EUROBANK ERGASIAS S.A.

FINANCIAL REPORT
for the six months ended
30 June 2013

According to Article 5 of the Law 3556/2007

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I. Declaration (according to the article 5, par. 2 of the Law 3556/2007)

Declaration
(according to the article 5, par.2 of the Law 3556/2007)

To the best of our knowledge, the financial statements of Eurobank Ergasias S.A. (the Bank) and the consolidated financial statements of the Bank and its subsidiaries (the Group) for the six months ended 30 June 2013 comply with applicable accounting standards, and present fairly the financial position and the results of the Bank and the Group.

Furthermore, to the best of our knowledge, the Report of the Directors for the same period presents fairly the information required by paragraph 6 of article 5 of Law 3556/2007.

Athens, 30 August 2013

George A. David	**Christos I. Megalou**	**Michael H. Colakides**
Passport No 706574975	I.D. No AE - 011012	I.D. No 486588
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	DEPUTY CHIEF EXECUTIVE OFFICER

II. Interim Directors' Report

The directors present their report together with the accounts for the six months ended 30 June 2013.

Profit or Loss Attributable

The profit after tax attributable to shareholders of the Eurobank Ergasias S.A Group (Eurobank or the Group) for the first half of 2013 amounted to €44m (first half 2012: €872m loss), as set out in the consolidated income statement on page 3.

Recapitalisation Framework and Process

Given the severity of the impact of the Greek Government Bond Exchange Programme (PSI+), (a) the Bank of Greece assessed, in November 2012, the viability of each Greek bank and estimated its capital needs and (b) the Hellenic Financial Stability Fund, whose mandate was extended and enhanced accordingly, has been allocated €50bn to support the recapitalisation of the Greek banking system.

In response to adverse macroeconomic conditions and to ensure that the system remains well-capitalized, the Bank of Greece has initiated, as committed, a follow-up stress-test exercise, based on macro assumptions and performance until June 2013, and using a methodology determined in consultation with the Troika (European Commission, ECB, IMF), to be concluded by end-December 2013 (note 7 of the consolidated accounts).

Eurobank's Share Capital Increase

The Bank of Greece, after assessing the business plan and the capital needs of Eurobank (the Bank), concluded on 19 April 2012 that Eurobank is a viable bank and, on 8 November 2012, notified the Bank that its Tier I capital should increase by €5,839m by April 2013. The Bank, the HFSF and the EFSF signed on 28 May 2012, on 21 December 2012 and on 30 April 2013 a trilateral presubscription agreement (PSA) for the advance to the Bank of EFSF notes of face value of €3,970m, €1,341m and €528m, respectively (total €5,839m) as advance payment of its participation in the share capital increase of the Bank.

On 7 April 2013, the relevant regulatory authorities, with the consent of the management of Eurobank and National Bank of Greece (NBG), the Bank's major shareholder at that time, decided that both banks will be independently recapitalized in full. As a consequence, the merger process of the two banks was suspended. Following the above decision, the BoD of Eurobank evaluated the specificities of the exercise in relation with the attraction of capital from private investors and, in particular, the uncertainty regarding the completion or not of the merger with NBG, the ensuing inability of properly assessing the investment proposal, as well as the absence of tens of thousands of Eurobank's traditional shareholders who were substituted, due to the recent Voluntary Tender Offer, by NBG's stake of approximately 85%

in the Bank's capital. As a consequence, the BoD proposed to the Extraordinary General Meeting on 30 April 2013 that the share capital increase of €5,839m be fully subscribed by the HFSF.

On 30 April, the Extraordinary General Meeting approved the increase of the share capital of the Bank, in accordance with the provisions of Law 3864/2010 and Act of Cabinet 38/9.11.2012, in order to raise €5,839m by issuing 3,789,317,358 new ordinary shares, covered entirely by the HFSF with the contribution of bonds issued by the EFSF and owned by the HFSF. The capital increase was certified on 31 May and the listing of the new shares was completed on 19 June 2013, after obtaining the relevant approvals from Greek regulatory authorities (note 7 of the consolidated accounts).

On 29 April 2013, the Board of Directors of the Bank decided to proceed with a liability management exercise ("LME") in respect of the five series of preferred securities (Lower Tier I - Series A,B,C,D,E) and the single subordinated medium term note (Lower Tier II) (the "Securities") issued by the Bank through its special purpose entities.

On 27 June 2013, the Annual General Meeting approved the increase of the Bank's share capital with the amount of €62m, by payment in cash of €317m in total and the issue of new common shares, of a nominal value of €0.30 each, via private placement to the holders of the five series of preferred securities and the one series of subordinated debt instruments, with abolition of the pre-emptive rights in favour of existing common and preferred shareholders.

In parallel, since the beginning of the crisis, the Group continued the implementation of its medium term internal capital generating plan, which includes initiatives generating or releasing Core Tier I capital and/or reducing Risk Weighted Assets.

Regarding the regulatory context, on 28 March 2013, the BoG issued an Executive Committee Act (13/28.03.2013) bringing the limit for the Core Tier I capital to 9% of Risk Weighted Assets and for Equity Core Tier I to 6%, effective from 31 March 2013. According to the new definition of Core Tier I capital, AFS reserve is fully recognised, while deferred tax asset's recognition is limited to 20% of Core Tier I capital. According to the Group's capital adequacy figures at 30 June 2013, proforma with the completion of the transaction with Fairfax Financial Holdings Limited (see below) and with the incorporation of new TT Hellenic Postbank S.A. and New Proton Bank S.A. (see below), which is expected to complete in the third quarter of 2013, Core Tier I ratio stood at 8.1% and Total Capital Adequacy ratio (CAD) at 8.3%. The Group is examining a number of additional initiatives for complying with the new capital adequacy regulation, associated with the restructuring, transformation or optimization of operations, in Greece and abroad, that will generate or release capital and/or reduce Risk

Weighted Assets, and which, in combination with the above transactions, will enhance the capital base of the Group at levels above minimum required (note 7 of the consolidated accounts).

Restructuring Plan

The 28 May 2012 PSA was assessed as State Aid by the European Commission. Therefore, along with the other viable banks, on 31 October 2012, Eurobank submitted a draft five year restructuring plan to the HFSF, the Ministry of Finance and the European Commission. Following completion of the recapitalisation process, the European Commission has asked that the Greek banks' plans are revisited and resubmitted for approval. The approval process should be completed by 30 September 2013.

Eurobank will submit a comprehensive business plan that will enable the Bank to rapidly attract capital, private, institutional and/or strategic, from Greece and abroad, as provided for by the current legal framework. The plan, adapted to the needs of, and the new conditions prevailing in, the Greek and international banking markets, will enable the further enhancing of Eurobank's capital base, allowing it to retain and increase its corporate value, its access to international markets and prompt return to organic profitability; in so doing, it will safeguard the Bank's ability to play a leading role in the national effort to exit the crisis and return to positive growth.

Eurobank's re-privatization plan

As stated in the Memorandum of Economic and Financial Policies (MEFP) of the Second Adjustment Program for Greece published in July 2013, the Hellenic Republic will undertake to place a substantial part of the equity stake in Eurobank held by HFSF to a privately owned strategic international investor by end of March 2014. In this context, a number of intermediary milestones are also provided. To this end, Eurobank's management will cooperate with HFSF and its advisors to design the structure of the placement with a view to incentivize participation of strategic investors who wish to obtain a majority stake in the future.

Monitoring Trustee

On 22 February 2013, the Bank appointed Grant Thornton as its Monitoring Trustee (MT). The MT will monitor compliance with commitments on corporate governance and commercial operational practices, and the implementation of the restructuring plan, and report to the European Commission (note 7 to the consolidated accounts).

Acquisition of new TT Hellenic Postbank S.A. and new Proton Bank S,A,

On 15 July 2013, the Group signed a binding agreement with the HFSF to acquire 100% of the shares and voting rights of the New TT Hellenic Postbank (''NHPB'') for a consideration of

€681m in the form of newly issued Eurobank ordinary shares. The consideration payable will be subject to adjustments based on the Net Asset Value of NHPB at the completion date. The final number of shares to be received by HFSF amounts to 1,418,750,000, which was the minimum number of shares to be issued to HFSF pursuant to the binding agreement.

On 15 July 2013, the Group also signed a binding agreement with the HFSF to acquire 100% of the shares and voting rights of the New Proton Bank S.A. ("Proton") for a €1 cash consideration. Prior to completion of the transaction, the HFSF will have covered the capital needs of Proton by contributing €395m in cash.

Both transactions were approved by the Extraordinary General Meeting of Eurobank shareholders which took place on 26 August 2013.

Following the acquisition of NHPB and Proton, the new Group will have approximately 20 thousand employees and 1,261 branches located across seven countries. Furthermore the transaction will enhance the new Group on a number of key metrics, such as the deposits increase by €12bn, and the improvement of loans to deposits ratio to 116%. Combined synergies from the two transactions are mainly concentrated around cost and funding areas and estimated at about €200m per annum by 2015, with a NPV of about €800m.

The integration of NHPB and Proton in the enlarged Eurobank Group strengthens its strategic position in the Greek banking sector, enhancing its capacity to support Greek businesses and households. The significant synergies creation makes Eurobank's investment proposition more attractive, facilitating its re-privatisation to the benefit of the Greek State and economy. Within the new Group, NHPB will operate as an autonomous network capitalising on its long history, its relationship with savings clients and its role in the economy (note 24 to the consolidated accounts).

Transaction with Fairfax Financial Holdings

On 19 June 2013, Eurobank and Fairfax Financial Holdings Limited ("Fairfax") announced that they agreed on the principal terms of a proposed transaction aiming to further strengthen their relationship as shareholders of Eurobank Properties S.A. ("Eurobank Properties") and broaden in parallel considerably the ability and resources of Eurobank Properties to become the leading real estate company in Greece and the surrounding region. The key terms of the agreement are as follows:

a) Eurobank Properties will proceed with a share capital increase to raise €200m, approximately, with preemption rights in favor of Eurobank Properties' existing shareholders (the "Rights") at an offer price per new share of €4.80;

b) Fairfax will purchase Eurobank's Rights at an aggregate cash consideration of approximately €20m and will also exercise its own Rights by investing approximately €164m. Therefore, Fairfax's participation in Eurobank Properties will be increased to 42% approximately (from 19% approximately that it currently holds), while Eurobank will hold 33.5% approximately, assuming that all other shareholders of Eurobank Properties will exercise their Rights.

c) Eurobank and Fairfax will enter into a shareholders' agreement that allows Eurobank to retain management control of Eurobank Properties until 30 June 2020, while Fairfax will have representation in the Board of Directors of Eurobank Properties and customary veto rights for transactions of this type. This agreement shall be in force for as long as Eurobank's participation in Eurobank Properties remains above 20%.

The transaction is subject to the finalization of documentation and the obtaining of all regulatory and other required approvals and is expected to close within the fourth quarter of 2013. Eurobank expects that the transaction would further strengthen its capital position following recapitalization from the HFSF and the share capital increase following the recent liability management exercise (note 25 to the consolidated accounts).

Activities and Regional Presence

Eurobank is a financial services provider engaged in retail, corporate and private banking, asset management, insurance, and treasury and capital markets services in Greece and the region of Central, Eastern and South-eastern Europe. Its regional presence is concentrated in Euro–zone members (Greece, Cyprus, Luxembourg), European Union members (Romania and Bulgaria) and candidate member nations (Serbia).

Financial Results Review

The Greek sovereign debt crisis, which has severely impacted the Greek economy, and the negative consequences from the European debt crisis have adversely affected the Group's operations. The mounting uncertainty in markets, mainly in Greece but also in the Eurozone, and the negative sentiment among the Group's clients and counterparties, especially since the second half of 2011, have created a very difficult market environment, despite some stabilization signals that appeared since the end of 2012. In this particularly challenging context, the Group's operations were aimed to adjust to the prevailing conditions. As at 30 June 2013 total assets, following the recapitalization of 5.8bn by HFSF, amounted to €67.4bn (Dec. 2012: €67.7bn).

During the 12 months to June 2013 the loan book contracted by 4.7% (Gross loans reached €46.3bn) mainly reflecting the sluggish credit demand and the weak macroeconomic conditions but also the movement towards lower risk categories. In the same period, Group deposits grew by 7.8% to €30.2bn as a result of the improvement in the investment climate in Greece, while deposits from International operations receded by €0.7bn mainly due to negative effect of the bail in scheme for unsecured depositors introduced in Cyprus aimed at funding the restructuring of the local banking sector. The loan–to–deposit (L/D) ratio for the Group at the end of June improved to 136% from 159% one year ago, whereas International Operations maintained their L/D ratio at 95%. The deposit inflows and the access to the repo markets have enabled the Group to reduce its dependence from the Eurosystem from €34bn in June 2012 to €21.8bn one year later.

Within a distressed macroeconomic environment, the six months' Pre-Provision Income (PPI) receded to €190m from €478m in the 1st half of 2012. Net interest income stood at €578m down 28% year–on–year, mainly affected by the increased cost of funding (due to the higher cost of deposits and the ECB – euribor rates imbalance), the ongoing balance sheet deleveraging and the delay in the recapitalization of the Bank. Net interest margin stood at a 1.71% (1st half 2012: 2.21%), bottoming out in the 2nd quarter. Fees and commissions, resisted to the weakened economic and credit activity in Greece, amounting to €132m (1st half 2012: 129m), whereas non core activities, incl. initiatives for disposal of investment securities, recorded 23m loss (1st half 2012: €91m gain incl. gains from liability management). To counter the pressure on revenues, intensive cost containment efforts continued for a fifth consecutive year. Operating expenses were 8.5% lower year–on–year, and 27% lower than 2008.

The adverse market conditions, especially in Greece, resulted in higher loan provisions of €841m or 4% of average net loans (1st half 2012: €794m, 3.48%). Non performing loans now stand at 21% of gross loans (end 2012: 18.3%) and are by 54.7% (end 2012: 53.5%) covered by provisions. In International operations, the bad debt provisions receded to €112m or 2.68% of average net loans (1st half 2012: €139m, 3.12%).

The Group recognized in the 1st half of 2013 impairment/ valuation losses amounting to €53m, of which €23m related to the application of overnight index swap curve in the valuation of cash collateralized derivatives, €19m to available for sale corporate bonds and equities and €11m to investment property portfolio. In addition, a provision of €40m has been formed for claims in dispute, the outcome of which is considered uncertain. Furthermore, in view of the increasing prospects of stabilization of the Greek economy, the Group proceeded to the reversal of an impairment loss of €75m for a non PSI exchanged GGB. Finally, following the change in tax legislation as to the increase in corporate tax rate to 26% as of 1 January 2013, the Group recognized deferred tax gains of €596m.

Overall, despite the deep economic recession and unprecedented business conditions, the Group continues to generate Pre–Provision Income, swiftly adjusting to the new requirements and supported by proven cost containment competencies. Net profit/loss attributable to shareholders, after accounting for the €579m non recurring deferred tax income and the €28m loss after tax impact of non recurring losses, amounted to profit €44m (1st half 2012 loss: €872m), while International operations loss amounted to €21m (1st half 2012 loss: €5m).

Ordinary Share Capital

As at 30 June 2013 the ordinary share capital amounts to €1,153,383,660.30, divided into 3,844,612,201 ordinary voting shares of a nominal value of €0.30 each. Following the filing, on 3 July 2013, of the approval of the Ministry of Development and Competitiveness regarding the amendment of Eurobank's Articles of Association in accordance with the resolution of the Annual General Meeting of Shareholders of 27 June 2013, the ordinary share capital amounts to €1,215,125,059.50 divided into 4,050,416,865 ordinary voting shares of a nominal value of €0.30 each.

Finally, following the resolution of the Extraordinary General Meeting of Shareholders on 26 August 2013 and upon the filing of the relevant approval of the Ministry of Development and Competitiveness regarding the amendment of Eurobank's Articles of Association, the ordinary share capital will amount to €1,640,750,059.50 divided into 5,469,166,865 ordinary voting shares of a nominal value of €0.30 each.

All ordinary shares are registered, listed on the Athens Stocks Exchange and incorporate all the rights and obligations set by the Greek legislation (note 19 to the consolidated accounts).

Preference Share Capital

As at 30 June 2013, the preference share capital amounts to €950,125,000 divided into 345,500,000 non-voting, non-listed, non-transferable, 10% preference shares, with nominal value €2.75 each, issued under Law 3723/2008 on 'Greek Economy Liquidity Support Program', and subscribed to by the Hellenic Republic. This entitles the Government to appoint its representative to the Board of Directors, veto strategic decisions and decisions which alter substantially the legal or financial position of the Bank and require the General Meeting's approval, veto dividend distributions and restrict management remuneration (note 20 to the consolidated accounts).

Greek Economy Liquidity Support Program (law 3723/2008)

Eurobank participates in the Greek Government's program to support liquidity in the Greek economy under Law 3723/2008, as in force (note 5 to the consolidated accounts).

Dividends

Based on the 2012 results and Law 3723/2008 in combination with art. 44a of Company Law 2190/1920, the distribution of dividends to either ordinary or preference shareholders is not permitted.

Business Outlook and Risks

In May 2010 the Greek Government entered into an agreement with the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) for a three-year €110bn refinancing and restructuring programme designed to cover Greece's funding needs until mid-2012.

Due to unfavourable developments and implementation issues, the May 2010 programme was abandoned and Greece entered into a new funding and restructuring programme with the European Commission, the ECB and the eurozone member-states, as agreed in the Eurogroup meeting of 21 February 2012. The programme included new funding of €164.5bn aimed at bringing the country's public debt-to-GDP ratio below 120% by 2020.

The implementation of the new programme stalled by April 2012 while developments on the public debt front were not encouraging either. On the back of the above, and after the implementation/ legislation of a long list of structural reforms and fiscal austerity measures for 2013-16 by the Greek Government, the Eurogroup on 26 November 2012 permitted the disbursement of €49.1bn conditional on series of structural reforms and reached an agreement on a set of new actions for the reduction of Greek public debt to 124% of GDP by 2020 and below 110% of GDP in 2022. This debt path was consistent with debt sustainability levels required by the IMF. By the end of April 2013 the Greek government, after completing the prerequisites received the last tranche of the €49.1 bn.

The successful completion of the 3rd evaluation of the 2nd Stabilization Programme permitted the disbursement of €6bn by the end of May 2013 and €9.1bn by the end of July 2013.

It is noted that Greece is to receive from the EFSF and the IMF an additional €6.2bn by the end of 2013 excluding the disbursements just mentioned. Total funding for 2014 stands at €17.5 bn. Again, funds will be disbursed on a quarterly basis subject to successful evaluation by the lenders' representatives.

The government remains broadly on track to meet its 2013 fiscal targets. Furthermore, it is highly probable to achieve a small general government primary surplus this year that would open the door for additional debt-relief measures from official lenders, in line with the explicit commitments provided at the 26/27 November 2012 Eurogroup.

The external imbalance continues to adjust rapidly, assisted by strong tourism revenue, the ongoing contraction of imports and the beneficial impact of earlier debt-relief measures on the income account. The current account deficit is now seen heading towards 1%-of-GDP or lower levels this year, from 2.9%-of-GDP in 2012.

Considerable risks continue to surround the near-term domestic economic outlook. Yet, the apparent stabilization of seasonally adjusted output dynamics in the 2nd quarter 2013 and the ongoing improvement in a range of real activity and sentiment indicators signal a more broad-based bottoming out of the domestic recession in the period ahead.

The New Europe region continues to operate in a relatively weak growth environment driven by the Euroarea sovereign debt crisis. On top, market sentiment in the region was recently hurt by the emerging markets sell-off in late May. Even though growth prospects remain uneven across countries, the economies of continental South-Eastern Europe, namely Bulgaria, Romania and Serbia, will most probably record modest GDP growth in 2013. This view remains valid provided that main trading-partner economies in the euro area avoid a new pronounced downturn and that there are no new unforeseen negative external shocks.

The agreement reached with the Troika in the late March Eurogroup on a new financial assistance program has helped Cyprus to avoid a disorderly default. However, the economy is now confronted with rapidly deteriorating labour and credit conditions, lower consumer confidence, while at the same time faces the challenge of implementing a tough adjustment program. The implementation of the bail-in scheme from unsecured depositors aimed at funding the resolution of the second largest bank (CPB) and the restructuring and recapitalization of the largest bank (Bank of Cyprus) is underway. Risks and uncertainties are still unusually very high; while the Programme baseline scenario foresees a contraction of GDP by -8.7% in 2013, Eurobank Research projections warn that contraction can reach 12% as a combined result of the wealth loss from immediate banking sector restructuring, the fiscal consolidation measures and the uncertainty from the imposition of temporary capital controls.

Regarding the outlook for the next 12 months, main risks in Greece stem from the macroeconomic environment, the developments on the eurozone sovereign debt crisis, the impact of the significant fiscal adjustment efforts on the real economy and the implementation of the structural reforms agenda. To date, satisfactory results have been registered, but progress could be compromised by significant delays in official financing, external shocks from the global economy as well as implementation risks, political instability and reform fatigue in Greece. The restoration of confidence, the attraction of new investments and the revival of economic growth remain key challenges.

Continuation of the recession could adversely affect the region and could lead to lower profitability, deterioration of asset quality and a further reduction of deposits. In addition, increased funding cost remains a significant risk, as it depends on both the level of sovereign spreads as well as on foreign exchange rate risk, due to the unstable nature of some currencies. Finally, the Group holds positions in the bond, stock and foreign exchange markets and consequently is exposed to the risk of losses if market valuations decrease. These conditions may further challenge the Group's capital adequacy position over the foreseeable future.

Voluntary Tender Offer of the National Bank of Greece S.A. (NBG)

On 15 February 2013, the National Bank of Greece SA (NBG) acquired 84.35% of Eurobank's voting shares following the completion of a Voluntary Tender Offer (VTO) launched on 11 January 2013. The VTO would have been followed by the merger of the two banks, the process of which initiated on 19 March 2013.

On 28 March 2013, BoG sent letters to all viable banks, including the Bank and NGB, stating that each bank should proceed with its recapitalization by the end of April 2013 and requesting them to proceed with the relevant necessary actions. On 7 April 2013, as the joint banks' request for the extension of the recapitalization process up to 20 June 2013 was not granted, the relevant regulatory authorities with the consent of the management of both banks decided that the Bank and NBG will be independently recapitalized in full. As a consequence, the merger process of the two banks was suspended.

In this respect, the Extraordinary General Meeting of shareholders of the Bank, convened on 30 April 2013, decided the increase of the Bank's ordinary share capital, in order to raise €5,839m, subscribed by way of contribution in kind from HFSF, in accordance with Law 3864/2010 and Act of Cabinet 38/9.11.2012. As a result of the above mentioned share capital increase of the Bank, the percentage of the voting rights held by NBG as at 30 June 2013 stood at 1.21% (note 26 to the consolidated accounts).

Major Shareholders

EFG Group was the controlling shareholder of the Bank, holding 44.70% of the Bank's ordinary shares and voting rights until 23 July 2012. Upon the completion of the Voluntary Tender Offer, and in particular, on 20 February 2013, NBG held 84.38% of the Bank's ordinary shares with voting rights (see above).

Moreover, with the completion of Eurobank's recapitalization in accordance with Law 3864/2010 and Act of Cabinet 38/9.11.2012, HFSF acquired, on June 19, 2013, 3,789,317,358 ordinary shares with voting rights, issued by Eurobank, representing 98.56% of its ordinary share capital.

Following the resolutions of the Annual General Meeting of the Shareholders on 27 June 2013 for the increase of the Bank's share capital by payment in cash and the issue via private placement of new ordinary shares to the holders of hybrid instruments and subordinated debt instruments, and the resolutions of the Extraordinary General Meeting of the Shareholders, on 26 August 2013, for the increase of the Bank's share capital through the issuance of new ordinary shares subscribed by way of contribution in kind from the HFSF, the controlling percentage of HFSF in Eurobank decreases from 98.56% to 95.23%.

The Hellenic Republic holds 100% of the non-voting preference shares of Eurobank, issued according to Law 3723/2008.

Board Membership

The Annual General Meeting of the Shareholders of Eurobank of 27 June 2013 elected a new Board of Directors, the term of office of which was set to three years and expires in 2016. The new Board of Directors of Eurobank is set out in note 25 to the consolidated accounts. Personal details of the Directors are available on the website (www.eurobank.gr).

Related party transactions

All transactions with related parties are entered into the normal course of business and are conducted on an arm's length basis. See also note 27 to the consolidated accounts.

George David	Christos Megalou
Chairman	Chief Executive Officer

30 August 2013

III. Auditor’s Report on Review of Interim Financial Information

Report on Review of Interim Financial Information

To the Shareholders of EUROBANK ERGASIAS A.E.

Introduction

We have reviewed the accompanying condensed company and consolidated balance sheet of EUROBANK ERGASIAS A.E. (the "Bank") and its subsidiaries ("the Group") as of 30 June 2013 and the related condensed company and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

We draw attention to note 2 of the condensed interim financial information which refers to the Bank and Group Core Tier I ratio as at 30 June 2013 being below that required by Act 13/28.3.2013 of the Executive Committee of the Bank of Greece. The initiated and planned capital enhancement actions described therein are subject to uncertainties that could adversely affect the going concern assumption until the regulatory capital of the Bank and the Group is fully restored. Our conclusion is not qualified in respect of this matter.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 30 August 2013

The Certified Auditor-Accountant

Kyriacos Riris
SOEL Reg. No. 12111

pwc

PricewaterhouseCoopers
Certified Auditors
268 Kifissias Avenue
152 32 Halandri
SOEL Reg. No. 113

IV. Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2013

EUROBANK ERGASIAS S.A.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2013

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Company Registration No: 000223001000

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	Note	Six months ended 30 June 2013 € million	2012 € million	Three months ended 30 June 2013 € million	2012 € million
Net interest income		**578**	800	**301**	374
Net banking fee and commission income		**96**	105	**50**	50
Net insurance income		**17**	8	**6**	3
Income from non banking services		**18**	16	**10**	8
Dividend income		**2**	2	**2**	2
Net trading income		**(40)**	107	**(36)**	42
Gains less losses from investment securities		**31**	(19)	**27**	4
Other operating income	10	**(15)**	1	**(15)**	1
Operating income		**687**	1,020	**345**	484
Operating expenses		**(497)**	(543)	**(248)**	(270)
Profit from operations before impairment on loans and advances and non recurring losses		**190**	477	**97**	214
Impairment losses on loans and advances	13	**(841)**	(794)	**(423)**	(434)
Impairment and other losses on Greek sovereign exposure	6	**75**	(554)	**-**	(115)
Other non recurring losses	14	**(109)**	(160)	**(84)**	(160)
Share of results of associated undertakings and joint ventures		**(1)**	(0)	**(1)**	1
Profit/(loss) before tax		**(686)**	(1,031)	**(411)**	(494)
Income tax	11	**175**	217	**105**	111
Non recurring tax adjustments	11	**579**	-	**(4)**	-
Profit/(loss) for the period from continuing operations		**68**	(814)	**(310)**	(383)
Profit/(loss) for the period from discontinued operations	12	**(18)**	(51)	**(18)**	(57)
Net profit/(loss) for the period		**50**	(865)	**(328)**	(440)
Net profit for the period attributable to non controlling interest		**6**	7	**3**	4
Net profit/(loss) for the period attributable to shareholders		**44**	(872)	**(331)**	(444)
		€	€	€	€
Earnings/(losses) per share					
-Basic and diluted earnings/(losses) per share	9	**0.04**	(12.21)	**(0.26)**	(7.74)
Earnings/(losses) per share from continuing operations					
-Basic and diluted earnings/(losses) per share	9	**0.07**	(11.29)	**(0.25)**	(6.72)

Notes on pages 8 to 21 form an integral part of these condensed consolidated interim financial statements

	Note	30 June 2013 € million	31 December 2012 € million
ASSETS			
Cash and balances with central banks		**2,049**	2,065
Loans and advances to banks		**2,820**	4,693
Financial instruments at fair value through profit or loss		**484**	710
Derivative financial instruments		**1,386**	1,888
Loans and advances to customers		**40,987**	43,171
Investment securities	15	**13,120**	9,469
Property, plant and equipment		**1,393**	1,306
Intangible assets		**402**	406
Deferred tax asset		**2,945**	2,106
Other assets	17	**1,800**	1,839
Total assets		**67,386**	67,653
LIABILITIES			
Due to central banks		**21,733**	29,047
Due to other banks		**5,768**	2,772
Derivative financial instruments		**1,932**	2,677
Due to customers		**30,185**	30,752
Debt issued and other borrowed funds	18	**931**	1,365
Other liabilities		**1,714**	1,695
Total liabilities		**62,263**	68,308
EQUITY			
Ordinary share capital	19	**1,153**	1,222
Share premium	19	**5,985**	1,451
Ordinary shares under issue	19	**316**	-
Other reserves		**(3,641)**	(4,922)
Preference shares	20	**950**	950
Preferred securities	21	**77**	367
Non controlling interest		**283**	277
Total equity		**5,123**	(655)
Total equity and liabilities		**67,386**	67,653

Notes on pages 8 to 21 form an integral part of these condensed consolidated interim financial statements

	Six months ended 30 June				Three months ended 30 June			
	2013 € million		2012 € million		2013 € million		2012 € million	
Profit/(loss) for the period		**50**		(865)		**(328)**		(440)
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Cash flow hedges								
- net changes in fair value, net of tax	**22**		(88)		**16**		(72)	
- transfer to net profit, net of tax	**36**	**58**	20	(68)	**18**	**34**	26	(46)
Available for sale securities								
- net changes in fair value, net of tax	**5**		39		**3**		(5)	
- impairment losses on investment securities transfer to net profit, net of tax	**(2)**		30		**(4)**		30	
- transfer to net profit, net of tax	**(6)**	**(3)**	1	70	**(13)**	**(14)**	0	25
Foreign currency translation								
- net changes in fair value, net of tax	**(5)**	**(5)**	(37)	(37)	**(16)**	**(16)**	(14)	(14)
Other comprehensive income for the period		**50**		(35)		**4**		(35)
Total comprehensive income for the period attributable to:								
Shareholders								
- from continuing operations	**112**		(863)		**(308)**		(420)	
- from discontinued operations	**(18)**	**94**	(43)	(906)	**(18)**	**(326)**	(58)	(478)
Non controlling interest								
- from continuing operations	**6**		6		**2**		3	
- from discontinued operations	**-**	**6**	0	6	**-**	**2**	-	3
		100		(900)		**(324)**		(475)

Notes on pages 8 to 21 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Statement of Changes in Equity
for the six months ended 30 June 2013

	Ordinary share capital € million	Share premium € million	Special reserves and ordinary shares under issue € million	Retained earnings € million	Preference shares € million	Preferred securities € million	Non controlling interest € million	Total € million
Balance at 1 January 2012, as previously reported	1,226	1,439	1,276	(5,039)	950	745	278	875
Adjustments due to retrospective application of IAS 19 Amendment (note 3)	-	-	16	(16)	-	-	-	-
Balance at 1 January 2012, as restated	1,226	1,439	1,292	(5,055)	950	745	278	875
Other comprehensive income for the period	-	-	(34)	-	-	-	(1)	(35)
Profit/(loss) for the period	-	-	-	(872)	-	-	7	(865)
Total comprehensive income for the six months ended 30 June 2012	-	-	(34)	(872)	-	-	6	(900)
Acquisitions/changes in participating interests in subsidiary undertakings	-	-	-	0	-	-	(0)	(0)
(Purchase)/sale of preferred securities, net of tax	-	-	-	212	-	(374)	-	(162)
Preferred securities' dividend paid, net of tax	-	-	-	(18)	-	-	-	(18)
Dividends distributed by subsidiaries attributable to non controlling interest	-	-	-	-	-	-	(11)	(11)
Share-based payment:								
- Value of employee services	-	-	(0)	-	-	-	-	(0)
Purchase of treasury shares	(0)	0	-	-	-	-	-	(0)
Sale of treasury shares, net of tax and related expenses	0	(1)	-	-	-	-	-	(1)
	0	(1)	(0)	194	-	(374)	(11)	(192)
Balance at 30 June 2012	1,226	1,438	1,258	(5,733)	950	371	273	(217)
Balance at 1 January 2013, as previously reported	**1,222**	**1,451**	**1,191**	**(6,113)**	**950**	**367**	**277**	**(655)**
Adjustments due to retrospective application of IAS 19 Amendment (note 3)	-	-	21	(21)	-	-	-	**-**
Balance at 1 January 2013, as restated	**1,222**	**1,451**	**1,212**	**(6,134)**	**950**	**367**	**277**	**(655)**
Other comprehensive income for the period	-	-	50	-	-	-	(0)	**50**
Profit/(loss) for the period	-	-	-	44	-	-	6	**50**
Total comprehensive income for the six months ended 30 June 2013	**-**	**-**	**50**	**44**	**-**	**-**	**6**	**100**
Share capital decrease by reducing the ordinary shares' par value	(1,211)	-	1,211	-	-	-	-	**-**
Share capital increase following recapitalisation, net of expenses	1,136	4,537	-	-	-	-	-	**5,673**
Shares under issue following LME, net of expenses	-	-	316	-	-	-	-	**316**
(Purchase)/sale of preferred securities, net of tax	-	-	-	(12)	-	(290)	-	**(302)**
Preferred securities' dividend paid, net of tax	-	-	-	(10)	-	-	-	**(10)**
Share-based payment:								
- Value of employee services	-	-	(1)	-	-	-	-	**(1)**
Purchase of treasury shares	(0)	0	-	-	-	-	-	**(0)**
Sale of treasury shares, net of tax and related expenses	6	(3)	-	(1)	-	-	-	**2**
	(69)	**4,534**	**1,526**	**(23)**	**-**	**(290)**	**-**	**5,678**
Balance at 30 June 2013	**1,153**	**5,985**	**2,788**	**(6,113)**	**950**	**77**	**283**	**5,123**
	Note 19	Note 19			Note 20	Note 21		

Notes on pages 8 to 21 form an integral part of these condensed consolidated interim financial statements

	Six months ended 30 June	
	2013	2012
	€ million	€ million
Cash flows from operating activities		
Interest received and net trading receipts	**1,007**	1,674
Interest paid	**(627)**	(1,046)
Fees and commissions received	**195**	194
Fees and commissions paid	**(66)**	(70)
Cash payments to employees and suppliers	**(439)**	(466)
Income taxes paid	**(8)**	(18)
Cash flows from continuing operating profits before changes in operating assets and liabilities	**62**	268
Changes in operating assets and liabilities		
Net (increase)/decrease in cash and balances with central banks	**(208)**	1,117
Net (increase)/decrease in financial instruments at fair value through profit or loss	**70**	37
Net (increase)/decrease in loans and advances to banks	**1,386**	619
Net (increase)/decrease in loans and advances to customers	**1,627**	1,246
Net (increase)/decrease in derivative financial instruments	**(161)**	(83)
Net (increase)/decrease in other assets	**(185)**	(382)
Net increase/(decrease) in due to banks	**(4,331)**	1,201
Net increase/(decrease) in due to customers	**(650)**	(3,735)
Net increase/(decrease) in other liabilities	**(99)**	(189)
Net cash from/(used in) continuing operating activities	**(2,489)**	99
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	**(63)**	(64)
Proceeds from sale of property, plant and equipment and intangible assets	**2**	2
(Purchases)/sales and redemptions of investment securities	**2,262**	1,213
Acquisition of associated undertakings and joint ventures	**(0)**	-
Dividends from investment securities, associated undertakings and joint ventures	**1**	1
Net cash from/(used in) continuing investing activities	**2,202**	1,152
Cash flows from financing activities		
(Repayments)/proceeds from debt issued and other borrowed funds	**(435)**	(1,127)
Proceeds from ordinary shares under issue	**316**	-
Expenses paid for share capital increase	**(67)**	-
Purchase of preferred securities	**(295)**	(159)
Preferred securities' dividend paid	**(14)**	(22)
(Purchase)/sale of treasury shares	**2**	0
Net contributions by non controlling interest	**0**	(11)
Net cash from/(used in) continuing financing activities	**(493)**	(1,319)
Effect of exchange rate changes on cash and cash equivalents	**(1)**	(16)
Net increase/(decrease) in cash and cash equivalents from continuing operations	**(781)**	(84)
Net cash flows from discontinued operating activities	**-**	(216)
Net cash flows from discontinued investing activities	**-**	176
Net increase/(decrease) in cash and cash equivalents from discontinued operations	**-**	(40)
Cash and cash equivalents at beginning of period	**2,214**	3,124
Cash and cash equivalents at end of period	**1,433**	3,000

Notes on pages 8 to 21 form an integral part of these condensed consolidated interim financial statements

1. General information

Eurobank Ergasias S.A. (the "Bank") and its subsidiaries (the "Group") are active in retail, corporate and private banking, asset management, insurance, treasury, capital markets and other services. The Bank is incorporated in Greece and its shares are listed on the Athens Stock Exchange. The Group operates mainly in Greece and in Central, Eastern and Southeastern Europe.

These condensed consolidated interim financial statements were approved by the Board of Directors on 30 August 2013.

2. Basis of preparation of condensed consolidated interim financial statements

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and they should be read in conjunction with the Group's published consolidated annual financial statements for the year ended 31 December 2012. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period. Except as indicated, financial information presented in euro has been rounded to the nearest million.

Going concern considerations

The financial statements have been prepared on a going concern basis. In making its assessment of the Group's ability to continue as a going concern, the Board of Directors has taken into consideration the impact of the following factors:

<u>Solvency risk</u>

The Group has incurred substantial impairment losses as a result of the Hellenic Republic's debt restructuring (PSI+). Such losses had a respective impact on the accounting and regulatory capital of the Group as of 31 December 2011, which fell below the minimum capital requirements as determined by the Bank of Greece (BoG).

Capital needs of the Group were assessed in November 2012 by BoG at the level of € 5,839 million, in order to be able to achieve the level of Core Tier I capital of 9% throughout the period to end of 2014. This assessment took into account, inter alia, the PSI impairment losses, the results of Blackrock's diagnostic review and the Group's business plan which also included certain capital strengthening actions.

The Hellenic Financial Stability Fund (HFSF) has contributed to the Bank EFSF notes of total € 5,839 million for its participation in the share capital increase of the Bank, which qualifies as Tier I capital (note 7).

On 28 March 2013, the BoG issued an Executive Committee Act (13/28.03.2013) bringing the limit for the Core Tier I capital to 9% of Risk Weighted Assets and for Equity Core Tier I to 6%, effective from 31 March 2013. According to the new definition of Core Tier I capital, AFS reserve is fully recognised, while the deferred tax asset's recognition is limited to 20% of Core Tier I capital. According to the Group's capital adequacy figures at 30 June 2013, the minimum ratio of 9%, pursuant to the new definition, is not met. The Group is examining or already implementing a number of initiatives for complying with the new regulation, such as the transaction with Fairfax Holdings Limited (note 25) or transactions associated with the restructuring, transformation or optimisation of operations in Greece and abroad that will generate or release capital and/or reduce Risk Weighted Assets. Finally, the implementation of a solid integration program for New TT Hellenic Postbank S.A. and New Proton Bank S.A., the acquisition of which is expected to be completed in the third quarter of 2013, is expected to provide substantial synergies and further enhance the capital base of the Group.

<u>Liquidity risk</u>

The difficulty of the Greek banks to gain access to the international capital and money markets and the reduction of deposits due to heightened sovereign risk and deterioration of the Greek economy led to an increased reliance of the Group to Eurosystem financing facilities. Although the dependence on Eurosystem funding has significantly decreased compared to its peak levels, as a result of access to the repo markets, deleveraging and deposit inflows, these conditions pose a significant ongoing liquidity challenge for the Group and the Greek Banking system in general. The Group expects, as also confirmed in the latest Troika's progress report on the second adjustment program for Greece published in July 2013, that the European Central Bank (ECB) and BoG will preserve sufficient banking system liquidity in line with Eurosystem rules, which stipulate, inter alia, that access to direct ECB, as opposed to other Eurosystem funding, is subject to the Bank maintaining a minimum level of regulatory capital. In addition, following the expected, during the third quarter of 2013, completion of acquisition of New TT Hellenic Postbank S.A., the Group will further lower its dependency on Eurosystem funding.

<u>Other economic uncertainties</u>

The continued deterioration of the Greek economy has adversely affected the Group's operations and presents significant risks and challenges for the years ahead. Currently, there are a number of material economic and market risks and uncertainties that impact the Greek Banking system. The main risks stem from the adverse macroeconomic environment, the developments on the eurozone sovereign debt crisis and the success, or otherwise, of the significant fiscal adjustment efforts and their impact on the Greek economy. The significant progress made to date could be compromised by external shocks from the global economy as well as implementation risks, political instability and reform fatigue in Greece. The attraction of new investments and the revival of economic growth remain key challenges of the Greek economy. On the other hand, as Greece has taken effective action towards fiscal consolidation, has made progress in the budgetary area and with reforms in other key sectors of the economy, upside risks also exist. Particularly if, first privatisation efforts, associated with the rapid improvement of the investment climate and the restoration of confidence, show resilience and are accompanied by sustained strong policy implementation.

Continuation of the recession could adversely affect the region and could lead to lower profitability, deterioration of asset quality and a further reduction of deposits. In addition, increased funding cost remains a significant risk, as it is dependent on both the level of sovereign spreads as well as on foreign exchange rate risk, due to the unstable nature of some currencies. These conditions may further challenge the Group's capital adequacy position over the foreseeable future.

Notwithstanding the conditions and uncertainties mentioned above, the Directors, having considered the mitigating factors set out below, as well as the completion of the Bank's share capital increase, have a reasonable expectation that the Group will complete within a specific timeframe all actions and initiatives scheduled to bring regulatory capital above minimum required. Hence they are satisfied that the financial statements of the Group can be prepared on a going concern basis:

(a) that the Group continues the implementation of its medium term internal capital generating plan, which includes initiatives generating or releasing Core Tier I capital and/or reducing Risk Weighted Assets,

(b) should they become necessary, the availability of additional recapitalisation funds from the official sector that can support any capital needs on top of the amounts already provided by HFSF through the recent share capital increase,

(c) the existence of the comprehensive financial support program of the EC/ECB/IMF (including the € 50 bn recapitalisation facility), aiming to correct Greece competitiveness gap and restore growth, employment and public debt sustainability and secure the banking system's stability,

(d) the Greek authorities' commitment to support the banking system and create a viable and well capitalised private banking sector, and

(e) the Group's continued access to Eurosystem funding (ECB and ELA liquidity facilities) over the foreseeable future.

3. Principal accounting policies

The accounting policies and methods of computation in these condensed consolidated interim financial statements are consistent with those in the published consolidated annual financial statements for the year ended 31 December 2012, except as described below.

(a) The following accounting policy has been added, compared to the principal accounting policies of the Group applied to the annual financial statements for the year ended 31 December 2012:

Business combinations involving entities under common control

Pursuant to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", since business combinations between entities under common control are excluded from the scope of IFRS 3 "Business Combinations", such transactions are accounted for in the Group's financial statements by using the pooling of interests method, with reference to the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework and comply with the IFRS general principles, as well as accepted industry practices.

Under the pooling of interests method, the Group incorporates the assets and liabilities of the acquiree at their pre-combination carrying amounts without any fair value adjustments. Any difference between the cost of the transaction and the carrying amount of the net assets acquired is recorded in Group's equity.

(b) The following standards and amendments to standards, as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU), are effective from 1 January 2013:

- IAS 1, Amendment - Presentation of Items of Other Comprehensive Income
- IAS 12, Amendment - Deferred tax: Recovery of Underlying Assets
- IAS 19, Amendment - Employee Benefits
- IFRS 7, Amendment - Disclosures, Offsetting Financial Assets and Financial Liabilities
- IFRS 13, Fair Value Measurement
- Annual Improvements to IFRSs 2009–2011 Cycle

As a result of the Group's adoption of IAS 19 Amendment, which has been applied retrospectively from 1 January 2012, actuarial gains/losses are now recognized in other comprehensive income and are excluded from profit or loss. This change in accounting policy decreased the retained earnings and increased special reserves by € 16 million, net of tax, as at 1 January 2012 and by a further € 5 million, net of tax, as at 1 January 2013, having no impact on total Group's net assets. The adoption of the amendment had no impact on neither consolidated Interim Income Statement, Balance Sheet, Statement of Comprehensive Income and Cash Flow Statement as at 30 June 2013 nor on their comparatives.

Except from IAS 19 Amendment, the adoption of the rest of the amendments, currently has no significant effect to the Group's financial statements.

4. Critical accounting estimates and judgements in applying accounting policies

In preparing these condensed consolidated interim financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the published consolidated annual financial statements for the year ended 31 December 2012.

5. Greek Economy Liquidity Support Program

The Bank participates in the Greek Government's plan to support liquidity in the Greek economy under Law 3723/2008, as amended by Laws 3844/2010, 3845/2010, 3872/2010, 3965/2011 and 4093/2012 and extended by Ministerial decision 30089/B.1785/8.7.2013, as follows:

(a) First stream - preference shares
345,500,000 non-voting preference shares with nominal value of € 950 million were subscribed to by the Hellenic Republic on 21 May 2009 (note 20).

(b) Second stream - bonds guaranteed by the Hellenic Republic
As at 30 June 2013, the government guaranteed bonds, totalling to € 13,932 million, were fully retained by the Bank and its subsidiaries. In February 2013, government guaranteed bonds amounting to € 2,344 million, matured (note 18).

Under Law 3723/2008, as amended by Law 3965/2011, for the period the Bank participates in the program through the preference shares or the guaranteed bonds, the Government is entitled to appoint its representative to the Board of Directors, veto strategic decisions, decisions which alter substantially the legal or financial position of the Bank and require the General Assembly's approval and dividend distributions as well as restrict management remuneration.

In addition, under Law 3756/2009, as amended by Law 3844/2010 and supplemented by Laws 3965/2011, 4063/2012 and 4144/2013, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 to 2012, and are not allowed to acquire treasury shares under article 16 of the Company Law.

6. Credit exposure to Greek sovereign debt

Greek Government bonds exchanged under PSI+ in 2012

Under the Group's participation in the Greek Government Bond exchange program (PSI+), in March/April 2012, the Group received a) new Greek government bonds (nGGBs) with face value equal to 31.5% of the face amount of the old bonds, b) EFSF notes having a face amount of 15% of the face value of the old bonds and c) GDP-linked securities. All exchanged bonds were derecognised and the new GGBs, classified in the Held to Maturity portfolio, recognised at fair value with an impact of € 5.8 bn losses recorded in 2011 financial statements. In 2012 and, following the international financial community's view that the market for nGGBs is active, the Group recognised an additional valuation loss of € 427 million based on market quotes at the date of recognition. GDP-linked securities were classified as derivatives. Furthermore, due to its participation in the PSI+ exchange program, the Group incurred additional costs (extra funding cost, cost related with old GGBs hedging instruments) amounting to € 12 million, while other losses on Greek sovereign exposure amounting to € 115 million recognized by the Group in 2012, related with valuation losses for derivatives with the Greek State and for a Greek sovereign risk related financial guarantee.

Greek State's debt buyback program in 2012

Following the Eurogroup's decisions on 27 November 2012 as part of debt reduction measures, the Greek State announced on 3 December 2012 an invitation to eligible holders of nGGBs to submit offers to exchange such securities for six months zero coupon notes to be issued by the European Financial Stability Fund (EFSF). On 18 December 2012, pursuant to the above invitation, nGGBs of aggregate face amount of € 31.9 bn were eventually exchanged for EFSF notes of face amount of € 11.3 bn.

Under its participation to the Greek state's debt buyback program, the Group submitted for exchange the 100% of its nGGBs portfolio of total face value € 2.3 bn (carrying amount € 0.6 bn) and received EFSF notes of total face value € 0.8 bn.

6. Credit exposure to Greek sovereign debt (continued)

Greek sovereign exposure

As at 30 June 2013, the total carrying value of Greek sovereign exposure amounted to € 5,176 million (31 December 2012: € 6,041 million). This includes a) Treasury Bills of € 2,240 million (31 December 2012: € 3,053 million), b) GGBs of € 905 million maturing in 2014 and issued for the Greek State's subscription to the Preference Shares issued under Law 3723/2008 "Greek Economy Liquidity Support Program" (31 December 2012: € 904 million). These GGBs are expected to be repaid in full, c) other non PSI+ exchanged GGBs of € 866 million (31 December 2012: € 832 million), d) derivatives with the Greek State of € 628 million (31 December 2012: € 724 million), e) exposure of € 187 million relating with Greek Sovereign risk financial guarantee (31 December 2012: € 187 million), f) loans guaranteed by the Greek State of € 186 million (31 December 2012: € 182 million), g) loans to Greek public sector of € 150 million (31 December 2012: € 154 million) and h) nGGBs of € 14 million included in trading portfolio (31 December 2012: € 5 million).

In view of (i) the increasing prospects of stabilization and improvement of the Greek economy leading to Greece's recent credit rating upgrade, (ii) the continuous increase in the market value of Greek bonds signalling the significant improvement of the credit spread, and (iii) considering that no credit event has occurred since the PSI+ on Greek Government obligations, in the first quarter of 2013 the Group proceeded with the reversal of an impairment loss of € 75 million, which was initially recognized in 2011, for a non-PSI exchanged Greek Government bond.

7. Greek Banks' recapitalisation

Recapitalisation framework and process

Given the severity of the impact of the PSI+, on 21 February 2012 the Euro Area finance ministers allocated a total of € 50 bn of the second support program for Greece specifically for the recapitalisation of the Greek banking system. These funds were directed to the Hellenic Financial Stability Fund (HFSF) whose mandate has been extended and enhanced accordingly. € 39 bn of these funds were remitted to Greece in 2012 and the final € 11 bn in 2013.

The Bank of Greece (BoG) has assessed the viability of each Greek bank and estimated its capital needs based on the more demanding of (a) a minimum Core Tier I ratio of 9% under the baseline scenario and (b) 7% under the adverse stress scenario, throughout the period to end of 2014. Capital needs of each bank were assessed based on, inter alia, the impact of its participation in the PSI+ program, the results from the BlackRock loan diagnostic exercise, the viability of its business plan, and a detailed timetable of mitigating actions to restore solvency. BoG and the European Central Bank (ECB) assessed that the € 50 bn is adequate to cover the capital needs, as above, of the viable Greek Banks and the resolution of the non viable ones.

In the meantime, the impact of Greek banks participation in the PSI+ was such that they required a temporary financial support from the HFSF, subject to the requirements provided by law and the presubscription agreement signed by each bank, the HFSF and the European Financial Stability Fund (EFSF) (see below).

The HFSF was established in 2010, in order to maintain the stability of the Greek banking system through ensuring that adequate resources are available to support viable banks' recapitalisation needs and participating in the capital increases for any non-subscribed part.

Banks considered viable were given the opportunity to apply for and receive Core Tier I-eligible capital from the HFSF under a certain process, ruled by Law 3864/2010 and Cabinet Act 38/9.11.2012. According to that legal framework, capital may take the form of ordinary shares, contingent convertible financial instruments or ordinary shares with restricted voting rights. Ordinary shares with restricted voting rights were only available if private investors contributed 10% of the capital raising at the rights issue. The voting rights of the HFSF for the ordinary shares it holds, if the 10% threshold mentioned above is met, is strictly limited to specific strategic decisions on the condition that the bank adheres to its restructuring plan and as long as contingent convertible financial instruments (CoCos) are not mandatorily converted to ordinary shares. The HFSF is obliged to dispose, fully or partly, of all the shares it acquires within five years from the initial rights issue covered by HFSF, if the required 10% private participation is met and within two years if not. In both cases the disposal period may be extended by the Minister of Finance. Cabinet Act 38/9.11.2012, agreed in consultation with the Troika (European Commission, ECB and IMF), provided the technical details of the banks' recapitalisation framework.

Non viable Banks were resolved by the HFSF, in an orderly manner and at the lowest cost to the State, in a way that ensures financial stability.

To ensure that the system remains well-capitalized, the Bank of Greece has initiated, as committed, a follow-up stress-test exercise, based on macro assumptions and performance until June 2013, and using a methodology determined in consultation with the Troika (European Commission, ECB, IMF), to be concluded by end-December 2013.

Eurobank's share capital increase

The Bank of Greece, after assessing the business plan and the capital needs of Eurobank (the "Bank") concluded on 19 April 2012 that Eurobank is a viable bank and, on 8 November 2012, notified the Bank that its Tier I capital should increase by € 5,839 million. The Bank, the HFSF and the EFSF signed on 28 May 2012, on 21 December 2012 and on 30 April 2013 a trilateral presubscription agreement (PSA) for the advance to the Bank of EFSF notes of face value of € 3,970 million, € 1,341 million and € 528 million, respectively (total € 5,839 million), as advance payment of its participation in the share capital increase of the Bank.

On 7 April 2013, the relevant regulatory authorities, with the consent of the management of both banks, decided that National Bank of Greece (NBG) and Eurobank will be independently recapitalized in full. As a consequence, the merger process of the two Banks was suspended (note 26). Following the above decision, the Board of Directors evaluated the specificities of the exercise in relation with the attraction of capital from private investors and, in particular, the uncertainty regarding the completion or not of the merger with NBG, the ensuing inability of properly assessing the investment proposal, as well as the absence of tens of thousands of Eurobank's traditional shareholders who were substituted, due to the recent Voluntary Tender Offer, by NBG's stake of approximately 85% in the Bank's capital. As a consequence, the Board of Directors proposed to the Extraordinary General Meeting on 30 April 2013 that the share capital increase of € 5,839 million be fully subscribed by the HFSF.

On 30 April, the Extraordinary General Meeting approved the increase of the share capital of the Bank, in accordance with the provisions of Law 3864/2010 and Act of Cabinet 38/9.11.2012, in order to raise € 5,839 million by issuing 3,789,317,358 new ordinary shares, covered entirely by the HFSF with the contribution of bonds issued by the EFSF and owned by the HFSF (note 19). The capital increase was certified on 31 May and the listing of the new shares was completed on 19 June 2013 after obtaining the relevant approvals from Greek regulatory authorities.

In parallel, since the beginning of the crisis, the Group continued the implementation of its medium term internal capital generating plan, which includes initiatives generating or releasing Core Tier I capital and/or reducing Risk Weighted Assets, which have created/released a total capital of € 1.9 bn.

On 28 March 2013, the BoG issued an Executive Committee Act (13/28.03.2013) bringing the limit for the Core Tier I capital to 9% of Risk Weighted Assets and for Equity Core Tier I to 6%, effective from 31 March 2013. According to the new definition of Core Tier I capital, AFS reserve is fully recognised, while deferred tax asset's recognition is limited to 20% of Core Tier I capital. According to the Group's capital adequacy figures at 30 June 2013, the Core Tier I ratio stood at 6.5%. Proforma with the completion of transaction with Fairfax Financial Holdings Limited (note 25) and with the incorporation of new TT Hellenic Postbank S.A. and New Proton Bank S.A., which is expected to complete in the third quarter of 2013, Core Tier I ratio stood at 8.1% and Total Capital Adequacy ratio (CAD) at 8.3%. The Group is examining a number of additional initiatives for complying with the new capital adequacy regulation, associated with the restructuring, transformation or optimisation of operations, in Greece and abroad, that will generate or release capital and/or reduce Risk Weighted Assets, and which, in combination with the above transactions, will enhance the capital base of the Group at levels above minimum required.

7. Greek Banks' recapitalisation (continued)

Restructuring plan

The 28 May 2012 PSA (see above) was assessed as State Aid by the European Commission. Therefore, along with the other viable banks, on 31 October 2012, Eurobank submitted a draft five year restructuring plan to the HFSF, the Ministry of Finance and the European Commission. Following completion of the recapitalisation process, the European Commission has asked that the Greek banks' plans are revisited and resubmitted for approval. The approval process should be completed by 30 September 2013.

Eurobank will submit a comprehensive business plan that will enable the Bank to rapidly attract capital, private, institutional and/or strategic, from Greece and abroad, as provided for by the current legal framework. The plan, adapted to the needs of, and the new conditions prevailing in, the Greek and international banking markets, will enable the further enhancing of Eurobank's capital base, allowing it to retain and increase its corporate value, its access to international markets and prompt return to organic profitability; in so doing, it will safeguard the Bank's ability to play a leading role in the national effort to exit the crisis and return to positive growth.

Eurobank's re-privatisation plan-Initial Public Offering (IPO)

As stated in the Memorandum of Economic and Financial Policies (MEFP) of the Second Adjustment Program for Greece published in July 2013, the Hellenic Republic will undertake to place a substantial part of the equity stake in Eurobank held by HFSF to a privately owned strategic international investor by end of March 2014. In this context, a number of intermediary milestones are also provided. To this end, Eurobank's management will cooperate with HFSF and its advisors to design the structure of the placement with a view to incentivise participation of strategic investors who wish to obtain a majority stake in the future.

Monitoring Trustee

The Memorandum of Economic and Financial Policies (MEFP) of the Second Adjustment Program for Greece between the Hellenic Republic, the European Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB) provides for the appointment of a monitoring trustee in all banks under State Aid.

On 22 February 2013, the Bank appointed Grant Thornton as its Monitoring Trustee (MT). The MT will monitor compliance with commitments on corporate governance and commercial operational practices, and the implementation of the restructuring plan and report to the European Commission.

8. Segment information

Management has determined the operating segments based on the internal reports reviewed by the Executive Board (which replaced the Strategic Planning Group (SPG) from 2 August 2013) that are used to allocate resources and to assess its performance in order to make strategic decisions. The Executive Board considers the business both from a business unit and geographic perspective. Geographically, management considers the performance of its business in Greece and other countries in Europe (International). Greece is further segregated into retail, wholesale, wealth management, and global and capital markets while International is monitored and reviewed on a country basis. The Group aggregates segments when they exhibit similar economic characteristics and profile and are expected to have similar long-term economic development.

With the exception of Greece no other individual country contributed more than 10% of consolidated net income. The Group is organized in the following reportable segments:

- Retail: incorporating customer current accounts, savings, deposits and investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate: incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities.
- Wealth Management: incorporating private banking services, including total wealth management, to medium and high net worth individuals, insurance, mutual fund and investment savings products, and institutional asset management.
- Global and Capital Markets: incorporating investment banking services including corporate finance, merger and acquisitions advice, custody, equity brokerage, financial instruments trading and institutional finance to corporate and institutional entities, as well as, specialised financial advice and intermediation to private and large retail individuals as well as small and large corporate entities.
- International: incorporating operations in Romania, Bulgaria, Serbia, Cyprus, Ukraine and Luxembourg.

Other operations of the Group comprise mainly of investing activities, including property management and investment and the management of unallocated capital.

The Group's management reporting is based on International Financial Reporting Standards (IFRS). The accounting policies of the Group's operating segments are the same with those described in the principal accounting policies.

Revenues from transactions between business segments are allocated on a mutually agreed basis at rates that approximate market prices.

	For the six months ended 30 June 2013							
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	International € million	Elimination centre € million	Total € million
External revenue	308	235	85	(169)	(36)	264	-	687
Inter-segment revenue	42	11	(28)	(18)	5	1	(13)	-
Total revenue	350	246	57	(187)	(31)	265	(13)	687
Profit/(loss) before tax from continuing operations before one-offs	(346)	(49)	25	(218)	(49)	(15)	-	(652)
One-offs (notes 6 and 14)	-	(16)	0	49	(56)	(11)	-	(34)
Profit/(loss) before tax from discontinued operations	-	-	-	-	(18)	-	-	(18)
Non controlling interest	-	-	-	-	(6)	(0)	-	(6)
Profit/(loss) before tax attributable to shareholders, after one-offs	(346)	(65)	25	(169)	(129)	(26)	-	(710)
Profit/(loss) before tax attributable to shareholders, before one-offs	(346)	(49)	25	(218)	(73)	(15)	-	(676)
Segment assets	20,391	13,419	1,709	7,929	10,611	13,327	-	67,386

8. Segment information (continued)

	For the six months ended 30 June 2012							
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	International € million	Elimination centre € million	Total € million
External revenue	368	222	58	149	(50)	273	-	1,020
Inter-segment revenue	32	12	(20)	(20)	15	1	(20)	-
Total revenue	400	234	38	129	(35)	274	(20)	1,020
Profit/(loss) before tax from continuing operations before one-offs	(397)	93	8	94	(63)	(52)	-	(317)
One-offs (notes 6 and 14)	-	-	(9)	(596)	(109)	-	-	(714)
Profit/(loss) before tax from discontinued operations	-	-	-	-	(74)	11	-	(63)
Non controlling interest	-	-	0	-	(7)	(0)	-	(7)
Profit/(loss) before tax attributable to shareholders, after one-offs	(397)	93	(1)	(502)	(253)	(41)	-	(1,101)
Profit/(loss) before tax attributable to shareholders, before one-offs	(397)	93	8	94	(144)	(41)	-	(387)

	31 December 2012							
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	International € million	Elimination centre € million	Total € million
Segment assets	21,270	14,269	2,078	11,710	4,171	14,155	-	67,653

9. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Group has two categories of potentially dilutive ordinary shares: share options and convertible, subject to certain conditions, preferred securities (Series D and E). In order to adjust the weighted average number of shares for the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Bank's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is added to the weighted average number of ordinary shares in issue in order to determine the weighted average number of ordinary shares used for the calculation of the diluted earnings per share.

		Six months ended 30 June		Three months ended 30 June	
		2013	2012	**2013**	2012
Net profit/(loss) for the period attributable to ordinary shareholders (after deducting dividend attributable to preferred securities holders and after including gains/(losses) on preferred securities)	*€ million*	**28**	(675)	**(340)**	(428)
Net profit/(loss) for the period from continuing operations (after deducting dividend attributable to preferred securities holders and after including gains/(losses) on preferred securities)	*€ million*	**46**	(624)	**(321)**	(371)
Weighted average number of ordinary shares in issue	*Number of shares*	***682,677,619***	*55,227,379*	***1,304,520,313***	*55,228,983*
Weighted average number of ordinary shares for diluted earnings per share	*Number of shares*	***682,677,619***	*55,227,379*	***1,304,520,313***	*55,228,983*
Earnings/(losses) per share					
- Basic and diluted earnings/(losses) per share	€	**0.04**	(12.21)	**(0.26)**	(7.74)
Earnings/(losses) per share from continuing operations					
- Basic and diluted earnings/(losses) per share	€	**0.07**	(11.29)	**(0.25)**	(6.72)

Basic and diluted losses per share from discontinued operations for the period ended 30 June 2013 amount to € 0.03 (30 June 2012: € 0.09).

Basic and diluted earnings per share for 2012 have been adjusted taking into account the reverse split of the ordinary shares at a ratio of 10 existing shares for a new share in accordance with the decisions of the Extraordinary General Meeting held on 30 April 2013.

Share options did not have an effect on the diluted earnings per share, as their exercise price exceeded the average market price of the Bank's shares for the period. The Series D and E of preferred securities (note 21), were not included in the calculation of diluted earnings per share for the period, as their effect would have been anti-dilutive.

10. Other operating income

In the first half of 2013, the Group proceeded with the sale of loans to banks amounting to € 840 million at a discount of 1.6%, with a resulting loss of € 13 million. This initiative enhanced the Group's Core Tier I ratio by reducing the Risk Weighted Assets and improved its liquidity position.

11. Income tax

According to Law 4110/2013, the nominal Greek corporate tax rate increased to 26% for income generated in accounting years 2013 and onwards. In addition, dividends distributed based on General Meetings held within 2013 are subject to 25% withholding tax, while dividends distributed based on General Meetings held as of 1 January 2014 onwards are subject to 10% withholding tax.

The increase of the corporate tax rate mentioned above resulted in the adjustment of the Group's cumulative deferred tax as of 30 June 2013 by € 608 million, compared to that recorded as of 1 January 2013, out of which € 596 million have been recorded in 30 June 2013 income statement and € 12 million in other comprehensive income.

Following the recalculation of subsidiaries' deferred tax asset, the Group recognised on 30 June 2013 income statement a loss amounting to € 17 million.

12. Discontinued operations

Disposal of Turkish operations

On 21 December 2012, the Group disposed Eurobank Tekfen A.S. and its subsidiaries to Burgan Bank of Kuwait, following the approvals from all competent authorities. The Group recognized a loss of € 31 million, before tax, arising from the recyclement of losses previously recognized in other comprehensive income (currency translation and available for sale reserve) to the income statement. Turkish operations for 2012 are presented in the International segment.

As at 30 June 2013, the Group recognized an additional loss of € 17 million, before tax, based on the Net Asset Value of Eurobank Tekfen A.S. and its subsidiaries at the closing of the transaction.

Disposal of Polish operations

Based on the terms of the Investment Agreement signed with Raiffeisen Bank International AG (RBI) in February 2011, the Group recorded the disposal of its Polish operations as of 31 March 2011 for a total consideration of € 718 million.

On 30 April 2012, the Group transferred 70% of its Polish banking subsidiary (Polbank) to RBI after obtaining the relevant approvals from the Polish Financial Supervision Authority (KNF). As of 30 April 2012, Polbank and RBI Poland (RBI's Polish banking subsidiary) are combined. The Group received € 460 million in cash, while the remaining consideration receivable is subject to adjustments based on the Net Asset value of Polbank at the closing of the transaction.

Moreover, on 30 April 2012 the Group exercised its put option on its remaining 13% stake in Raiffeisen Polbank. In October 2012, following the completion of the relevant transfer of shares, the Group received € 126 million in cash. As at 30 June 2012, the gain on the disposal of Polish operations was adjusted with € 74 million losses, before tax (€ 51 million losses, after tax).

The results of the Group's discontinued operations are set out below. The income statement distinguishes discontinued operations from continuing operations.

	30 June 2013 € million	30 June 2012 € million
Net interest income	**-**	46
Net banking fee and commission income	**-**	7
Other income from discontinued operations	**-**	5
Operating expenses	**-**	(39)
Impairment losses on loans and advances	**-**	(8)
Profit/(loss) before tax from discontinued operations	**-**	11
Income tax	**-**	(2)
Profit/(loss) before gain on disposal	**-**	9
Gain/(loss) on disposal before tax	**(18)**	(74)
Income tax	**0**	14
Net profit/(loss) from discontinued operations	**(18)**	(51)
Net profit from discontinued operations attributable to non controlling interest	**-**	0
Profit/(loss) for the period from discontinued operations attributable to shareholders	**(18)**	(51)

13. Provision for impairment losses on loans and advances to customers

The movement of the provision for impairment losses on loans and advances is as follows:

	€ million
Balance at 1 January 2013	**4,670**
Impairment losses on loans and advances charged in the period	841
Amounts recovered during the period	12
Loans written off during the period as uncollectible	(46)
Foreign exchange differences and other movements	(149)
Balance at 30 June 2013	**5,328**

14. Other non recurring losses

	30 June 2013 € million	30 June 2012 € million
Provision for claims in dispute	**40**	-
Valuation losses on derivative financial instruments	**23**	11
Expenses relating with NBG Voluntary Tender Offer	**17**	-
Impairment losses on bonds	**13**	100
Impairment losses on investment property	**11**	-
Impairment losses on mutual funds and equities	**5**	49
	109	160

14. Other non recurring losses (continued)

As at 30 June 2013, the Group recognised valuation losses on derivative financial instruments amounting to € 23 million due to the incorporation of the overnight index swap curve for cash collateralised derivatives. As at 30 June 2012, the Group recognised credit valuation losses amounting to € 11 million related with derivative financial instruments conducted with corporate clients.

As at 30 June 2012, the Group recognized an impairment loss amounting to € 100 million on subordinated debt issued by Agricultural Bank of Greece (ABG) whose license was revoked in July 2012 and has since been put in liquidation.

As at 30 June 2012, the Group recognized impairment losses amounting to € 49 million on equity securities (including mutual funds), for which the decline in fair value below cost was considered to be significant and/or prolonged, as a result of the continuing deterioration in the equity markets.

15. Investment securities

	30 June 2013 € million	31 December 2012 € million
Available-for-sale investment securities	**2,581**	3,183
Debt securities lending portfolio	**9,743**	4,897
Held-to-maturity investment securities	**796**	1,389
	13,120	9,469

In the second quarter of 2013, the Bank, in the context of its recapitalisation (note 7) received from the Hellenic Financial Stability Fund (HFSF) EFSF notes of € 5,839 million. The aforementioned notes are categorised under the Debt Securities Lending portfolio.

In the second quarter of 2013, the Group proceeded with the downsizing by sale of its "Held-to-Maturity" investment securities amounting to € 303 million (face value), as a response to the significant increase in the regulatory capital requirements of the banking industry, imposed by the Bank of Greece bringing the limit for the Core Tier I capital to 9% of Risk Weighted Assets and for Equity Core Tier I to 6%, effective from 31 March 2013 (note 7). The sale of the securities did not trigger tainting rules of the Group's "Held-to-Maturity" portfolio, as the significant increase in the regulatory requirements of the industry is a non-recurring event beyond the Group's control that could not have been reasonably anticipated upon initial classification of those securities.

In 2008 and 2010, in accordance with the amendments to IAS 39, the Group reclassified eligible debt securities from the "Available-for-sale" portfolio to "Debt securities lending" portfolio carried at amortised cost. Interest on the reclassified securities continued to be recognised in interest income using the effective interest rate method. As at 30 June 2013, the carrying amount of the reclassified securities was € 1,132 million. If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 30 June 2013 would have resulted in € 370 million losses net of tax, which would have been recognised in the available-for-sale revaluation reserve.

16. Shares in subsidiary undertakings

The following is a listing of the Bank's subsidiaries as at 30 June 2013:

Name	Note	Percentage Holding	Country of incorporation	Line of business
Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services	a	98.01	Greece	Business-to-business e-commerce, accounting and tax services
Enalios Real Estate Developments S.A. [(1)]		100.00	Greece	Real estate
ERB Insurance Services S.A.		100.00	Greece	Insurance brokerage
Eurobank Asset Management Mutual Fund Mngt Company S.A.		100.00	Greece	Mutual fund and asset management
Eurobank Business Services S.A.		100.00	Greece	Payroll and advisory services
Eurobank Equities S.A.		100.00	Greece	Capital markets and advisory services
Eurobank Ergasias Leasing S.A.		100.00	Greece	Leasing
Eurobank Factors S.A.		100.00	Greece	Factoring
Eurobank Financial Planning Services S.A.		100.00	Greece	Management of overdue loans
Eurobank Household Lending Services S.A.		100.00	Greece	Promotion/management of household products
Eurobank Properties R.E.I.C.		55.94	Greece	Real estate
Eurobank Property Services S.A.		100.00	Greece	Real estate services
Eurobank Remedial Services S.A.		100.00	Greece	Notification to overdue debtors
Eurolife ERB General Insurance S.A.		100.00	Greece	Insurance services
Eurolife ERB Life Insurance S.A.		100.00	Greece	Insurance services
Global Fund Management S.A. [(1)]		99.50	Greece	Investment advisors
Eurobank Bulgaria A.D.		99.99	Bulgaria	Banking
Bulgarian Retail Services A.D.		100.00	Bulgaria	Rendering of financial services and credit card management
ERB Auto Leasing E.O.O.D.		100.00	Bulgaria	Vehicle leasing and rental
ERB Property Services Sofia A.D.		80.00	Bulgaria	Real estate services
ERB Leasing E.A.D.		100.00	Bulgaria	Leasing
IMO 03 E.A.D.		100.00	Bulgaria	Real estate services
IMO Central Office E.A.D.		100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.		100.00	Bulgaria	Real estate services
IMO Rila E.A.D.		100.00	Bulgaria	Real estate services
ERB Hellas (Cayman Islands) Ltd		100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd		100.00	Channel Islands	Holding company
ERB Hellas Funding Ltd		100.00	Channel Islands	Special purpose financing vehicle
Eurobank Cyprus Ltd		100.00	Cyprus	Banking
CEH Balkan Holdings Ltd		100.00	Cyprus	Holding company
Chamia Enterprises Company Ltd		100.00	Cyprus	Special purpose investment vehicle
ERB New Europe Funding III Ltd		100.00	Cyprus	Finance company
NEU II Property Holdings Ltd		100.00	Cyprus	Holding company
NEU III Property Holdings Ltd		100.00	Cyprus	Holding company
NEU Property Holdings Ltd		100.00	Cyprus	Holding company

16. Shares in subsidiary undertakings (continued)

The following is a listing of the Bank's subsidiaries as at 30 June 2013:

Name	Note	Percentage Holding	Country of incorporation	Line of business
Eurobank Private Bank Luxembourg S.A.		100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.		100.00	Luxembourg	Fund management
Eurobank Holding (Luxembourg) S.A.		100.00	Luxembourg	Holding company
ERB New Europe Funding B.V.		100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.		100.00	Netherlands	Finance company
ERB New Europe Holding B.V.		100.00	Netherlands	Holding company
Bancpost S.A.		99.11	Romania	Banking
Eliade Tower S.A.		55.94	Romania	Real estate
ERB IT Shared Services S.A.		100.00	Romania	Informatics data processing
ERB Leasing IFN S.A.		100.00	Romania	Leasing
ERB Retail Services IFN S.A.		100.00	Romania	Credit card management
ERB ROM Consult S.A.	b	100.00	Romania	Consultancy services
Eurobank Finance S.A.		100.00	Romania	Investment banking
Eurobank Property Services S.A.		80.00	Romania	Real estate services
Eurolife ERB Asigurari De Viata S.A.		100.00	Romania	Insurance services
Eurolife ERB Asigurari Generale S.A.		100.00	Romania	Insurance services
IMO Property Investments Bucuresti S.A.		100.00	Romania	Real estate services
IMO-II Property Investments S.A.		100.00	Romania	Real estate services
Retail Development S.A.		55.94	Romania	Real estate
Seferco Development S.A.		55.94	Romania	Real estate
Eurobank A.D. Beograd		99.98	Serbia	Banking
EFG Business Services d.o.o. Beograd		100.00	Serbia	Payroll and advisory services
ERB Asset Fin d.o.o. Beograd		100.00	Serbia	Asset management
ERB Leasing A.D. Beograd		99.99	Serbia	Leasing
ERB Property Services d.o.o. Beograd		80.00	Serbia	Real estate services
IMO Property Investments A.D. Beograd		100.00	Serbia	Real estate services
Reco Real Property A.D.		55.94	Serbia	Real estate
EFG Istanbul Holding A.S.		100.00	Turkey	Holding company
Public J.S.C. Universal Bank		99.97	Ukraine	Banking
ERB Property Services Ukraine LLC		100.00	Ukraine	Real estate services
Anaptyxi II Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi II Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME I Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME I Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Andromeda Leasing I Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Andromeda Leasing I Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion 2007-1 Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion APC Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
ERB Hellas Plc		100.00	United Kingdom	Special purpose financing vehicle
Karta II Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta II Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion II Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion III Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion III Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion IV Holdings Ltd (2)		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion IV Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)

(1) *dormant/under liquidation entities not consolidated due to immateriality*
(2) *not consolidated due to immateriality*

(a) Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services, Greece
The Annual General Meeting of Be-Business Exchanges S.A. held in June 2013 decided the change of its name and the expansion of its activities. The new name of the entity is "Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services" and provides additionally accounting and tax services.

(b) ERB ROM Consult S.A., Romania
In March 2013, the name and activity of "Eurobank Securities S.A." were changed. The new name of the entity is "ERB ROM Consult S.A." and it provides consultancy services.

(c) Anaptyxi 2006-1 Plc, Anaptyxi APC Ltd, Anaptyxi Holdings Ltd and Anaptyxi Options Ltd, United Kingdom
In January 2013, the companies were liquidated.

(d) Best Direct S.A., Greece
In February 2013, the company was liquidated.

(e) Eurobank EFG Ukraine Distribution LLC, Ukraine
In June 2013, the Group disposed of Eurobank EFG Ukraine Distribution LLC.

17. Other assets

As at 30 June 2013, investments in associated undertakings and joint ventures amounted to € 7 million (31 December 2012: € 8 million, 30 June 2012: € 7 million) and are presented within “Other Assets".

The following is a listing of the Group's associated undertakings and joint ventures as at 30 June 2013:

Name	Note	Percentage Holding	Country of incorporation	Line of business
Femion Ltd		66.45	Cyprus	Special purpose investment vehicle
Cardlink S.A.		50.00	Greece	POS administration
Tefin S.A.		50.00	Greece	Motor vehicle sales financing
Sinda Enterprises Company Ltd		48.00	Cyprus	Special purpose investment vehicle
Unitfinance S.A.		40.00	Greece	Financing company
Rosequeens Properties Ltd		33.33	Cyprus	Special purpose investment vehicle
Rosequeens Properties SRL		33.33	Romania	Real estate company
Odyssey GP S.a.r.l.	a	20.00	Luxembourg	Special purpose investment vehicle

Odyssey GP S.a.r.l. is the Group's associated undertaking.

(a) Odyssey GP S.a.r.l., Luxembourg
In February 2013, the Group acquired 20% of Odyssey GP S.a.r.l., a special purpose investment vehicle incorporated in Luxembourg.

18. Debt issued and other borrowed funds

	30 June 2013 € million	31 December 2012 € million
Medium-term notes (EMTN)	**382**	772
Subordinated	**205**	217
Securitised	**344**	376
	931	1,365

During the period, notes amounting to € 375 million, issued under the EMTN Program through the Group's special purpose entities, matured.

As at 30 June 2013, the covered bonds and government guaranteed bonds under the second stream of the Greek Economy Liquidity Support Program (note 5), totalling € 3,800 million and € 13,932 million respectively, were fully retained by the Bank and its subsidiaries. In February 2013, government guaranteed bonds amounting to € 2,344 million, matured.

In the context of the liability management exercise ("LME") decided by the Board of Directors of the Bank on 29 April 2013, the subordinated medium term notes tendered by the holders and accepted by the Group were € 22 million, including those held by the Group's clients which were presented within Due to customers (notes 19 and 21).

Financial disclosures required by the Act 2620/28.08.2009 of the Bank of Greece in relation to the covered bonds issued, are available at the Bank's website.

Post Balance sheet event
In July 2013, notes amounting to € 100 million, issued under the EMTN Program through the Group's special purpose entities, matured.

19. Ordinary share capital, share premium and treasury shares

The par value of the Bank's shares is € 0.30 per share (31 December 2012: € 2.22). All authorised shares are fully paid. The movement of ordinary share capital, share premium and treasury shares is as follows:

	Ordinary share capital € million	Treasury shares € million	Net € million	Share premium € million	Treasury shares € million	Net € million
Balance at 1 January 2013	**1,228**	**(6)**	**1,222**	**1,448**	**3**	**1,451**
Share capital decrease by reducing the ordinary shares' par value	(1,211)	-	**(1,211)**	-	-	**-**
Share capital increase following recapitalisation, net of expenses	1,136	-	**1,136**	4,537	-	**4,537**
Purchase of treasury shares	-	(0)	**(0)**	-	0	**0**
Sale of treasury shares	-	6	**6**	-	(3)	**(3)**
Issued share capital at 30 June 2013	**1,153**	**-**	**1,153**	**5,985**	**-**	**5,985**

	Number of shares		
	Ordinary shares	Treasury shares	Net
Balance at 1 January 2013	**552,948,427**	**(2,587,872)**	**550,360,555**
Share capital decrease through reverse split (10 old shares for each 1 new share)	(497,653,584)	-	**(497,653,584)**
Share capital increase following recapitalisation	3,789,317,358	-	**3,789,317,358**
Purchase of treasury shares	-	(66,079)	**(66,079)**
Sale of treasury shares	-	2,653,951	**2,653,951**
Issued shares at 30 June 2013	**3,844,612,201**	**-**	**3,844,612,201**
Ordinary shares under issue following LME	205,804,664	-	**205,804,664**
Authorised shares at 30 June 2013	**4,050,416,865**	**-**	**4,050,416,865**

19. Ordinary share capital, share premium and treasury shares (continued)

On 30 April 2013, the Extraordinary General Meeting approved:

(a) the decrease of the share capital of the Bank by means of the parallel (i) increase of the nominal value of each ordinary share with voting rights and decrease of the total number of the existing ordinary shares thereof through reverse split, at a ratio of 10 old shares for each 1 new share, and (ii) decrease of the nominal value of the ordinary share of the Bank (as it will result after the reverse split) to € 0.30, for the purpose of forming a special reserve of an equal amount of € 1,211 million, pursuant to article 4 par. 4a of Law 2190/1920. In addition, it authorized the Board of Directors to liquidate, as soon as possible, the shares formed from the aggregation of the fractional balances that may result from the reverse split and distribute to the beneficiaries the proceeds of such sale.

(b) the recapitalisation of the Bank, in accordance with the provisions of Law 3864/2010 and the Act of the Cabinet 38/9.11.2012, of € 5,839 million. The share capital increase is covered entirely by the HFSF with the contribution of bonds, issued by the EFSF and owned by the HFSF, as follows:

(i) the share capital of the Bank is increased by € 1,136.8 million by issuing 3,789,317,358 new ordinary shares with a nominal value of € 0.30 each, and

(ii) the share premium is increased by € 4,702 million.

On 27 June 2013, the Annual General Meeting approved the increase of the Bank's share capital with the amount of € 62 million, by payment in cash of € 317 million in total and the issue of new common shares, of a nominal value of € 0.30 each, via private placement to the holders of five series of preferred securities (Lower Tier I – Series A, B, C, D and E) and one series of subordinated debt instruments (Lower Tier II), with abolition of the pre-emptive rights in favour of existing common and preferred shareholders. Following the aforementioned decision of the AGM, the certification of the payment in cash of the said share capital increase by the Bank's Board of Directors at its meeting on 27 June 2013 and the filing with GEMH of the Ministry of Development and Competitiveness approval decision on 3 July 2013:

(i) the share capital of the Bank is increased by € 62 million by issuing 205,804,664 new ordinary shares with a nominal value of € 0.30 each, and

(ii) the share premium is increased by € 255 million.

Incremental costs directly attributable to the aforementioned share capital increases amounted to € 166 million, net of tax, mainly comprising the lump sum payment to HFSF imposed by Law 4093/2012 amounting to € 114 million, net of tax and the 1% subscription fee amounting to € 35 million, net of tax, on EFSF notes advanced to the Group by HFSF on account for the subsequent recapitalisation of the Bank.

On 26 August 2013, the Extraordinary Shareholders General Meeting approved the increase of the Bank's share capital by € 426 million by issuing 1,418,750,000 new ordinary shares with a nominal value of € 0.30 and offer price of € 0.48 each, subscribed totally by way of contribution in kind by the HFSF and specifically by the contribution of the total number of shares of the "New Hellenic Postbank S.A." owned by HFSF, having a total value of € 681 million, as derived from their valuation according to article 9, par. 4 of Law 2190/1920, with respective amendment of the Bank's Articles of Association (note 24).

Treasury shares

Under Law 3756/2009, banks participating in the Government's Greek Economy Liquidity Support Program are not allowed to acquire treasury shares under article 16 of the Company Law.

In the ordinary course of business, subsidiaries of the Group may acquire and dispose of treasury shares.

20. Preference shares

	Preference Shares		
	Number of shares	30 June 2013 € million	31 December 2012 € million
	345,500,000	950	950

On 12 January 2009 the Extraordinary General Meeting of the Bank approved the issue of 345,500,000 non-voting, non-listed, non-transferable, tax deductible, non-cumulative 10% preference shares, with nominal value € 2.75 each, under Law 3723/2008 "Greek Economy Liquidity Support Program", to be fully subscribed to and paid by the Greek State with bonds of equivalent value. The proceeds of the issue total € 940 million, net of expenses, and the transaction was completed on 21 May 2009. In accordance with the current legal and regulatory framework, the issued shares have been classified as Tier I capital.

The preference shares pay a non-cumulative coupon of 10%, subject to meeting minimum capital adequacy requirements, set by Bank of Greece, availability of distributable reserves in accordance with article 44a of Company Law 2190/1920 and the approval of the Annual General Meeting. According to Law 3723/2008, as in force, five years after the issue of the preference shares or earlier subject to the approval of the Bank of Greece, the Bank may redeem the preference shares at their nominal value. In case of non redemption at the expiration of the five year period, the coupon is increased by 2% each year.

Based on the 2012 results and Law 3723/2008 in combination with article 44a of Company Law 2190/1920, the distribution of dividends to either ordinary or preference shareholders is not permitted.

21. Preferred securities

	Series A € million	Series B € million	Series C € million	Series D € million	Series E € million	Total € million
Balance at 1 January 2013	**17**	**7**	**59**	**225**	**59**	**367**
Purchase of preferred securities (LME)	(16)	(2)	(10)	(208)	(59)	**(295)**
Issue costs transferred to retained earnings upon buy back	1	0	0	4	-	**5**
Balance at 30 June 2013	**2**	**5**	**49**	**21**	**-**	**77**

The rate of preferred dividends for the Tier I Issue series A has been determined at 1.89% for the period 18 March 2013 to 17 March 2014.

As at 30 June 2013, the dividend attributable to preferred securities' holders amounted to € 10 million (30 June 2012: € 18 million).

On 29 April 2013, the Board of Directors of the Bank decided to proceed with a liability management exercise ("LME") in respect of the five series of preferred securities (Lower Tier I-Series A,B,C,D,E) and the single subordinated medium term note (Lower Tier II) (the "Securities") issued by the Bank through its special purpose entities. In particular, the Board of Directors decided to execute the LME on a voluntary basis as follows:

21. Preferred securities (continued)

(a) repurchase by the Bank of the tendered Securities at their nominal value; and

(b) undertaking by holders tendering Securities to participate in the new share capital increase, for cash, with the proceeds of the repurchase, at a share issue price equal to the issue price of the share capital increase of € 5,839 million which was fully subscribed by the HFSF, within the framework of Law 3864/2010, i.e. € 1.54091078902977 per share.

On 27 June 2013, the Annual General Meeting approved the aforementioned increase of the Bank's share capital with the amount of € 62 million, by payment in cash of € 317 million in total and the issue of new common shares, of a nominal value of € 0.30 each, via private placement to the holders of five series of preferred securities (Lower Tier I – Series A, B, C, D and E) and one series of subordinated debt instruments (Lower Tier II) (note 19).

Post Balance sheet event

On 22 July 2013, ERB Hellas Funding Ltd announced that, in accordance with the terms of Series D and E non-cumulative guaranteed non-voting exchangeable preferred securities, the non-cumulative preferred dividend on these preferred securities, which would otherwise have been payable on 29 July 2013 and 28 August 2013, respectively, will not be declared and will not be paid.

22. Fair value of financial assets and liabilities

Fair value is the amount for which an asset or liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available, the fair value of financial assets and liabilities is estimated using present value or other estimation and valuation techniques where all significant inputs are observable. These inputs are mainly related to interest rate curves, fx rates, equity prices, credit spreads and implied volatilities obtained from internationally recognised market data providers. The values derived using these techniques are significantly affected by underlying assumptions concerning both the amounts and timing of future cash flows and the discount rates used. In addition, the fair values reported, may be materially different from the values actually realised upon sale or settlement.

The assumptions and methodologies underlying the calculation of fair value of financial instruments at the balance sheet date are as follows:

(a) Trading assets, derivatives and other transaction undertaken for trading purposes as well as treasury bills, available for sale securities and assets and liabilities designated at fair-value-through-profit-or-loss are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, then the fair values are estimated using valuation techniques.

(b) Investment securities carried at amortised cost: the fair value of financial investments is determined using prices quoted in an active market when these are available. In other cases, fair value is determined using a valuation technique. As at 30 June 2013, the fair value of "Debt securities lending portfolio" and "Held-to-maturity investment securities" was € 9,062 million and € 704 million, respectively (31 December 2012: € 4,193 million and € 1,225 million, respectively).

(c) Loans and advances to customers: for loans and advances to customers quoted market prices are not available as there are no active markets where these instruments are traded. The fair value is determined using generally accepted valuation techniques with current market parameters. The fair value is estimated by discounting future expected cash flows over the time period they are expected to be recovered, using appropriate risk-adjusted rates. As at 30 June 2013, the fair value of "loans and advances to customers" was € 41,350 million (31 December 2012: € 43,700 million).

(d) Debt issued and other borrowed funds: the fair value of the debt issued and other borrowed funds is determined using quoted market prices, if available. If quoted prices are not available, the fair value is determined by discounting the remaining contractual cash flows at a discount rate adjusted for own credit spread, where appropriate. As at 30 June 2013, the fair value of long term debt carried at amortized cost was € 665 million (31 December 2012: € 1,031 million).

(e) Other financial instruments, which are short term or re-price at frequent intervals, their carrying value represents a reasonable estimate of fair value.

All financial instruments that are measured at fair value are categorised in one of the three fair value hierarchy levels at year-end; based on whether the inputs to the fair values are observable or non-observable:

i) Level 1 – Quoted prices in active markets for identical assets and liabilities. Quoted prices must be readily and regularly available from an exchange or active index/market location and prices must represent actual and regularly occurring market transactions on an arm's length basis.

ii) Level 2 – Financial instruments measured using valuation techniques where all significant inputs are market observable. For the period ended 30 June 2013, the Group has switched from libor discounting to overnight index swap (OIS) discounting for collateralized derivatives (note 14).

iii) Level 3 – Financial instruments measured using valuation technique with significant non observable inputs.

The classification of the Group's financial assets and liabilities using the fair value hierarchy is presented in the following table:

	30 June 2013			
	Quoted prices in active market (Level 1) € million	Valuation technique observable parameters (Level 2) € million	Valuation technique non observable parameters (Level 3) € million	Total € million
Financial assets measured at fair value:				
Financial instruments held for trading	276	2	-	278
Financial instruments designated at fair value through profit or loss	206	-	-	206
Derivative financial instruments	0	1,386	-	1,386
Available-for-sale investment securities	2,308	273	-	2,581
Total financial assets	**2,790**	**1,661**	**-**	**4,451**
Financial liabilities measured at fair value:				
Derivative financial instruments	0	1,932	-	1,932
Due to customers:				
- Structured deposits	-	10	-	10
- Unit linked products	216	271	-	487
Debt issued and other borrowed funds:				
- Structured notes	-	31	-	31
Trading liabilities	0	-	-	0
Total financial liabilities	**216**	**2,244**	**-**	**2,460**

22. Fair value of financial assets and liabilities (continued)

	31 December 2012			
	Quoted prices in active market (Level 1) € million	Valuation technique observable parameters (Level 2) € million	Valuation technique non observable parameters (Level 3) € million	Total € million
Financial assets measured at fair value:				
Financial instruments held for trading	428	4	-	432
Financial instruments designated at fair value through profit or loss	278	-	-	278
Derivative financial instruments	0	1,888	-	1,888
Available-for-sale investment securities	2,870	313	-	3,183
Total financial assets	3,576	2,205	-	5,781
Financial liabilities measured at fair value:				
Derivative financial instruments	1	2,676	-	2,677
Due to customers:				
- Structured deposits	-	22	-	22
- Unit linked products	290	293	-	583
Debt issued and other borrowed funds:				
- Structured notes	-	29	-	29
Trading liabilities	3	-	-	3
Total financial liabilities	294	3,020	-	3,314

23. Contingent liabilities and other commitments

As at 30 June 2013, the Group's contingent liabilities in terms of guarantees, standby letters of credit and commitments to extend credit amounted to € 1,719 million (31 December 2012: € 1,627 million) and the Group's documentary credits amounted to € 63 million (31 December 2012: € 78 million).

The Group's capital commitments in terms of property, plant and equipment amounted to € 9 million (31 December 2012: € 8 million).

24. Acquisition of New TT Hellenic Postbank S.A. and New Proton Bank S.A.

On 15 July 2013, the Group signed a binding agreement with the Hellenic Financial Stability Fund (''HFSF'') to acquire 100% of the shares and voting rights of the New TT Hellenic Postbank (''NHPB'') for a consideration of € 681 million in the form of newly issued Eurobank ordinary shares. The consideration payable will be subject to adjustments based on the Net Asset Value of NHPB at the completion date.

The final number of shares to be received by HFSF amounts to 1,418,750,000, which was the minimum number of shares to be issued to HFSF pursuant to the binding agreement.

On 15 July 2013, the Group also signed a binding agreement with HFSF to acquire 100% of the shares and voting rights of the New Proton Bank S.A. ("Proton") for a € 1 cash consideration. Prior to completion of the transaction, the HFSF will have covered the capital needs of Proton by contributing € 395 million in cash.

Both transactions were approved by the Extraordinary General Meeting of Eurobank shareholders which took place on 26 August 2013.

The acquisition of NHPB will significantly improve the asset quality, liquidity and the capital base of Eurobank Group and will strengthen its strategic position in the Greek banking sector, thus enhancing its capacity to support Greek businesses and households. The significant synergies creation will make Eurobank's investment proposition more attractive, facilitating its re-privatisation to the benefit of the Greek State and economy.

Furthermore, the acquisition of Proton will enhance the liquidity profile and increase the earning capacity and capital generation of the combined entity.

Both before and after the above-mentioned business combinations, the Group, NHPB and Proton are all under the control of HFSF, therefore both transactions are business combinations involving entities under common control which are excluded from the scope of IFRS 3 "Business Combinations".

In accordance with the Group's accounting policy, the acquisitions of NHPB and Proton will be accounted for by using the pooling of interests method, whereby the assets and liabilities of the acquirees are recognised at their pre-combination carrying amounts, with any difference between the cost of the transactions and the carrying amount of the net assets acquired recorded in Group's equity.

Based on the book value of the net assets of NHPB and Proton used as a reference in the binding agreements, the net effect in Group's equity is estimated to be an increase of € 660 million (NHPB: € 470 million increase, Proton: € 190 million increase).

The final effect in the Group's equity will be determined upon the completion of the transaction.

25. Other significant and post balance sheet events

Board of Directors

The three year term of the Board of Directors expired at the Annual General Meeting of the Shareholders of 27 June 2013. The General Meeting elected a new Board, the term of office of which was set to three years and expires at the Annual General Meeting which will take place in 2016:

G. A. David	Chairman, Non Executive
G. C. Gondicas	Honorary Chairman, Non executive
E.G. A. Arapoglou	Vice Chairman, Non Executive Independent
C. I. Megalou	Chief Executive Officer
M. H. Colakides	Deputy Chief Executive Officer
S. L. Lorentziadis	Non Executive Independent
D.T. Papalexopoulos	Non Executive Independent
D. A. Georgoutsos	Non Executive (Greek State representative under Law 3723/2008)
K. H. K. Prince – Wright	Non Executive (HFSF representative under Law 3864/2010)

25. Other significant and post balance sheet events (continued)

Fairfax Financial Holdings Limited

On 19 June 2013, Eurobank and Fairfax Financial Holdings Limited ("Fairfax") announced that they agreed on the principal terms of a proposed transaction aiming to further strengthen their relationship as shareholders of Eurobank Properties S.A. ("Eurobank Properties") and broaden in parallel considerably the ability and resources of Eurobank Properties to become the leading real estate company in Greece and the surrounding region.

The key terms of the agreement are as follows:

(a) Eurobank Properties will proceed with a share capital increase to raise € 200 million, approximately, with preemption rights in favour of Eurobank Properties' existing shareholders (the "Rights") at an offer price per new share of € 4.80,

(b) Fairfax will purchase Eurobank's Rights at an aggregate cash consideration of approximately € 20 million and will also exercise its own Rights by investing approximately € 164 million. Therefore, Fairfax's participation in Eurobank Properties will be increased to 42% approximately (from 19% approximately that it currently holds), while Eurobank will hold 33.5% approximately, assuming that all other shareholders of Eurobank Properties will exercise their Rights,

(c) Eurobank and Fairfax will enter into a shareholders' agreement that allows Eurobank to retain management control of Eurobank Properties until 30 June 2020, while Fairfax will have representation in the Board of Directors of Eurobank Properties and customary veto rights for transactions of this type. This agreement shall be in force for as long as Eurobank's participation in Eurobank Properties remains above 20%.

The transaction is subject to the finalization of documentation and the obtaining of all regulatory and other required approvals and is expected to close within the fourth quarter of 2013. Eurobank expects that the transaction would further strengthen its capital position following its recapitalization from the HFSF and the share capital increase following the recent liability management exercise.

When finalised, the agreement will result in the change in the Group's ownership interest without loss of control. Therefore, it will be recorded as an equity transaction with non-controlling interests.

Group's operations in Cyprus

On 25 March 2013, the Cypriot government reached an agreement with Troika (European Central Bank, European Commission and International Monetary Fund) on a new financial assistance program that was endorsed by the Eurogroup. The program contains a bail-out assistance package of up to € 10 bn and a bail-in scheme from unsecured depositors at specific banks, and aims to restore the viability of the domestic financial sector and facilitate the return of the Cypriot economy to a sustainable economic growth and sound public finances over the coming years.

The Group operates in Cyprus through its subsidiary, Eurobank Cyprus Ltd (subsidiary). The subsidiary's operations are currently carried out through a network of seven banking centres, focusing in Wholesale Banking and International Business Banking.

The total assets of the subsidiary stand at € 3.8 bn, out of which, € 1.7 bn, only, relate to assets in Cyprus. The capital base of the subsidiary amounts to € 568 million, while the capital adequacy ratio as at 30 June 2013, stood at the very strong levels of 38.75%, which, combined with the good quality of the loan portfolio, strengthen the shield toward the risks of the current economic conditions.

On 30 June 2013, the deposits of the subsidiary amounted to € 2.5 bn, while the amount of loans to € 1.3 bn, out of which, € 0.6 bn is fully cash collateralised. The subsidiary maintains strong liquidity, with cash invested in low risk short-term investments, outside Cyprus, amounting to € 1.7 bn. The subsidiary maintains high liquidity rates and buffers, significantly above the minimum regulatory limits, which enables it to withstand, even in extreme scenarios of deposits' decrease.

Details of significant post balance sheet events are provided in the following notes:

Note 18-Debt issued and other borrowed funds
Note 19-Ordinary share capital, share premium and treasury shares
Note 21-Preferred securities

26. National Bank of Greece S.A. (NBG) Voluntary Tender Offer (VTO) and merger

On 15 February 2013, the National Bank of Greece SA (NBG) acquired 84.35% of Eurobank's voting shares following the completion of a Voluntary Tender Offer (VTO) launched on 11 January 2013. The VTO would have been followed by the merger of the two banks, the process of which initiated on 19 March 2013.

On 28 March 2013, BoG sent letters to all viable banks, including the Bank and NGB, stating that each bank should proceed with its recapitalization by the end of April 2013 and requesting them to proceed with the relevant necessary actions. On 7 April 2013, as the joint banks' request for the extension of the recapitalization process up to 20 June 2013 was not granted, the relevant regulatory authorities with the consent of the management of both banks decided that the Bank and NBG will be independently recapitalized in full. As a consequence, the merger process of the two banks was suspended.

In this respect, the Extraordinary General Meeting of shareholders of the Bank, convened on 30 April 2013, decided the increase of the Bank's ordinary share capital, in order to raise € 5,839 million, subscribed by way of contribution in kind from HFSF, in accordance with Law 3864/2010 and Act of Cabinet 38/9.11.2012. As a result of the above mentioned share capital increase of the Bank (note 19), the percentage of the voting rights held by NBG as at 30 June 2013 stood at 1.21%.

27. Related party transactions

EFG Group was the controlling shareholder of the Bank, holding 44.70% of the Bank's ordinary shares and voting rights until 23 July 2012 (see also note 26 above). In May 2013, following its full subscription in the Bank's recapitalisation of € 5,839 million, the HFSF became the controlling shareholder and a related party of the Bank (see also note 7 above). On 19 June 2013, HFSF acquired 3,789,317,358 Bank's ordinary shares with voting rights, representing 98.56% of its ordinary share capital. Following the issuance of 205,804,664 new ordinary shares in July, as resolved at the Annual General Meeting of the Shareholders on 27 June 2013, the percentage of the voting rights held in Eurobank by HFSF decreased to 93.55%. Following the share capital increase approved by the Extraordinary General Meeting of 26 August 2013, the controlling percentage of HFSF increases to 95.23%.

On 12 July 2013, Eurobank signed with HFSF, a relationship framework agreement (RFA) that determines covenants governing the relationship between the Bank and the HFSF and the matters related with, amongst others, the corporate governance of the Bank and the development and approval of the Restructuring Plan. On 26 August 2013, the RFA was approved by the Extraordinary General Meeting in accordance with Law 2190/1920 article 23a. Subject to this agreement, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy (including business plans and budgets) in compliance with the Restructuring Plan and the decision on day-to-day operation of the Bank will continue to rest with the Bank's competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary responsibilities.

27. Related party transactions (continued)

The Group regards other Greek Banks controlled, jointly controlled or significantly influenced by HFSF, within the context of the Greek Banks' recapitalization, as well as the members of key management personnel of HFSF, as related parties. The Group's transactions with HFSF's related Greek banks are made in the ordinary course of business, are carried out on market terms, are not influenced by the HFSF as the controlling shareholder of the Bank and are not included in the table presented below.

Other than the aforementioned transactions with HFSF related Greek banks, a number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. In addition, as part of its normal course of business in investment banking activities, the Group at times may hold positions in debt and equity instruments of related parties. The volume of the said related party transactions and outstanding balances at the period/year-end are as follows:

	30 June 2013			31 December 2012		
	Key management personnel (KMP)[1] € million	**Entities controlled by KMP and joint ventures € million**	**HFSF € million**	Key management personnel (KMP)[1] € million	Entities controlled by KMP and joint ventures € million	EFG Group € million
Loans and advances to customers	**8**	**24**	**-**	11	26	-
Due to customers	**6**	**8**	**0**	12	20	-
Other liabilities	**1**	**-**	**-**	1	-	-
Guarantees issued	**-**	**-**	**-**	-	1	-
Guarantees received	**0**	**-**	**-**	0	-	-
	six months ended 30 June 2013			six months ended 30 June 2012		
Net interest income	**(0)**	**0**	**(0)**	(0)	1	1
Net banking fee and commission income	**0**	**0**	**-**	0	0	(0)
Other operating income/(expense)	**(0)**	**(0)**	**-**	(1)	(0)	(0)

[1]Key management personnel includes directors and key management personnel of the Group and its controlling shareholder and their close family members. As at 30 June 2013, the volume of transactions and outstanding balances with key management personnel of HFSF is immaterial.

No provisions have been recognised in respect of loans given to related parties.

Key management compensation (directors and other key management personnel of the Group)

Key management personnel are entitled to compensation in the form of short-term employee benefits of € 3.1 million (30 June 2012: € 3.4 million) and long-term employee benefits (excluding share-based payments) of € 0.3 million (30 June 2012: € 0.2 million). Additionally, income of € 0.1 million relating with forfeited share options has been recognized in income statement as at 30 June 2013 (30 June 2012: € nil).

28. Dividends

Final dividends are not accounted for until they have been ratified by the Annual General Meeting.

Under Law 3756/2009, as amended by Law 3844/2010 and supplemented by Laws 3965/2011, 4063/2012 and 4144/2013, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 to 2012. Based on the 2012 results and Law 3723/2008 in combination with article 44a of Company Law 2190/1920,the distribution of dividends to either ordinary or preference shareholders is not permitted (note 20).

Athens, 30 August 2013

George A. David Passport No 706574975 CHAIRMAN OF THE BOARD OF DIRECTORS	**Christos I. Megalou** I.D. No AE - 011012 CHIEF EXECUTIVE OFFICER	**Harris V. Kokologiannis** I.D. No AK - 021124 CHIEF FINANCIAL OFFICER

V. *Financial Data and Information for the period from 1 January 2013 to 30 June 2013*

Eurobank

EUROBANK ERGASIAS S.A.

Company Registration No: 000223001000 - 8 Othonos Street, Athens 105 57

FINANCIAL DATA AND INFORMATION FOR THE PERIOD

from 1 January to 30 June 2013

(as stipulated by the Decision 4/507/28.04.2009 of the Capital Market Commission)

The information listed below aims to provide a general overview about the financial position and the financial results of Eurobank Ergasias S.A. and its Group. Consequently, readers are strongly advised to visit the website of the Bank, where the interim financial statements prepared under International Financial Reporting Standards (IFRS) are available, before any investment decision or transaction with the Bank is entered into.

COMPANY'S DATA

Company's website:	www.eurobank.gr	**Audit Firm:**	PricewaterhouseCoopers S.A.
Date of approval of the interim financial statements by BoD:	30 August 2013	**Auditors' report:**	Unqualified - emphasis of matter
Certified Public Accountant - Auditor:	Kyriakos Riris	**Issue Date of Auditor's report:**	30 August 2013

INCOME STATEMENT

Amounts in Euro million

Bank					Group			
1 Jan-30 Jun 2013	1 Jan-30 Jun 2012	1 Apr-30 Jun 2013	1 Apr-30 Jun 2012		1 Jan-30 Jun 2013	1 Jan-30 Jun 2012	1 Apr-30 Jun 2013	1 Apr-30 Jun 2012
304	456	153	192	Net interest income	578	800	301	374
43	55	24	23	Net banking fee and commission income	96	105	50	50
-	-	-	-	Net insurance income	17	8	6	3
3	1	2	1	Income from non banking services	18	16	10	8
1	14	1	0	Dividend income	2	2	2	2
(30)	98	(10)	52	Net trading income	(40)	107	(36)	42
16	68	7	60	Gains less losses from investment securities	31	(19)	27	4
(40)	1	(40)	0	Other operating income	(15)	1	(15)	1
297	693	137	328	**Operating income**	687	1,020	345	484
(303)	(327)	(150)	(161)	Operating expenses	(497)	(543)	(248)	(270)
(6)	366	(13)	167	**Profit from operations before impairment on loans and advances and non recurring losses**	190	477	97	214
(694)	(665)	(333)	(362)	Impairment losses on loans and advances	(841)	(794)	(423)	(434)
75	(554)	-	(115)	Impairment and other losses on Greek sovereign exposure	75	(554)	-	(115)
(98)	(160)	(73)	(160)	Other non recurring losses	(109)	(160)	(84)	(160)
-	-	-	-	Share of results of associated undertakings and joint ventures	(1)	(0)	(1)	1
(723)	(1,013)	(419)	(470)	**Profit/(loss) before tax**	(686)	(1,031)	(411)	(494)
182	199	103	90	Income tax	175	217	105	111
591	-	-	-	Non recurring tax adjustments	579	-	(4)	-
50	(814)	(316)	(380)	**Profit/(loss) for the period from continuing operations**	68	(814)	(310)	(383)
1	(56)	1	(56)	Profit/(loss) for the period from discontinued operations	(18)	(51)	(18)	(57)
51	(870)	(315)	(436)	**Net profit/(loss) for the period**	50	(865)	(328)	(440)
-	-	-	-	Net profit for the period attributable to non controlling interest	6	7	3	4
51	(870)	(315)	(436)	**Net profit/(loss) for the period attributable to shareholders**	44	(872)	(331)	(444)
0.0410	(15.5561)	(0.2510)	(7.5729)	**Basic earnings/(losses) per share**	0.0421	(12.2061)	(0.2603)	(7.7443)
0.0397	(14.5396)	(0.2517)	(6.5564)	**Basic earnings/(losses) per share from continuing operations**	0.0683	(11.2876)	(0.2466)	(6.7238)

BALANCE SHEET

Amounts in Euro million

Bank			Group	
30 Jun 2013	31 Dec 2012	**ASSETS**	30 Jun 2013	31 Dec 2012
819	844	Cash and balances with central banks	2,049	2,065
9,227	13,307	Loans and advances to banks	2,820	4,693
71	92	Financial instruments at fair value through profit or loss	484	710
1,389	1,913	Derivative financial instruments	1,386	1,888
32,027	33,434	Loans and advances to customers	40,987	43,171
482	895	Available-for-sale investment securities	2,581	3,183
482	1,007	Held-to-maturity investment securities	796	1,389
8,285	2,543	Debt securities lending portfolio	9,743	4,897
3,049	3,025	Shares in subsidiary undertakings	-	-
6	6	Investments in associated undertakings and joint ventures	7	8
205	217	Own used fixed assets	685	690
70	68	Investment property	708	616
65	69	Intangible assets	402	406
2,869	2,037	Deferred tax asset	2,945	2,106
1,288	1,351	Other assets	1,793	1,831
60,334	60,808	**Total assets**	67,386	67,653
		LIABILITIES		
21,733	29,016	Due to central banks	21,733	29,047
7,617	4,703	Due to other banks	5,768	2,772
1,938	2,688	Derivative financial instruments	1,932	2,677
22,471	23,366	Due to customers	30,185	30,752
1,557	1,763	Debt issued and other borrowed funds	931	1,365
538	569	Other liabilities	1,714	1,695
55,854	62,105	**Total liabilities**	62,263	68,308
		EQUITY		
1,153	1,228	Ordinary share capital	1,153	1,228
950	950	Preference shares	950	950
5,985	1,448	Share premium	5,985	1,448
316	-	Ordinary shares under issue	316	-
-	-	Less: treasury shares	-	(3)
(4,322)	(5,611)	Other reserves	(3,641)	(4,922)
398	688	Hybrid capital-preferred securities	77	367
-	-	Non controlling interest	283	277
4,480	(1,297)	**Total equity**	5,123	(655)
60,334	60,808	**Total equity and liabilities**	67,386	67,653

STATEMENT OF COMPREHENSIVE INCOME

Amounts in Euro million

Bank					Group			
1 Jan-30 Jun 2013	1 Jan-30 Jun 2012	1 Apr-30 Jun 2013	1 Apr-30 Jun 2012		1 Jan-30 Jun 2013	1 Jan-30 Jun 2012	1 Apr-30 Jun 2013	1 Apr-30 Jun 2012
51	(870)	(315)	(436)	**Net profit/(loss) for the period**	50	(865)	(328)	(440)
55	77	28	39	IAS 39 revaluation reserve	55	2	20	(21)
-	-	-	-	Foreign currency translation	(5)	(37)	(16)	(14)
106	(793)	(287)	(397)	**Total comprehensive income, net of tax**	100	(900)	(324)	(475)
				Attributable to:				
				Shareholders				
105	(737)	(288)	(341)	- from continuing operations	112	(863)	(308)	(420)
1	(56)	1	(56)	- from discontinued operations	(18)	(43)	(18)	(58)
-	-	-	-	Non controlling interest from continuing operations	6	6	2	3

STATEMENT OF CHANGES IN EQUITY

Amounts in Euro million

Bank			Group	
1 Jan-30 Jun 2013	1 Jan - 30 Jun 2012		1 Jan-30 Jun 2013	1 Jan - 30 Jun 2012
(1,297)	(10)	**Balance at 1st January**	(655)	875
51	(870)	Profit/(loss) for the period	50	(865)
55	77	Other comprehensive income for the period	50	(35)
5,673	-	Share capital increase, net of expenses	5,673	-
316	-	Shares under issue following LME, net of expenses	316	-
-	-	Dividends distributed by subsidiaries attributable to non controlling interest	-	(11)
(317)	(49)	Preferred securities	(312)	(180)
-	-	(Purchase)/sale of treasury shares, net of tax	2	(1)
(1)	(0)	Other	(1)	(0)
4,480	(852)	**Balance at 30th June**	5,123	(217)

CASH FLOW STATEMENT

Amounts in Euro million

Bank			Group	
1 Jan-30 Jun 2013	1 Jan - 30 Jun 2012		1 Jan-30 Jun 2013	1 Jan - 30 Jun 2012
(1,261)	1,152	Net cash from/(used in) continuing operating activities	(2,489)	99
979	348	Net cash from/(used in) continuing investing activities	2,202	1,152
(274)	(2,495)	Net cash from/(used in) continuing financing activities	(493)	(1,319)
-	-	Effect of exchange rate changes on cash and cash equivalents	(1)	(16)
(556)	(995)	**Net increase/(decrease) in cash and cash equivalents from continuing operations**	(781)	(84)
-	-	Net cash flows from discontinued operating activities	-	(216)
-	-	Net cash flows from discontinued investing activities	-	176
-	-	**Net increase/(decrease) in cash and cash equivalents from discontinued operations**	-	(40)
1,398	2,172	Cash and cash equivalents at beginning of period	2,214	3,124
842	1,177	**Cash and cash equivalents at end of period**	1,433	3,000

Notes:

1. The accounting policies applied for the preparation of the financial statements as at 30 June 2013, are consistent with those stated in the published annual financial statements of the Bank and the Group for the year ended 31 December 2012, after taking into consideration the amendments stated in note 3 of the Bank's and the Group's financial statements.
2. The fixed assets of the Bank and the Group are free of material charges or encumbrances.
3. During the second quarter of 2013, the Bank has recorded a provision for claims in dispute of € 40 million. Other than the aforementioned amount, no significant impact is expected on the Bank's and the Group's financial position from the outcome of pending lawsuits and cases in arbitration process.
4. A list of the companies consolidated on 30 June 2013 is mentioned in notes 16 and 17 of the consolidated financial statements where information on the percentage of Group's holding, the country of incorporation, as well as, the consolidation method applied is reported. (a) The companies that were not included in the 30 June 2012 consolidation but were consolidated under the equity method on 30 June 2013, were Rosequeens Properties Limited and Rosequeens Properties SRL which were acquired in the third quarter of 2012 and the special purpose investment vehicle Odyssey GP S.a r.l. which was acquired in the first quarter of 2013, (b) On 30 June 2013, the following companies are not included in the consolidated financial statements: (i) Eurobank EFG Ukraine Distribution LLC which was disposed in the second quarter 2013, (ii) Eurobank Tekfen A.S. and its subsidiaries which were disposed of in the fourth quarter of 2012 (iii) Anaptyxi 2006-1 Plc, Anaptyxi APC Ltd, Anaptyxi Holdings Ltd, Anaptyxi Options Ltd and Best Direct S.A. which were liquidated in the first quarter of 2013 and (iv) Karta APC Limited (UK), Karta Holdings Limited (UK), Karta 2005 – 1 plc (UK), Karta LNI 1 Limited (UK), Karta Options Limited (UK), Anaptyxi SME II Holdings Ltd, Anaptyxi SME II APC Limited and Anaptyxi SME II 2009-1 Plc which were liquidated in the fourth quarter of 2012, (c) The companies that are not included in the consolidated financial statements of 30 June 2013 due to immateriality are mentioned in note 16 of the Group's financial statements.
5. a) The Bank has been audited by tax authorities up to 2009 and obtained a tax certificate for 2011 by external auditors, b) Greek subsidiaries have obtained tax certificates for 2011 by external auditors and either have been audited or are currently being audited by external auditors for 2012 c) The open tax years of the Group's bank subsidiaries are as follows: i) Bancpost S.A. (Romania), 2011-2012, (ii) Eurobank Cyprus Ltd, 2010-2012, (iii) Eurobank Bulgaria A.D., Eurobank A.D. Beograd (Serbia) and Eurobank Private Bank Luxembourg S.A., 2008 - 2012. The remaining of the Group's subsidiaries (including Greek subsidiaries), associates and joint ventures (notes 16 and 17 of the consolidated financial statements), which operate in countries where a statutory tax audit is explicitly stipulated by law, have 1 to 9 open tax years.
6. The total number of employees as at 30 June 2013 was 7,187 (30 June 2012: 7,113) for the Bank and 17,166 (30 June 2012: 18,541 including the employees of Turkish subsidiaries disposed) for the Group.
7. The related party transactions of the Group are as follows: receivables € 24m., liabilities € 8m., expenses € 0.5m. and revenues € 0.4m. The related party transactions of the Bank are as follows: receivables € 8,566m., liabilities € 6,261m., guarantees issued € 2,223m., expenses € 140m. and revenues € 119m. The transactions of the Group with the key management personnel are as follows: compensation € 3.3m., receivables € 8m., liabilities € 7m., guarantees received € 0.05m., expenses € 0.2m. and revenues € 0.1m. The transactions of the Bank with the key management personnel are as follows: compensation € 3.1m., receivables € 8m., liabilities € 5m., guarantees received € 0.05m., expenses € 0.1m. and revenues € 0.1m.
8. On 30 April 2013, the Extraordinary General Meeting approved: a. the decrease of the share capital of the Bank by means of the parallel (i) increase of the nominal value of each ordinary share with voting rights and decrease of the total number of the existing ordinary shares thereof through reverse split, at a ratio of 10 old shares for each 1 new share, and (ii) decrease of the nominal value of the ordinary share of the Bank (as it will result after the reverse split) to € 0.30, b. the recapitalisation of the Bank by € 5,839 million, covered entirely by the Hellenic Financial Stability Fund ("HFSF") with the contribution of bonds, issued by the European Financial Stability Facility ("EFSF"). Further information is provided in notes 2 and 7 of the Bank's and the Group's financial statements.
9. On 27 June 2013, the Annual General Meeting approved the increase of the Bank's share capital with the amount of € 62 million, by payment in cash of € 317 million in total and the issue of new common shares, of a nominal value of € 0.30 each, via private placement to the holders of five series of preferred securities (Lower Tier I – Series A, B, C, D and E) and one series of subordinated debt instruments (Lower Tier II). In addition, the General Meeting elected a new Board, the term of office of which was set to three years. Further information is provided in notes 19 and 25 of the Group's financial statements.
10. On 15 July 2013, the Group signed a binding agreement with the HFSF to acquire 100% of the shares and voting rights of the New TT Hellenic Postbank (''NHPB'') for a consideration of € 681m in the form of newly issued Eurobank ordinary shares. The consideration payable will be subject to adjustments based on the Net Asset Value of NHPB at the completion date. The final number of shares to be received by HFSF amounts to 1,418,750,000. On 15 July 2013, the Group also signed a binding agreement with the HFSF to acquire 100% of the shares and voting rights of the New Proton Bank S.A. ("Proton") for a €1 cash consideration. Prior to completion of the transaction, the HFSF will have covered the capital needs of Proton by contributing € 395m in cash. Both transactions were approved by the Extraordinary General Meeting of Eurobank shareholders which took place on 26 August 2013. Further information is provided in notes 21 and 24 of the Bank's and the Group's financial statements respectively.
11. On 19 June 2013, with the completion of Eurobank's recapitalization by € 5,839 million, HFSF acquired 3,789,317,358 Bank's ordinary shares with voting rights, representing 98,56% of its ordinary share capital. Following the resolutions of the aforementioned Annual General Meeting and the Extraordinary General Meeting, held on 27 June and on 26 August respectively, approving the above increases of the Bank's share capital, the controling percentage of HFSF decreases to 95,23%.

12 On 19 June 2013, Eurobank and Fairfax Financial Holdings Limited ("Fairfax") announced that they agreed on the principal terms of a proposed transaction aiming to further strengthen their relationship as shareholders of Eurobank Properties S.A. The key terms of the agreement are provided in notes 22 and 25 of the Bank's and the Group's financial statements respectively.

13 The emphasis of matter, stated in Auditor's report, refers to the Bank's and Group's Core Tier I ratio as at 30 June 2013 being below the minimum required level defined by the Bank of Greece and the uncertainties that could adversely affect the outcome of the initiated and planned actions for the restoration of the Bank's and Group's capital adequacy. Further information is provided in notes 2 and 7 of the Bank's and the Group's financial statements.

Athens, 30 August 2013

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