ERB NEW EUROPE FUNDING B.V.

Amsterdam, The Netherlands

ANNUAL REPORT 2013

ERB NEW EUROPE FUNDING B.V.

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Amsterdam

Report of the Managing Directors

In accordance with the Articles of Association of ERB New Europe Funding B.V., the management herewith submits the Annual Report of ERB New Europe Funding B.V. (the Company) for the year 2013.

Key Activities

ERB New Europe Funding B.V. (the Company) was incorporated on 19 October 2006 and has its registered address at Naritaweg 165, Amsterdam, The Netherlands. The Company is incorporated in The Netherlands and is wholly owned by Eurobank Ergasias S.A. in Greece. On 1 November 2012 the Company changed its name to ERB New Europe Funding B.V. (former name: EFG New Europe Funding B.V.).

In 2006, the Company initiated a corporate loan portfolio, originating from the Eurobank Ergasias Group's activities in Serbia, to invest in loans granted to Serbian Corporates and/or Eurobank Ergasias Group companies in Serbia. The Company itself is funded directly by the Eurobank Private Bank Luxembourg S.A. in Luxembourg.

All loans and advances to third party customers, except Telekom Srbija a.d., are 99% guaranteed for repayment by Eurobank A.D. Beograd. Eurobank Ergasias S.A. issued a guarantee for the loans and advances to Telekom Srbija a.d. All loans and advances to Eurobank Ergasias Group companies, except Reco Real Property AD Beograd, are 99% guaranteed by Eurobank Ergasias S.A. Eurobank A.D. Beograd issued a guarantee for the loans and advances to Reco Real Property AD Beograd. The total combined exposure for the Company will not exceed 1% of its total loans and advances with a maximum of 2 million.

Management of the Company has performed an assessment on the recoverability of all loans and the ability (financial resources and liquidity) of Eurobank A.D and Eurobank S.A and concluded that Eurobank A.D. and Eurobank Ergrasias S.A. are able to fulfil their commitments regarding the guarantee given to the Company.

Overview of activities

During the financial year 2013 the Company decreased its loan portfolio for a total amount of EUR 38,704,119.

Position of Eurobank Group

Eurobank Ergasias S.A. share capital increase

On 14 November 2013, Eurobank Ergasias S.A. announced the initiation of the process to raise approximately € 2 bn through a capital increase. On 14 January 2014, Eurobank Ergasias S.A. and the Hellenic Financial Stability Fund (HFSF) announced that the transaction timetable will be adjusted to allow for the finalization of the assessment of forward looking capital needs of the Greek banking sector and the new recapitalization framework.

On 8 April 2014, the BoG following a) the assessment of Eurobank's capital needs amounting to € 2,945 million under the baseline scenario, concluded on 6 March 2014 and b) the capital enhancement plan submitted by the Bank on 24 March 2014, whereby the Bank: i) revised its capital actions providing for an additional positive impact on regulatory capital of € 81 million and proposed to adjust the restructuring plan accordingly and ii) stated that it intends to cover the remaining capital needs through a share capital increase, notified the Bank that its Core Tier I capital should increase by € 2,864 million.

On 12 April 2014, the Extraordinary Shareholders' General Meeting approved the increase of the share capital of the Bank up to € 2,864 million through payment in cash or/and contribution in kind, the cancellation of the preemption rights of the Bank's ordinary shareholders, including HFSF, and the only preference shareholder, namely the Greek State, and the issuance of up to 9,546,666,667 new ordinary registered shares, of a nominal value of € 0,30 each. The proceeds will be used to increase the Tier I Capital according to 8 April 2014 resolution of the BoG.

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Report of the Managing Directors

On 29 April 2014, the Bank announced that both the public offering of new ordinary registered shares to the public in Greece and the private placement of new ordinary registered shares to investors outside Greece were oversubscribed. The new shares have been listed on the main market of the Athens Exchange and their trading commenced on 9 May 2014. The successful completion of the Bank's capital increase constitutes a step towards further strengthening its capital position and enhances its ability to support the Greek economy.

As at 30 September 2014, the Common Equity Tier 1 ratio of Eurobank Ergasias S.A. (proforma with the regulatory treatment of deferred tax assets as deferred tax credit (Law 4303/2014)) stood at 16,1%, well above the statutory limit.

The European Central Bank (ECB), in the context of preparation of the Single Supervisory Mechanism (SSM) conducted a Comprehensive Assessment(CA) comprising of a supervisory risk assessment, asset quality review (AQR) and stress test. The comprehensive assessment encompassed the Eurozone's most significant banks and was carried out jointly with national competent authorities (NCAs) and European Banking Authorities (EBA). On the 26th of October 2014 the ECB and the EBA announced the results of the CA. Taking into account that the ECB stated that the dynamic scenario will be taken into consideration for assessing Group's capital position , the Group meets the CA's benchmark in both baseline and adverse scenario and no capital shortfall arises from such extensive exercise.

Result

During the year under review, the Company recorded a profit after tax of EUR 111,994 (2012: profit after tax of EUR 183,586) which is set out in detail in the attached Income Statement.

Risk Management

The Managing Board utilizes a risk management policy and receives regular reports to enable prompt identification of financial risk so that appropriate actions may be taken. The Company employs written policy and procedures that sets out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these. For further analysis we refer to note 6 of the financial statements in which the different risks identified for the Company have been further addressed.

Outlook

There were no changes in the nature of the activities of the Company in 2013 and no changes are expected in 2014.

Post balance sheet events

No major post balance sheet events affecting the financial statements have occurred to date.

Future Developments

The Company's business strategy and activities are linked to these of Eurobank Ergasias S.A., which is the direct shareholder of the Company. The assessment by the directors of the Company's ongoing business model is closely associated with the business decisions and operations of the Parent Company and its subsidiaries. On the basis of the analysis of the Company's profitability, capitalization and funding structure, the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future.

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Report of the Managing Directors

Composition of the Board of Managing Directors

The size and composition of the Board of Managing Directors and the combined experience and expertise should reflect the best fit for profile and strategy of the Company. Currently all four members of the Board are male. The Company is aware that the gender diversity is below the goals as set out in article 2:276 section 2 of the Dutch Civil Code and the Company will pay close attention to gender diversity in the process of recruiting and appointing new Managing Directors.

As per December 17, 2013, Mr. G. Meijssen has resigned as managing director of the Company, and as per same date Mr. M.A.H. Martis has been appointed as managing director of the Company.

As per March 14, 2014, Mr. Th. Karakasis has resigned as managing director of the Company, and as per same date Mr. E. Zois has been appointed as managing director of the Company.

As per April 16, 2014, Mr. Ch. Kokologiannis has resigned as managing director of the Company, and as per same date Mr. S. Psychogyios has been appointed as managing director of the Company.

Amsterdam, 30 January 2015

Managing Directors

S. Psychogyios

E. Zois

S. van der Meer

M.A.H. Martis

ERB NEW EUROPE FUNDING B.V.

Balance Sheet as at December 31, 2013
(In EUR, after appropriation of results)

	Notes	31/12/2013	31/12/2012
ASSETS			
Non-current assets			
Loans & advances to customers	7	96,477,862	117,690,624
		96,477,862	117,690,624
Current assets			
Loans & advances to customers	7	44,833,984	62,325,241
Interest receivable	8	551,703	899,274
Other receivables	9	115,880	17,500
Taxation	15	288,981	254,388
Cash and cash equivalents	10	406,650	3,931,450
		46,197,198	67,427,853
TOTAL ASSETS		142,675,060	185,118,477
EQUITY			
Capital and reserves attributable to equity holders of the company	11		
Issued and paid-up capital		18,000	18,000
Share premium		1,982,000	1,982,000
Other reserve		1,953,293	1,841,299
TOTAL EQUITY		3,953,293	3,841,299
LIABILITIES			
Non-current liabilities			
Borrowings from group company	12	95,719,340	117,690,624
		95,719,340	117,690,624
Current liabilities			
Borrowings from group company	12	42,684,977	62,417,781
Interest payable to group company	13	173,060	740,240
Other payables	14	144,390	428,533
		43,002,427	63,586,554
TOTAL EQUITY AND LIABILITIES		142,675,060	185,118,477

The notes to the accounts on pages 9 to 29 form an integral part of these financial statements

ERB NEW EUROPE FUNDING B.V.

Income Statement
for the financial year ended December 31, 2013
(in EUR)

	Notes	1/1 - 31/12/2013	1/1 - 31/12/2012
Financial income and expenses			
Interest income on loans & advances		4,934,961	5,945,100
Interest expense on borrowings		(4,452,459)	(5,018,878)
		482,502	926,222
Impairment loss on loans and interest receivable	6	(88,928)	(29,903)
Commission expenses	16	(156,674)	(606,648)
Financial income and expenses		236,900	289,671
Other net income	17	10,963	34,845
General and Administrative Expenses	18	(108,239)	(93,066)
RESULT BEFORE TAXATION		139,624	231,450
Corporate income tax	15	(27,630)	(47,864)
NET RESULT AFTER TAXATION		111,994	183,586

The notes to the accounts on pages 9 to 29 form an integral part of these financial statements

ERB NEW EUROPE FUNDING B.V.

Statement of comprehensive income
for the financial year ended December 31, 2013
(in EUR)

	Notes	1/1 - 31/12/2013	1/1 - 31/12/2012
Net result after taxation		111,994	183,586
Other comprehensive income:		--	--
Other comprehensive income for the year, net of tax		--	--
Total comprehensive income for the year		111,994	183,586
Attributable to:			
- Owners of the parent		111,994	183,586
- Non-controlling interest		--	--
Total comprehensive income for the year		111,994	183,586

The notes to the accounts on pages 9 to 29 form an integral part of these financial statements

ERB NEW EUROPE FUNDING B.V.

Cash Flow Statement
for the financial year ended December 31, 2013
(in EUR)

	Notes	EUR 2013	EUR 2013	EUR 2012	EUR 2012
Cash flow from operating Activities:					
Profit before taxation		139,624		231,450	
Adjustments for:					
Impairment loss on loans and advances		88,927		29,903	
Unrealised forex exchange gain		(948)		(408)	
Interest income		(4,934,961)		(5,945,100)	
Interest expense		4,452,459		5,018,878	
		(254,899)		(665,277)	
Decrease / (Increase) in other receivables		(98,380)		0	
(Decrease) / Increase in other payables		(284,928)		332,460	
Decrease / (Increase) in loans & advances to customers	7	38,615,092		12,617,954	
Cash generated from operations		37,976,885		12,285,137	
Income Tax paid		(61,439)		(168,966)	
Interest received		5,282,532		5,853,361	
Interest paid		(5,019,639)		(4,970,282)	
Net cash from operation activities			38,178,339		12,999,250
Cash flow from financing activities:					
Proceeds from borrowings from group company		151,590,060		52,907,917	
Repayments of borrowings from group company		(193,294,147)		(65,575,164)	
Net cash used in financing activities			(41,704,087)		(12,667,247)
Net increase in cash and cash equivalents			(3,525,748)		332,003
Cash and cash equivalents at the beginning of the year			3,931,450		3,599,039
Effect of exchange rate fluctuations on cash held			948		408
Cash and cash equivalents at December 31			**406,650**		**3,931,450**

The notes to the accounts on pages 9 to 29 form an integral part of these financial statements

ERB NEW EUROPE FUNDING B.V.

Statement of Changes in Equity
for the financial year ended December 31, 2013
(in EUR)

EQUITY

The Company's authorized share capital amounts to EUR 90,000 and consists of 90,000 ordinary shares with a nominal value of EUR 1 each.
As at December 31, 2013, 18,000 shares were issued and fully paid-up. The movements in EUR in the year under review can be summarized as follows:

	Attributable to owner's parent			
	Issued and paid-up capital	Share premium	Other reserve	Total
Balance as at January 1, 2012	**18,000**	**1,982,000**	**1,657,713**	**3,657,713**
Profit for the year	--	--	183,587	183,587
Other Comprehensive Income for the year	--	--	--	--
Balance as at December 31, 2012	**18,000**	**1,982,000**	**1,841,299**	**3,841,299**
Profit for the year	--	--	111,994	111,994
Other Comprehensive Income for the year	--	--	--	--
Balance as at December 31, 2013	**18,000**	**1,982,000**	**1,953,293**	**3,953,293**

ERB New Europe Funding B.V. is a subsidiary of Eurobank Ergasias S.A., a Bank incorporated in Greece and listed on the Athens Stock Exchange.

The notes to the accounts on pages 9 to 29 form an integral part of these financial statements

Notes to the Balance Sheet and Income Statement as at December 31, 2013
(in EUR)

1 GENERAL

ERB New Europe Funding B.V. (the Company) was incorporated on October 19, 2006 and has its registered address at Naritaweg 165, Amsterdam, The Netherlands. The Company is incorporated in The Netherlands and is wholly owned by Eurobank Ergasias S.A. in Greece.

In May 2013, following its full subscription in Eurobank's recapitalisation of € 5,839 million, the Hellenic Financial Stability Fund (HFSF) became the controlling shareholder and a related party of Eurobank. On 19 June 2013, HFSF acquired 3,789,317,358 Eurobank'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 increased to 95.23%.

Following the completion of Bank's share capital increase in April 2014 fully covered by private, institutional and other investors, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 95.23% to 35.41%. In addition, in the context of the Law 3864/2010 (the 'HFSF Law') as recently amended by Law 4254/2014, the HFSF's voting rights in the Bank's General Assemblies are no longer full but have been switched to restricted ones. As a result of the above, the HFSF is no more the controlling shareholder of the Group but is considered to have significant influence over it, remaining therefore its related party.

On November 1, 2012 the Company changed its name to ERB New Europe Funding B.V. (former name: EFG New Europe Funding B.V.)

The key activities of the Company are to invest in loans granted to Serbian Corporates (originated by the Eurobank Ergasias Group in Serbia) or Eurobank Ergasias Group companies in Serbia. The Company itself is funded directly by the Eurobank Private Bank in Luxembourg. All loans and advances to customers are 99% guaranteed for repayment by Eurobank A.D. and Eurobank Ergrasias S.A.

These financial statements were approved and authorised for issue by the Board of Managing Directors on 30 January 2015.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the IASB, as endorsed by the European Union (EU), and in particular with those IFRSs and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.

The policies set out below have been consistently applied to the years 2013 and 2012, except as described below. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

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

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

IAS 1, Amendment - Presentation of Items of Other Comprehensive Income
The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. The adoption of the amendments has no impact on the Company's financial statements.

IFRS 7, Amendment - Disclosures, Offsetting Financial Assets and Financial Liabilities

The amendment requires disclosure of the effect or potential effects of netting arrangements on an entity's financial position. In particular, it requires information about all recognized financial instruments that are set off, according to IAS 32 "Financial Instruments: Presentation", as well as about those recognized financial instruments that, although they are not set off under IAS 32 "Financial Instruments: Presentation", are subject to an enforceable master netting arrangement or similar agreement.

IFRS 13, Fair value measurement

IFRS 13 establishes a single framework for measuring fair value, provides a revised definition of fair value and introduces more comprehensive disclosure requirements on fair value measurement. The disclosure requirements of IFRS 13 do not require comparative information to be provided for periods prior to initial application (1 January 2013). There was no material impact on the financial statements of the Company from the prospective adoption of the measurement requirements of IFRS 13. The adoption of the amendment is not expected to have a material impact on the Company's financial statements.

- Annual Improvements to IFRSs 2009–2011 Cycle

Improvements to IFRSs comprise amendments to a number of standards aiming to clarify:
- the requirements for comparative information in IAS 1 "Presentation of Financial Statements";
- the accounting for the tax effect of distributions to holders of equity instruments in IAS 32 "Financial Instruments: Presentation".
The above improvements to IFRSs did not have a material impact on the Group's consolidated financial statements.

(b) A number of new standards, amendments and interpretations to existing standards are effective after 2013, as they have not yet been endorsed for use in the European Union or have not been early applied by the Company. Those that may be relevant to the Company are set out below:

IAS 32, Amendment - Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014)

The amendment clarifies the requirements for offsetting financial assets and financial liabilities.
The adoption of the amendment is not expected to have a material impact on the Company's financial statements.

IAS 36, Amendment - Recoverable Amount Disclosures for Non-Financial Assets (effective 1 January 2014).

The amendments restrict the requirement to disclose the recoverable amount of an asset or cash generating unit only to periods in which an impairment loss has been recognized or reverses.
They also include detailed disclosure requirements applicable when an asset or cash generating unit's recoverable amount has been determined on the basis of fair value less costs of disposal.
The adoption of the amendment is not expected to have a material impact on the Company's financial statements.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

IFRS 9, Financial Instruments (effective date to be determined by IASB)

IFRS 9, Financial instruments, is a new standard for financial instruments that is ultimately intended to replace current IAS 39 Financial Instruments: Recognition and Measurement in its entirety.

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. It requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment which is not held for trading, in other comprehensive income, with only dividend income generally recognized in profit or loss.

IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities, as well as derecognition requirements. IFRS 9 requires that, in cases where a financial liability is designated as at fair value through profit or loss, the part of a fair value change due to the reporting entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Fair value changes attributable to a financial liability's credit risk are not subsequently reclassified in profit or loss. According to IAS 39 which currently applies, the amount of the change in the fair value of the financial liability designated as fair value through profit or loss is recognized in profit or loss.

Based on IFRS 9 and IFRS 7 Amendments, Mandatory Effective Date and Transition Disclosures, issued in December 2011, entities were required to apply IFRS 9 for annual periods beginning on or after 1 January, 2015, with earlier application permitted. Additionally, IFRS 9 should be applied to all financial instruments outstanding as of the effective date, as if the classification and measurement under IFRS 9 had always been applied, but comparative periods do not need to be restated.
IFRS 9 was amended in November 2013 with IFRS 9 Financial Instruments: Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 to include a new general hedge accounting model that will better reflect reporting entities' risk management activities in the financial statements and some related amendments to IAS 39 and IFRS 7. The amendments also allow entities to early adopt the provision in IFRS 9 as issued in 2010, related to the presentation of changes in an entity's own credit risk within other comprehensive income without applying the other requirements of IFRS 9 at the same time. In addition, the January 1 2015 mandatory effective date is removed and a new mandatory effective date will be set upon completion of the impairment phase of the accounting for financial instruments.

Entities that adopt IFRS 9 as amended in November 2013 can choose an accounting policy of either adopting the new IFRS 9 hedge accounting model now or continuing to apply the hedge accounting model in IAS 39 for the time being.

As IFRS 9 is an ongoing IASB project, which has not yet been finalized, it remains impractical to quantify its effect, as at the date of the publication of these consolidated financial statements.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Annual Improvements to IFRSs 2010-2012 Cycle (effective 1 January 2015, not yet endorsed by EU)

The amendments introduce key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The topics addressed by these amendments are set out below:

- Definition of vesting condition in IFRS 2 "Share – based Payment";
- Accounting for contingent consideration in a business combination in IFRS 3 "Business Combinations";
- Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets in IFRS 8 "Operating Segment";
- Short-term receivables and payables in IFRS 13 "Fair Value Measurement";
- Key management personnel in IAS 24 "Related Party Disclosures"; and

Annual Improvements to IFRSs 2011-2013 Cycle (effective 1 January 2015, not yet endorsed by EU)

The amendments introduce key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The topics addressed by these amendments are set out below:
- Scope of portfolio exception in IFRS 13 "Fair Value Measurement";
- Meaning of "effective IFRSs" in IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRIC 21, Levies (effective 1 January 2014, not yet endorsed by EU)

IFRIC 21 Levies clarifies that an entity recognizes a liability for a levy that is not income tax when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, for example a specified level of revenue, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

The adoption of the interpretation is not expected to have a material impact on the Company's financial statements.

Going concern

The accompanying financial statements have been prepared based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, the management reviews the forecasts of the future cash inflows.

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

Foreign currency

Transactions in foreign currencies are translated into Euro at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities stated in foreign currencies at the balance sheet date are translated into Euro at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in the Income Statement.

Non-monetary assets and liabilities in foreign currencies, which are stated at historical cost, are translated into Euro at the foreign exchange rate prevailing at the date of the transaction, in the Balance Sheet. Any resulting movement is also recognised in the Income Statement.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Income tax
Income tax in the Income Statement for the year comprises current tax. Current tax is the expected tax payable based on the taxable for the year, using tax rates enacted or substantially prevailing at the balance sheet date. Taxable profit may differ from profit as in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

Financial instruments
Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the investment. A financial asset is derecognized when the contractual cash flows of the loan expire or the Company transfers its rights to receive those cashflows in an outright sale in which substantially all the risk and rewards of ownership have been transferred.The Company classifies its financial assets and financial liabilities in the categorie: loans and advances to customers and borrowings from group Company.

Loans and receivables
The Loans and receivables include Loans and Advances to customers, which are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowance for impairment for estimated irrecoverable amounts are recognized in the Income Statement when there is objective evidence that the asset should be impaired.

The nominal or cost value of the other receivables, which are not traded in active markets or for which no valuation techniques can be applied is assumed to approximate their fair value.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets should be impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

a) significant financial difficulty of the issuer or obligor;
b) a breach of contract, such as a default or delinquency in interest or principal payments;
c) the Company granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e) the disappearance of an active market for that financial asset because of financial difficulties; or
f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
    - adverse changes in the payment status of borrowers in the *group;* or
    - national or local economic conditions that correlate with defaults on the assets in the group.

The Company assesses at each balance sheet date whether objective evidence of impairment exist for each financial asset individually. We refer you to note 6, section 'Impairment policy'.
The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:
- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

The estimated period between a loss occurring and its identification is determined by management for each identified loan.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Applying the effective interest method, the entity amortises any fees, transaction cost and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the underlying liability. Any such amortisation would be recognised in the Income Statement.

Provisions

A provision is recognized in the Balance Sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Trade payables
Trade payable are initially measured at fair value and are subsequently measured at amortized cost, using the effective interest rate method.

Other payables
Other payables are recognised initially at fair value. The nominal or cost value of the other payables, which are not traded in active markets or for which no valuation techniques can be applied, is assumed to approximate their fair value.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

3 CASH FLOW STATEMENT

The Cash Flow statement has been prepared in accordance with the indirect method. The presentation for the year 2013 has not changed in comparison for the year 2012.

4 PRINCIPLES OF DETERMINATION OF RESULT

(a) General

Result is determined as the difference between income generated by loans, and the costs and other charges for the year.
Income from transactions is recognized in the year in which it is realized.

Interest income and expenses

Interest income and interest expense are recognised in Income Statement for all interest bearing financial instruments.

For all interest bearing financial instruments, interest income or interest expense is recognized on an accrual basis using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability (on an amortised cost basis). The calculation includes all contractual terms of the financial instrument (for example, prepayment options) but not future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees and Commissions are recognized on an accrual basis when the service has been provided.

(b) Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognised in the Income Statement in the period that they arise. Exchange rate differences on non-current assets and non-current liabilities are recognized in the Income Statement in the period they arise.

4 PRINCIPLES OF DETERMINATION OF RESULT (continued)

(c) Taxation

Domestic corporate income tax is determined by applying Dutch fiscal practice rules and taking into account allowable deductions, charges and exemptions.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the current financial statements no estimates and judgments are included, except for impairment of loans and advances (refer to note 6.1).

6 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of risks. Exposure to credit, interest rate, currency and liquidity risk arises in the course of the Company's business. The risk management of the Company is organized from Serbia and the management of the Company is provided with the outcome periodically. The Company's overall risk management policy focus on the unpredictability markets and seek to minimize potential adverse effects on its financial performance. The management considers there is no significant concentration of the following risks at the balance sheet date. The procedures for assessing the risk are also shown below:

6.1 Credit risk

Credit risk - is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the loans and advances to customers. For credit risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure (such as individual obligor risk, sector risk, repayment risk, ect.).

The credit risks are reduced to the fact that all loans and advances to customers are 99% guaranteed for repayment by Eurobank Ergasias Group companies, Eurobank A.D. Beograd and Eurobank Ergasias S.A. All these companies are sufficiently capitalised to cover the granted guaranties, and therefore the Company has only a 1% risk with a maximum of 2 million on its loan portfolio.

6 FINANCIAL RISK MANAGEMENT (continued)

6.1 Credit risk (continued)

Risk grading system for wholesale clients

The 11 grade system defines the credit rating of the borrower (and not the credit facility), and is based on the weighted average of the following risk parameters:

-Financials
-Sector
-Management
-Operations

In addition, other factors such as debt servicing, change in the borrower's ownership, etc., may affect the final rating of a customer.

The credit rating is based on a profound analysis of qualitative and quantitative factors performed by the Company:

-Qualitative factors: are those that deal with the borrower's management, industry, operating conditions, etc.

-Quantitative factors: are those that refer to a set of various rations (main rations: profitability, leverage, liquidity) emerging from the borrower's financial statements (Balance Sheet, Income Statement, notes to financial statements etc.).

Each grade carry a defined impairment requirement.

Based on the above-mentioned parameters the rating of clients is defined.

Collateral

The customers which were granted loans & advances are obligated to provide the Company with irrevocable and unconditional payment guarantee issued by Eurobank A.D. Beograd with exemption of Telekom Srbija a.d.

Guarantees

All loans and advances to third party customers, except Telekom Srbija a.d., are 99% guaranteed for repayment by Eurobank A.D. Beograd. Eurobank Ergasias S.A. issued a guarantee for the loans and advances to Telekom Srbija a.d.. All loans and advances to Eurobank Ergasias Group companies, except Reco Real Property AD Beograd, are 99% guaranteed by Eurobank Ergasias S.A. Eurobank A.D. Beograd issued a guarantee for the loans and advances to Reco Real Property AD Beograd. The total combined exposure for the Company will not exceed 1% of its total loans and advances with a maximum of 2 million.

Management of the Company has performed an assessment on the recoverability of all loans and the ability (financial resources and liquidity) of Eurobank A.D and Eurobank S.A and concluded that Eurobank A.D. and Eurobank Ergrasias S.A. are able to fulfil their commitments regarding the guarantee given to the Company.

Impairment policy

Impaired loans and advances are loans and advances for which the Bank determines that it is probable that it will be unable to collect entire principal and interest due according to the contractual terms of the loan / securities agreement(s). Loans and advances are individually impaired and not on a portfolio basis. Individually impaired assets are those which have been individually assessed for impairment and for which an impairment loss has been recognized. For individually assessed accounts, loans are treated as impaired as soon as there is objective evidence that an impairment loss has been incurred.

Depending on the internal credit rating and existing collateral the Company determine whether an impairment charge is required.

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit monitoring

It is the Company's intention to be aware of the state of the borrower's business and any change in its creditworthiness at all times, as regular evaluation of financial statements and of the borrower's business operations are performed.

"Loans" as mentioned in the below notes, referred to a combination of both short and long term loans.

Maximum exposure to credit risk before collateral held or other credit enhancements:

	2013	2012
Credit risk exposures relating to on-balance sheet assets are as follows:		
Loans and advances to customers	141,389,916	180,108,405
Less: allowance for impairment	(78,070)	(92,540)
	141,311,846	180,015,865
Interest receivable	551,703	899,274
Other receivables	115,880	17,500
Cash and cash equivalents	406,650	3,931,450
Total	142,386,079	184,864,089

	2013	2012
Loans and advances are summarized as follows:		
Neither past due nor impaired	108,109,244	154,843,966
Past due not impaired	30,401,237	25,137,831
Individually impaired	2,879,435	126,608
Gross	141,389,916	180,108,405
Less: allowance for impairment	(78,070)	(92,540)
Net	141,311,846	180,015,865

Included in the gross loans and advances are:
Past due more than 90 days - EUR 2,879,160 (2012: EUR 678,254)
Of which non-performing loans - EUR 76,628 (2012: EUR 49,694)

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

Loans and advances neither past due nor impaired

The loans and advances to customers represent the fully drawn amounts in accordance with the agreements.

The credit quality of the portfolio of loans and advances that were neither past due nor impaired at 31 December 2013 can be assessed by reference to the Company's standard grading system. The following information is based on that system:

	2013	2012
	Loans and advances to customers	Loans and advances to customers
Grades:		
Satisfactory risk (wholesale grades 1 to 6)	108,109,244	154,675,102
Watch list and special mention (wholesale grade 7)	-	168,864
Total	108,109,244	154,843,966

Watch list is a list of loans singled out for special surveillance by management to spot irregularities. In order to put a loan on watch list the Company considers many different aspects , quantitative and qualitative . Main criteria for watch listed loans are:

I Quantitative data :
Financial ratios deterioration.
Fluctuations in profitability.
High leverage.
Low financial expenses coverage.

II Qualitative data :

A) Sector characteristic - position and conditions in the Sector
- Market share reduction.
- The sector is influenced by cyclical factors - seasonality.
- No new entrance barriers.
- Production/ commerce of a single product.

B) Management Skills - Market Knowledge / Experience
- Management is performed actually by one person (one-man show).
- Potential movements in the highest management executive levels.

C) Ability to forecast / Access to funding
- Difficulties in predicting future performance of Company
- Limited or no access to other sources of financing
- Loans serviced in line with forecasts

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

Loans and advances past due but not impaired

	2013	2012
	Loans and advances to customers	Loans and advances to customers
Past due up to 29 days	4,514,156	24,586,185
Past due 30 - 89 days	25,887,081	-
Past due 90 - less than 1 year	-	551,646
Total	30,401,237	25,137,831

Impaired loans and advances individually assessed

As at 31 December 2013 and 2012 the Company did have loans and advances that were individually impaired.

	2013	2012
	Loans and advances to customers	Loans and advances to customers
Individually impaired loans - gross	2,879,435	126,608
Total	2,879,435	126,608

Movements in impairment allowance for the loans & advances to customers are:

	2013	2012
Opening balance	92,540	111,930
Impairment charge	88,928	29,903
Released provisions	(103,398)	(49,293)
Total	78,070	92,540

<u>*Concentration of risks of financial assets with credit risk exposure*</u>

Geographical sectors

The following table breaks down the Company's main credit exposure at their carrying amounts, as categorized by the geographical sectors of our counterparties:

Loans and advances to customers:	2013	2012
Serbia	141,389,916	180,108,405
Total	141,389,916	180,108,405

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

6.1 Credit risk (continued)

Industry sectors

The following table breaks down the Company's main credit exposure at their carrying amounts, as categorized by the industry sectors of our counterparties:

Loans and advances to customers:	2013	2012
Commerce and services	85,116,491	114,335,240
Manufacturing	5,612,417	12,786,001
Construction	50,584,380	52,937,470
Other industries	76,628	49,694
Total	141,389,916	180,108,405

6.2 Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific movements and changes in the level of volatility of market rates of prices such as interest rates, foreign exchange rates and equity prices.

6.3 Interest rate risk

The risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loan assets and loan liabilities are undertaken back to back on terms that both relate to the same variable Euribor or Libor rate. The risk is fully compensated by this balance and hence there is no sensitivity risk to a change in interest rate.

6.4 Foreign currency risk

The risk that assets or liabilities in foreign currencies will fluctuate in value due to exchange rate fluctuations. Loan assets and loan liabilities are undertaken back to back in the identical currencies. Thus this risk is fully compensated by this balance. Hence there is only immaterial foreign currency risk, which is on the difference between interest receivable and interest payable stated in a foreign currency. At this time, the only foreign currency exposure is CHF (Swiss Francs).

Sensitivity analysis

The sensitivity of the Profit and Loss account is the effect of the assumed changes in interest rates and FX rate on the net interest income for one year.

The effect on the income statement as a result of parallel shift in yield curve is nil, due to the back to back offset. Sensitivity analysis used for monitoring market risk do not represent worst case scenario:

	Sensitivity of income statement	
	2013	2012
Foreign exchange sensitivity		
10% change of EUR/CHF and USD exchange rate	12,912	21,983
	12,912	21,983

The foreign currency risk is only applicable on cash and cash equivalents and not on loans & advances to customers and borrowings from group Company.

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

6.5 Liquidity risk

The risk that daily calls on its cash may exceed available cash resources. Loan assets and loan liabilities are undertaken back to back and on a non recourse basis. This risk is fully compensated by this balance.

The table below presents the cash flow payable by the Company under financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are contractual undiscounted cash flows.

Contractual undiscounted cash flows

	2013	2012
Up to 1 month:		
Borrowings from group companies	809,228	2,266,241
Interest payable to group companies	91,601	82,258
Other payables	144,389	428,533
	1,045,218	2,777,032
1-3 months:		
Borrowings from group companies	19,287,590	27,439,639
Interest payable to group companies	2,074,149	944,597
Other payables	--	--
	21,361,739	28,384,236
4-12 months:		
Borrowings from group companies	14,789,678	54,932,283
Interest payable to group companies	2,009,562	2,571,942
Other payables	--	--
	16,799,240	57,504,225
1-5 years:		
Borrowings from group companies	85,311,499	72,699,713
Interest payable to group companies	5,473,796	6,119,110
Other payables	--	--
	90,785,295	78,818,823
Over 5 years:		
Borrowings from group companies	18,206,322	22,770,529
Interest payable to group companies	3,038,759	3,284,427
Other payables	--	--
	21,245,081	26,054,956
Total:		
Borrowings from group companies	138,404,317	180,108,405
Interest payable to group companies	12,687,867	13,002,334
Other payables	144,390	428,533
	151,236,574	193,539,272

6 FINANCIAL RISK MANAGEMENT (CONTINUED)

6.6 Fair values of financial assets and liabilities

The fair values of the financial assets and liabilities approximate their carrying amounts. As a result the management of the Company considers the fair value of the loans & advances to customers as not materially different from the book value.

6.7 Capital management

The Company's policy is to maintain capital base so as to support the Company's operations and sustain future development of the business as necessary. Capital consists of issued and paid up capital, share premium and other reserve. The Company is not required to comply with any capital requirements set by the regulators.

There have been no material changes in the Company's management of capital during the year.

7 LOANS & ADVANCES TO CUSTOMERS

	2013	2012
Loans to Serbian corporate clients - gross	141,389,916	180,108,405
Less: allowance for impairment	(78,070)	(92,539)
	141,311,846	180,015,865
Loan repayments due:		
Up to 1 month	6,216,589	8,064,697
1-3 months	5,144,894	15,253,834
4-12 months	33,472,501	39,006,710
	44,833,984	62,325,241
1-5 years	66,105,234	76,536,308
Over 5 years	30,372,628	41,154,316
	96,477,862	117,690,624

Loans bear variable interest ranging from 1 month to 6 month Euribor/Libor plus a spread ranging from a minimum 1.35% to a maximum of 6.1% and according to the client specific Credit Facility Agreements. 99% of the loan value is secured by a guarantee from either Eurobank A.D. Beograd, in Serbia, (under Master and Guarantee Agreement dated December 4, 2006) or by the Company's shareholder, Eurobank Ergasias S.A.

During 2013 and 2012 there was an impairment charge on loans and advances to customers and not on the interest receivable.

8 INTEREST RECEIVABLE

	2013	2012
Interest on loans to Serbian corporate clients	524,689	871,660
Default interest receivable	27,014	27,614
	551,703	899,274

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Notes to the Balance Sheet and Income Statement as at December 31, 2013
(in EUR)

9 OTHER RECEIVABLES

	2013	2012
Prepaid management fees	17,500	17,500
Other receivables	98,380	-
	115,880	17,500

10 CASH AND CASH EQUIVALENTS

Description	2013	2012
Cash at banks	406,650	3,931,450
	406,650	3,931,450

The total balance of cash and cash equivalents consists of a total balance in euro of EUR 353,305, in Swiss Franc of CHF 55,374 and in USD of USD 11,253.

There are no restrictions on the availability of cash and cash equivalents. These are readily available.

11 EQUITY

The Company's authorized share capital amounts to EUR 90,000 and consists of 90,000 ordinary shares with a nominal value of EUR 1 each.
As at December 31, 2013, 18,000 shares were issued and fully paid-up. For the movements in the Equity we refer to the Statement of Equity on page 8 of this report.

LIABILITIES

12 BORROWINGS FROM GROUP COMPANY

	2013	2012
Financing borrowings from group Company:		
Eurobank Private Bank Luxembourg	138,404,317	180,108,405
	138,404,317	180,108,405
Repayment due:		
Up to 1 month	4,110,918	8,157,236
1-3 months	5,145,833	15,253,834
4-12 months	33,428,226	39,006,711
	42,684,977	62,417,781
1-5 years	65,345,688	76,536,308
Over 5 years	30,373,652	41,154,316
	95,719,340	117,690,624

Borrowings bear variable interest ranging from 1 month to 6 month Euribor/Libor plus 2.075% until 28 February. From 1 March until 30 June plus 2,20% and from 1 July until December plus 2,75%.
They are fully secured by virtue of the Request for the Issuance of a Letter of Guarantee, dated December 14, 2006, however amended, in which the Eurobank Ergasias S.A. undertakes to repay the Eurobank Private Bank Luxembourg in case of default by the Company after being called to repay. The current loans are repayable on a basis mirroring that in the Loans in note 7 above.

13 INTEREST PAYABLE TO GROUP COMPANY

	2013	2012
Eurobank Private Bank Luxembourg		
Default interest payable	173,060	740,240
	173,060	740,240

Repayments are due within 3 months.

14 OTHER PAYABLES

	2013	2012
Several services and fees due to Eurobank Ergasias S.A.	623	35,801
Introduction fee to Eurobank A.D. Beograd	105,600	337,798
Trade payables	15,786	--
Accrued tax advisory fees	706	10,382
Accrued audit fees	21,485	22,478
Accrued management and domiciliation fees	--	21,880
Service due to Eurobank A.D. Beograd	190	194
	144,390	428,533

15 TAXATION

As at December 31, 2013, this item can be detailed as follows:

	2013	2012
Profit before income tax	139,624	231,450
Less: Tax free or non-taxable income:		
- Non-deductable costs	-	-
- Exemptions	-	-
Taxable profit	139,624	231,450
Statutory tax rate 20% over 200,000	27,925	40,000
Statutory tax rate 25% over remaining amount	-	7,864
Corporate Income tax current year	27,925	47,864
Corporate Income tax previous years	(295)	-
	27,630	47,864

The movements in the Taxation are as follows:

	2013	2012
Opening balance	(254,388)	(132,303)
Estimate tax charge for the year	27,925	47,864
Tax charge prior year	(295)	-
Payments made via final assessment 2010	-	9,795
Receipt of preliminary assessment 2011	117,948	-
Payments made via preliminary assessment 2013	(179,387)	-
Payments made via preliminary assessment 2012	-	(178,761)
Value added tax reclaimed	21,557	4,856
Value added tax reclaimable	(22,341)	(5,838)
Balance as at December 31, 2013	(288,981)	(254,388)

The nominal Corporate income tax rate in the Netherlands is 20% for the first EUR 200,000 and 25% for the remaining taxable result. Based upon the taxable result of the Company during the year under review, the effective Corporate income tax is 20.68%.

16 COMMISSION EXPENSES

	2013	2012
Commission to Eurobank Ergasias S.A.	41,490	234,039
Service fee to Eurobank Ergasias S.A.	4,095	11,415
Introduction fee to Eurobank A.D. Beograd	105,600	341,998
Finance expense breakage Eurobank Private Bank Luxembourg	1,038	8,797
Guarantee fee to Eurobank Ergasias S.A.	4,451	10,399
	156,674	606,648

PricewaterhouseCoopers Accountants N.V.
For identification purposes only

17 OTHER NET INCOME

	2013	2012
Interest income on bank deposits	267	6,234
Other income	10,997	21,247
Foreign exchange gain/loss	(301)	7,364
	10,963	34,845

18 GENERAL AND ADMINISTRATIVE EXPENSES

	2013	2012
Management and domiciliation fee	70,448	70,000
Tax advisory fee	5,893	8,549
Other	31,898	14,518
	108,239	93,066

The audit fees of EUR 17,496 (2012: EUR 10,338) included under "Other" solely comprises the fees of external independent auditor PricewaterhouseCoopers Accountants N.V. for the statutory audit of the financial statements. The external independent auditor has not charged any fees relating to other assurance related services, tax, consulting or any other consulting services.

19 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions.

The Company is wholly owned by Eurobank Ergasias S.A. (the Bank), which is listed in the Athens Stock Exchange.

In May 2013, following its full subscription in Eurobank's recapitalisation of € 5,839 million, the HFSF became the controlling shareholder and a related party of Eurobank. On 19 June 2013, HFSF acquired 3,789,317,358 Eurobank'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 increased to 95.23%.
Following the completion of Bank's share capital increase fully covered by private, institutional and other investors, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 95.23% to 35.41%. In addition, in the context of the Law 3864/2010 (the 'HFSF Law') as recently amended by Law 4254/2014, the HFSF's voting rights in the Bank's General Assemblies are no longer full but have been switched to restricted ones. As a result of the above, the HFSF is no more the controlling shareholder of the Group but is considered to have significant influence over it, remaining therefore its related party.

19 RELATED PARTIES (continued)

The Company is involved in several related party transactions, mainly with regard to the issuing of loans - refer to the Profit and Loss account and notes 11, 12, 13, 14 and 16. In addition, one of the borrowers is a wholly owned group Company, namely ERB Leasing A.D. Beograd, which pays standard rates on its borrowings. As at December 31, 2013 it has credit facilities and borrowings valued at EUR 17,202,090.

Other related parties are ERB Asset Fin. d.o.o. Beograd, Reco Real Property AD Beograd and IMO Property Investments AD Beograd. The credit facilities for and borrowings valued at EUR 915,993, EUR 2,650,000 and EUR 21,900,000 respectively.

The related party transactions refer to the Profit & Loss Account can be specified as follows:

	2013	2012
Interest income on loans & advances ERB Leasing A.D. Beograd	524,999	931,067
Interest income on loans & advances IMO Property Investments AD Beograd	501,879	428,339
Interest income on loans & advances Reco Real Property AD Beograd	65,927	89,742
Interest income on loans & advances ERB Asset Fin. d.o.o. Beograd	32,943	47,869
Interest expense on borrowings	(4,452,459)	(5,018,878)
Commission expenses	(156,674)	(606,647)
Interest income on bank deposits	267	6,234
	(3,483,118)	(4,122,274)

The related party transactions that refer to the Balance Sheet can be specified as follows:

	2013	2012
Loans & advances to customers ERB Leasing A.D. Beograd	17,202,091	22,119,314
Loans & advances to customers IMO Property Investments AD Beograd	21,900,000	16,100,000
Loans & advances to customers Reco Real Property AD Beograd	2,650,000	2,720,000
Loans & advances to customers ERB Asset Fin. d.o.o. Beograd	915,993	1,584,158
Current account with Eurobank Private Bank Luxembourg	217,671	3,020,791
Current account with Eurobank Ergasias S.A.	6,723	(23)
Term deposits with Eurobank Private Bank Luxembourg	0	867,266
Borrowings from group Company	(138,404,317)	(180,108,405)
Interest payable to group Company	(173,060)	(740,240)
Other payables	(106,413)	(373,793)

20 COMMITMENTS AND CONTINGENCIES

No off balance sheet contractual commitments or obligations, affecting the financial statements, have occurred to date.

ERB NEW EUROPE FUNDING B.V.

Notes to the Balance Sheet and Income Statement as at December 31, 2013
(in EUR)

21 OTHER INFORMATION ON GENERAL AND ADMINISTRATIVE EXPENSES

During the year under review the Company did not have any employees. Hence, it did not pay any wages and related social security.

22 DIRECTORS

During the year under review, the Company had four Managing Directors, who received no remuneration during the current or the previous financial year. The Company has no Supervisory Directors.

As per December 17, 2013, Mr. G. Meijssen has resigned as managing director of the Company, and as per same date Mr. M.A.H. Martis has been appointed as managing director of the Company.

As per March 14, 2014, Mr. Th. Karakasis has resigned as managing director of the Company, and as per same date Mr. E. Zois has been appointed as managing director of the Company.

As per April 16, 2014, Mr. Ch. Kokologiannis has resigned as managing director of the Company, and as per same date Mr. S. Psychogyios has been appointed as managing director of the Company.

The Board of Managing Directors,

S. Psychogyios E. Zois

S. van der Meer M.A.H. Martis

Amsterdam, 30 January 2015

ERB NEW EUROPE FUNDING B.V.

Amsterdam

Other Information

Statutory provision regarding appropriation of Result

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the other reserves are at the disposal of the shareholder in accordance with Article 13 of the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholders' equity exceeds the amount of the issued capital and the legal reserves.

Appropriation of result

The Board of Managing Directors proposes to add the net profit for the year to the other reserve. This proposed allocation of result has been incorporated in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

Distributions to shareholders are subject to two tests, namely, the equity test and the distribution or liquidity test.
The directors of the BV must approve a proposed distribution and may only refuse if they know (or ought to reasonably foresee) that the BV after the distribution would no longer be able to repay its debts as and when they fall due (art. 2:216.2BW).

Post balance sheet events

Eurobank Ergasias S.A. shareholding structure

On 14 November 2013, Eurobank Ergasias S.A. announced the initiation of the process to raise approximately € 2 bn through a capital increase. On 14 January 2014, Eurobank Ergasias S.A. and the Hellenic Financial Stability Fund (HFSF) announced that the transaction timetable will be adjusted to allow for the finalization of the assessment of forward looking capital needs of the Greek banking sector and the new recapitalization framework.

On 8 April 2014, the BoG following a) the assessment of Eurobank's capital needs amounting to € 2,945 million under the baseline scenario, concluded on 6 March 2014 and b) the capital enhancement plan submitted by the Bank on 24 March 2014, whereby the Bank: i) revised its capital actions providing for an additional positive impact on regulatory capital of € 81 million and proposed to adjust the restructuring plan accordingly and ii) stated that it intends to cover the remaining capital needs through a share capital increase, notified the Bank that its Core Tier I capital should increase by € 2,864 million.

On 12 April 2014, the Extraordinary Shareholders' General Meeting approved the increase of the share capital of the Bank up to € 2,864 million through payment in cash or/and contribution in kind, the cancellation of the preemption rights of the Bank's ordinary shareholders, including HFSF, and the only preference shareholder, namely the Greek State, and the issuance of up to 9,546,666,667 new ordinary registered shares, of a nominal value of € 0,30 each. The proceeds will be used to increase the Tier I Capital according to 8 April 2014 resolution of the BoG.

On 29 April 2014, the Bank announced that both the public offering of new ordinary registered shares to the public in Greece and the private placement of new ordinary registered shares to investors outside Greece were oversubscribed. The new shares have been listed on the main market of the Athens Exchange and their trading commenced on 9 May 2014. The successful completion of the Bank's capital increase constitutes a step towards further strengthening its capital position and enhances its ability to support the Greek economy.

As at 30 September 2014, the Common Equity Tier 1 ratio of Eurobank Ergasias S.A. (proforma with the regulatory treatment of deferred tax assets as deferred tax credit (Law 4303/2014)) stood at 16,1%, well above the statutory limit.

The European Central Bank (ECB), in the context of preparation of the Single Supervisory Mechanism (SSM) conducted a Comprehensive Assessment(CA) comprising of a supervisory risk assessment, asset quality review (AQR) and stress test. The comprehensive assessment encompassed the Eurozone's most significant banks and was carried out jointly with national competent authorities (NCAs) and European Banking Authorities (EBA). On the 26th of October 2014 the ECB and the EBA announced the results of the CA. Taking into account that the ECB stated that the dynamic scenario will be taken into consideration for assessing Group's capital position , the Group meets the CA's benchmark in both baseline and adverse scenario and no capital shortfall arises from such extensive exercise.

No major post balance sheet events affecting the financial statements have occurred to date.

Independent auditor's report

Reference is made to the independent auditor's report hereinafter.