24%	0.26%	0.26%	0.33%	0.33%	0.40%	0.41%	0.43%	0.46%	0.46%
2002_Q2	0.00%	0.00%	0.00%	0.07%	0.07%	0.09%	0.09%	0.09%	0.12%	0.15%	0.15%	
2002_Q3	0.00%	0.00%	0.46%	0.46%	0.50%	0.56%	0.63%	0.68%	0.77%	0.80%		
2002_Q4	0.00%	0.00%	0.00%	0.04%	0.09%	0.20%	0.28%	0.38%	0.46%			
2003_Q1	0.00%	0.00%	0.00%	0.04%	0.08%	0.31%	1.01%	1.01%				
2003_Q2	0.00%	0.00%	0.11%	0.29%	0.46%	0.51%	0.57%					
2003_Q3	0.00%	0.00%	0.00%	0.02%	0.14%	0.44%						
2003_Q4	0.00%	0.00%	0.14%	0.14%	0.14%							
2004_Q1	0.00%	0.00%	0.19%	0.19%								
2004_Q2	0.00%	0.00%	0.02%									
2004_Q3	0.00%	0.00%										
2004_Q4	0.00%											

Dynamic Semi-Annual Prepayment Analysis

The prepayment data table below shows, for a given semester, the amount of prepaid residential mortgage loans occurring during a semester divided by the outstanding principal balance of non-defaulted loans at the beginning of the relevant semester.

Year/Semester	2002/1st	2001/2nd	2003/1st	2003/2nd	2004/1st	2004/2nd
Outstanding balance of non Defaulted Loans at beginning of semester (€)	707,107,409	845,341,266	1,024,043,848	1,165,515,646	1,298,263,527	1,461,371,922
Prepayments (principal) (€)	7,664,540	8,185,314	9,644,535	13,647,417	25,306,404	29,847,068
Annualised compounded CPR (%)	2.16	1.93	1.87	2.32	3.86	4.04

THE MORTGAGE AND HOUSING MARKET IN GREECE

The first mortgage lending institution, The National Mortgage Bank of Greece, was established in 1927, followed by the National Housing Bank in 1930. Both institutions were under government control, but have since been merged with the National Bank of Greece. Since then, another three institutions under government control have become active in the field of mortgage lending: the Postal Savings Bank (Tachydromiko Tamieftirio); the Consignment and Loans Fund (Tamio Parakatathikon kai Daneion); and Agricultural Bank, the first two providing loans to civil servants and the latter providing loans mainly to farmers. In 1985 the state monopoly of mortgage lending was ended, allowing commercial banks to enter the market, provided that their mortgage financing did not exceed 2 per cent. of their deposits. From 1995 onwards the mortgage loans market was rapidly deregulated and as a result all commercial banks operating in Greece (foreign and national) now have a presence in this market.

On 31st December 2004 the five largest lenders in the Greek residential mortgage market were the National Bank of Greece, Alpha Bank, EFG Eurobank Ergasias, Emporiki Bank and Piraeus Bank, together accounting for over 83 per cent. of the total market.

The size of the Greek mortgage market has recently grown rapidly from a relatively low percentage of GDP, partly due to the process of convergence of the Greek economy to achieve integration into the European Monetary Union and the resulting lowering of interest rates from 25 per cent. in the early 1990s to less than 5 per cent. in 2004, and partly due to increasing demand. The residential mortgage market demonstrated annual growth rates of 25.5 per cent. in 1999, 31.2 per cent. in 2000, 38.9 per cent. in 2001, 35.6 per cent. in 2002, 26.2 per cent. in 2003 and 20.0 per cent. in 2004.

Mortgage Products

The Greek mortgage market is still in its infancy, with the result that products offered in the past have been fairly standard. With the increase in demand for mortgages and the increase in competition among lenders, the range of products is beginning to expand. Currently, all banks offer the following mortgage products:

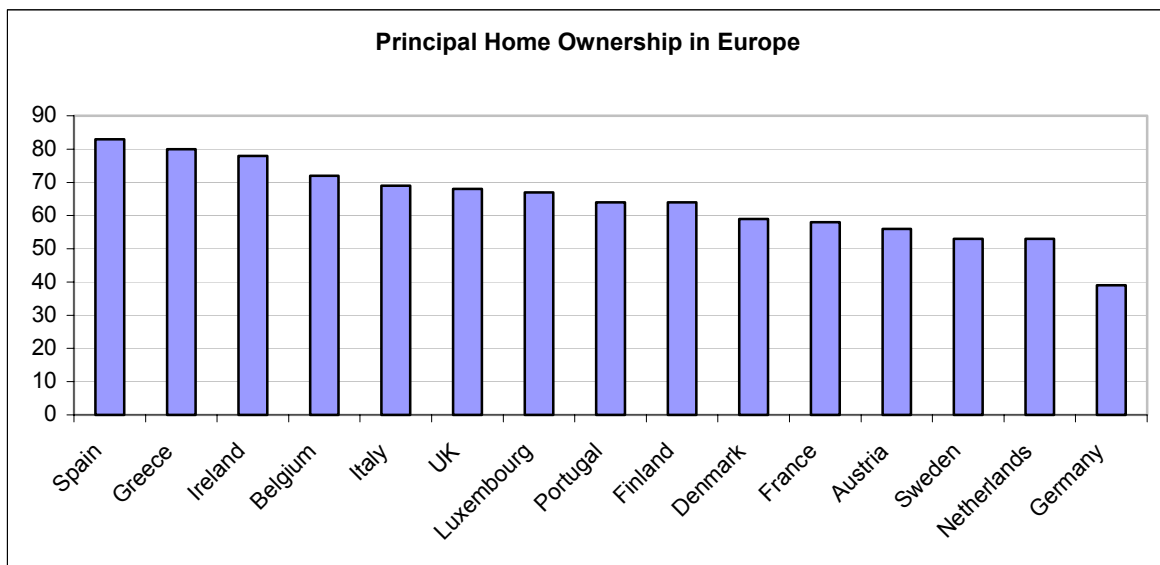
- fixed rate mortgages (which account for a small percentage of the market);
- floating rate mortgages, based on EURIBOR, the European Central Bank (ECB) refinance rates, or base rates set by the lending institution; and
- mortgages with a fixed rate for an initial period (for example one, two, three or five years) converting to a floating rate thereafter.

Typically, mortgage loans have a term of 15 years, although the maximum term could be up to 40 years. Annuity loans are the most common form of repayment medium, while interest-only loans account for only a very small proportion of total loans.

The Greek Housing Market

Traditionally, real estate has been the primary savings vehicle for Greek households, resulting in it representing a larger share of household wealth than the 40 per cent. to 50 per cent. seen in the euro area and the 25 per cent. seen in the USA. Coupled with this is a relatively low turnover in the market, due to the culturally strong family ties, which made a virtue of children remaining in their

parents' house until they married and purchased a house of their own. As a result, owner occupancy is the second highest of any EU country, as seen in the table below.



Source: European Central Bank, 2003

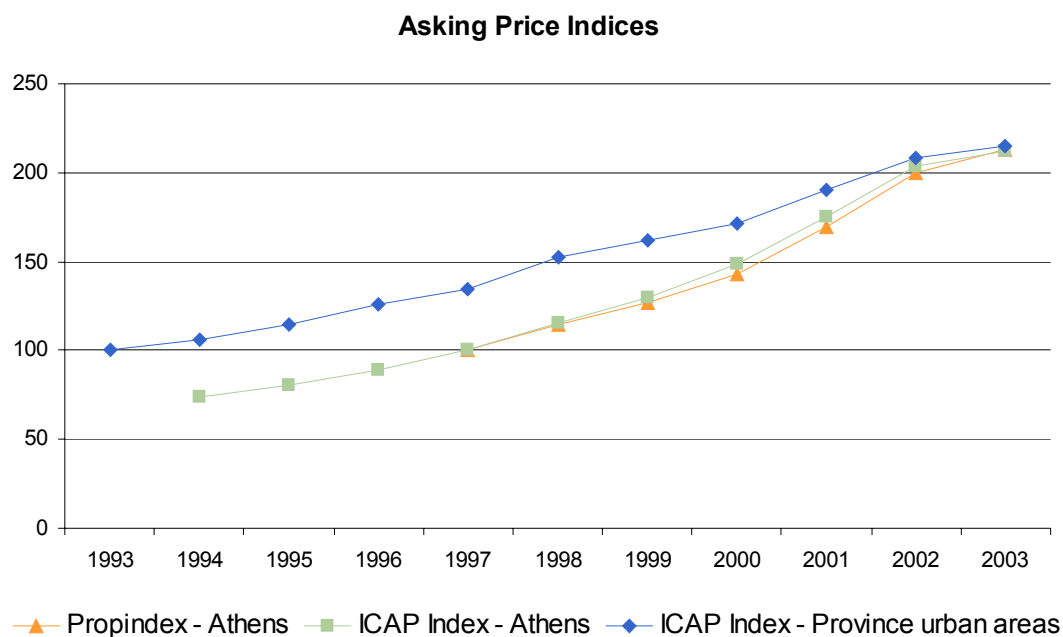
Within Greece, home ownership is highest in the regions and lowest in Athens, as would be expected.

Second home ownership is also very high, being the highest in the EU (32 per cent.) followed by Italy.

The decline in interest rates has lowered the average age of buyers from their early forties to their early thirties, with the result that there is a tendency to move away from home at a younger age than previously.

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

Since 1993 there has been a steady upward trend in selling prices as depicted in the chart below.



Security for Housing Loans

In Greece, security for housing loans is created by establishing a mortgage. A mortgage can be established by a notarial deed (or by a judicial decision, or by the law in special cases). The establishment of a mortgage by notarial deed is quite costly and it is therefore not preferred among banks and borrowers.

Instead, in most cases, banks obtain a pre-notation of a mortgage, which is an injunction over the property entitling its beneficiary to obtain a mortgage as soon as a final judgment for the secured claim has been obtained, but which is valid as of the date of the pre-notation. From the point of view of enforceability, ranking of the security and preferred right to the proceeds of the auction, there is no difference between a holder of mortgage and a holder of a pre-notation of a mortgage, since the latter is treated as a secured creditor of the property. Both the holder of a pre-notation of a mortgage and a mortgagee need an enforcement right before commencing enforcement procedures. The difference between them is that the pre-notation is a conditional security interest whose preferential treatment is subject to the unappealable adjudication of the claim it purports to secure, whereas a mortgagee's claim is usually deemed to be conclusively adjudicated pursuant to the mortgage deed itself.

Establishing a pre-notation is the most common way of establishing security for a housing loan in Greece.

The pre-notation, as a form of injunction, can be established with or without the consent of the owner(s) of the property on which the mortgage will be secured, but is only granted pursuant to a court decision.

The procedures adopted by lenders of housing loans in practice has led to an arrangement whereby pre-notations are granted "by consent": where both the lending bank and the borrower appear before the competent court and consent to the establishment of the pre-notation on the specific real estate property. The court issues the decision immediately (in fact, the decision is drafted beforehand by the lending bank and is certified and signed by the judge who hears the claim).

Having certified the court decision and a summary thereof, the lawyer of the lending bank takes them to the Land Registry, along with a written request for the issuance (by the Land Registry) of certificates confirming:

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

At the same time the bank's lawyer effects a search in the land registry in order to confirm the uncontested ownership of the borrower and the first priority nature of the mortgage or pre-notation, before the loan can be disbursed.

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

Enforcing Security

Once a loan agreement is in default and terminated, a letter is served on the borrower and on the guarantors, if any, informing them of this fact and requesting the persons indebted to pay all amounts due. 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 borrower together with a demand for immediate payment. Service of the order and demand for payment is the first action of enforcement proceedings. Three working days after serving the payment order and demand, the property can be seized and the auction process starts (see below for a description of the auction process).

The borrower, after being served the order for payment, is granted 15 working days to contest the validity of the order for payment, either on the merits of the case or on the ground of procedural irregularities. This can be done by filing an Article 632-633 Annulment Petition before the Court of First Instance. At the same time, the borrower can file an Article 632 Suspension Petition for the suspension of the enforcement proceedings as a provisional measure. At the time of filing the Article 632 Suspension Petition, in most cases, immediate suspension is granted up until the hearing of the suspension petition. If the court decides that the arguments in the Article 632-633 Annulment Petition are correct and reasonable, the suspension of enforcement will be granted to the petitioner until the issue of the decision on the Article 632-633 Annulment Petition. If the judge decides that the Article 632-633 Annulment Petition has no grounds and rejects this, the suspension enforcement procedures can continue. If the borrower has not filed an Article 632-633 Annulment Petition and subsequent suspension in the first 15 working days, then the bank may again serve the order for payment whereby a second period of 10 working days is granted to the borrower to contest the procedure. Failure to contest the order for payment will result in the bank acquiring a final deed of enforcement and then the pre-notation is converted to a mortgage.

The Article 632-633 Annulment Petition will need to be heard within 12 to 14 months after its filing and another six to eight months are required for a decision to be issued by the court, upon which either the enforcement procedures are continued due to the decision rejecting the Article 632-633 Annulment Petition, or the legal process before the Court of Appeal is continued by the bank until a final decision is reached regarding the contested order of payment. The defeated borrower may also continue the legal process but, in the experience of the 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 Borrower 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 Borrower to file an Article 938 Suspension Petition in relation to the enforcement until the decision of the Court of First Instance on the annulment motion is issued. Again, foreclosure proceedings may be suspended until the hearing of this Article 938 Suspension Petition, which, in the normal case where the Borrower 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 Borrower, 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 borrower. The seizure statement that is issued by the bailiff who performs it, contains the auction date (a Wednesday from 12.00 hours to 14.00 hours) 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 is determined within the statement of the bailiff and can be contested by the borrower or any other lender if supported by evidence that the property value is significantly higher or lower than the proposed auction value. In such case, the auction is postponed until a date not exceeding six months from the initial auction date and for a new reserve price, both as determined by the judge.

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

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

SUMMARY OF THE GREEK SECURITISATION LAW

The transactions described in this Offering Circular are the subject of specific legislation enacted by the Government of the Hellenic Republic, law 3156/2003 (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.

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 the Trustee. The Servicer will provide services (the **Services**) to the Issuer 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 Mortgage Lender if it were the owner of the Loans and the Related Security and in accordance with the Operating Procedures Manual;
- (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 Swap Provider, the Rating Agencies 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 monthly report to be delivered to the Issuer, the Trustee, the Cash Manager, the Swap Provider, and the Rating Agencies 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 monthly report.
- (f) 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 Mortgage 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;
- (g) take all such action within its control 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 Mortgage Lender would take as if the Loan(s) had not been transferred to the Issuer pursuant to the Mortgage Sale Agreement;
- (h) 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 Mortgage Sale Agreement;
- (i) pay, on behalf of the Issuer, the Levy 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 Mortgage Sale Agreement or a member of the Piraeus Group;

- (j) 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 Mortgage Lender, including without limitation, enforcing Loans in accordance with the Enforcement Procedures and granting to a Borrower 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;
- (k) take out (in respect to those Properties constructed prior to 1st January 1960) fire insurance and (in respect of those Properties constructed on or after 1st January 1960), fire and earthquake insurance policies and (where applicable) life and permanent disability insurance policy (if any) on behalf of Borrowers that have failed to maintain such policies and to pay for the premium for such insurance policy;
- (l) collect scheduled insurance premium payments from Borrowers and forward them to the relevant insurance providers;
- (m) collect from Borrowers any legal costs incurred in the administration or enforcement of a Loan or, where applicable, net-off such costs from any relevant recoveries;
- (n) keep in safe custody the Loan Documentation for all the Loans;
- (o) 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 Mortgage Sale Agreement;
- (p) provide the Cash Manager with information relating to Receipts, Replacement Loans and Retired Loans in respect of each Collection Period;
- (q) 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;
- (r) segregate collections representing interest which accrued on the Loans prior to the Closing Date and remit such amounts to the Seller;
- (s) provide information to the Borrower in respect of the Loans in accordance with the Transparency Regulations including but not limited to, information in respect of Principal Outstanding Balance of a Loan, the Monthly Instalment Amount and, where applicable, a breakdown of such Monthly Instalment Amount;
- (t) calculate and notify to the OEK and the Greek State in a timely manner the subsidised interest amounts which are due to be made in respect of the Subsidised Loans and take any other action necessary, including compliance with all applicable procedures, required for the OEK and the Greek State to make payment of the subsidised amounts.

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 residential mortgage business.

Levy means the levy payable under law 128/75 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 Borrower and any other documents relating to or evidencing that Loan 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 the Piraeus Base Rate, or on a combined basis in part by reference to the Piraeus Base Rate, 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 the lesser of:

- (a) EURIBOR plus 1.5 per cent., provided that the weighted average interest rate of the Loans in the Portfolio is greater than or equal to the equivalent of EURIBOR plus two per cent.; and
- (b) EURIBOR plus the margin over EURIBOR applicable to the Piraeus Base Rate from time to time.

Rate Event means (i) the occurrence of an event of default in respect of which Piraeus is the defaulting party in relation to the swap arrangements entered into between the Swap Provider and the Seller (the **Back-to-Back Swap**) (ii) the termination of the Back-to-Back Swap prior to its scheduled termination date (other than a termination arising under paragraph (ii) of Additional Termination Events (as defined in the Back-to-Back Swap)) or (iii) the replacement of Piraeus as Servicer.

The Back-to-Back Swap will be governed by a 1992 ISDA Master Agreement (Multi-currency-Cross Border) as published by the International Swaps and Derivatives Association Inc., and is subject to the standard events of default and termination events contained therein. It is also subject to an additional termination event relating to the occurrence of an impossibility or force majeure.

Replacement Loan means a Loan to be sold by the Seller to the Issuer following the Closing Date in accordance with the Mortgage 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:

- (i) does not cause the Loan to cease to comply with the Eligibility Criteria;
- (ii) would not cause any of the 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 10 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 22.5 per cent. of the then remaining term to maturity of the relevant Loan;
- (iv) would not result in the release of the relevant Related Security;
- (v) would not result in the decrease of the Principal Outstanding Balance of such Loan;

- (vi) would not cause the weighted average interest rate of the Loans in the Portfolio to be:
 - (a) less than the equivalent of EURIBOR plus 2.50 per cent., if the effective date of the relevant variation occurs within six-months of the Closing Date;
 - (b) less than the equivalent of EURIBOR plus 2.25 per cent., if the effective date of the relevant variation occurs not less than six-months and not more than 12-months after the Closing Date; or
 - (c) less than the equivalent of EURIBOR plus 2.00 per cent., if the effective date of the relevant variation occurs more than 12-months after the Closing Date.
- (vii) would, in the opinion of the Servicer, be agreed to by a Prudent Mortgage Lender and which
- (viii) either:
 - (a) is a variation permitting a Borrower to defer payment of one or more Monthly Instalment Amount(s) in any calendar year (a **Flexible Option Variation**), provided that:
 - (A) the relevant Borrower has not been overdue in the payment of any amounts due under the relevant Loan for a period of more than 30 days on two or more (non consecutive) occasions in the immediately preceding 12 months;
 - (B) such deferral does not result in any following Monthly Instalment Amount exceeding 120 per cent. of the Monthly Instalment Amount due immediately preceding the first such deferral; and
 - (C) not more than 10 per cent. (by Principal Outstanding Balance) of the Portfolio may be subject to such a Flexible Variation; or
 - (b) is a Rate Variation, provided that not more than 30 per cent., (by Principal Outstanding Balance) of the Portfolio may be subject to a Rate Variation,

any such change to the terms and conditions of a Loan, (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 whether determined by reference to a fixed or a floating rate basis.

Rate Variation means an extension of the period under a Loan for which a fixed rate of interest is payable or a variation in the interest rate payable under a Loan, such that the basis for calculating the interest rate changes from:

- (a) any of:
 - (i) one-month EURIBOR for euro deposits plus a margin or
 - (ii) the Piraeus Base Rate plus, if applicable, a margin,

to either:

- (A) being fixed until the maturity of the Loan; or

- (B) being fixed for a pre-determined period and then set with reference to (i) one-month EURIBOR for euro deposits plus a margin or (ii) the Piraeus Base Rate plus, if applicable, a margin; or
- (b) from a fixed rate of interest to either:
 - (i) one-month Euribor for euro deposits plus a margin; or
 - (ii) the Piraeus Base Rate plus, if applicable, a margin.

The Servicer will by 5:00 p.m. Athens time or, if the Servicer ceases to be assigned a short-term unsecured, unsubordinated and unguaranteed debt rating of at least A-2 by S&P and F2 by Fitch, by 2.00 p.m, Athens time, in each case on the Athens Business Day immediately following the date of receipt or collection of all amounts paid by the Borrowers under or in respect of their Loans, the Loan Documentation and Related Security, other than non-securitised amounts including:

- (i) amounts representing interest accrued on the Loans prior to the Closing Date;
- (ii) interest accrued on the Servicer Collection Account; and
- (iii) insurance premium amounts owed to the Servicer (to the extent that the Servicer has paid such amounts on behalf of the relevant Borrower) or any insurance provider, which amounts relate to building insurance or (where applicable) life and permanent disability insurance relating to the Loans and their Related Security),

credit such amounts, less deductions in respect of certain legal expenses and insurance premium payments associated with the ongoing servicing of the Loans on a per Loan basis, to the Servicer 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 and insurance premiums. All amounts standing to the credit of the Servicer Collection Account will be held in the name of the Servicer but for the benefit of the Secured Parties pursuant to paragraph 18, article 10 of the Securitisation Law.

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 on the Athens Business Day after these amounts were transferred to the Servicer Collection Account or if the Servicer ceases to be assigned a short-term unsecured, unguaranteed debt obligation rating of at least A-2 by S&P and F2 by Fitch immediately upon transfer into the Servicer Collection Account and by no later than 5:00 p.m. Athens time on the Athens 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.

The Servicer will transfer all amounts of interest on amounts standing to the credit of the Servicer Collection Account to the Issuer Collection Account by 5:00 p.m. on the fifth day of each calendar month, or if such day is not a Transfer Business Day on the immediately following Transfer Business Day and by 4:00 p.m. (London Time) on such day notify the Cash Manager of the amount transferred provided that no interest will accrue on amounts standing to the credit of the Servicer Collection Account if and for so long as Piraeus is the Servicer.

The Servicer will also be responsible for setting the interest rate chargeable to Borrowers 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 Borrowers 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 Borrowers 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 Borrower or a Borrower'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 Borrowers 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 12th day of January, April, July and October 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**), 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 Agencies and the Cash Manager. The Servicer Report will set out information on, among other things, the Loans, any Permitted Variations and details of Loan Income Receipts. The Servicer shall additionally on the 10th day of each month, or if such day is not an Athens Business Day on the immediately succeeding Athens Business Day (the **Monthly Servicer Report Date**) produce a report (the **Monthly Servicer Report**) setting out, *inter alia*, information on the Receipts during the period commencing on (and including) a Collection Date and ending on (but excluding) the date falling one calendar month after the Collection Date and each successive month thereafter (each such period a **Monthly Collection Period**).

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 Borrower.

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, including the payment of insurance premiums on behalf of the Borrowers, and the costs of enforcement action

against Borrowers, in either case, to the extent that these have not previously been deducted from gross amounts paid by the Borrowers 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 Borrower or Guarantor (**Enforcement Proceeds**):

- (i) an amount up to 10 per cent. of such Enforcement Proceeds in respect of amounts due to any third parties;
- (ii) VAT on amounts payable to third parties;
- (iii) Legal Expense Amounts, in each case incurred in connection with such Enforcement Proceeds; and
- (iv) 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. The appointment of a substitute servicer will be conditional upon confirmation from the Rating Agencies that such appointment will not result in a downgrade of the then current ratings of the Notes.

SUMMARY OF PRINCIPAL DOCUMENTS

Mortgage Sale Agreement

Under the Mortgage 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 (xvii) (inclusive) of the Pre-Enforcement Priority of Payments or the amounts referred to in **paragraphs (i) to (x)** (inclusive) of the Post-Enforcement Priority of Payments, as appropriate and from amounts standing to the credit of the Set-Off (Additional Payments) Reserve Account and the Set-Off (Deposits) Reserve Account after (i) amounts have been withdrawn from the Set-Off (Additional Payments) Reserve Account and the Set-Off (Deposits) Reserve Account in respect of Additional Payments and Deposit Amounts and credited to the Issuer Transaction Account in accordance with the terms of the Cash Management Agreement and the Deed of Charge; and (ii) the Issuer has repaid all amounts outstanding under the Set-Off (Additional Payments) Loan or the Set-Off (Deposits) Loan, as applicable (the **Deferred Consideration**).

On the Closing Date the Issuer will estimate the Initial Purchase Price and will apply the proceeds of the issue of the Notes towards payment of such estimated amount. To the extent 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.

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 in respect of the Portfolio in the Mortgage 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 Mortgage 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 Borrower 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 Borrower's and/or Guarantor's repayment obligations under such Loan, except, in the case of any potential set-off or counterclaim, where the potential exposure to such set-off or counterclaim is not covered by either the amount standing to the credit of the Set-Off

(Additional Payments) Reserve Account or the facility limit under the Set-Off (Deposits) Facility.

- (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, 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 Lending Criteria subject only to any deviations which a Prudent Mortgage 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 Closing 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, and no Loan was in Arrears for more than 30 days more than once during the 12 calendar months preceding the Closing Date or Repurchase Date, as applicable.
- (j) No Loan or any payment thereunder has ever been written off according to the Seller's credit and collection policies as contained in the Seller's operating procedures manual (the **Operating Procedures Manual**).
- (k) At least one scheduled payment of principal and interest has been paid by the relevant Borrower in respect of each Loan.
- (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 Borrower or Guarantor, if any, has occurred and is continuing and the Seller has not waived any Borrower's or Guarantor's material obligations or any event of default (howsoever described in the relevant Loan Documentation) under any Loans.
- (m) The Seller has not breached any material term under or in respect of any Loan.
- (n) In respect of each Loan, the Seller is not obliged (under the terms of the relevant Loan Documentation or otherwise) to make a further advance to the relevant Borrower(s).
- (o) No Loan contains any provisions which purport to cause the claim of the Seller against the relevant Borrower or any Guarantor under the Loan to rank lower than *pari passu* with other creditors of the same creditor class of such Borrower or Guarantor save where a prior ranking

Mortgage or Pre-Notation exists over the Residential Property and either: (i) the Mortgage or Pre-Notation is in favour of a third party and the Seller has determined to its satisfaction acting as a Prudent Mortgage Lender that there are no actual claims capable of being made in connection with such prior ranking Mortgages or Pre-Notations; or (ii) any prior ranking Mortgages or Pre-Notations in respect of the relevant Property are in favour of the Seller and each such prior ranking Mortgage or Pre-Notation was assigned to the Issuer pursuant to the terms of the Mortgage Sale Agreement; or (iii) the Mortgage(s) or Pre-Notation(s) is in favour of a third party and the Seller has determined that the aggregate of all amounts secured by such Mortgage(s) or Pre-Notation(s) does not exceed €1,500.

- (p) The interest rate in respect of each Loan is either (i) set with reference to one-month EURIBOR for euro deposits plus a margin or the Piraeus Base Rate plus, if applicable, a margin, (ii) fixed until the maturity of the Loan, or (iii) fixed for a pre-determined period and then set with reference to one-month EURIBOR for euro deposits plus a margin, or the Piraeus Base Rate plus, if applicable, a margin.
- (q) 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 Borrower, in euro;
 - (iv) the Loan has a Principal Outstanding Balance of no more than €890,395 at the Cut-Off Date;
 - (v) the Loan matures on or before 24 February 2035;
 - (vi) the Loan has been originated:
 - (A) where the purpose is the purchase of a property, prior to the entry of such Loan into the Portfolio;
 - (B) where the purpose is the construction of a property, at least 18 months prior to the entry of such Loan into the Portfolio;
 - (C) where the purpose of such Loan is the repair of a Property, at least two months prior to the entry of such Loan into the Portfolio; and
 - (D) where the purpose of such Loan is to refinance a loan made for the purposes listed in (vi)(A), (B) and (C) above, at least one month prior to the entry of such Loan into the Portfolio;
 - (vii) the Loan was advanced for any of the following purposes:
 - (A) acquisition of residential properties;
 - (B) repairs, modifications and alterations to residential dwellings and buildings (if the repairs have been completed by the Cut-Off Date);

- (C) construction of residential dwellings and buildings (if the construction has been completed by the Cut-Off Date); and/or
 - (D) to refinance an existing loan made for any of the purposes listed in (A), (B) or (C) above;
- (viii) each Loan is fully amortising and interest and principal are payable in monthly instalments by direct debit based on an annuity schedule;
 - (ix) the Loan does not fall under any of the following product types:
 - (A) balloon loans;
 - (B) low start loans;
 - (C) home equity loans; or
 - (D) loans currently in a grace period:
 - (x) no notice of prepayment of the Loan has been given;
 - (xi) the initial outstanding balance of the Loan was less than or equal to eighty-three (83) per cent. of the value of the Property or Properties over which a Pre-Notation is granted as security for the Loan;
 - (xii) the purchase price of the Property over which a Pre-Notation is granted as security for the Loan has been fully paid by the relevant Borrower;
 - (xiii) in respect of the Loan, the relevant Pre-Notation securing such Loan has been registered in the relevant Land Registry in favour of the Seller rendering the relevant 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;
 - (xiv) the Loan is secured in favour of the Seller by a first ranking Pre-Notation over the Residential Property to which the Loan relates, such Residential Property being located in Greece or, in cases where a prior ranking Mortgage or Pre-Notation exists over the Property either (i) such Mortgage or Pre-Notation is in favour of a third-party and the Seller has determined to its satisfaction acting as a Prudent Mortgage Lender that there are no claims capable of being made in connection with such prior ranking Mortgage or Pre-Notation or (ii) each such Mortgage or Pre-Notation is in favour of the Seller and the Seller has assigned its rights, title, interest and benefit in respect of each prior ranking Mortgage or Pre-Notation to the Issuer pursuant to the terms of the Mortgage Sale Agreement; or (iii) the Mortgage(s) or Pre-Notation(s) is in favour of a third party and the Seller has determined that the aggregate of all amounts secured by such Mortgage(s) or Pre-Notation(s) does not exceed €1,500;
 - (xv) the Borrower at the time of the drawdown of the Loan was an individual aged over 18 and resident within the European Union, unless the Loan benefits from a co-Borrower or Guarantor who is an individual over 18 and resident in the European Union, and whose liabilities in respect of the Loan are equal to those of the Borrower;
 - (xvi) all payments and repayments in respect of a Loan will be made by the relevant Borrower and/or Guarantor from an account which is located in Greece;

- (xvii) the Borrower is not and has not been in material breach of any term of the Loan Documentation;
 - (xviii) a Teiresias search has been carried out in respect of the Borrower or Guarantors, if any, prior to drawdown of the Loan by the Borrower and no history of attachments, dishonoured cheques, pre-notations or mortgages or any Security Interest exist and are continuing and no step has been taken for his/her bankruptcy that has not been cured such as to prevent a Prudent Mortgage Lender from granting the Loan taking into account all the facts specific for the particular application for the same;
 - (xix) the Borrower is not an employee of the Piraeus Group;
 - (xx) the Property in respect of which security has been given for the Loan has been valued by a certified engineer approved by the Seller or, where appropriate, according to a methodology which would meet the standards of a Prudent Mortgage Lender and which has been approved by the Seller;
 - (xxi) a search of the relevant Land Registry for investigation of the title certificate in relation to the Property in respect of which security has been given for the Loan has been carried out prior to drawdown of the Loan by the Borrower in accordance with the Seller's procedures and no adverse entries have been found;
 - (xxii) the Mortgagor has confirmed that the Property, in respect of which security has been given for the Loan, is covered by insurance against (where the property was constructed on and after 1st January 1960) fire and earthquake (or where the Property was constructed before 1st January 1960, fire only), in an amount sufficient to cover (in respect of those Loans originated before 1st January 2002) the outstanding principal balance of the Loan or (in respect of those Loans originated on or after 1st January 2002) the reinstatement cost of the Property as it was at the time of the insurance appraisal or (in respect of OEK subsidised loans, the initial principal balance of that loan);
 - (xxiii) in respect of each Loan the purpose of which was the construction of a new property and where a Pre-Notation is granted in respect of such Property, the Seller had determined that the construction was substantially completed at the time of the final advance of the Loan;
 - (xxiv) the application for the Loan was approved by authorised employees of the Seller;
 - (xxv) in respect of the Loan, the identity of the Borrower was confirmed by the Seller prior to the execution of the Loan Documentation; and
 - (xxvi) in respect of each Loan, prior to the entry into the relevant Loan Documentation, the Borrower provided to the Seller at least one income tax statement for the purposes of income verification.
- (r) Each Loan and its Related Security constitutes a legal, valid and binding obligation of the Borrower, co-Borrower (if any) and Guarantor (if any) and is duly perfected and enforceable in accordance with the law and the terms of the Loan and Related Security, as applicable.
 - (s) The Seller has confirmed that insurance policies for fire and earthquake insurance (or in respect of a Property constructed prior to 1960 fire insurance only) and (where applicable) life and permanent disability insurance have been taken out by, or on behalf of, a Mortgagor and name the Seller as the primary sole loss payee under the relevant policy.

- (t) The grantor of each Pre-Notation has a good and marketable title to the relevant Property.
- (u) So far as the Seller at the time of origination is aware, no Property was or was used as a professional suite as at the time of origination of the relevant Loan.
- (v) All Loans can be identified and segregated on any day.
- (w) The Seller has complied with all relevant data protection laws in relation to the Loans comprising the Portfolio.
- (x) The Seller has complied with all relevant consumer laws:
 - (i) in relation to the Loans comprising the Portfolio other than in respect of the Athens Court of Appeal decision 5253/03 and Supreme Court decisions 1219/01 and 430/05; and
 - (ii) in respect of provisions of the Loan Documentation (other than those provisions which purport to:
 - (A) waive any rights of the guarantor under Articles 862-868 of the Greek Civil Code;
 - (B) allow the lenders to charge commissions, prepayment penalties and interest calculated on the basis of a 360 day year but charged on the basis of a 365 day year; and
 - (C) to change the interest rate unilaterally.
- (y) 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 article 42 of law 2912/01 (and the laws for stay of enforcement under article 30 of law 2789/00, as amended by article 47 of law 2873/00 and law 2912/02, no longer apply thereto) and article 39 of law 3259/04 and no Borrower has requested a recalculation thereof.
- (z) No Loan contains any provision allowing the deferral, by the Borrower, of scheduled interest payments.
- (aa) Each Loan has been administered by the Seller (i) according to a level of skill, care and diligence which a Prudent Mortgage Lender would apply if it were the owner of the Loans and (ii) in accordance with its Operating Procedures Manual.
- (bb) Each Loan is substantially in a form attached as a schedule to the Mortgage Sale Agreement.
- (cc) Each Subsidised Loan has been originated in compliance with the relevant OEK Framework Agreement (in respect of Subsidised Loans subsidised by the OEK) or procedure set out by the applicable legislation (in respect of Subsidised Loans subsidised by the Greek State), as the case may be.
- (dd) In respect of each Subsidised Loan, the relevant Borrower is required to pay the full amount of interest accruing on that Loan, notwithstanding any separate obligation of the Greek State and/or the OEK (as appropriate) to make interest subsidy payments in respect thereof.
- (ee) In respect of each Subsidised Loan, subsidy payments to be made by the OEK and/or the Greek State were not taken into account in determining the interest that the relevant Borrower

would be liable for under the Loan in calculating the DTI Ratio for the purposes of compliance with the Lending Criteria.

- (ff) In respect of each Loan, the Seller was at the time when any Additional Payment was made by the Borrower acting in good faith and was not aware that any such Additional Payment(s) were not lawfully charged to the Borrower as at such date.
- (gg) In respect of each Loan, the Seller has not received written notice of any litigation or (to the best of the Seller's knowledge or belief) claim by a Borrower in respect of any Additional Payments.
- (hh) In respect of each Loan, the Seller has, since 1 January 2001, calculated interest on the basis of a 360 day year and has charged interest on the same basis.

In this document:

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

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

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

Mortgagor means a Borrower, a co-Borrower or a Guarantor, as the case may be being the grantor of a Pre-Notation;

OEK Framework Agreement means the bilateral agreement dated February 2002 pursuant to which the OEK pays subsidies to the Seller in respect of the relevant Subsidised Loans;

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

Property means the property or properties securing each Loan and which is, under the terms of the relevant Loan Documentation, to be subject to a Pre-Notation in favour of the Seller;

Prudent Mortgage Lender means a prudent lender making loans to borrowers in Greece secured by pre-notations in respect of residential property;

Residential Property means a Property which was used for residential purposes at the time the Loan to which it relates was drawn down; and

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.

Subsidised Loan means a Loan in respect of which interest payments are subsidised by the OEK and/or the Greek State.

Pursuant to the terms of the Mortgage Sale Agreement, the Seller will undertake to pay to the Issuer an amount equal to the amount of any reduction in any payment due with respect to any Loan sold to

the Issuer as a result of any exercise of any right of set-off or deduction made by any Borrower or any Guarantor against the Seller.

The Seller will also undertake to provide information in respect of deposits held by Borrowers (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. In addition, the Seller will on a quarterly basis provide information in respect of the Additional Payments.

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 or the Trustee (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 or the Trustee 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 Mortgage 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 Borrower and, where applicable, interest accrued thereon (claimed and unclaimed) but not yet paid by the OEK and/or the Greek State) 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 Warranty.

In addition, if a Borrower 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 definitions of Permitted Variation and Rate 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 Amount Outstanding of not less than 90 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.

All Replacement Loans must satisfy the following criteria:

- (a) the Replacement Loan has to meet the Eligibility Criteria;
- (b) the weighted average Current LTV of the Replacement Loan(s) must be less than or equal to that of the corresponding Retired Loan;

- (c) the weighted average of the time since origination of the Replacement Loan(s) must be equal to or greater than that of the corresponding Retired Loan;
- (d) the weighted average of the Applicable Rate of the Replacement Loan(s) must be equal to or greater than that of the corresponding Retired Loan;
- (e) the weighted average time to maturity of the Replacement Loan(s) must be less than equal to or that of the corresponding Retired Loan;
- (f) the aggregate of the Principal Outstanding Balance(s) of the Replacement Loan(s) must be less than or equal to that of the corresponding Retired Loan; and
- (g) the Loan Warranties being true in every material respect on the relevant Repurchase Date in respect of the Replacement Loan by reference to the facts and circumstances then subsisting.

If two or more Retired Loans or Replacement Loans are being sold and purchased on the same Repurchase Date then the tests referred to in paragraphs (b) to (f) above will be determined as if there was one Retired Loan or Replacement Loan (as the case may be) and the relevant values and loan balances will be aggregated or averaged by weight of principal outstanding balance.

The Seller will, on the relevant Repurchase Date, repeat the Loan Warranties in respect of the relevant Replacement Loan, by reference to the facts and circumstances then subsisting.

Completion of the sale and purchase of any Replacement Loan on a Repurchase Date will be conditional on:

- (a) no Acceleration Notice in respect of the Notes having been delivered by the Trustee to the Issuer in accordance with the Conditions;
- (b) the Seller not being in material breach of any of its obligations under the Mortgage Sale Agreement;
- (c) the acquisition of the relevant Replacement Loan not causing the aggregate Principal Outstanding Balance, as at the date of their acquisition by the Issuer, of all Replacement Loans then in the Portfolio to exceed 15 per cent. of the aggregate Principal Outstanding Balance of the Loans as at the Closing Date;
- (d) the Seller executing and delivering all documents necessary to assign and sell the Replacement Loan and its Related Security to the Issuer; and
- (e) the Seller being in compliance with its obligations under the Set-Off (Additional Payments) Loan Agreement and the Set-Off (Deposits) Facility Agreement; and
- (f) the registration of a form under the terms of Article 10, paragraphs 8 and 16 of the Securitisation Law approved by the Greek Ministry of Justice (ministerial decisions nos. 161337 and 161338 of 30th October, 2003) (a **Notification Form**) in respect of the relevant Replacement Loan(s).

If, as a result of a breach of any other representations and warranties, the Issuer suffers a loss, the Seller has an obligation to pay a compensation payment to the Issuer in respect of such loss.

The Mortgage 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 Mortgage Sale Agreement.

The Greek Assignment Agreement will be governed by Greek law.

Deed of Charge

The Issuer will enter into the Deed of Charge on the Closing Date with the Secured Parties. Under the Deed of Charge, the Issuer will grant fixed and floating security over all of its assets (other than those charged 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 either the Deed of Charge or 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 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.

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)**) and to certain other third parties and to manage the Issuer's obligations to make payments under the Swap Agreement in accordance with the Priority of Payments.

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

- (a) operating the Issuer Bank Accounts 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;
- (c) taking the necessary action and giving the necessary notices to ensure that the Issuer Bank Accounts 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 Bank Accounts 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;

- (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;
- (g) following a default by the Set-Off (Additional Payments) Loan Provider under the Set-Off (Additional Payments) Loan Agreement, drawing all or some of the commitment under the Set-Off (Additional Payments) Loan and depositing it in the Set-Off (Additional Payments) Reserve Account; and
- (h) following a default by the Set-Off (Deposits) Loan Provider under the Set-Off (Deposits) Facility Agreement drawing all or some of the commitment under the Set-Off (Deposits) Facility, and depositing it in the Set-Off (Deposits) Reserve Account.

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, as the case may be, the Swap Provider calculate the Income Receipts.

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 quarterly Servicer Report, to be delivered on or before each Servicer Report Date, pertaining to the immediately preceding Collection Period;
- (ii) the Monthly Servicer Report to be delivered by the Servicer on or before the 10th day of each calendar month;
- (iii) a report from the Issuer Account Bank, on or before each Servicer Report Date, as to the interest accrued on the Issuer Bank Accounts and income received in respect of Authorised Investments, pertaining to the immediately preceding Collection Period; and
- (iv) a report from the Swap Provider four Business Days following each Servicer Report Date, setting out the amount of the Swap Income for the Interest Period ending immediately following such Calculation Date.

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

The Cash Management Agreement will be governed by English law.

Swap Agreement

The Issuer will enter into Swap Transaction with the Swap Provider to mitigate the Issuer's interest rate exposure arising as a result of differences between the rates of interest charged on the Loans and the rates at which the Notes bear interest.

The Swap Transaction entered into by the Issuer will be documented under a 1992 ISDA Master Agreement (Multicurrency – Cross Border), as amended and supplemented from time to time (the **Swap Agreement**), and will be an over-the-counter transaction negotiated at arm's length between the Issuer and the Swap Provider.

The Swap Transaction may be terminated in accordance with certain events of default and termination events (each as defined in the Swap Agreement) commonly found in standard ISDA documentation. The Swap Transaction will be terminable by one party if (i) an applicable Event of Default or

Termination Event (as defined therein) occurs in relation to the other party, (ii) the Notes are redeemed in full pursuant to Condition 6(c) or (d), or (iii) an Acceleration Notice is served. Events of Default in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement, (ii) certain insolvency events, and (iii) the service of an Acceleration Notice.

Pursuant to the terms of the Swap Agreement, in the event that the relevant ratings of the Swap Provider are downgraded by a Rating Agency below the ratings specified in the relevant Swap Agreement (in accordance with the requirements of the Rating Agencies) for the Swap Provider and, as a result of the downgrade, the then current ratings of the Notes would or may, if applicable, be adversely affected (a **Swap Provider Ratings Downgrade**), the relevant Swap Provider will, in accordance with the Swap Agreement, be required to take certain remedial measures within 30 days of such Swap Provider Ratings Downgrade, which may include providing collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with the ratings required by the relevant Rating Agency as specified in the Swap Agreement (in accordance with the requirements of the relevant Rating Agency), procuring another entity with ratings required by the relevant Rating Agency as specified in the Swap Agreement (in accordance with the requirements of the relevant Rating Agency) to become a guarantor in respect of its obligations under the Swap Agreement, or taking such other action as it may agree with the relevant Rating Agency.

A failure by the Swap Provider to take such steps following a Swap Provider Ratings Downgrade will give the Issuer the right, subject to certain conditions, to terminate the Swap Agreement.

Upon the occurrence of any termination of the Swap Agreement, the Issuer or a Swap Provider may be liable to make a termination payment to the other. The amount of any termination payment will be based on the market value of the terminated Swap Agreement.

In the event that the Issuer is required to withhold or deduct from any payments payable by it to the Swap Provider an amount in respect of tax, the Issuer will not be required pursuant to the terms of the Swap Agreement to pay to the Swap Provider such amounts as are required to ensure that the Swap Provider receives the same amount that it would have received had such withholding or deduction not been made.

In the event that the Swap Provider is required to withhold or deduct from any payments payable by it to the Issuer an amount in respect of tax, the Swap Provider will be required pursuant to the terms of the Swap Agreement to pay to the Issuer such amounts as are required to ensure that the Issuer receives the same amount that it would have received had such withholding or deduction not been made.

In either event, the Swap Agreement will provide that if, due to action taken by a relevant taxing authority or court or any change in tax law, the Swap Provider will (or there is a substantial likelihood that it will) either (i) receive any payment under the Swap Agreement from the Issuer from which an amount is required to be deducted or withheld for or on account of tax, or (ii) pay an additional amount under the Swap Agreement to ensure that the Issuer receives the same amount that it would have received had such withholding or deduction not been made (each being a **Tax Event**), the Swap Provider will be required promptly to notify the Issuer thereof and use its reasonable endeavours to transfer its rights and obligations under the Swap Agreement to another office, branch or affiliate to avoid the relevant Tax Event. If no such transfer can be affected within 30 days of such notice being given, the Swap Provider will be entitled to terminate the Swap Transaction.

The Swap Provider may, at its own discretion and its own cost, novate all of its rights and obligations under the Swap Agreement to any third-party provided that, inter alia, such third-party has the minimum credit rating required by the Rating Agencies (as specified in the Swap Agreement) and that any such novation has been notified to the Trustee.

The Swap Provider will, on or about five Business Days following each Servicer Report Date, supply to the Cash Manager a report setting out the amount of the Swap Income for the Interest Period ending immediately following such Calculation Date.

The Swap Agreement will be governed by English 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**.

The Trust Deed 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 Account Bank whereby the Issuer Account Bank will open the Issuer Collection Account, the Issuer Transaction Account, the Set-Off (Additional Payments) Reserve Account, the Set-Off (Deposits) Reserve Account and the Reserve Account in the name of the Issuer. 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. Amounts standing to the credit of any Issuer Bank 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 relevant Issuer Bank Account.

The Issuer 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 Bank Accounts. The Issuer Account Bank will waive all rights of set-off which it may have in respect of the Issuer Bank Accounts.

If the short-term, unsecured, unsubordinated and unguaranteed debt rating of the Issuer Account Bank are downgraded below the requisite ratings, set out in the Bank Account Agreement, the Issuer must use reasonable endeavours to find a substitute issuer account bank with the requisite short-term debt rating and move the Issuer Bank Accounts to such substitute issuer account bank.

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 €3,750,000 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. If the Subordinated Reserve Loan remains outstanding after the Step-Up Date, the Issuer will repay the outstanding amount on the succeeding Interest Payment Dates 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.

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

Set-Off (Additional Payments) Loan Agreement

The Set-Off (Additional Payments) Loan Provider will, pursuant to the Set-Off (Additional Payments) Loan Agreement, make the Set-Off (Additional Payments) Loan to the Issuer in an amount equal to the aggregate of the Additional Payments that the Set-Off (Additional Payments) Loan Provider has received from the Borrowers up until the Closing Date. The Issuer will also be entitled to draw down further amounts to the extent of the aggregate of the Additional Payments determined for a Borrower under a Replacement Loan that the Issuer purchases from the Seller as at the date of purchase of such Replacement Loan.

The proceeds of the Set-Off (Additional Payments) Loan will be paid into the Set-Off (Additional Payments) Reserve Account. Interest on the Set-Off (Additional Payments) Loan will be paid by the Issuer 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.

Interest earned by the Issuer on the amounts standing to the credit of the Set-Off (Additional Payments) Reserve Account will be transferred on the last day of each month to the Issuer Collection Account and will form part of the Receipts.

Amounts drawn down under the Set-Off (Additional Payments) Loan will be partially repaid by the Issuer from Available Funds or Available Security Funds, as the case may be, 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.

All amounts outstanding under the Set-Off (Additional Payments) Loan are additionally repayable from amounts standing to the credit of the Set-Off (Additional Payments) Reserve Account from time to time in the following circumstances:

- (a) if the Seller is obliged to make a payment under the Mortgage Sale Agreement in respect of an amount that a Borrower sets off or otherwise deducts from any amount payable by such Borrower under a Loan in respect of claims which that Borrower has against the Seller in respect of Additional Payments, the Issuer will be obliged to make a repayment of the Set-Off (Additional Payments) Loan in an equal amount, which obligation it can set off against the amount due to it from the Seller under the Mortgage Sale Agreement;
- (b) to the extent that an Additional Payment determined in respect of a Borrower exceeds the Principal Outstanding Balance of the relevant Loan, the Set-Off (Additional Payments) Loan will be repayable in an amount equal to such excess;
- (c) following the repayment of a Loan in full by the relevant Borrower, the Set-Off (Additional Payments) Loan will be repaid in an amount equal to the Additional Payment determined in respect of such Borrower;
- (d) if each of the Trustee and the Rating Agencies is satisfied that there is a change in law which prevents the Borrowers from setting-off Additional Payments against the Issuer in respect of claims that they have or may have against the Set-Off (Additional Payments) Loan Provider and the Rating Agency have confirmed that the repayment of that part of the Set-Off (Additional Payments) Loan representing such amounts will not result in the downgrade of the then current ratings of the Notes, the Issuer will repay any part of the Set-Off (Additional Payments) Loan representing such amounts; and
- (e) the Set-Off (Additional Payments) Loan will be repaid in full at the amount then outstanding at the earlier to occur of (i) the date falling five years after the Final Maturity Date or (ii) the date on which all Notes are discharged in full.

Repayments in respect of the Set-Off (Additional Payments) Loan will occur on Interest Payment Dates only.

The Set-Off (Additional Payments) Loan Agreement will be governed by English law.

Set-Off (Deposits) Facility Agreement

The Set-Off (Deposits) Loan Provider will, pursuant to the Set-Off (Deposits) Facility Agreement, make available to the Issuer a stand-by loan facility (the **Set-Off (Deposits) Loan Facility**). The Set-Off (Deposits) Loan will on the Closing Date have a facility limit (the **Set-Off (Deposits) Facility Commitment**) equal to the Deposit Contributions, being as at the Closing Date, approximately €108.713,260 (calculated on the Provisional Portfolio as of 2 June 2005).

After the Closing Date the Set-Off (Deposits) Facility will be adjusted so that at any time it will consist of the aggregate of the Deposit Contribution in respect of all Loans in the Portfolio.

The Set-Off (Deposits) Facility will be drawn by the Issuer in full on the Rating Downgrade Date.

Following the Rating Downgrade Date and so long as the Rating Downgrade is continuing:

- (i) any decrease in the Set-Off (Deposits) Facility Commitment will result in repayment of an amount equal to such decrease on the following Interest Payment Date or if earlier the next following Set-Off (Deposits) Adjustment Date; and
- (ii) any increase in the Set-Off (Deposits) Facility Commitment, as a result of a Loan becoming a Loan in respect of which any amount has been or is being claimed from a Guarantor, will result in a further drawing under the Set-Off (Deposits) Facility, in an amount equal to the Deposit Amount in respect of any Guarantor of such Loan,

provided always that such repayment or drawing will be subject to the Set-Off (Deposits) Reserve Account being, and remaining after such repayment, funded in an amount no less than the Set-Off (Deposits) Facility Commitment.

The amounts drawn under the Set-Off (Deposits) Facility Agreement will constitute a borrowing under it (the **Set-Off (Deposits) Loan**). Once drawn the Set-Off (Deposits) Loan will be paid into the Set-Off (Deposits) Reserve Account and such amounts together with any other amounts standing to the credit of the Set-Off (Deposits) Reserve Account will constitute a fund (the **Set-Off (Deposits) Fund**). Interest on the Set-Off (Deposits) Loan will be paid by the Issuer 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

Interest earned by the Issuer on the amounts standing to the credit of the Set-Off (Deposits) Reserve Account will be transferred on the last day of each month to the Issuer Collection Account and will form part of the Receipts.

Other than interest paid in respect of the Set-Off (Deposits) Loan as stated above, no commitment or other fees will be payable by the Issuer in respect of Set-Off (Deposits) Loan Agreement.

The principal amount of the Set-Off (Deposits) Loan will be repaid in full (but the Set-Off (Deposits) Facility Commitment will not be affected) on the Interest Payment Date or if earlier the Set-Off (Deposits) Adjustment Date, in each case following a subsequent Rating Upgrade.

If the Seller is obliged to pay an MSA Indemnity Amount in respect of any set-off or counterclaim exercised by a Borrower or (in respect of those Loans where any amount has been or is being claimed from a Guarantor only) Guarantor in relation to any Deposit Amount and fails to do so, the Issuer will be entitled to deduct an equal amount from the Set-Off (Deposits) Reserve Fund and set it off against the MSA Indemnity Amount due to it from the Seller.

Repayment of the Set-Off (Deposits) Loan may be made on an Interest Payment Date or, if earlier the Set-Off (Deposits) Adjustment Date, in each case following a Rating Downgrade (and before a subsequent Rating Upgrade) by making a withdrawal from amounts standing to the credit of the Set-

Off (Deposits) Reserve Account in an amount (being greater than zero) equal to (i) the principal amount outstanding under the Set-Off (Deposits) Facility as at such date; less (ii) the Set-Off (Deposits) Facility Limit as at the relevant Interest Payment Date or Set-Off (Deposits) Adjustment Date, as applicable.

Additionally, amounts drawn down under the Set-Off (Deposits) Loan will be partially repaid by the Issuer on each Interest Payment Date from Available Funds or following enforcement of the Security on any day from Available Security Funds in accordance with the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable

The Set-Off (Deposits) Facility (or, if drawn the Set-Off (Deposits) Loan) will be cancelled (and/or, as the case may be, the outstanding principal amount of the Set-Off (Deposits) Loan repaid) in full on the earlier of:

- (a) the date falling five years after the Final Maturity Date; and
- (b) the date on which:
 - (i) prior to the enforcement of the Security, the Trustee or, if all Notes have been redeemed in full, the Issuer, is satisfied (in each case in its absolute discretion) that the Issuer has no further actual or contingent liabilities in respect of any Deposit Amounts; or
 - (ii) following the enforcement of Security, the date on which the Trustee or, if all the liabilities owing by the Issuer to the Secured Parties under the Transaction Documents have been discharged in full and the Security released, the Issuer, is satisfied (in each case in its absolute discretion) that no further withdrawals from the Set-Off (Deposits) Reserve Account are required to be made by the Cash Manager in respect of amounts that Borrowers or (in respect of those Loans where any amount has been or is being claimed from a Guarantor) Guarantors may set-off or deduct from amounts payable under the Loans in respect of amounts payable by the Set-Off (Deposits) Loan Provider to the Borrowers and such Guarantors, in accordance with the Cash Management Agreement.

Reductions in the Set-Off (Deposits) Facility or, following a Rating Downgrade Date and for so long as the Rating Downgrade is continuing any repayments or further drawings under the Set-Off (Deposits) Facility will occur, subject to receipt of information of the Deposit Amounts from the Cash Manager or the Servicer, as the case may be, on the 12th day of each month.

The Set-Off (Deposits) Facility Agreement will be governed by English law.

The following terms shall have the corresponding following meanings:

Additional Payments means, in respect of any loan made by the Seller to a Borrower whose Loan forms part of the Portfolio, any:

- (a) additional payments (not representing principal repayable on or interest accrued in respect of such Loan) required to be made by such Borrower upon prepayment or other redemption of such Loan prior to its due date;
- (b) the difference (if any) between interest being calculated on a Loan on the basis of a 360 day year and interest being charged on a Loan on the basis of a 365 day year;

- (c) any commissions or other charges paid by the Borrowers in respect of an application for the making of a Loan; and
- (d) any interest which the Borrower is entitled to claim in respect of any amounts described in (a), (b) or (c) above which it has previously paid to the Seller.

in each case which is reclaimable by the Borrower from the Seller pursuant to the Final Class Action Decision or the Interim Class Action Decision, as the case may be.

Change in Law Date means the date (if any) on which the Trustee is satisfied (in its absolute discretion) that there is or has been a change in law or jurisprudence in the Hellenic Republic to the effect that the Borrowers will not be able to set-off any amount payable by them in respect of their Loans against any amount payable by the Set-Off (Deposits) Loan Provider or the Issuer to them (whether in respect of Deposit Amounts or otherwise).

Official Rate means, at any time, the official default interest rate applied by the Greek courts in respect of amounts which have been adjudged to be due to successful litigants.

Closed Deposit Account means an account of a Borrower with the Seller where Deposit Amounts were deposited but which has now closed and all the relevant Deposit Amounts have been repaid to that Borrower.

Closed Deposit Amount means in respect of each Loan a Deposit Amount which has been placed on deposit with the Seller in respect of an account which has subsequently become a Closed Deposit Account.

Deposit Amount means:

- (a) in respect of each Loan in the Initial Portfolio, the aggregate amount of the relevant Borrower's and (in respect of those Loans where any amount has been or is being claimed from a Guarantor) Guarantor's funds placed on deposit with the Seller (the **Initial Deposit Amount** and the aggregate of all Initial Deposit Amounts of all Loans in the Initial Portfolio (the **Initial Deposit Amounts**) being (on the basis of the Provisional Portfolio and calculated as at 2 June 2005) approximately €12,605,543 less the aggregate of any amount withdrawn from the relevant Borrower's or Guarantor's account held with the Seller since the Closing Date); and
- (b) in respect of a Replacement Loan, the aggregate amount of the relevant Borrower's and (in respect of those Loans where any amount has been or is being claimed from a Guarantor) Guarantor's funds placed on deposit with the Seller, being (as at the relevant Repurchase Date) the amount notified as such by the Seller to the Issuer under the Mortgage Sale Agreement less the aggregate of any amount withdrawn from the relevant Borrower's or, if applicable, Guarantor's account held with the Seller since the date that the Loan was transferred to the Issuer,

and provided that a Deposit Amount which is either a Matured Time Deposit Amount or a Closed Deposit Amount shall be deemed to be zero.

Deposit Contribution means, in respect of a Loan at any time, the lower of:

- (a) the Deposit Amount of that Loan at such time; and
- (b) the Principal Outstanding Balance of such Loan at such time.

Indemnity Amount means each amount which the Seller is obliged to pay to the Issuer pursuant to the Mortgage Sale Agreement in respect of Exposure Amounts.

Matured Time Deposit Amount means in respect of each Loan, a Deposit Amount which had been placed on deposit with the Seller for a period of an agreed maturity which has matured.

Post-Closing Additional Payments means, in respect of a Loan, Additional Payments which have been paid by the relevant Borrower on or after the Closing Date (or, in respect of Replacement Loans, the relevant Repurchase Date).

Pre-Closing Additional Payments means, in respect of a Loan, Additional Payments which have been paid by the relevant Borrower prior to the Closing Date.

Set-Off (Deposits) Advance means each advance made under the Set-Off (Deposits) Facility Agreement from time to time.

WEIGHTED AVERAGE LIVES OF THE NOTES

Weighted average lives of the Notes refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in reduction of principal of such security (assuming no losses). The weighted average life of the Notes will be influenced by, amongst other things, the rate at which the principal of the Loans is paid, which may be in the form of scheduled amortisation, prepayments or liquidations.

Any difference between the assumptions set out below and the actual performance and characteristics of the Loans will cause the average life of the Notes to differ (which difference can be material) from the corresponding information in the table. The actual characteristics and performance of the Loans are likely to differ from the assumptions set out below used in constructing the table, which are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment assumptions (inclusive of scheduled and unscheduled principal receipts).

The following table is prepared on the basis of certain assumptions, as described below, regarding the weighted average characteristics of the Loans and the performance thereof. The table assumes, among other things, that if:

- (a) the Provisional Portfolio is subject to a constant annual rate of prepayment (inclusive of scheduled and unscheduled principal redemption) as set out under *CPR*;
- (b) no Borrowers are offered and accept different mortgage products by Piraeus;
- (c) no Loans are repurchased by the Seller;
- (d) no Replacement Loans are purchased by the Issuer;
- (e) the Performance Criteria are met on each Interest Payment Date;
- (f) the Notes are redeemed in full on the Step-Up Date;
- (g) the Loans are fully performing at all times;
- (h) the interest rates in respect of the Loans remain stable at current levels;
- (i) the Notes will not be subject to any deferral of interest, pursuant to Condition 5 (i);
- (j) the Issuer will on each Interest Payment Date, make a payment of Deferred Consideration to the Seller;
- (k) all Loans comprised in the Provisional Portfolio will, on and after the Closing date, have the same payment profile, life and duration;
- (l) the Issuer will not retain any principal from the Loans, other than as specifically provided for in the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as applicable;
- (m) the Principal Outstanding Balance of the Loans is at all times equal to the Principal Amount Outstanding of the Notes;
- (n) there will be no recoveries of principal, whilst any Notes are outstanding;

- (o) each Interest Payment Date will fall on 27 January, 27 April, 27 July or 27 October, as applicable; and
- (p) the Closing Date is 7 June 2005.

the approximate weighted average lives of the Notes, at various assumed rates of prepayment of the Loans, would be as follows:

<i>CPR</i>	<i>Class A Notes</i>			<i>Class B Notes</i>			<i>Class C Notes</i>		
	Average life (in years)	First principal payment date	Expected maturity (in years from Closing Date)	Average life (in years)	First principal payment date	Expected maturity (in years from Closing Date)	Average life (in years)	First principal payment date	Expected maturity (in years from Closing Date)
0	6.34	27-Oct-05	27-Oct-14	9.24	27-Apr-13	27-Oct-14	9.24	27-Apr-13	27-Oct-14
2	5.84	27-Oct-05	27-Oct-14	8.96	27-Apr-12	27-Oct-14	8.96	27-Apr-12	27-Oct-14
4	5.39	27-Oct-05	27-Oct-14	8.53	27-Apr-11	27-Oct-14	8.53	27-Apr-11	27-Oct-14
6	4.99	27-Oct-05	27-Oct-14	8.09	27-Jul-10	27-Oct-14	8.09	27-Jul-10	27-Oct-14
8	4.63	27-Oct-05	27-Oct-14	7.68	27-Jan-10	27-Oct-14	7.68	27-Jan-10	27-Oct-14

The weighted average lives of the Class A Notes, the Class B Notes and the Class C Notes cannot be predicted as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown.

The weighted average lives of the Class A Notes, the Class B Notes and the Class C Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

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 €695,800,000 Class A Residential Mortgage Backed Floating Rate Notes due 2040 (the **Class A Notes**), the €36,200,000 Class B Residential Mortgage Backed Floating Rate Notes due 2040 (the **Class B Notes**) and the €18,000,000 Class C Residential Mortgage Backed Floating Rate Notes due 2040 (the **Class C Notes** and, together with the Class A Notes and the Class B Notes, the **Notes**) by Estia Mortgage 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 June 2005 (the **Closing Date**) between the Issuer and Citicorp Trustee Company 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 Initial 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) (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, Citibank N.A., London Branch, as principal paying agent (the **Principal Paying Agent**, which expression includes any successor principal 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), Citibank International plc as Irish paying agent (the **Irish Paying Agent**, which expression includes any successor Irish paying agent appointed from time to time in connection with the Notes and, together with the Principal Paying Agent and any other paying agent appointed from time to time in connection with the Notes, the **Paying Agents**) and the Trustee.

The security for the Notes is granted or created 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, and Paragraph 18, Article 10 of Greek Law 3156/2003 (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**).

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 and the Securitisation Law applicable to them and all the provisions of the other Transaction Documents (including the Mortgage Sale Agreement, the Greek Assignment Agreement, the Corporate Services Agreement, the Servicing Agreement, the Subordinated Reserve Loan Agreement, the Set-Off (Additional Payments) Loan Agreement, the Set-Off (Deposits) Facility Agreement, the Bank Account Agreement, the Swap 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 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, the Class B Notes or the Class C 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); or
 - (iii) if no Class A Notes and Class B Notes are then outstanding, the Class C Notes (if, at any time, any Class C Notes are then outstanding).

Copies of the Transaction Documents are available for inspection by Noteholders and Couponholders at the specified office of each of the Principal Paying Agent and the Irish 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 deposited on behalf of the subscribers of the Notes with a common depository (the **Common Depository**) for Euroclear Bank SA/N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) on the Closing Date. Upon deposit 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*

Interests in each Temporary Global Note will be exchangeable 40 days after the Closing Date (the **Exchange Date**), provided certification of non-U.S. beneficial ownership (**Certification**) by the

relevant Noteholders has been received, for interests in a permanent global Note of the same Class (each a **Permanent Global Note**) which will also be deposited with the Common Depositary unless the interests in that Permanent Global Note have already been exchanged for Notes in definitive form in which event the interests in such Temporary Global Note may be exchanged (subject to Certification) only for Notes of the same Class in definitive form. The expression **Global Note** shall be read and construed to mean a Temporary Global Note or a Permanent Global Note as the context may require. On the exchange of each Temporary Global Note for the relevant Permanent Global Note such Permanent Global Note will remain deposited with the Common Depositary.

(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 Agents 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*

A Permanent Global Note will be exchanged free of charge (in whole but not in part) for Notes in definitive bearer form (**Definitive Notes**) only if at any time after the Exchange Date any of the following applies:

- (i) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do in fact do so and no alternative clearing system satisfactory to the Trustee is available; or
- (ii) as a result of any amendment to, or change in the laws or regulations of the United Kingdom or any applicable jurisdiction (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation by a revenue authority or a court of administration of such laws or regulations which

becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will become (within 90 days (or less)) required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form.

Thereupon, the whole of such Permanent Global Note will be exchanged for Definitive Notes (in the form provided in **paragraph (b)** below) and Coupons in respect of principal and interest which has not already been paid on such Permanent Global Note as provided in such Permanent Global Note.

(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 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 Agents 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 Agents shall not be required to obtain any proof thereof or as to the identity of such holder.

3. Status, Security and Priority of Payments

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

The Class A Notes, the Class B Notes and the Class C Notes constitute direct, secured and unconditional 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) (the **Charged 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, but will rank in priority to the Class C Notes and the Class C 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 and the Class B 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, the Class B Noteholders and the Class C Noteholders equally PROVIDED THAT if in the opinion of the Trustee (1) (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 and/or Class C Noteholders on the other hand, it shall have regard only to the interests of the Class A

Noteholders, (2) (for so long as there are any Class B Notes outstanding) there is a conflict between the interests of the Class B Noteholders and the interests of the Class C Noteholders, it shall, subject to (1) above, have regard only to the interests of the Class B 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 Swap Provider, the Subordinated Loan Provider, the Set-Off (Deposits) Loan Provider, the Set-Off (Additional Payments) Loan Provider, the Issuer Account Bank, the Cash Manager, the Principal Paying Agent, the Irish Paying Agent, the Agent Bank and any other Paying Agent; and

Secured Parties means the Noteholders, the Couponholders, the Other Secured Parties and any other party so designated by the Issuer and the Trustee.

(a) *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 as provided in the Securitisation Law. The Cash Management Agreement contains provisions regulating the priority of application by the Cash Manager of the Charged 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 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), (d) or (e).

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 Charged 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;

(iv) Merger:

except as required or permitted pursuant to Conditions 6(c) and 12(c), 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 mortgages and mortgage loans, 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) 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 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;
- (F) 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); and
- (G) the Issuer shall have received confirmation from the Rating Agencies that the then current ratings of the Notes are unaffected by such consolidation, merger, conveyance or transfer; 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 or any of the other Transaction Documents, or dispose of any part of the Charged 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 confirmation that the then current ratings of the Notes are unaffected by such appointment 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)) 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 27th day in January, April, July and October in each year or, if any such day is not a Business Day (as defined below), the next succeeding Business Day (each, an **Interest Payment Date**). The first such payment is due on the Interest Payment Date falling in October, 2005 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. (Brussels 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 a margin of 0.17 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Step-Up Date (as defined below) and from (and including) the Step-Up Date a margin of 0.34 per cent. per annum;

- (B) in the case of the Class B Notes, EURIBOR (as so determined) plus a margin of 0.29 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Step-Up Date and from (and including) the Step-Up Date a margin of 0.58 per cent. per annum; and
- (C) in the case of the Class C Notes, EURIBOR (as so determined) plus a margin of 0.5 per cent. per annum for the period from (and including) the Closing Date up to (but excluding) the Step-Up Date and from (and including) the Step-Up Date a margin of 1.00 per cent. per annum.

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.

Step-Up Date means the Interest Payment Date falling in October 2014.

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 four-month and five-month euro deposits) in the Eurozone (as defined in Condition 5(h) below) inter-bank market which appears on Moneyline/Telerate Screen Page 248 (or (x) such other page as may replace Moneyline/Telerate Screen Page 248 on that service for the purpose of displaying such information, or (y) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Trustee) as may replace the Moneyline/Telerate Monitor) (the **EURIBOR Screen Rate**) as of 11.00 a.m. (Brussels time) on such date; or
- (B) if the EURIBOR Screen Rate is not then available, the arithmetic mean (rounded to five decimal places, 0.000005 rounded upwards) of the rates notified to the Agent Bank at its request by the principal Eurozone office of each of five reference banks duly appointed for such purpose (the **Reference Banks** provided that, once a Reference Bank has been appointed by the Agent Bank, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such) as the rate at which three month deposits in euro are offered commencing on the Interest Payment Date immediately following such Interest Determination Date and in an amount equal to the aggregate Principal Amount Outstanding of the Notes of such Class by those Reference Banks to prime banks in the Eurozone inter-bank market at approximately 11.00 a.m. (Brussels time) on that Interest Determination Date (or, in respect of the first such Interest Period, a linear interpolation of the rate for three month and four

month euro deposits). If, on any such Interest Determination Date, at least two of the Reference Banks provide such offered quotations to the Agent Bank the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one of the Reference Banks provides the Agent Bank with such an offered quotation or if no Reference Bank provides such an offered quotation, then the rate for the relevant Interest Period shall be the arithmetic mean (rounded to five decimal places, 0.000005 being rounded upwards) of the rates quoted by major banks in the Eurozone, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the Interest Payment Date immediately following such Interest Determination Date for loans in euro to leading European banks for a period of three months or, in the case of the first Interest Period, the same as the that Interest Period commencing on such Interest Payment Date and in an amount equal to the aggregate Principal Amount Outstanding of the Notes of 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 Agents, the Swap Provider, the Noteholders in accordance with Condition 15 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), 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 Agents, 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 Agents 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. Notice of any such termination will be given to the

Noteholders in accordance with Condition 15. 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 and/or the Class C Notes after having paid or provided for items of higher priority, then:

- (A) 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:
 - (1) if it then defers to the next Interest Payment Date all payments of interest then due (but for the provisions of this paragraph (i)) in respect of the Class C Notes; and
 - (2) 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;
- (B) the Issuer shall be entitled (unless there are then no Class A Notes and Class B Notes outstanding) to defer, to the next Interest Payment Date, the payment of interest in respect of the Class C 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 C 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 and/or the Class C Notes which is not payable on an Interest Payment Date as a result of the provisions of this paragraph (i) is the **Class B Deferred Interest** and the **Class C Deferred Interest**, respectively, and, together, 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 or the Class C Notes (as the case may be) and on the same basis as interest on the Class B Notes or the Class C Notes (as the case may be) 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 and/or the Class C 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 C Noteholders (as the case may be) in accordance with Condition 15. 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 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:

150 Days in Arrears means, in respect of a Loan at any time, a classification to be applied to that Loan when the aggregate amount due under the Loan which has not been paid by the relevant Borrower when due and which remains outstanding is equal to or greater than six times the then current monthly instalment amount.

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 Determination Date.

Class A Credit Enhancement Ratio means, on any date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

- (a) the aggregate of
 - (i) the Principal Amount Outstanding of the Class B Notes as at such date; and
 - (ii) the Principal Amount Outstanding of the Class C Notes as at such date;

over

- (b) the aggregate of the Principal Amount Outstanding of all the Notes as at such date.

Class A Note Redemption Amount means on any Calculation Date:

- (a) if the Performance Criteria are satisfied on such Calculation Date, an amount equal to the Class A Pro-Rata Percentage of the Principal Amortisation Amount on such Calculation Date; and
- (b) if the Performance Criteria are not satisfied on such Calculation Date, an amount equal to the lesser of:
 - (i) the Principal Amortisation Amount; and
 - (ii) the then Principal Amount Outstanding of the Class A Notes.

Class A Pro-Rata Percentage means, at any time, the fraction expressed as a percentage, the numerator of which is the Principal Amount Outstanding of the Class A Notes at such time, and the denominator of which is the Principal Amount Outstanding of all of the Notes at such time.

Class B Note Redemption Amount means on any Calculation Date:

- (a) if the Performance Criteria are satisfied on such Calculation Date, an amount equal to the Class B Pro-Rata Percentage of the Principal Amortisation Amount on such Calculation Date; and
- (b) if the Performance Criteria are not satisfied on such Calculation Date, an amount equal to the lesser of:
 - (i) the Principal Amortisation Amount less any amounts repayable on the Class A Notes on the next following Interest Payment Date; and
 - (ii) the then Principal Amount Outstanding of the Class B Notes.

Class B Pro-Rata Percentage means, at any time, the fraction expressed as a percentage, the numerator of which is the Principal Amount Outstanding of the Class B Notes at such time, and the denominator of which is the Principal Amount Outstanding of all of the Notes at such time.

Class C Note Redemption Amount means on any Calculation Date:

- (a) if the Performance Criteria are satisfied on such Calculation Date, an amount equal to the Class C Pro-Rata Percentage of the Principal Amortisation Amount on such Calculation Date; and
- (b) if the Performance Criteria are not satisfied on such Calculation Date, an amount equal to the lesser of:
 - (i) the Principal Amortisation Amount less any amounts repayable on the Class A Notes and the Class B Notes on the next following Interest Payment Date; and
 - (ii) the then Principal Amount Outstanding of the Class C Notes.

Class C Pro-Rata Percentage means, at any time, the fraction expressed as a percentage, the numerator of which is the Principal Amount Outstanding of the Class C Notes at such time, and the denominator of which is the Principal Amount Outstanding of all of the Notes at such time.

Collection Date means the 1st day of January, April, July, and October 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, as of a Calculation Date, the ratio, expressed as a percentage (rounded downwards to two decimal places) of:

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

Defaulted Loan means a Loan which is 150 Days in Arrears, or which has been referred to the Servicer's non-performing loans 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, in each case as at such Calculation Date.

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

The **Performance Criteria** in respect of a Calculation Date are that:

- (a) on such Calculation Date the Reserve Account will be funded to the Required Reserve Fund Amount;
- (b) on such Calculation Date the Default Ratio is less than 4.0 per cent.; and
- (c) the Class A Credit Enhancement Ratio as at such Calculation Date is equal to or exceeds two times the Class A Credit Enhancement Ratio as at the Closing Date.

Principal Amortisation Amount means, in respect of an Interest Payment Date, the lower of:

- (a) the Available Funds relating to such Interest Payment Date, minus:
 - (i) to the extent that the Pre-Enforcement Priority of Payments is by reference exclusively to paragraph (a) of the Pre-Enforcement Priority of Payments, all amounts falling due and payable under items (i) to (x) (inclusive) of paragraph (a) of the Pre-Enforcement Priority of Payments on such Interest Payment Date;
 - (ii) to the extent that the Pre-Enforcement Priority of Payments is by reference to paragraphs (a) and (b) of the Pre-Enforcement Priority of Payments,
 - (A) for so long as any Class B Notes are outstanding, all amounts falling due and payable under items (i) to (ix) (inclusive) paragraph (a) of the Pre-Enforcement Priority of Payments on such Interest Payment Date; and
 - (B) following redemption of the Class B Notes in full, all amounts falling due and payable under items (i) to (xiii) (inclusive) of paragraph (a) of the Pre-Enforcement Priority of Payments on such Interest Payment Date; and
 - (iii) to the extent that the Pre-Enforcement Priority of Payments is by reference to paragraphs (a) and (c) above of the Pre-Enforcement Priority of Payments,
 - (A) for so long as any Class A Notes are outstanding, the aggregate of:
 - (1) all amounts falling due and payable under items (i) to (viii) (inclusive) of paragraph (a) of the Pre-Enforcement Priority of Payments; and
 - (2) item (i) of paragraph (c) 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:

(1) all amounts falling due and payable under items (i) to (viii) (inclusive) of paragraph (a) of the Pre-Enforcement Priority of Payments; and

(2) items (i) and (ii) of paragraph (c) of the Pre-Enforcement Priority of Payments,

on such Interest Payment Date; and

(C) following redemption of the Class A Notes and the Class B Notes in full but for so long as any Class C Notes are outstanding, the aggregate of:

(1) all amounts falling due and payable under items (i) to (viii) (inclusive) of paragraph (a) of the Pre-Enforcement Priority of Payments,

(2) items (i) to (iv) of paragraph (c) 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 a Borrower, 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:

(a) for a Defaulted Loan, an amount equal to 100 per cent. of the Principal Outstanding Balance of that Loan; and

(b) for any other Loan, the amount of any principal loss in respect of that Loan in such amount and to be arising at such time as is in accordance with the normal accounting practices of the Servicer from time to time.

(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 Agents, 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.

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) 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:

- (a) 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 Mortgage Sale Agreement or the Servicing Agreement, as applicable;
- (b) 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;
- (c) the Issuer (or any 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
- (d) 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,

then the Issuer shall inform the Trustee accordingly and shall, in the case of (c) 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 Rating Agencies and the Trustee as principal debtor under the Notes in accordance with Condition 12(c), and if the Issuer is unable to arrange such a substitution which would have the result of avoiding the event described in paragraph (c) above, or in any case on the occurrence of an event described in (a), (b) or (d) 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 and the Swap Provider, 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 (c) 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 Step-Up Date; or
- (ii) 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
- (iii) the occurrence of a Regulatory Event (as defined below) which materially affects or will materially affect the amount of capital which the Seller is required to allocate in respect of the Portfolio and/or the transactions contemplated by the Transaction Documents; or
- (iv) 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 and the Swap Provider, 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 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).

Regulatory Event means a change, occurring on or after the date on which the Subscription Agreement is entered into, in the Basle Capital Accord of 1988 promulgated by the Basle Committee on Banking Supervision (the **Basle Accord**) or in the Greek or any national or international regulations, rules and instructions (the **Bank Regulations**) applicable to the Seller or any relevant subsidiary or branch thereof or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent Greek or any other national or international body (including any relevant Greek or any other international or national central bank or other competent authority).

(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 April 2040 (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 Principal Paying Agent or, at the option of the holder of the relevant Global Notes or Definitive Notes (as the case may be), at the specified office of any other 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 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) 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 a Paying Agent makes a partial payment in respect of any Note presented to it for payment, such Paying Agent will endorse on the relevant Note a statement indicating the amount and date of such payment.
- (f) The initial Principal Paying Agent and the initial Irish Paying Agent and their initial specified offices are listed 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 Principal Paying Agent or the Irish Paying Agent and to appoint additional or other Paying Agents. The Issuer will at all times maintain a Principal Paying Agent and also (for so long as the Notes are listed on the Irish Stock Exchange and its rules so require) a Paying Agent with a specified office in Dublin. 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 Agents or their specified offices to be given in accordance with Condition 15.

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 Agents 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.

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 any 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 such Paying Agent (as the case may be) shall (subject to its obligations and rights under Condition 6(c)) 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 any such 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, and if so requested in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Most Senior Class of Notes then outstanding 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, with a copy to the Swap Provider, 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 of, or default is made for a period of five days in the payment of any interest (other than a Step-Up Amount) on, any 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) 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) The Trustee may, at its discretion and without notice at any time and from time to time, 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, the Class B Notes and the Class C 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 otherwise.
- (c) If the Trustee has taken enforcement action under the Deed of Charge 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 and the Class C 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 each of the Class B Noteholders and the Class C Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders and the Class C 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.

An Extraordinary Resolution passed at any meeting of Class B Noteholders shall, subject as provided above, be binding on all the Class C Noteholders, irrespective of its effect upon them except an Extraordinary Resolution to sanction a Basic Terms Modification, which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders and the Class C Noteholders or the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class C Noteholders respectively.

An Extraordinary Resolution passed at any meeting of Class C 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 each of the Class A Noteholders and 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 A Noteholders and the Class B 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 18(i) of Schedule 3 to the Trust Deed;
 - (E) alteration of this definition or the provisos to paragraphs 5 and/or 6 of Schedule 3 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 Charged Property or amendment to any of the documents relating to the Charged 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, the Rating Agencies 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 Charged Property, or any deeds or documents of title thereto, being uninsured or inadequately insured or 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 Charged 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 Charged 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 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, the Swap Provider 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.

14. Replacement of the Notes

(a) *Definitive Notes and Coupons*

If a Definitive Note, Coupon or Talon is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent. Replacement thereof will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the relevant Paying Agent may reasonably require. If mutilated or defaced, the Definitive Note, Coupon or Talon must be surrendered before a new one will be issued.

(b) *Global Notes*

If a Global Note is lost, stolen, mutilated, defaced or destroyed, it shall, upon satisfactory evidence of such loss, theft, mutilation, defacement or destruction being given to the Issuer and the Trustee, become void and a duly executed and authenticated replacement Global Note will be delivered by the Issuer to the Common Depositary only upon surrender, in the case of mutilation or defacement, of the relevant Global Note. Replacement thereof will only be made upon payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Principal Paying Agent may reasonably require.

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 newspaper or newspapers as the Trustee shall approve having a general circulation in London or Dublin (as appropriate) previously approved in writing by the Trustee. 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** shall be provided to each of, Fitch Ratings Ltd (**Fitch**) and Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. (**S&P** and, together with Fitch, the **Rating Agencies**), which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer 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 Agencies.

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 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, 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

UBS Limited, and Citigroup Global Markets Limited (together the **Joint Bookrunners**) and Piraeus Bank S.A. (together with UBS Limited and Citigroup Global Markets Limited, the **Joint Lead Managers** and the **Joint Lead Arrangers**) have entered into a subscription agreement dated on or about the date of this Offering Circular (the **Subscription Agreement**), with the Issuer and the Seller, pursuant to which the Joint Bookrunners have, subject to certain conditions, agreed to subscribe for the Class A Notes, the Class B Notes and the Class C Notes.

The Issuer has agreed to reimburse the Joint Lead Managers and the Joint Lead Arrangers other than Piraeus for certain of their expenses in connection with the issue of the Notes. The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain circumstances prior to payment to the Issuer. The Issuer has agreed to indemnify UBS Limited and Citigroup Global Markets Limited as Joint Lead Managers and Joint Lead Arrangers against certain liabilities in connection with the offer and sale 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 Offering Circular 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.

Each Joint Lead Manager has represented to the Issuer and agreed that:

(i) **United States of America:** the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or any state securities law, and may not be offered or sold or delivered, directly or indirectly, 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 and applicable state laws. Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (for the purposes only of this section *Subscription and Sale*, the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each distributor, dealer or other person to which it sells Notes during the Distribution Compliance Period 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. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

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

The Notes are in bearer form and 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 the preceding sentence have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

(ii) **United Kingdom:**

(a) it has not offered or sold and, prior to the expiry of a period of six months from the Closing Date, will not offer or sell any Notes (as applicable) to persons in the United Kingdom except to persons whose ordinary activities involve them acquiring,

holding, managing, or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) or the Financial Services and Markets Act 2000 (the **FSMA**);

- (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; and
 - (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.
- (iii) **Greece:** it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in Greece any Notes to more than 150 institutional and private investors in compliance with article 10 of the Securitisation Law.
- (vi) **The Netherlands:** it has not offered, sold, delivered or transferred, and will not offer, sell, deliver or transfer, any of the Notes (including rights representing an interest in any Global Note), as part of their initial distribution directly or indirectly, in the Netherlands other than to Professional Market Parties that trade or invest in securities in the conduct of their profession or business. **Professional Market Parties** means:
- (a) banks, insurance companies, securities firms, collective investment institutions or pension funds which are (a) supervised or licensed under Dutch law, or (b) established in a European Union member state (other than the Netherlands), Hungary, Monaco, Poland, Puerto Rico, Saudi Arabia, Slovakia, Czech Republic, Turkey, South Korea, the United States of America, Japan, Australia, Canada, Mexico, New Zealand or Switzerland and are subject to prudential supervision in their country of establishment;
 - (b) collective investment institutions which offer their shares or participations exclusively to professional investors (or, as far as foreign investment institutions are concerned to such investors located in the Netherlands) and are not required to be supervised or licensed under Dutch law;
 - (c) the Dutch government (*de Staat der Nederlanden*), the Dutch Central Bank (*De Nederlandsche Bank N.V.*), a foreign government body being part of a central government, a foreign central bank, Dutch or foreign regional, local decentralised governmental institutions, international treaty organisations and supranational organisations;
 - (d) enterprises or entities with total assets of at least €500,000,000 (or the equivalent thereof in another currency) as per the balance sheet as of the year end preceding the issues of the Notes;
 - (e) enterprises, entities or individuals with net assets of at least €10,000,000 (or the equivalent thereof in another currency) as of the year end preceding the issue of the Notes who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding the issue of the Notes;

- (f) subsidiaries of the entities referred to under paragraph (1) above, provided that such subsidiaries are subject to supervision as described in that paragraph; and
 - (g) an enterprise or institution which has a rating from a rating agency which is, in the opinion of the Dutch Central Bank, an expert or which issues securities which have a rating from a rating agency which is, in the opinion of the Dutch Central Bank, an expert.
- (viii) **Ireland:**
- (a) otherwise than in circumstances which do not constitute an offer to the public in Ireland within the meaning of the Irish Companies Act, 1963 to 2001, (a) prior to application for listing of the Notes being made and the Listing Committee of the Irish Stock Exchange having approved this Offering Circular in accordance with the Irish Regulations, it has not offered and will not offer or sell any Notes in Ireland or elsewhere by means of any document or other means of visual reproduction any of the Notes; (b) subsequent to application for listing of the Notes having been made and the Listing Committee of the Irish Stock Exchange approving this Offering Circular in accordance with the Irish Regulations, it has not offered or sold and will not offer or sell, in Ireland or elsewhere, any Notes by means of any document or other means of virtual reproduction, including electronic means, except where the offer or sale is effected by means of the Offering Circular or any other document, including electronic means of virtual reproduction approved as aforesaid, which sets out listing particulars relating to the Notes, prepared in accordance with the Irish Regulations and approved by the Irish Stock Exchange and in each case accompanied by an application form for Notes or by means of a document, accompanied by such an application form, in each case where such application form indicates where the Offering Circular (or such other document as aforesaid) may be obtained or inspected;
 - (b) it will not make in Ireland an offer of Notes to which the European Communities (Transferable Securities and Stock Exchange) Regulations, 1992 of Ireland would apply, except in accordance with the provisions of those regulations;
 - (c) it has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of Notes to persons who are persons to whom the document may otherwise lawfully be issued or passed on;
 - (d) it has complied and will comply with all applicable provisions of the Investment Intermediaries Act, 1995 of Ireland (as amended) with respect to anything done by it in relation to the Notes or operating in, or otherwise involving, Ireland and, in the case of a Manager acting under and within the terms of an authorisation to do so for the purposes of EU Council Directive 92/22/EC of 10th May, 1993 (as amended or extended), it has complied with any codes of conduct made under the Investment Intermediaries Act, 1995 of Ireland (as amended) and, in the case of a Manager acting within the terms of an authorisation granted to it for the purposes of EU Council Directive 2001/12/EC of 20th March, 2000 (as amended or extended), it has complied with any codes of conduct or practice made under section 117(1) of the Central Bank Act, 1989 of Ireland (as amended); and
 - (e) in respect of an offer of the Notes to the public in Ireland within the meaning of the Irish Companies Acts, 1963 to 2001, it will comply with the requirements of the sections 56 and 57 of the Irish Companies Act, 1963.

- (xviii) **General:** other than with respect to the listing of the Notes on the Irish Stock Exchange, no action has been or will be taken in any country or jurisdiction by the Joint Lead Managers and Issuer that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribute such offering material 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 Offering Circular 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 20 per cent on each amount of interest payable if the relevant payment was made by a financial institution in Greece. 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.

The Issuer has not appointed any paying agent in Greece. Prospective Noteholders in Greece, or prospective Noteholders who might receive income from the Notes in Greece, should consult with their own tax advisers as to the taxation of income from the Notes in Greece.

UNITED KINGDOM TAXATION

(A) Interest on the Notes

1. Payment of interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange" within the meaning of section 841 of the Income and Corporation Taxes Act 1988 (the **Act**). The Irish Stock Exchange is a recognised stock exchange. Under a United Kingdom Inland Revenue interpretation, the Notes will satisfy this requirement if they are listed by the competent authority in Ireland and are admitted to trading by the Irish Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom 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 beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that the Inland Revenue has not given a direction (in circumstances where it has 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 other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the lower rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld)

in relation to a Noteholder, the Inland Revenue can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Noteholders who are individuals may wish to note that the Inland Revenue 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 the Inland Revenue with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

2. *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 will (if equivalent measures have been introduced by certain non-EU countries) be 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, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

3. *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 in the United Kingdom through a United Kingdom branch or agency 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 which are within the charge to United Kingdom corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

(C) Other United Kingdom Tax Payers

1. *Taxation of Chargeable Gains*

A disposal 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, may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains.

2. *Accrued Income Scheme*

On a disposal of Notes by a Noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Chapter II of Part XVII of the Act, if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

The Notes are likely to constitute variable rate securities for the purposes of the accrued income scheme. Under the accrued income scheme on a disposal of Notes by a Noteholder who is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable the Noteholder will be charged to income tax on an amount of interest which is just and reasonable in the circumstances. The purchaser of such a Note will not be entitled to any equivalent tax credit under the accrued income scheme to set against any actual interest received by the purchaser in respect of the Notes (which may therefore be taxable in full).

(D) Stamp Duty and Stamp Duty Reserve Tax (SDRT)

No United Kingdom stamp duty or SDRT is payable on a transfer by delivery of the bearer Notes.

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. Application has been made to list the Notes on the Irish Stock Exchange. It is expected that admission of the Notes to the official list of the Irish Stock Exchange will be granted on 7 June 2005 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 XS0220978737 and the Common Code is 022097873. The ISIN for the Class B Notes is XS0220978901 and the Common Code is 022097890. The ISIN for the Class C Notes is XS0220979115 and the Common Code is 022097911.
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. The Issuer is not involved in any 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. Since the date of its incorporation, the Issuer has not entered into any material contracts other than the Subscription Agreement, being contracts entered into other than in its ordinary course of business.
7. PricewaterhouseCoopers LLP whose address is at Southwark Towers, 32 London Bridge Street, London SE1 9SY has given and has not withdrawn its written consent to the inclusion herein of its report on the Issuer which is dated the date of this Offering Circular in the form and context in which it appears and the references to it and its name in the form and context in which they appear.
8. Save as disclosed herein, since 3 May 2005 (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.
9. It is a condition of the issue of the Notes that:
 - (a) the Class A Notes are on issue assigned an AAA rating by Fitch and AAA rating by S&P;
 - (b) the Class B Notes are on issue assigned an A+ rating by Fitch and A+ rating by S&P; and
 - (c) the Class C Notes are on issue assigned a BBB rating by Fitch and BBB rating by S&P.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by Fitch or S&P. Each such rating should be evaluated independently of any other rating.

10. 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.
11. 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 no later than 31 July 2006 in respect of the financial year ending 31 December 2005. 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 Irish Paying Agent in Ireland 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 and at the offices of the Irish Paying Agent.
12. The Trust Deed and the Deed of Charge will provide that the Trustee may rely on reports 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, whether or not such 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.
13.
 - (a) The addresses of the Joint Lead Managers are as follows: Citigroup Global Markets Limited, Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB, UBS Limited, 1 Finsbury Avenue, London EC2M 2PP and Piraeus Bank S.A., 20 Amalias Avenue and 5 Souris Street, 105 57 Athens, Greece.
 - (b) The addresses of the Joint Lead Arrangers are as follows: Citigroup Global Markets Limited, Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB, UBS Limited, 1 Finsbury Avenue, London EC2M 2PP and Piraeus Bank S.A., 20 Amalias Avenue and 5 Souris Street, 105 57 Athens, Greece.
14. Final copies (when available) of the following documents may be inspected during usual business hours on any weekday (excluding Saturdays and public holidays) at the specified offices of Allen & Overy LLP, One New Change, London EC4M 9QQ, England, the Irish Paying Agent and the registered office of the Issuer during a period of 14 days after the date of this document:
 - (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 consent referred to in paragraph 7 above;
 - (v) the Agency Agreement;
 - (vi) the Subscription Agreement;
 - (vii) the Mortgage Sale Agreement;
 - (viii) the Trust Deed;

- (ix) the Deed of Charge;
- (x) the Swap Agreement;
- (xi) the Subordinated Reserve Loan Agreement
- (xii) the Greek Assignment Agreement;
- (xiii) the Cash Management Agreement;
- (xiv) the Bank Account Agreement;
- (xv) the Corporate Services Agreement;
- (xvi) the Servicing Agreement;
- (xvii) the Set-Off (Additional Payments) Loan Agreement;
- (xviii) the Set-Off (Deposits) Facility Agreement;
- (xix) the Master Definitions Schedule; and
- (xx) the Collection Account Agreement (if any).

DEFINITIONS

€	3
£	3
150 Days in Arrears	28, 131
Acceleration Notice	138
Accountholder	122
Act	149
Additional Payments	115
Agency Agreement	6, 120
Agent Bank	6, 120
Agents	6
Applicable Rate	95
Arrears	105
Article 632 Suspension Petition	53
Article 632-633 Annulment Petition	53
Article 933 Annulment Petition	53
Article 938 Suspension Petition	53
Athens Business Day	97
ATHEX	65
Authorised Investment	25
Available Funds	30
Available Security Funds	39
Back-to-Back Swap	94
Bank Account Agreement	7
Bank Regulations	15, 136
Basic Terms Modification	141
Basle Accord	15, 136
Borrowers	8
Business Day	128
Calculation Date	25, 131
Cash Management Agreement	7
Cash Management Services	108
Cash Manager	7
Certification	121
Change in Law Date	116
Charged Property	123
Class	121
Class A Credit Enhancement Ratio	27, 131
Class A Note Redemption Amount	34, 131
Class A Noteholders	12
Class A Notes	1, 120
Class A Pro-Rata Percentage	34, 131
Class B Deferred Interest	130
Class B Note Redemption Amount	35, 131
Class B Noteholders	12
Class B Notes	1, 120
Class B Pro-Rata Percentage	35, 132
Class C Deferred Interest	130
Class C Note Redemption Amount	35, 132
Class C Noteholders	12
Class C Notes	1, 120
Class C Pro-Rata Percentage	35, 132
Classes	121
Clearstream, Luxembourg	1, 121

Closed Deposit Account	116
Closed Deposit Amount	116
Closing Date.....	1, 120
Collection Account Agreement.....	24
Collection Account Income	24
Collection Date	30, 132
Collection Period	30, 132
Collections	23
Common Depository	1, 121
Conditions.....	1, 120
Corporate Services Agreement	6
Corporate Services Provider	6
Couponholders	120
Coupons	123
Court of First Instance	52
Current LTV.....	10
Cut-Off Date	9
Deed of Charge	17, 120
Default Ratio	27, 132
Defaulted Loan.....	28, 132
Deferred Consideration.....	99
Deferred Interest	130
Definitive Notes.....	122
Deposit Amount.....	49, 116
Deposit Contribution.....	116
Determination Date	132
Distribution Compliance Period	145
DTI Ratio	73
ECB.....	84
Eligibility Criteria	101
Eligible Bank	24
Enforcement Procedures	93
Enforcement Proceeds	98
ETBA Bank.....	65
EUR	3
EURIBOR Screen Rate.....	128
euro	3
Euroclear	1, 121
Eurozone	130
Event of Default.....	138
Excess Swap Collateral.....	36
Exchange Date	1, 121
Expected Amortisation Amount.....	38, 133
Expenses Fund	36
Exposure Amount	49
Extraordinary Resolution	141
Final Class Action Decision.....	48
Final Maturity Date.....	14, 137
Fitch	144
Flexible Option Variation	95
Framework	57
FSMA.....	146
Fund	50
Global Note.....	122
Global Notes	1

Government.....	3
Greece	3
Greek Assignment Agreement	8
Greek State.....	3
Guarantee	8
Guarantor	105
holder of Notes.....	122
IBA Income.....	25
IFRS	51
Income Receipts.....	39
Indemnity Amount.....	117
Initial Deposit Amount	116
Initial Deposit Amounts.....	116
Initial Portfolio.....	9
Initial Purchase Price	58
Initial Reserve Fund Amount.....	26
Insolvency Act	55
Interest Coupons	123
Interest Determination Date	127
Interest Payment.....	127
Interest Payment Date	13, 127
Interest Period	127
Interim Class Action Decision	48
Investment Criteria.....	26
Irish Paying Agent	7, 120
Irish Stock Exchange	1, 129
Issuer	1, 61, 120
Issuer Account Bank	7
Issuer Bank Accounts	28
Issuer Collection Account.....	25
Issuer Transaction Account.....	25
Joint Bookrunners	145
Joint Lead Arrangers.....	145
Joint Lead Managers	145
Lending Criteria	72
Levy	94
Loan Documentation.....	94
Loan Income Receipts.....	39
Loan Warranties.....	99
Loans.....	8
LTV.....	73
Master Definitions Schedule.....	121
Matured Time Deposit Amount.....	117
Minimum Rate	46, 94
Monthly Collection Period.....	97
Monthly Instalment Amount.....	105
Monthly Servicer Report.....	97
Monthly Servicer Report Date	97
Mortgage Sale Agreement	5
Mortgagor	105
Most Senior Class of Notes.....	121
Note EURIBOR	13
Note Redemption Amount	133
Noteholders	12, 120, 122
Notes	1, 61, 120

Notification Form.....	107
OEK	52, 71
Offering Circular.....	61
Official Rate.....	116
Operating Procedures Manual.....	100
Original LTV	10
Other Secured Parties.....	124
Paying Agents.....	7, 120
Payment Day.....	137
Performance Criteria.....	27, 133
Permanent Global Note.....	1, 122
Permitted Variation.....	95
Piraeus.....	5
Piraeus Base Rate.....	46
Piraeus Group.....	105
Portfolio	9
Post-Closing Additional Payments	117
Post-Enforcement Priority of Payments.....	39
pounds.....	3
pounds sterling.....	3
Pre-Closing Additional Payments.....	117
Pre-Notation.....	8
Principal Amortisation Amount.....	37, 133
Principal Amount Outstanding	134
Principal Coupons.....	123
Principal Loss.....	27, 134
Principal Outstanding Amount of the Loans.....	39, 134
Principal Outstanding Balance.....	10, 134
Principal Paying Agent	6, 120
Priority of Payments	30
Professional Market Parties	146
Property.....	105
Provisional Portfolio	9
Prudent Mortgage Lender	105
Rate Event.....	94
Rate of Interest.....	127
Rate Variation	95
Rating Agencies	144
Rating Downgrade	20
Rating Downgrade Date.....	20
Rating Upgrade	22
Receipts.....	29
Reference Banks	128
Regulations	1
Regulatory Event	15, 136
Related Security	8
relevant date.....	138
Replacement Loan	94
Replacement Loans.....	106
Republic.....	3
Republic of Greece	3
Repurchase Date	106
Required Reserve Fund Amount.....	26
Required Set-Off (Additional Payments) Reserve Amount.....	36
Reserve Account.....	26

Residential Property	105
Retired Loan	106
S&P	144
SDRT	151
Secured Parties	6, 124
Securities Act	1, 145
Securitisation Law	6, 90, 120
Security	18, 123
Security Interest	105
Seller	5
Servicer	5
Servicer Collection Account	23
Servicer Performance Event	36
Servicer Report	97
Servicer Report Date	97
Services	92
Servicing Agreement	5
Set-Off (Additional Payments Loan) Loan	19
Set-Off (Additional Payments Loan) Loan Agreement	19
Set-Off (Additional Payments) Loan	49
Set-Off (Additional Payments) Loan Agreement	7
Set-Off (Additional Payments) Loan Provider	7
Set-Off (Additional Payments) Reserve Account	28
Set-Off (Deposit) Facility	49
Set-Off (Deposits) Facility	20
Set-Off (Deposits) Facility Agreement	8, 20
Set-Off (Deposits) Facility Commitment	20, 114
Set-Off (Deposits) Facility Limit	50
Set-Off (Deposits) Fund	21, 114
Set-Off (Deposits) Loan	21
Set-Off (Deposits) Loan Facility	114
Set-Off (Deposits) Loan Provider	8
Set-Off (Deposits) Reduction Date	21
Set-Off (Deposits) Reserve Account	28
Set-Off (Deposits) Reserve Advance	117
Set-Off Reserve Loan	114
Share Trustee	6, 59
Shortfall	140
SPV	90
State	3
Step-Up Date	13, 128
Subordinated Loan Agreement	7
Subordinated Loan Provider	7
Subordinated Reserve Loan	18
Subordinated Reserve Loan Agreement	18
Subscription Agreement	145
Swap Agreement	6, 109
Swap Agreements	109
Swap Income	39
Swap Provider	6
Swap Provider Ratings Downgrade	110
Swap Subordinated Amounts	36
Swap Substitution Amounts	36
Swap Tax Credit Amount	37
Swap Transaction	18

Swap Transactions	18
Talons.....	123
TARGET Business Day.....	128
Tax Event.....	15, 110
Tax Reserve Ledger	32
Temporary Global Note	1, 121
Transaction Documents	18
Transfer Business Day	24
Transferor.....	90
Transparency Regulations.....	94
Trust Deed.....	10, 120
Trustee	6, 120

REGISTERED OFFICE OF THE ISSUER

c/o SPV Management Limited, Level 11, Tower 42, International Financial Centre,
25 Old Broad Street, London EC2N 1HQ
England

TRUSTEE

Citicorp Trustee Company Limited

Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
England

LEGAL ADVISERS

*To the Joint Lead Arrangers,
the Joint Lead Managers, the Joint Bookrunners, the Swap Provider
and the Trustee as to Greek law*

Karatzas & Partners

8 Omirou Street
GR 105 64 Athens
Greece

To the Seller as to Greek Law

Bahas, Gramatidis & Partners

26 Filellinon Street
GR 105 58 Athens
Greece

*To the Joint Lead Arrangers,
the Joint Lead Managers, the Joint Bookrunners,
the Trustee and the Swap Provider as to English law*

Allen & Overy LLP

One New Change
London EC4M 9QQ
England

To the Seller as to English law

Norton Rose

Kempson House
Camomile Street
London EC3A 7AN
England

PRINCIPAL PAYING AGENT AND AGENT BANK

Citibank N.A.,

5 Carmelite Street
London EC4Y 0PA
England

SWAP PROVIDER

UBS Limited

1 Finsbury Avenue
London EC2M 2PP
England

IRISH PAYING AGENT

Citibank International plc

1 North Wall Quay
Dublin 1
Ireland

LISTING AGENT

Goodbody Stockbrokers

Corporate Finance
Ballsbridge Park
Dublin 4
Ireland

AUDITORS TO THE ISSUER

PricewaterhouseCoopers LLP

(registered auditors)
Southwark Towers
32 London Bridge Street
London SE1 9SY
England

AUDITORS OF THE POOL

PwC Business Solutions S.A.

268, Kifissias Avenue
152-32 Halandri
Athens
Greece