Company Registration Number: 6810180

TITLOS PLC

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

TITLOS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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TITLOS PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mrs M Clarke-Whelan (née Miss M Clarke) Mr A S Demosthenous Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	6810180
Registered office	c/o Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arms Yard London EC2R 7AF
Auditor	Deloitte LLP London

TITLOS PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report of Titlos plc ("the Company") for the year ended 31 December 2016. The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES
The principal activity of the Company is that of a securitisation vehicle. In accordance with the terms of the Offering Circular dated 26 February 2009 (the "Offering Circular"), the Company issued floating rate Notes of €5,100 million (the "Notes"), at a premium of 7.54% (€5,484.54 million), which resulted in The National Bank of Greece S.A. (the "Originator") novating to the Company an interest rate transaction (the "Receivables"), which The National Bank of Greece S.A. previously entered into with the Hellenic Republic on 31 December 2008, pursuant to a novation agreement (the "Novation Agreement") between the Hellenic Republic, The National Bank of Greece S.A. and the Company. The novation of the interest rate transaction to the Company is considered to fail the de-recognition criteria of IAS 39 Financial instruments: Recognition and Measurement, and therefore they are retained on the balance sheet of the Originator. The Company records in its balance sheet a receivable from the Originator (a "Deemed Loan"), rather than the Receivables it has legally purchased. The Notes are due to mature in September 2037 and are listed on the Luxembourg Stock Exchange.

The Offering Circular sets out the details of the Securitisation Transaction.

Interest on the Notes is payable in arrears on the 20th day of September and March, subject to adjustment for non-business days. The interest rate for the Notes is 0.50 per cent per annum above the six month EURIBOR rate.

The Notes amortisation period, prior to which no Notes capital repayments were made, started on the interest payment date falling in September 2009 and their scheduled maturity date is the interest payment date falling in September 2037.

In accordance with the Offering Circular, the Company will retain a profit of €2,500 in respect of each interest payment period on 20 September and 20 March respectively and the resulting difference is included in arriving at the deferred consideration payable to the Originator.

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The loss on ordinary activities after taxation for the year was €113,943,223 (2015: profit of €381,426,159). The loss in the current year was primarily driven by the fair value loss on derivatives of €106,471,378 (2015: gain of €389,891,357). The directors have not recommended a dividend (2015: €nil).

CREDITOR PAYMENT POLICY
The Company's policy concerning the payment of its trade creditors is to pay in accordance with its contractual and other legal obligations. All other creditors are paid in accordance with the payment waterfalls set out in the securitisation transaction on the respective semi-annual interest payment dates.

FUTURE DEVELOPMENTS
The directors do not anticipate any significant future development in the foreseeable future.

STRATEGY
Due to ongoing expected repayments decreasing the principal value of the Receivables, the Notes, interest income and interest expense are expected to decrease in future years. The rate of decrease is dependent on future redemptions and further advances, if any, of the Receivables. The Company's responsibility to make cash payments under the terms of the Offering Circular is limited to the funds available from its interest in Receivables from the Hellenic Republic and accordingly, the Company is insulated from liquidity risk.

DIVIDENDS
The directors have not recommended a dividend (2015: €nil).

KEY PERFORMANCE INDICATORS

The key performance indicator of the business is considered by the Directors to be the net interest margin. During the year, the Company achieved a net interest expense margin (net interest expense divided by interest income) of 4.38% (2015: 4.83%). At the year end, the Company had net liabilities of €1,265,962,610 (2015: €1,152,019,387).

The directors have reviewed data and information relating to the credit quality of the Receivables underlying the Deemed Loan to the Originator and there was no objective evidence of impairment up to the date of approval of the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

For details on the principal risks and uncertainties of the Company refer to note 15.

FINANCIAL INSTRUMENTS

The Company's financial instruments, other than derivatives, comprise a Deemed Loan to the Originator, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The Company also enters into derivative transactions, principally interest rate swaps. The purpose of such transactions is to manage the interest rate risks arising from the Company's operations and its sources of finance.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments is undertaken.

Interest rate risk

The Company is exposed to movements in interest rates and manages this exposure using interest rate swaps. More specifically, the Company is exposed to interest rate basis risk on the Notes. This is hedged using an interest rate 'basis' swap that was taken out on inception of the securitisation transaction.

After taking into consideration the Company's derivative instruments, the directors do not believe that the Company has any significant net interest rate risk exposure.

Credit risk

The maximum exposure to credit risk is considered by the directors to be the carrying value of the Deemed Loan to the Originator and other receivables.

Liquidity risk

As the payments on the Notes are designed to match the receipts on the Receivable underlying the loan to the Originator, the directors consider that there are limited liquidity risks facing the Company.

Currency risk

All of the Company's assets and liabilities are denominated in Euros ("€"), and therefore there is no foreign currency risk.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above.

At the year end, the Company had net liabilities of €1,265,962,610 (2015: €1,152,019,387) primarily due to the fair value measurement of net interest rate swap liabilities of €1,237,498,362 (2015: €1,129,432,636) which are currently not due for repayment and have maturity in September 2037. The terms of the Notes issued by the Company and associated arrangements are such that amounts due are only payable and limited to the extent that there are sufficient receipts from the Company's asset, the Deemed Loan to the Originator (including derivatives). Per the terms of the Notes and associated arrangements (including the swap), if the Company's resources cannot provide it with sufficient funds to make the required payments on the Notes, no other assets of the Company or of any other person will be available for the payment of the shortfall in the amount of the required payments and the Company has no further recourse, after making the payments ranking in priority thereto, to repay in full the principal amount of the Notes, or to pay in full the interest accrued due and payable on the Notes.

GOING CONCERN (continued)

After making enquiries regarding the quality of assets and the limited recourse nature of the Company borrowings, the directors consider the Company will meet its liabilities as they fall due for repayment. The Company's most significant asset is the Receivable with the Hellenic Republic, which is denominated in Euros.

The Greek economy stabilized in 2016 with real Gross Domestic Product ("GDP") remaining flat on an annual basis (0.0% year-over-year ("y-o-y"), over performing compared to official forecasts for an annual recession of -0.3%. This development followed a full year contraction of GDP of 0.3% in 2015, which has also been significantly milder than the gloomy forecasts published in the third quarter of 2015, following the imposition of capital controls and the three week bank holiday in July 2015. Similarly, deflation pressures receded with the GDP deflator increasing by 0.1% y-o-y in FY2016 following an annual average decline of -1.5% in 2012-2015. The significant improvement in economic sentiment and the inflows of the Third Program funding contributed to the stabilization of the economy, which has been supported by the increase in private consumption of 1.4% y-o-y and the stabilization in fixed capital investment in FY2016. On the same note, economic activity is expected to gain further traction in 2017 with real GDP growth reaching +2.7% y-o-y according to the latest estimates of the European Commission and the International Monetary Fund (the "IMF").

On the fiscal front, Greece has over performed in comparison with the Third Program target in FY2016, for a second consecutive year, following the achievement of a primary surplus of 0.25% of GDP in General Government budget in 2015 compared to a targeted deficit of 0.25%. More specifically, in 2016 the State budget primary surplus exceeded by €2.5 billion (1.4% of GDP) the upwardly revised Government budget target for 2016. According to European Commission's estimates the General Government primary balance is likely to achieve a surplus of at least 2% of GDP in 2016 (overperforming compared to the respective Program target of 0.5% of GDP). This development is expected to increase the credibility of the adjustment effort for 2017 when the respective Program target is 1.75% of GDP.

It should be noted that the Eurogroup on 25 May 2016 agreed on a contingency fiscal mechanism as a prerequisite for the successful completion of the first review of the Third Program and the Greek government legislated this mechanism in May 2016, with a view to enhance longer-term credibility by ensuring the sustainable achievement of future fiscal targets. This mechanism provides for automatic triggering a set of corrective measures in the case of objective evidence that there is a failure to meet the annual primary surplus targets according to the Program. After the successful evaluation of Greece's progress in implementing agreed actions and reforms under the first review of the Third Program -- and the concomitant approval by the Eurogroup on 25 May 2016 in liaison with the European Central Bank and the Board of Governors of the European Stability Mechanism ("ESM") -- Greece and the European Commission signed a Supplemental Memorandum of Understanding (on 16 June 2016), which updated the conditionality of the Memorandum of Understanding ("MoU") of August 2015, as well as reviewed the progress in the implementation of the Third Program. The completion of the first review led to the disbursement of the second tranche that amounted to €10.3 billion in several instalments between June and October 2016.

GOING CONCERN (continued)

More specifically, €7.5 billion were disbursed in June 2016 for debt servicing needs and arrears clearance, whereas the remaining instalments of €1.1 billion and €1.7 billion were released in October 2016 following positive reporting by the European institutions for the clearance of net arrears and the successful completion of a number of milestones. Furthermore, the Eurogroup of 25 May 2016 committed to provide new conditional concessions with a view to ensure debt sustainability by agreeing on a package of debt measures which will be phased in progressively and subject to the pre-defined conditionality under the ESM Program. These measures include, inter alia, a smoothening of payment profiles and design of other debt-management and re-profiling measures in the short, medium and long-run aiming at extending further the effective maturities, lower medium-to-longer-term debt servicing costs and effectively reduce the net present value of the outstanding Greek debt. In this context, the Eurogroup of 5 December 2016 endorsed the implementation since early 2017 of the short-term debt relief measures which mainly include: i) a smoothing of future debt repayments profile through the lengthening of the repayment schedule of official loans from the European Financial Stability Facility ("EFSF") to 32.5 years from the existing 28 years, ii) a reduction of interest rate risk through debt swaps by the ESM with a view to stabilize the ESM's overall cost of funding and, thus, reduce the risk that Greece would have to pay higher interest rates on its loans in the future. Moreover, a prospective bond exchange of floating rate Notes used for Greek banks' recapitalization for fixed-rate Notes with much longer maturities has been suggested, iii) The ESM has decided to finance its future disbursements to Greece under the Third Program with the issuance of long-term Notes that closely match the maturities of loans to Greece, stabilizing the related interest rate costs for Greece. Finally, the waiver of the step-up interest rate margin applying to the €11.3 billion tranche of the EFSF loans under the Second Program used to finance a debt buy-back has been maintained for 2017. According to ESM estimates the prospective benefit from the implementation of the above short-term debt relief measures on Greece's gross public debt is estimated at 20 percentage points of GDP by 2060, while contribute to a reduction of the longer-term financing needs of the Greek State closer to sustainability threshold, decided by the Eurogroup, of 15% of GDP during the post-program period for the medium term, and below 20% of GDP after that.

The delay in completing the second review of the Third Program, may delay the anticipated recovery of the Greek economy, impede the Non-Performing Exposures ("NPE") reduction trend and the return of deposits. However, the Eurogroup of 20 February 2017 led to a common understanding between the Eurozone finance ministers and the Greek government regarding the key details of the conclusion of the pending second review of the Third Program, allowed the institutions' representatives to return to Greece and negotiate with the Greek authorities the final agenda of policy measures and reforms which will allow for a staff level agreement. Once there is a staff-level agreement, there will be a political accord at a Eurogroup level that will approve the necessary financial support and, potentially, provide more information on the issue of the implementation of medium-term debt relief measures. The timely completion of the second review of the Third Program, which will unlock additional funding resources of at least €6.1 billion in the first months of 2017 (of which about €1.0 billion will be used for arrears clearance), is expected to provide a considerable boost in activity and economic confidence and more than compensate for the drag from the new fiscal measures. A potential participation of Greek assets in the ECB's quantitative easing (Public Sector Purchase Programme) during 2017 would accelerate the improvement in liquidity conditions and support further economic confidence and activity.

Nevertheless any significant deterioration of the economic environment due to non-adherence / inadequacies in adherence to the ESM programme, could materially impact the amount that may eventually be collected on the underlying Receivable and trigger a resulting action that the Note Trustee may decide upon, should it be necessary for it to act to protect the rights of the noteholders under the terms of the securitisation transaction, which may include enforcing the Receivable, leading to its immediate repayment. Subsequently the Notes would be repaid at which point the Company would cease to trade. The uncertainty over the course of action of the trustee indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

GOING CONCERN (continued)
The Originator's total Eurosystem funding was significantly reduced as at December 31, 2016 to €12.3 billion (December 31, 2015: €24.0 billion), of which €6.7 billion from ECB (December 31, 2015: €12.5 billion) and €5.6 billion from Emergency Liquidity Assistance ("ELA") (December 31, 2015: €11.5 billion). Furthermore, as at 31 December 2016 The Originator had entered into new repurchase transactions with financial institutions of €4.7 billion, while The Originator's ELA liquidity buffer stood at €8.8 billion (cash value). As at 2 May 2017, Eurosystem funding decreased further to €10.0 billion, while ELA decreased by €0.5 billion to €5.1 billion and the liquidity buffer amounted to €8.8 billion (cash value).

Despite the situation described above, Eurosystem funding still remains significant and therefore could adversely affect The Originator's ability to continue as a going concern. The going concern basis of The Originator is dependent on continued access to Eurosystem funding, the level of customer deposits, and whether and when the second review of the Third Program will be successfully completed.

The Originator's principal sources of liquidity are its deposit base, Eurosystem funding via the Main Refinancing Operations ("MROs") and the Targeted Longer-term Refinancing Operations ("TLTROs") with ECB, as well as through the ELA mechanism with the Bank of Greece, and repurchase agreements (repos) with major foreign financial institutions. ECB funding and repos with financial institutions are collateralized mainly by EFSF / ESM bonds, as well as by Greek government bonds and T-Bills and highly rated corporate loans. ELA funding is collateralized mainly by loans, as well as by covered bonds issued by The Originator.

Having considered all the information available to them, notwithstanding the uncertainty above, the directors have, at the time of approving the financial statements, including their considerations of the Company's circumstances, the recent developments regarding the Greek economy, the latest estimates regarding macroeconomic indicators, as discussed above, and the liquidity management strategies for the Company, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements and do not include the adjustments that would result if the Company was unable to continue as a going concern.

Signed on behalf of the Board

Mignon Clarke-Whelan for and on behalf of Wilmington Trust SP Services (London) Limited
Director
Date: 22 June 2017

TITLOS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the audited financial statements of Titlos plc (the "Company") for the year ended 31 December 2016.

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY
The directors who served the Company during the year and to the date of this report, together with their beneficial interests in the shares of the Company, were as follows:

Mr M H Filer (resigned on 12 April 2017)
Wilmington Trust SP Services (London) Limited
Mrs M Clarke-Whelan (née Miss M Clarke)
Mr A S Demosthenous (appointed 28 March 2017)

Wilmington Trust SP Services (London) Limited holds 49,999 shares in the Company under a nominee Declaration of Trust for charitable purposes. No other director holding office during the year was beneficially interested in the shares of the Company.

Issue of shares
Authorised share capital consists of 50,000 ordinary shares of £1 each. The issued share capital consists of one (2015: one) fully paid ordinary share and 49,999 (2015: 49,999) quarter paid ordinary shares.

Third party indemnities
Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the Strategic Report, Directors' Report and financial statements.

Company secretary
The company secretary during the year, and subsequently was Wilmington Trust SP Services (London) Limited.

Corporate governance
The directors have been charged with governance in accordance with the transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

Due to the nature of the securities which have been issued on the Luxembourg Stock Exchange, the directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is largely exempt from the disclosure requirements of The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

TITLOS PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2016

DISCLOSURES OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE AND TRANSPARENCY RULES

The directors confirm that, to the best of each person's knowledge:

- they are responsible for internal control in the Company and for reviewing the effectiveness of these controls. Procedures have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. The procedures enable the Company to comply with the regulatory obligations. For further details, refer to notes to the Company's financial statements particularly note 15 on Principal risks and uncertainties.
- the financial statements in this report, which have been prepared in accordance with IFRS and the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the directors' report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that they face.

By order of the Board

Mignon Clarke-Whelan for and on behalf of Wilmington Trust SP Services (London) Limited
Director
Date: 22 June 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITLOS PLC

We have audited the financial statements of Titlos plc for the year ended 31 December 2016 which comprise the Statement of Profit and Loss and other comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – going concern
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The Company's most significant asset is the Receivable with the Hellenic Republic. Any significant deterioration of the economic environment in the Hellenic Republic due to non-adherence and/or inadequacies in adherence to the European Stability Mechanism programme, could materially impact the amount that may eventually be collected on the underlying Receivable and trigger a resulting action that the Note Trustee may decide on enforcing the Receivable, leading to its immediate repayment. Subsequently the Notes would be repaid at which point the Company would cease to trade. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITLOS PLC (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Simon Stephens FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Dated: 22 June 2017

TITLOS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
Interest income	3	**168,523,857**	173,146,943
Interest expense	4	**(175,905,139)**	(181,510,909)
Net interest expense		**(7,381,282)**	(8,363,966)
Movement in fair value of derivatives	9	**(106,471,378)**	389,891,357
Administrative expenses	5	**(89,563)**	(100,220)
(Loss)/profit before tax for the year		**(113,942,223)**	381,427,171
Taxation	6	**(1,000)**	(1,012)
(Loss)/profit after tax for the year		**(113,943,223)**	381,426,159
Other comprehensive income		**-**	-
Total comprehensive (expense)/income for the year		**(113,943,223)**	381,426,159
(Loss)/profit attributable to:			
Equity holders		**(113,943,223)**	381,426,159

All amounts relate to continuing activities.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Share capital €	Retained losses €	Total €
Balance at 1 January 2015	11	14,002	(1,533,459,548)	(1,533,445,546)
Total comprehensive income for the year	11	-	381,426,159	381,426,159
Balance at 1 January 2016		**14,002**	**(1,152,033,389)**	**(1,152,019,387)**
Total comprehensive expense for the year	11	**-**	**(113,943,223)**	**(113,943,223)**
Balance at 31 December 2016	11	**14,002**	**(1,265,976,612)**	**(1,265,962,610)**

The notes on pages 15 to 30 form part of these financial statements.

TITLOS PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	2016 €	2015 €
Non-current assets			
Deemed Loan to the Originator held at amortised cost	7	**4,398,711,040**	4,545,875,674
Total non-current assets		**4,398,711,040**	4,545,875,674
Current assets			
Cash and cash equivalents	10	**195,285**	206,556
Deemed Loan to the Originator held at amortised cost	7	**147,164,634**	141,946,499
Other receivables	8	**46,094,326**	47,065,289
Total current assets		**193,454,245**	189,218,344
Total assets		**4,592,165,285**	4,735,094,018
Equity			
Issued share capital	11	**14,002**	14,002
Retained losses	11	**(1,265,976,612)**	(1,152,033,389)
Total equity	11	**(1,265,962,610)**	(1,152,019,387)
Non-current liabilities			
Liabilities evidenced by paper held at amortised cost	12	**4,477,137,657**	4,616,845,110
Total non-current liabilities		**4,477,137,657**	4,616,845,110
Current liabilities			
Liabilities evidenced by paper held at amortised cost	12	**139,707,453**	133,960,262
Other liabilities	13	**3,783,423**	6,874,385
Derivative financial instruments	9	**1,237,498,362**	1,129,432,636
Tax payable		**1,000**	1,012
Total current liabilities		**1,380,990,238**	1,270,268,295
Total liabilities		**5,858,127,895**	5,887,113,405
Total equity and liabilities		**4,592,165,285**	4,735,094,018

These financial statements of Titlos Plc, Company registration number 6810180, were approved and authorised for issue by the Board of directors on 22 June 2017 and are signed on their behalf by:

Mignon Clarke-Whelan for and on behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 15 to 30 form part of these financial statements.

TITLOS PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
Cash flows from operating activities			
(Loss)/profit before tax for the year *		**(113,942,223)**	381,427,171
Adjustments for:			
Amortisation of premium on the loan Notes		**(9,393,156)**	(8,982,730)
Amortisation of issue costs		**10,563**	10,101
Fair value movement in derivatives		**106,471,378**	(389,891,357)
Movement in accrued interest on derivatives		**1,594,348**	1,150,598
Decrease in other receivables		**970,963**	889,027
Decrease in other payables		**(3,090,962)**	(1,995,582)
Net decrease in the Deemed Loan to the Originator		**141,946,499**	136,552,085
Taxation paid		**(1,012)**	(1,075)
Cash generated from operations		**124,566,398**	119,158,238
Cash flows from financing activities			
Repayment of loan Notes		**(124,577,669)**	(119,134,361)
Net cash used in financing activities		**(124,577,669)**	(119,134,361)
Net (decrease)/increase in cash and cash equivalents		**(11,271)**	23,877
Cash and cash equivalents at start of year	**10**	**206,556**	182,679
Cash and cash equivalents at end of year		**195,285**	206,556

*The Company has prepared the cash flow statement under the indirect method. The interest received and paid during the year amounted to €169,494,820 and €186,766,282 (2015: €174,035,971 and €191,330,118) respectively and are included in arriving at the loss/profit before tax for the year ended 31 December 2016 and 2015 respectively.

The notes on pages 15 to 30 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Titlos plc is a public limited company incorporated and domiciled in the United Kingdom with registered number 6810180.

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis under the historical cost convention, except for the financial instruments accounted for at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The Company mainly transacts in Euros ("€"), therefore, the Euro is its functional and presentational currency.

Basis of preparation – going concern
The Company is a special purpose company established solely for the purpose of issuing the Notes in order to acquire the Receivables and it does not have the ability to carry out any other business.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Company, its liquidity position and borrowing facilities are described in note 15. In addition, note 15 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Company has neither the intention nor the need to liquidate or materially curtail the scale of its operations.

At the year end, the Company had net liabilities of €1,265,962,610 (2015: €1,152,019,387) primarily due to the fair value measurement of net interest rate swap liabilities of €1,237,498,362 (2015: €1,129,432,636) which are currently not due for repayment and have maturity in September 2037. The terms of the Notes issued by the Company and associated arrangements are such that amounts due are only payable and limited to the extent that there are sufficient receipts from the Company's asset, the Deemed Loan to the Originator (including derivatives). Per the terms of the Notes and associated arrangements (including the swap), if the Company's resources cannot provide it with sufficient funds to make the required payments on the Notes, no other assets of the Company or of any other person will be available for the payment of the shortfall in the amount of the required payments and the Company has no further recourse, after making the payments ranking in priority thereto, to repay in full the principal amount of the Notes, or to pay in full the interest accrued due and payable on the Notes.

The Company's most significant asset is the Receivable with the Hellenic Republic and any significant deterioration of the economic environment due to non-adherence / inadequacies in adherence to the ESM programme, could materially impact the amount that may eventually be collected on the underlying Receivable and trigger a resulting action that the Note Trustee may decide upon, should it be necessary for it to act to protect the rights of the noteholders under the terms of the securitisation transaction, which may include enforcing the Receivable, leading to its immediate repayment. Subsequently the notes would be repaid at which point the Company would cease to trade. The uncertainty over the course of action of the trustee indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of preparation – going concern (continued)

Having considered all the information available to them, notwithstanding the uncertainty above, the directors have, at the time of approving the financial statements, including their considerations of the Company's circumstances, the recent developments regarding the Greek economy, the latest estimates regarding macroeconomic indicators, as discussed above, and the liquidity management strategies for the Company, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements and do not include the adjustments that would result if the Company was unable to continue as a going concern.

Standards affecting presentation and disclosure
The adoption of Standards and Interpretations issued by the International Accounting Standards Board (IASB), as adopted for use in the European Union ("EU"), that were effective for the current year has not had a material impact on the financial statements of the Company. At the date of authorisation of these financial statements, the following applicable Standards, were in issue but not yet effective (and in some cases had not yet been endorsed by the EU):

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
Annual Improvements to IFRSs: 2014-2016 Cycle	Amendments to: IFRS 5 Non-current Assets Held for Sale and Discontinued Amendments to IFRS 1, IAS 26 and IFRS 12

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except from IFRS 9, which will impact both the classification and measurement, as well as disclosures of financial instruments.

IFRS 9, as issued by the IASB, is effective for annual periods beginning on or after 1 January 2018. IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended (a) in October 2010 to include requirements for the classification and measurement of financial liabilities and (b) in November 2013 to include the new requirements for general hedge accounting. In July 2014, the final version of IFRS 9, which supersedes all previous versions, was issued mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

• All recognised financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes) and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI, unless the asset is designated at "fair value through profit or loss (FVTPL) under the fair value option.
All other debt instruments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Standards affecting presentation and disclosure (continued)

• With regard to the measurement of financial liabilities designated as FVTPL, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

• In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. With the exception of purchased or originated credit-impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

• A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with IFRS 15. Purchased or originated credit-impaired financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, an entity would recognise changes in lifetime expected losses since initial recognition as a loss allowance with any changes recognised in profit or loss. Under the requirements, any favourable changes for such assets are an impairment gain even if the resulting expected cash flows of a financial asset exceed the estimated cash flows on initial recognition.

• The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Although the application of IFRS 9 may have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Company's IFRS 9 implementation program is completed.

Financial assets
The Company classifies its financial assets into two categories: financial assets at fair value through profit or loss; and financial assets carried at amortised cost using the effective interest method.

The Company's derivative instruments are classified as held for trading. These derivatives are accounted for as set out in the 'derivative financial instruments' accounting policy set out below. The Deemed Loan to the Originator, the liabilities evidenced by paper, the subordinated loan and cash and cash equivalents are carried at amortised cost using the effective interest method as explained below.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Deemed Loan to the Originator

Under IAS 39 Financial instruments: Recognition and Measurement, if a transferor retains substantially all the risks and rewards associated with the transferred assets, the transaction is accounted for as a financing transaction, notwithstanding that it is a sale transaction from a legal perspective. The Directors of the Company have concluded that the Originator has retained substantially all the risks and rewards of the pool of Receivables and as a consequence, the Company does not recognise the Receivables on its balance sheet but rather a loan due from the Originator ("Deemed Loan"), where recourse to the Originator is limited to the cash flows from the Receivables and any additional credit enhancement provided by the Originator.

This Deemed Loan initially represents the consideration paid by the Company in respect of the acquisition of an interest in the securitised Receivables and is subsequently adjusted due to repayments made by the Hellenic Republic to the Company. The Deemed Loan is carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets are assessed for impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For Financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account.

Derivative financial instruments

The Company uses derivative financial instruments to economically hedge its exposure to interest rate risk arising from its activities. In accordance with its policy, the Company has designated its derivative financial instruments as financial liabilities held for trading purposes.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value with gains and losses recognised in the statement of comprehensive income. Fair values are obtained using valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The derivative financial instruments are further adjusted for to reflect the credit risk of the swap counterparties by way of a Credit Value Adjustment (CVA) and Debit Value Adjustment (DVA) respectively. If there is a CVA, this has the effect of decreasing the value of the derivative financial instrument asset with a DVA decreasing the value of the derivative financial instrument liability.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial liabilities
Financial liabilities are recognised and derecognised on a trade date basis. Financial liabilities including the subordinated loan are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method (see interest income and interest expense section below).

Liabilities evidenced by paper held at amortised cost
Liabilities evidenced by paper comprise the Notes issued by the Company through its offering circular dated 26 February 2009. These Notes were initially recognised at fair value net of transaction costs incurred and are subsequently stated at amortised cost using the effective interest method.

The terms and conditions of the Notes state that the Company is entitled to an optional early redemption of the Notes. This option is exercisable at par at any time with advance notice. The Directors of the Company have concluded that the economic characteristics and risks of this prepayment option are closely related to the economic characteristics and risks of the Notes. As such, the option is not separately accounted for as an embedded derivative.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents
For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the offering circular and as such the cash and cash equivalents are not freely available to be used for any other purposes.

Interest income and interest expense
Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate calculation.

Foreign currencies
Assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Taxation
UK Corporation tax is provided at amounts expected to be paid / recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The directors are of the opinion that the Company is eligible to be taxed under The Taxation of Securitisation Companies Regulations 2006 (the "permanent tax regime") under which the Company is taxed by reference to its actual retained profits during the period.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain estimates in the financial statements are based wholly or in part on estimates or assumptions made by the directors. There is, therefore, a potential risk that they may be subject to change in future periods. The most significant of these are as follows:

Impairment losses on Deemed Loan to the Originator
The recoverability of the Deemed Loan to the Originator is dependent on the ability of the Hellenic Republic to service the debt. Receivables are considered impaired when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the agreement. The key assumptions for recoverability relate to estimates of the probability of the Receivables going into default and potential loss on default. These key assumptions are initially based on known market data where this is available.

The directors consider how appropriate past trends and patterns could impact the current economic climate and may make any adjustments they believe are necessary to reflect the current economic and market conditions.
The accuracy of impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes.

Effective interest rates
The effective interest rate method calculates the amortised cost of a financial asset or financial liability (or a group of financial assets or liabilities) and allocates the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash-flows to the relevant instrument's initial carrying amount. All contractual terms of a financial instrument are considered when estimating future cash flows.

Fair values
Although the Notes are listed on the Luxembourg Stock Exchange, they are currently not being traded and we have not been able to obtain a market price. The fair value of the Notes has been calculated using an income approach valuation technique (discounted cash flows).

The fair value of the derivative financial instruments has been determined using a discounted cash flow analysis and this is further amended for the DVA and CVA (please refer to note 1).

Consideration of credit risk and liquidity risk is presented in note 15.

3. INTEREST INCOME

Interest income represents the interest income on the Deemed Loan to the Originator as analysed below.

	2016	2015
	€	€
Interest income on Deemed Loan to the Originator	**168,523,857**	173,146,943

4. INTEREST EXPENSE

	2016	2015
	€	€
Interest on the Notes	**17,071,571**	27,182,036
Amortisation of premium on the Notes	**(9,393,156)**	(8,982,730)
Amortisation of issue costs	**10,563**	10,101
Net swap interest payable	**167,963,940**	163,036,527
Deferred consideration due to the Originator	**252,221**	264,975
	175,905,139	181,510,909

5. ADMINISTRATIVE EXPENSES

	2016	2015
	€	€
Auditor's remuneration – audit of the statutory financial statements of the Company	**28,800**	28,800
Auditor's remuneration - tax services	**(285)**	13,139
Non-Auditor's remuneration – tax services	**7,148**	-
Accountancy fees	**9,052**	8,657
Other expenses	**47,258**	47,549
Foreign exchange (gains)/losses recognised	**(2,410)**	2,075
	89,563	100,220

Apart from the directors, the Company has no employees and, other than the fees paid to Wilmington Trust SP Services (London) Limited as set out in note 14, the directors received no remuneration during the year (2015: €nil).

6. TAXATION

(a) Analysis of charge in the year

	2016	2015
Current tax:	€	€
Corporation tax charge for the year	**1,000**	1,012
Total income tax charge in the statement of comprehensive income	**1,000**	1,012

(b) Reconciliation of effective tax rate

	2016	2015
	€	€
(Loss)/profit before tax	**(113,942,223)**	381,427,171
(Loss)/profit before tax multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	**(22,788,445)**	77,239,002
Permanent differences relating to application of Taxation of Securitisation Companies Regulations 2006	**22,789,445**	(77,237,990)
Total income tax charge	**1,000**	1,012

Under the powers conferred by the Finance Act 2005, secondary legislation was enacted in November 2006 which ensures that, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the retained cash profit of the securitisation company.

The directors are satisfied that this Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

Accordingly, the Company is taxed by reference to the profit required to be retained in accordance with the applicable capital market arrangement.

As at 31 December 2016, there are no tax-related contingent assets or contingent liabilities in accordance with International Accounting Standard No. 37 'Provisions, Contingent Liabilities and Contingent Assets' (2015: €nil).

The main rate of UK corporation tax will reduce to 19% from 1 April 2017 and to 17% from 1 April 2020. The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for the previous accounting year are taxed at an effective rate of 20.25%.

7. DEEMED LOAN TO THE ORIGINATOR HELD AT AMORTISED COST

	2016	2015
	€	€
At start of the year	**4,687,822,173**	4,824,374,258
Repayments	**(141,946,499)**	(136,552,085)
At 31 December	**4,545,875,674**	4,687,822,173

The Deemed Loan to the Originator refers to the novation to the Company of an interest rate transaction The National Bank of Greece S.A. previously entered into with the Hellenic Republic on 31 December 2008, pursuant to a novation agreement (the "Novation Agreement") between the Hellenic Republic, The National Bank of Greece S.A. and the Company. The novation of the interest rate transaction is due to be repaid at various times before September 2037. Please refer to note 15 for disclosures relating to credit quality of the novation of the Receivables.

The interest rate transaction was initially recognised as a Deemed Loan to the Originator, at amortised cost, with a separated embedded derivative with an initial fair value of €nil, which is recognised within derivative financial instruments (see note 9).

The Deemed Loan is repaid as and when the cash is received by the Company towards repayments of the novation of the interest rate transaction. The expected maturity of the Deemed Loan at 31 December was as follows:

	2016	2015
Current asset	€	€
In more than one month but not more than three months	**72,324,992**	70,142,095
In more than three months but not more than one year	**74,839,642**	71,804,404
	147,164,634	141,946,499
Non-current asset		
In more than one year but not more than five years	**645,249,871**	622,820,662
In more than five years	**3,753,461,169**	3,923,055,012
	4,398,711,040	4,545,875,674
	4,545,875,674	4,687,822,173

8. OTHER RECEIVABLES

	2016	2015
	€	€
Prepayments and accrued income	**46,094,326**	47,065,289

9. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swaps are initially accounted and measured at fair value on the date they are entered into and subsequently measured at fair value. The gain or loss on re-measurement is taken to the statement of profit or loss and other comprehensive income. The fair values of interest rate swap contracts have been determined by reference to observable data. The fair value of derivatives is calculated using a discounted cash flow technique incorporating observable market inputs. Adjustments to the fair value in respect of credit risk are modelled using Monte-Carlo Simulation techniques.

9. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair values of derivative instruments held are set out in the following table:

	2016	2015
Interest rate swaps	**€**	€
Interest rate swaps asset brought forward	**521,654,235**	731,693,147
Fair value gain/(loss)	**247,870,009**	(210,866,550)
Movement in accrued interest on interest rate swaps	**1,611,646**	827,638
Interest rate swaps asset carried forward	**771,135,890**	521,654,235

	2016	2015
Hellenic Receivable	**€**	€
Hellenic Receivable swap liability brought forward	**(1,651,086,871)**	(2,249,866,542)
Fair value gain/(loss)	**(354,341,387)**	600,757,907
Movement in accrued interest on Hellenic Receivable swap	**(3,205,994)**	(1,978,236)
Total Hellenic Receivable swap liability carried forward	**(2,008,634,252)**	(1,651,086,871)
Net interest rate swap liabilities	**(1,237,498,362)**	(1,129,432,636)

The notional principal amount of the outstanding interest rate swap contract at 31 December 2016 was €5,500,000,000 (2015: €5,500,000,000).

The notional principal amount of the Hellenic Republic swap contract at 31 December 2016 was €5,500,000,000 (2015: €5,500,000,000). The amortisation amount as at 31 December 2016 was €1,206,519,300 (2015: €1,081,941,631).

10. CASH AND CASH EQUIVALENTS

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements.

	2016	2015
	€	€
Cash and bank current accounts	**195,285**	206,556

11. TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share capital	**Retained losses**	**Total**
	€	**€**	**€**
Balance at 1 January 2015	14,002	(1,533,459,548)	(1,533,445,546)
Profit for the year	-	381,426,159	381,426,159
Balance at 1 January 2016	**14,002**	**(1,152,033,389)**	**(1,152,019,387)**
Loss for the year	**-**	**(113,943,223)**	**(113,943,223)**
Balance at 31 December 2016	**14,002**	**(1,265,976,612)**	**(1,265,962,610)**

There are 50,000 (2015: 50,000) authorised ordinary shares of £1 each. The issued share capital consists of one (2015: one) fully paid ordinary share and 49,999 (2015: 49,999) quarter paid ordinary shares. The issued share capital is reflected in the financial statements as €14,002 based on the prevailing exchange rate at 25 February 2009 (€/£ 0.8927). The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12. LIABILITIES EVIDENCED BY PAPER HELD AT AMORTISED COST

	2016	2015
Current liabilities	**€**	€
Floating rate loan Notes	**129,922,326**	124,577,669
Unamortised premium on floating rate loan Notes	**9,796,143**	9,393,156
Unamortised issue costs	**(11,016)**	(10,563)
	139,707,453	133,960,262
Non-current liabilities	**€**	€
Floating rate loan Notes	**4,163,558,374**	4,293,480,700
Unamortised premium on floating rate loan Notes	**313,932,303**	323,728,446
Unamortised issue costs	**(353,020)**	(364,036)
	4,477,713,657	4,616,845,110
	4,616,845,110	4,750,805,375

The Notes are listed on the Luxembourg Stock Exchange, and are secured over the Company's rights under the Hellenic Receivable and Hedge Agreements, as defined by the securitisation documents. The repayments of the Notes are dependent on the receipt in full of the payments under the terms of the Hellenic Receivable and the Hedge Agreements.

Interest on the Notes is payable on a semi-annual basis at the six month EURIBOR plus 0.5%. The Notes are due to be repaid by September 2037 and are secured by means of a floating charge over the Company's assets.

The Company has not had any defaults on principal, interest or any other breaches with respect to their liabilities during the year.

13. OTHER LIABILITIES

	2016	2015
	€	€
Amounts due falling within one year:		
Interest payable	**3,637,294**	6,709,558
Accruals and deferred income	**63,938**	82,003
Deferred consideration payable to the Originator	**82,191**	82,824
	3,783,423	6,874,385

14. RELATED PARTY TRANSACTIONS

The Company has identified the following transactions which are required to be disclosed under the terms of IAS 24 "Related Party Disclosures".

During the year administration and accounting services were provided by Wilmington Trust SP Services (London) Limited for which Wilmington Trust SP Services (London) Limited earned €28,310 including irrecoverable VAT (2015: €28,197). Mr M H Filer was a director of the Company and was also a director of Wilmington Trust SP Services (London) Limited. Mrs M Clarke-Whelan and Mr A S Demosthenous are directors of the Company and are employees of Wilmington Trust SP Services (London) Limited.

During 2009, there was a novation of the interest rate transaction by The National Bank of Greece S.A. (the "Originator"), previously entered into with the Hellenic Republic on 31 December 2008, to the Company. Accordingly a novation agreement between the Hellenic Republic, The National Bank of Greece S.A. and the Company totalling €5,484,540,000 was entered into. During the year, The Hellenic Republic repaid to the Company amounts of principal on the Deemed Loan to the Originator of €141,946,499 (2015: €136,552,085).

14. RELATED PARTY TRANSACTIONS (continued)

At 31 December 2016, a gross amount of €4,545,875,674 (2015: €4,687,822,173) was still outstanding and disclosed within note 7.

The interest income for the year on the Deemed Loan to the Originator held at amortised cost was €168,523,857 (2015: €173,146,943). At 31 December 2016, €46,094,326 (2015: €47,065,289) in respect of interest receivable on the loan Notes was still outstanding and disclosed within 'Other receivables: Prepayments and accrued income'.

The National Bank of Greece S.A. recognised a charge of €252,221 (2015: €264,975) with respect to deferred consideration during the year. At 31 December 2016, €82,191 (2015: €82,824) was still outstanding and disclosed within 'Other liabilities'.

All the Notes at 31 December 2016 are held by the Originator. The interest expense for the year on the Notes was €17,071,571 (2015: €27,182,036). At 31 December 2016, €3,637,294 (2015: €6,709,558) in respect of interest payable was outstanding and disclosed within 'Other liabilities'.
During the year, cash manager services were provided by The National Bank of Greece S.A. for which The National Bank of Greece S.A. earned €10,000 (2015: €10,000). At 31 December 2015, €2,802 (2015: €2,802) was included within 'other liabilities: accruals'. This is in accordance with the Cash Management Agreement and the Cash Management Services Fee Letter.

15. PRINCIPAL RISKS AND UNCERTAINTIES

The Originator considers the Company to be its subsidiary. The Originator manages the Receivable under the servicer agreement with the Company. In managing the Receivable, the Originator applies its own formal risk management structure for managing risk, including established risk limits, reporting lines, mandates and other control procedures.

Market risk
The Company is exposed to market risk through its use of financial instruments, specifically interest rate risk, which results from its operating activities.

Interest rate risk
The Company is exposed to movements in interest rates and manages this exposure using interest rate swaps. More specifically, the Company is exposed to interest rate basis risk on the Notes. This is hedged using an interest rate 'basis' swap that was taken out on inception of the securitisation transaction.

After taking into consideration the Company's derivative instruments, the directors do not believe that the Company has any significant net interest rate risk exposure.

Interest rate sensitivity analysis
The interest paid to Noteholders fluctuates with Euribor. The effect of a 50 basis point movement in Euribor is as follows:

As at 31 December 2016	**Profit or loss**	
	Increase	**Decrease**
	€	€
- Interest payable on Notes	107,933	(107,933)

As at 31 December 2015	**Profit or loss**	
	Increase	**Decrease**
	€	€
- Interest payable on Notes	(115,091)	115,091

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Credit risk

The maximum exposure to credit risk is considered by the directors to be the carrying value of the Deemed Loan to the Originator and other receivables.

The credit quality of the underlying Receivable is summarised as follows:

	31 December 2016	31 December 2015
	€	€
Neither past due nor impaired	**4,545,875,674**	4,687,822,173
Past due but not impaired	-	-
Impaired	-	-
	4,545,875,674	4,687,822,173
Less: allowance for impairment	-	-
	4,545,875,674	4,687,822,173

The exposure under the Receivables is with the one counterparty, the Hellenic Republic, which has been rated Caa3 by Moody's, CCC by Fitch and B- by Standard & Poor's.

With regard to credit risk on derivatives, the directors monitor the credit rating of the swap provider and the banks on a regular basis. The credit rating of the swap provider is Caa3.

Liquidity risk

As the payments on the Notes are designed to match the receipts on the Receivable underlying the loan to the Originator, there are deemed to be limited liquidity risks facing the Company.

The table below reflects the undiscounted contractual cash flows of the Company's non-derivative financial liabilities at the balance sheet date.

As at 31 December 2016	**Carrying value**	**Gross cash flows**	**Within 3 months**	**After 3 months but within one year**	**After 1 year but within 5 years**	**After 5 years**
	€	**€**	**€**	**€**	**€**	**€**
Notes	4,616,845,110	4,293,480,700	63,749,265	66,173,061	578,299,714	3,585,258,660
Interest payable on Notes	3,637,294	147,067,554	5,989,406	5,900,475	43,732,535	91,445,138
Trade and other payables	146,129	146,129	146,129	-	-	-
Total financial instruments	4,620,628,533	4,440,694,383	69,884,800	72,073,536	622,032,249	3,676,703,798

As at 31 December 2015	**Carrying value**	**Gross cash flows**	**Within 3 months**	**After 3 months but within one year**	**After 1 year but within 5 years**	**After 5 years**
	€	**€**	**€**	**€**	**€**	**€**
Notes	4,750,805,372	4,418,058,369	61,465,366	63,112,303	554,918,466	3,738,562,234
Interest payable on Notes	6,709,558	261,516,675	10,117,354	9,976,598	74,359,562	167,063,161
Trade and other payables	164,827	164,827	164,827	-	-	-
Total financial instruments	4,757,679,757	4,679,739,871	71,747,547	73,088,901	629,278,028	3,905,625,395

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Liquidity risk (continued)

The redemption of the Notes is dependent on the receipt of payments on the assets. Interest payable on floating rate Notes was estimated based on 6-month Euribor as at 31 December 2016.

Liquidity risk arising from the embedded derivative which has been separated from the host Deemed Loan and recognised as a free-standing derivative is not considered significant.
At 31 December 2016, there was no collateral held or any credit enhancements (2015: €nil).

Currency risk
All of the Company's assets and liabilities are denominated in Euros ("€"), and therefore there is no foreign currency risk.

Capital risk management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any external capital requirements except for the minimum requirement under the Companies Act 2006. The Company has not breached the minimum requirement.

Financial instruments
The Company's financial instruments, other than derivatives, comprise a Deemed Loan to the Originator, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The Company also enters into derivative transactions (principally interest rate swaps). The purpose of such transactions is to manage the interest rate risks arising from the Company's operations and its sources of finance.
It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments is undertaken.

Fair values
The approximate fair values together with the carrying amounts shown in the balance sheet are as follows:

	Note	Carrying amount 2016 €	Approximate fair value 2016 €	Carrying amount 2015 €	Approximate fair value 2015 €
Deemed Loan to the Originator	7	4,545,875,674	4,482,716,226	4,687,822,173	3,994,566,243
Other receivables	8	46,094,326	46,094,326	47,065,289	47,065,289
Cash and cash equivalents	10	195,285	195,285	206,556	206,556
		4,592,165,285	4,529,005,837	4,735,094,018	□4,041,838,088
Liabilities evidenced by paper	12	4,616,845,110	2,354,602,561	4,750,805,372	2,277,592,545
Other liabilities	13	3,783,423	3,783,423	6,874,385	6,874,385
Derivative financial instruments	9	1,237,498,362	1,237,498,362	1,129,432,636	1,129,432,636
Tax payable		1,000	1,000	1,012	1,012
		5,858,127,895	3,595,885,346	5,887,113,405	3,413,900,578

Although the Notes are listed on the Luxembourg Stock Exchange, they are currently not being traded and the directors have not been able to obtain a market price. The fair value of the Notes and the Deemed Loan to the Originator has been calculated using discounted cash flow models. The discount rates were based on current market interest rates offered for instruments with similar terms adjusted to incorporate the impact of credit as of the end of the reporting period.

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Fair values (continued)

Fair value of the derivative financial instruments has been determined using a discounted cash flow analysis and this is further amended for the DVA and CVA (please refer to note 1).

Fair value hierarchy

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset or liability as follows:

Level 1 - valued using quoted prices in active markets for identical assets or liabilities.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data The valuation techniques used by the Company are explained in the accounting policies note.

There have been no transfers between level 1, 2 and 3 during the year.

As at 31 December 2016 **Financial liabilities through profit or loss account**	**Total** **€**	**Level 1** **€**	**Level 2** **€**	**Level 3** **€**
Derivative financial instruments	1,237,498,362	-	1,237,498,362	-

As at 31 December 2015 **Financial liabilities through profit or loss account**	Total €	Level 1 €	Level 2 €	Level 3 €
Derivative financial instruments	1,129,432,636	-	1,129,432,636	-

Interest rate risk profile of financial liabilities

All of the Company's financial liabilities are floating rate and carry interest rates based on the relevant six-month EURIBOR rate.

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Categories of financial assets and financial liabilities

At 31 December 2016	Held for trading €	Loans and receivables €	Financial liabilities at amortised cost €	Total €
Financial assets				
Deemed Loan to the originator	-	4,545,875,674	-	4,545,875,674
Cash at bank and in hand	-	195,285	-	195,285
Other receivables	-	46,094,326	-	46,094,326
Total financial assets	-	4,592,165,285	-	4,592,165,285
Financial liabilities				
Liabilities evidenced by paper at amortised cost	-	-	4,616,845,110	4,616,845,110
Other liabilities	-	-	3,783,423	3,783,423
Tax payable	-	-	1,000	1,000
Derivative financial instruments	1,237,498,362	-	-	1,237,498,362
Total financial liabilities	1,237,498,362	-	4,620,629,533	5,858,127,895

At 31 December 2015	Held for trading €	Loans and receivables €	Financial liabilities at amortised cost €	Total €
Financial assets				
Deemed Loan to the originator	-	4,687,822,173	-	4,687,822,173
Cash at bank and in hand	-	206,556	-	206,556
Other receivables	-	47,065,289	-	47,065,289
Total financial assets	-	4,735,094,018	-	4,735,094,018
Financial liabilities				
Liabilities evidenced by paper at amortised cost	-	-	4,750,805,372	4,750,805,372
Other liabilities	-	-	6,874,385	6,874,385
Tax payable	-	-	1,012	1,012
Derivative financial instruments	1,129,432,636	-	-	1,129,432,636
Total financial liabilities	1,129,432,636	-	4,757,680,769	5,887,113,405

16. SEGMENTAL REPORTING

The principal asset of the Company is the Deemed Loan to the Originator which is originated in Greece, funded by the Notes issued and listed in the Luxembourg Stock Exchange. Cash is held mainly in the UK. The directors do not use any other segments for the purpose of managing the Company.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The shares in the Company are held by Wilmington Trust SP Services (London) Limited a Declaration of Trust for charitable purposes.

The National Bank of Greece S.A. has no direct ownership interest in the Company. However, in accordance with IFRS, the Originator considers the Company to be its subsidiary and the results of the Company are included in the consolidated financial statements of The National Bank of Greece S.A., which are available online at www.nbg.gr.

18. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 31 December 2016, the Company did not enter into any capital commitments (2015: none). The Company did not have any contingent liabilities or legal claims outstanding or made against it.

19. POST BALANCE SHEET EVENTS

Subsequent to the year end, the Company received €177,019,257 from the Hellenic Republic split between interest income on the Deemed Loan to the Originator, principal repayment of the Deemed Loan to the Originator and swap interest receivable of €84,320,217, €70,120,547 and €22,578,493 respectively.