

# **ERB NEW EUROPE HOLDING B.V.**

Amsterdam, the Netherlands

**FINANCIAL STATEMENTS 2012**

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**ERB NEW EUROPE HOLDING B.V.**

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# ERB NEW EUROPE HOLDING B.V.

## Report of Managing Directors

In accordance with the Articles of Association of ERB New Europe Holding B.V., the management herewith submits the Annual Report of ERB New Europe Holding B.V. (the Company) for the year 2012.

### Key Activities

ERB New Europe Holding B.V. (the Company) was incorporated on July 2, 2003 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 November 1, 2012 the Company changed its name to ERB New Europe Holding B.V. (former name: EFG New Europe Holding B.V.).

ERB New Europe Holding BV is part of and acts as a holding company for investments within Eurobank Ergasias SA Group. The Company's objectives are:

- a. to incorporate, to participate in, and to conduct the management of other companies and enterprises;
- b. to render administrative, technical, financial, economic or managerial services to other companies, persons and enterprises;
- c. to acquire, to dispose of, to manage and to commercialise moveable and immoveable property and other goods, including patents, trademark rights, licenses, permits and other industrial property rights;
- d. to borrow and to lend money, to act as surety or guarantor in any other manner, and to bind itself solely and jointly or otherwise in addition to or on behalf of others.

### Overview of activities

During the financial year 2012 the Company expanded its participation in companies within the Eurobank Ergasias Group by investing a total amount of EUR 45,979,780. For a further analysis of this increase in investments we refer to notes 7 and 8 of this report.

### Impact of the economic crisis and situation in Greece

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 aimed at bringing the country's public debt-to-GDP ratio below 120,0% by 2020.

The new funding and reform programme improved the country's financial position and outlook, via the reduction of public debt and its servicing costs from 2012 onwards.

On the back of these developments, 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 reached on 26 November 2012 an agreement on a set of new measures for the reduction of Greek public debt to 124,0% of GDP by 2020 and 110,0% of GDP in 2022. This debt path is consistent with the debt sustainability required by the IMF.

### Position of the Eurobank Group

#### *Greek sovereign debt exchange programme*

On 21 February 2012 the Euro-area finance ministers agreed on a bailout programme for Greece, including financial assistance from the Official Sector and a voluntary debt exchange agreed with the Private Sector forgiving 53,5% of the face value of Greek debt. All exchanged bonds were derecognised and the new Greek government bonds (nGGBs) recognised at fair value, based on market quotes at the date of recognition.

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**Position of the Eurobank Group (continued)**

*Greek sovereign debt exchange programme (continued)*

Following the Eurogroup's decisions on 27 November 2012 and 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). Under its participation to the Greek state's debt buyback program, the Eurobank Ergasias Group submitted for exchange the 100% of its nGGBs portfolio of total face value €2,3 billion.

*Recapitalization Framework and Process*

Given the severity of the impact of the Greek Government Bond exchange programme (PSI+), on 21 February 2012 the Euro Area finance ministers allocated a total of €50 billion of the second support programme 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 billion of these funds were remitted to Greece in 2012 and the final €11 billion in 2013.

*Recapitalization of Eurobank Ergasias S.A.*

The Bank of Greece, after assessing the business plan and the capital needs of Eurobank Ergasias S.A. has concluded on 19 April 2012 that Eurobank Ergasias S.A. is a viable bank and, on 8 November 2012, notified Eurobank Ergasias S.A. that its Tier 1 capital should increase by €5.839 million. Eurobank Ergasias S.A., the HFSF and the European Financial Stability Facility (EFSF) signed on 28 May 2012, on 21 December 2012 and on 30 April 2013 a trilateral presubscription agreement (PSA) for the advance to Eurobank Ergasias S.A. 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 Eurobank Ergasias S.A.

On 7 April 2013, the relevant regulatory authorities, with the consent of the management of both banks, decided that National Bank of Greece S.A. (NBG) and Eurobank Ergasias S.A. will be independently recapitalised in full. As a consequence, the merger process of the two Banks was suspended. Following the above decision, the Board of Directors of Eurobank Ergasias S.A. 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, and the ensuing inability of properly assessing the investment proposal, as well as the absence of tens of thousands of Eurobank Ergasias S.A.'s traditional shareholders who were substituted, due to the recent Voluntary Tender Offer, by NBG's stake of approximately 85% in Eurobank Ergasias S.A.'s capital. As a consequence, the Board of Directors of Eurobank Ergasias S.A. 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 2013, 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. The capital increase was certified on 31 May 2013 and the listing of the new shares was completed on 19 June 2013 after obtaining the relevant approvals from Greek regulatory authorities.

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**Position of the Eurobank Group (continued)**

*Recapitalization of Eurobank Ergasias S.A. (continued)*

On 28 March 2013, the BoG issued an Executive Committee Act (13/28.03.2013) bringing the limit for the Core Tier 1 capital to 9% of Risk Weighted Assets and for Equity Core Tier 1 to 6%, effective from 31 March 2013. According to the new definition of Core Tier 1 capital, AFS reserve is fully recognised, while deferred tax asset's recognition is limited to 20% of Core Tier 1 capital. As at 30 September 2013, the Core Tier 1 ratio stood at 6.8% and proforma with the completion of transaction with Fairfax Financial Holdings Limited and the implementation of Basel II IRB credit risk methodology (subject to the approval of the Bank of Greece) to New TT Hellenic Postbank S.A. (NHPB) and New Proton Bank S.A. (New Proton) at 8.1%.

**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 credit risk, interest rate risk, foreign currency risk and liquidity risk. For a further analysis we refer to note 5 in the Notes to the balance sheet and Statement of Comprehensive income of this report.

**Outlook**

There were no changes in the nature of the activities of the company in 2012 and no changes are expected in 2013.

**Current year loss**

During the year under review the Company recorded a loss of EUR 17,028,410 In the previous financial year (2011) the loss recorded amounted EUR 93,002,892.

**Post Balance Sheet Events**

**Eurobank Ergasias S.A. shareholding structure**

EFG Group was the controlling shareholder of the Eurobank Ergasias S.A., holding 44.70% of the Eurobank's ordinary shares and voting rights until 23 July 2012. 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 increases to 95.23%.

Eurobank Ergasias 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. Eurobank Ergasias 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 related party transactions presented.

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**Post Balance Sheet Events (continued)**

**National Bank of Greece S.A. 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 Eurobank Ergasias S.A. 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 Eurobank 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 Eurobank Ergasias S.A., convened on 30 April 2013, decided the increase of the Eurobank'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, the percentage of the voting rights held by NBG as at 30 September 2013 was reduced below 5%.

**Other events**

The liquidation process of EFG Business Services d.o.o. Beograd was completed on September 4, 2013.

No other material subsequent events, affecting the financial statements, have occurred to date.

**Other significant events – Investment in Eurobank Cyprus Ltd (subsidiary)**

As at 30.9.2013, the total assets of the subsidiary stand at € 3.7 bn, out of which, € 1.4 bn, only, relate to assets in Cyprus. The capital base of the subsidiary amounts to € 573 million, while the capital adequacy ratio stood at the very strong levels of 40.02%, which, combined with the good quality of the loan portfolio, strengthen the shield toward the risks of the current economic conditions.

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.

**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.

**ERB NEW EUROPE HOLDING B.V.**  
**Report of Managing Directors**

**Composition of the board**

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. 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.

Amsterdam, December 20, 2013

**Managing Directors**

I. Tegopoulos

Ch. Kokologiannis

S. van der Meer

G. N. Meijssen

# ERB NEW EUROPE HOLDING B.V.

## Statement of Comprehensive income for the period ended December 31, 2012 (in EUR)

	<u>Notes</u>	<u>31/12/2012</u>	<u>31/12/2011</u>
<b>Income and Expenses</b>			
Deposit Interest		846,259	1,981,854
Interest income on loan		516,135	651,690
Interest expense on loan		(420,845)	(542,209)
Gain/(loss) on disposal and liquidation of investments		35,588	43,299
Impairment loss on investments	7 + 8	(16,959,149)	(94,773,206)
Currency exchange result		12,898	(9,452)
Other Income/(expenses)	16	(1,186,994)	43,292
General and administrative expenses		(350,590)	(279,398)
		<u>(17,506,698)</u>	<u>(92,884,130)</u>
<b><u>Profit/ (Loss) Before Tax</u></b>		<u>(17,506,698)</u>	<u>(92,884,130)</u>
Corporate income tax	17	478,288	(118,762)
<b><u>Profit/ (Loss) For the Year</u></b>		<u>(17,028,410)</u>	<u>(93,002,892)</u>
Other Comprehensive income		--	--
<b><u>Total Other Comprehensive income for the year</u></b>		<u>--</u>	<u>--</u>

The notes to the accounts on pages 10 to 22 form an integral part of these financial statements.

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# ERB NEW EUROPE HOLDING B.V.

Balance Sheet as at December 31, 2012

(In EUR, before appropriation of results)

## ASSETS

	<u>Notes</u>	<u>31/12/2012</u>	<u>31/12/2011</u>
<b>Non-current Assets</b>			
Investments in subsidiaries	7	716,722,242	686,896,503
Investments in associates	8	218,236,903	222,574,714
Investment Securitates	9	--	--
Loan granted to subsidiary undertakings	11	35,305,152	71,696,603
		<u>970,264,297</u>	<u>981,167,820</u>
<b>Current assets</b>			
Trade and other receivables	12	1,813,750	2,812,222
Cash and cash equivalents	13	51,985,089	92,727,965
		<u>53,798,839</u>	<u>95,540,187</u>
<b>TOTAL ASSETS</b>		<u><u>1,024,063,136</u></u>	<u><u>1,076,708,007</u></u>

## EQUITY

### Capital and reserves attributable to equity holders of the company

Ordinary shares	14	850,000,000	850,000,000
Share premium		401,027,926	401,027,926
Retained earnings		(247,241,584)	(154,238,692)
Result current year		(17,028,410)	(93,002,892)
<b>TOTAL EQUITY</b>		<u>986,757,932</u>	<u>1,003,786,342</u>

## LIABILITIES

### Provisions

Provision against investment losses	10	--	--
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### Current liabilities

Loan payable	15	36,019,474	72,844,137
Trade and other payables	16	1,285,729	77,528
		<u>37,305,204</u>	<u>72,921,665</u>

### TOTAL EQUITY AND LIABILITIES

		<u><u>1,024,063,136</u></u>	<u><u>1,076,708,007</u></u>
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The notes to the accounts on pages 10 to 22 form an integral part of these financial statements

# ERB NEW EUROPE HOLDING B.V.

## Cash Flow Statement for the period ended December 31, 2012 (in EUR)

	Notes	2012	2011
<b>Operating Activities</b>			
Profit/(Loss) before tax for the year		(17,506,698)	(92,884,130)
Adjustments for:			
Interest income		(1,362,394)	(2,633,544)
Interest expense		420,845	542,209
<b>Cash flow from operating activities</b>		<b>(18,448,247)</b>	<b>(94,975,465)</b>
<b>Cash flow from operations</b>			
Effect of exchange rate changes		(12,898)	9,452
Net (increase)/decrease in other assets	12	645,047	(66,694)
Net increase/(decrease) in other liabilities	16	1,208,201	(83,325)
Gain on disposal and liquidation of investments		(35,588)	(43,299)
Impairment loss on investments	7+8	16,959,149	94,773,206
Interest received		1,127,030	2,612,852
Interest paid		(599,295)	(639,933)
Tax received/(paid)		831,713	(758,686)
<b>Net cash generated from operations</b>		<b>20,123,358</b>	<b>95,803,574</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investments		3,489,262	120,874
Acquisition of investment undertakings and participation in share capital increases	7+8+9	(45,979,780)	(39,868,518)
Proceeds from repayments of loan granted	11	36,626,816	--
<b>Net cash used in investing activities</b>		<b>(5,863,702)</b>	<b>(39,747,644)</b>
<b>Cash flows from financing activities</b>			
Repayments of loan received		(36,646,212)	--
<b>Net cash used in financing activities</b>		<b>(36,646,212)</b>	<b>--</b>
<b>Net (decrease) /increase in cash equivalents</b>		<b>(40,834,803)</b>	<b>(38,919,535)</b>
Cash and cash equivalents at the beginning of the year		92,727,965	131,624,417
Effect of exchange rate fluctuations on cash held		91,927	23,084
Cash and cash equivalents at the end of the year	13	51,985,089	92,727,965
<b>Movement in cash</b>		<b>40,834,803</b>	<b>38,919,535</b>

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## ERB NEW EUROPE HOLDING B.V.

### Statement of Changes in equity for the period ended December 31, 2012

(in EUR)

	<u>Ordinary Shares</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at January 1, 2011	850,000,000	401,027,926	(154,238,692)	1,096,789,234
Profit/(Loss) for the period			(93,002,892)	(93,002,892)
Total Comprehensive Income for the year			--	--
Balance as at December 31, 2011	850,000,000	401,027,926	(247,241,584)	1,003,786,342
Profit/(Loss) for the period			(17,028,410)	(17,028,410)
Total Comprehensive Income for the year			--	--
Balance as at December 31, 2012	<u>850,000,000</u>	<u>401,027,926</u>	<u>(264,269,994)</u>	<u>986,757,932</u>

The notes to the accounts on pages 10 to 22 form an integral part of these financial statements

# ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
(in EUR)

## 1 GENERAL

ERB New Europe Holding B.V. (the Company) is a Dutch private company with limited liability, incorporated in Amsterdam on July 2, 2003 under name Cayne Management Group B.V. On March 13, 2007 Eurobank Ergasias S.A. acquired all shares in the capital of the Company and on May 10, 2007 the Company changed its name to EFG New Europe Holding B.V. On November 1, 2012 the Company changed its name to ERB New Europe Holding B.V. The Company mainly acts as a holding and finance company and currently has its office address at Naritaweg 165, 1043 BW, Amsterdam, the Netherlands.

EFG Group was the controlling shareholder of the Eurobank Ergasias S.A., holding 44.70% of the Eurobank's ordinary shares and voting rights until 23 July 2012. 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 increases to 95.23%".

## 2 PRINCIPAL ACCOUNTING POLICIES

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

### Basis of preparation

The Company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, as endorsed by the European Union and in particular with those IFRS 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 2012 and 2011. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### Changes in accounting policy and disclosures

#### *a) Amended and new standards and interpretations effective in 2012 for EU*

The amended and new standards and interpretations effective from 1 January 2012 are listed below:

- IFRS 7, Amendment - Disclosures, Transfers of Financial Assets

The above stated amendment did not have a materially significant impact on the Company's financial statements.

Other revised standards and interpretations effective for the current period. The amendments to IFRS 1 "First-time adoption of IFRS", relating to severe hyperinflation and eliminating references to fixed dates for certain exceptions and exemptions, did not have any impact on these financial statements. The amendment to IAS 12 "Income taxes", which introduced a rebuttable presumption that an investment property carried at fair value is recovered entirely through sale, did not have a material impact on these financial statements.

# ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
(in EUR)

## 2 PRINCIPAL ACCOUNTING POLICIES (continued)

### Changes in accounting policy and disclosures (continued)

#### *b) Standards and Interpretations issued but not yet effective for EU*

The following standards and interpretations, that were issued but not yet effective for accounting periods beginning on 1 January 2012, have not been early adopted.

- IAS 1, Amendment - Presentation of Items of Other Comprehensive Income (effective 1 January 2013)
- IAS 12, Amendment - Deferred tax: Recovery of Underlying Assets (effective 1 January 2013)
- IAS 19, Amendment - Employee Benefits (effective 1 January 2013)
- IAS 27, Amendment - Separate Financial Statements (effective 1 January 2014)
- IAS 28, Amendment - Investments in Associates and Joint Ventures (effective 1 January 2014)
- IAS 32, Amendment - Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014)
- IFRS 7, Amendment - Disclosures, Offsetting Financial Assets and Financial Liabilities (effective 1 January 2013)
- IFRS 9, Financial Instruments (effective 1 January 2015, not yet endorsed by EU)
- IFRS 9 and IFRS 7, Amendment - Mandatory Effective Date and Transition Disclosures (effective 1 January 2015, not yet endorsed by EU)
- IFRS 10, Consolidated Financial Statements (effective 1 January 2014)
- IFRS 11, Joint Arrangements (effective 1 January 2014)
- IFRS 12, Disclosure of Interests in Other Entities (effective 1 January 2014)
- IFRS 13, Fair Value Measurement (effective 1 January 2013)
- IFRS 10, 11 and 12 Amendments - Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (effective 1 January 2013, not yet endorsed by EU)
- IFRS 10, 12 and 27 Amendments - Investment Entities (effective 1 January 2014, not yet endorsed by EU)

IFRS 9 is part of IASB's project to replace IAS 39 Financial Instruments which has not been finalised yet and as a result, it is not practicable to quantify its impact. The application of the other above mentioned standards and interpretations is not expected to have a material impact on the Bank's financial statements in the period of the initial application.

The application of the above mentioned standards and interpretations is not expected to have a material impact on the Company's financial statements in the period of the initial application, although disclosures may be more extensive.

### Prior year comparison

The accounting policies have been consistently applied to the years presented.

### Foreign currencies

All monetary assets and liabilities denominated in currencies other than EUR have been translated at the rates of exchange prevailing on balance sheet date. All transactions in foreign currencies have been translated into EUR at rates of exchange approximating those prevailing on the dates of the transaction. Unless otherwise indicated, any resulting exchange differences are included in the Statement of Comprehensive income. Income and expenses are translated at the rates of date of transaction.

These financial statements are presented in Euro as this is the currency of the primary economic environment in which the Company operates ("the functional currency").

### Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies. Generally if the Company has a shareholding of more than one half of the voting rights, control is expected. The existence and effect of the potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The subsidiaries are valued at cost. Nevertheless, in case an impairment is required, this cost price will be adjusted and the loss regarding this adjustment will be recognized in the profit and loss account.

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# ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
(in EUR)

## 2 PRINCIPAL ACCOUNTING POLICIES (continued)

### Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are recognized and valued at cost. In case an impairment is required, this cost price will be adjusted and the loss regarding this adjustment will be recognized in the profit and loss account.

### Investment securities

Under Investment securities (Available for Sale) entity classifies all entities over which the Company has neither significant influence nor control, generally accompanying a shareholding of below 20% of the voting rights. Investment securities are initially recognized at cost and subsequently carried at fair value. Gains and losses arising from changes in the fair value of investment securities are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss. In case an impairment is required, this value will be adjusted and the loss regarding this adjustment will be recognized in the profit and loss account.

### Receivables

Loans and receivables are valued at amortized cost. They are included in the current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

### Provisions

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is likely to require an outflow of resources and the extent of which can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligation at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

## 3 PRINCIPLES OF DETERMINATION OF RESULT

### General

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

### Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognized in the Profit and Loss Account in the period that they arise. Exchange rate differences on long-term loans relating to the financing of foreign participations are recognized in the Profit and Loss Account in the period they arise.

### Taxation

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

## 4 CONSOLIDATION

The Company is not required to prepare consolidated financial statements since such statements are not required by its parent company, Eurobank Ergasias S.A., and the needs of other users are best served by the consolidated statements of its parent company (according to IAS27 paragraph 10).

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
(in EUR)

### 5 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 normal course of the Company's business. The Company's overall risk management policy focus on the unpredictability of financial 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:

#### Credit risk

The Company holds a large deposit with Eurobank Ergasias Group (the parent company). The parent company's long term rating was CCC at mid November 2013 (2012: CCC, 2011: CCC) and the short term is C (2012: C, 2011: C) according to the Standard & Poor's credit rating.

#### Interest rate risk

The Company's interest rate risk arises from current liabilities. Borrowing issued at variable rate exposes the Company to interest rate on the short term loan which is partially offset by the long-term subordinated loan receivable. During the year 2012, the Company's interest rate on the long-term loan receivable was LIBOR/EURIBOR plus 0.65%, whereas the interest rate on the short-term loan payable was LIBOR/EURIBOR plus 0.325%.

The Company analyses its interest rate exposure on a dynamic basis and simulated a scenario based upon which the Company calculates the impact of an interest rate shift on the Company's profit and loss account. Based on the simulations performed, the impact on the profit and loss accounts will be kept to a minimum due to the following:

- the loan payable and the subordinated loan receivable are considered almost back-to-back financed;
- the interest rates of both the subordinated loan receivable as well as the loan payable are based on the LIBOR/EURIBOR.

Besides the above-mentioned back-to-back loan, and a non-interest bearing receivable, the Company has no other loans outstanding. As the Company has not taken or granted any other loans during the year under review and has any interest risk thereon, there is no need to perform a sensitivity analysis.

The excess of cash which the Company currently has is invested in short term deposits, which bear a fixed interest rate for the period. Due to the fact that the deposits are agreed for a short term period only, the risk is considered minimal.

#### Foreign currency risk

The Company holds several Financial Assets in Foreign Currencies.

It holds three bank accounts in Serbian Dinars and one in Ukraine Hryvnia. These bank accounts have an immaterial amount. In addition, the Company holds four bank accounts in United States Dollars which is disclosed in note 13 of these financial statements. Moreover, the Company has other intercompany loans receivable and payable in USD as disclosed in note 11 and 15 of these financial statements. Any resulting exchange differences on the items mentioned above, are included in the Statement of Comprehensive income.

The Company also holds several participations in Eastern Europe Countries as disclosed in notes 7 and 8 of these financial statements for which there is no Foreign Currency risk for the Company's P&L account as it uses the historical cost for the valuation of its participations.

As at 31 December 2012	CCY	Less than 1 year		Over 1 year	
		Amount in CCY	Amount in EUR	Amount in CCY	Amount in EUR
Loan receivables	USD	--	--	46,124,000	34,958,314
Interest receivables	USD	457,617	346,837	--	--
Loan payables	USD	(47,422,557)	(35,942,517)	--	--
Interest payables	USD	(101,538)	(76,958)	--	--
Cash and cash equivalents	UAH	4	--	--	--
Cash and cash equivalents	RSD	64,041	563	--	--
Cash and cash equivalents	USD	371,868	281,846	--	--

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
(in EUR)

### 5 FINANCIAL RISK MANAGEMENT (continued)

#### Foreign currency risk (continued)

As at 31 December 2011	CCY	Less than 1 year		Over 1 year	
		Amount in CCY	Amount in EUR	Amount in CCY	Amount in EUR
Loan receivables	USD	--	--	92,624,000	71,585,130
Interest receivables	USD	144,234	111,472	--	--
Loan payables	USD	(93,922,557)	(72,588,729)	--	--
Interest payables	USD	(330,472)	(255,408)	--	--
Cash and cash equivalents	UAH	4	--	--	--
Cash and cash equivalents	RSD	64,721	619	--	--
Cash and cash equivalents	USD	622,681	481,244	--	--

Based on an analysis of the Company's foreign currency risk and the materiality of the balances, the impact on the profit and loss account by a increase/decrease in USD rate of 10%, would cause a maximum increase/ decrease of EUR 43,191. By comparing this same analysis on the Company's 2011 balances a shift of 10% of the USD rate, would have caused a maximum increase/ decrease of EUR 66,567.

#### Liquidity risk

Management considers liquidity risk to be minimal at this stage.

The Company has a significant cash position as at year end. The Company acts as a holding company and day-to-day cash flows are limited.

The table below analyses the Company's financial liabilities into relevant groupings based on the remaining period at the balance sheet to the contractual maturity date.

As at 31 December 2012	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Over 12 months
<b>Liabilities:</b>				
Loan payable	36,019,474	--	--	--
Trade and other payables	--	75,362	--	--

  

As at 31 December 2011	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Over 12 months
<b>Liabilities:</b>				
Loan payable	72,844,137	--	--	--
Trade and other payables	--	49,635	--	--

### 6 CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

#### Impairment of investments

The Company follows the guidance of IAS36 to determine when an investment is impaired. An impairment loss is the amount by which the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use is calculated using the present value of estimated future cash flows the Company expects to derive from the investment. In assessing these future cash flows, assumptions are made in respect of uncertain matters like timing and amount in projecting cash flows and discount rates. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the value of an investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as sector performance and operational and financing cashflow. A change in judgement could have a substantial effect on the value of the investments. When an investment is impaired, the loss regarding this impairment will be recognized in the Profit and loss account.

The most sensitive key assumptions used in calculating the estimated future cash flows are:

	pre-tax discount rate	growth rate
Bulgaria	12%	4.00%
Romania	13%	4.00%
Serbia	13%	4.00%

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
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### 7 INVESTMENTS IN SUBSIDIARIES

The movements in the investments in subsidiaries are as follows:

	2012	2011
Opening balance as at January 1,	686,896,503	761,053,757
Additions	45,979,754	18,865,876
Disposal/Liquidation	(3,532,703)	--
Transfer from associates	--	--
Impairment loss	(12,621,312)	(91,528,776)
Provisions against investment losses accounted for in 2010	--	(1,494,354)
Balance as at December 31,	716,722,242	686,896,503

The Company has shares in the following Subsidiaries which are part of the Eurobank Ergasias Group:

Name	Ownership and voting rights	Cost price in euro
<b>1 IMO 03 EAD (formerly known as EFG Securities Bulgaria EAD)</b>		
<b>Bulgaria</b>		
Opening balance	100%	315,192
Movements	--	--
Closing balance	100%	315,192
<b>2 EFG Leasing Poland Sp. Z.o.o.</b>		
<b>Poland</b>		
Opening balance	99.99%	3,375,621
Disposal	-99.99%	(3,375,621)
Closing balance	0.00%	--
<b>3 EFG Property Services Polska</b>		
<b>Sp. Z.o.o., Poland</b>		
Opening balance	98.33%	157,082
Disposal	-98.33%	(157,082)
Closing balance	0.00%	--
<b>4 ERB Retail Services IFN SA</b>		
<b>Romania</b>		
Opening balance	99.15%	25,745,916
Movements	--	--
Closing balance	99.15%	25,745,916
<b>5 Eurobank Cyprus Limited</b>		
<b>Cyprus</b>		
Opening balance	100%	257,454,482
Movements	--	--
Closing balance	100%	257,454,482

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
(in EUR)

### 7 INVESTMENTS IN SUBSIDIARIES (continued)

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro</u>
<b>6 ERB Leasing IFN SA Romania</b>		
Opening balance	92.62%	9,900,778
Additions	4.61%	10,857,272
Impairment loss		(1,670,592)
Closing balance	97.23%	19,087,458
<b>7 ERB Asset Fin DOO Beograd Serbia</b>		
Opening balance	100%	--
Movements	--	--
Closing balance	100%	--
The investment was fully impaired in financial year 2009.		
<b>8 ERB New Europe Funding II B.V. The Netherlands</b>		
Opening balance	100%	12,000,200
Movements	--	--
Closing balance	100%	12,000,200
<b>9 EFG Business Services d.o.o. Beograd - in liquidation Serbia</b>		
Opening balance	100%	58,848
Impairment loss		(58,848)
Closing balance	100%	--
<b>10 Public J.S.C. Universal Bank Ukraine</b>		
Opening balance	99.96%	50,327,582
Additions	0.01%	35,122,482
Impairment loss		(10,891,872)
Closing balance	99.97%	74,558,192
<b>11 ERB Property Services Ukraine LLC Ukraine</b>		
Opening balance	99.00%	--
Movements	--	--
Closing balance	99.00%	--
The investment was fully impaired in financial year 2009.		

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
(in EUR)

### 7 INVESTMENTS IN SUBSIDIARIES (continued)

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro</u>
<b>12 Eurobank Bulgaria AD Bulgaria</b>		
	Opening balance 54.27%	323,574,901
	Movements --	--
	Closing balance 54.27%	<u>323,574,901</u>
<b>13 Eurobank Finance SA Romania</b>		
	Opening balance 62.80%	--
	Movements --	--
	Closing balance 62.80%	<u>--</u>
<b>14 ERB IT Shared Services S.A. Romania</b>		
	Opening balance 98.90%	3,985,901
	Movements --	--
	Closing balance 98.90%	<u>3,985,901</u>

### 8 INVESTMENTS IN ASSOCIATES

The movements in the investments in associates are as follows:

	2012	2011
Opening balance as at January 1,	222,574,714	225,789,811
Additions	26	89,572
Disposals	--	(60,239)
Impairment loss	(4,337,837)	(3,244,430)
Balance as at December 31,	<u>218,236,903</u>	<u>222,574,714</u>

The Company has shares in the following Associates:

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro</u>
<b>1 Eurobank A.D. Beograd Serbia</b>		
	Opening balance 42.74%	199,048,210
	Movements --	--
	Closing balance 42.74%	<u>199,048,210</u>
<b>2 ERB Leasing A.D. Beograd Serbia</b>		
	Opening balance 48.63%	510,000
	Movements --	--
	Closing balance 48.63%	<u>510,000</u>
<b>3 Bancpost SA Romania</b>		
	Opening balance 5.33%	23,016,504
	Additions 0.00%	26
	Impairment loss	(4,337,837)
	Closing balance 5.33%	<u>18,678,693</u>

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
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### 9 INVESTMENT SECURITIES

The movements in the investment securities are as follows:

	2012	2011
Opening balance as at January 1,	--	--
Additions	--	20,913,070
Disposal/Liquidation	--	(15,674)
Impairment loss	--	--
Provisions against investment losses accounted for in 2010	--	(20,897,396)
Balance as at December 31,	--	--

The Company has shares in the following investment securities:

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro</u>
<b>1 EFG Investment II (UK)</b>		
<b>United Kingdom</b>		
Opening balance	9.99%	--
Movements	--	--
Closing balance	9.99%	--

### 10 PROVISION AGAINST INVESTMENT SECURITIES

The movements in the provision against investment securities are as follows:

	2012	2011
Opening balance as at January 1,	--	22,391,750
Provision	--	--
Use of provision (refer to notes 7 and 9)	--	(22,391,750)
Balance as at December 31,	--	--

### 11 LOAN GRANTED TO SUBSIDIARY UNDERTAKINGS

As at December 31, 2012, this item can be detailed as follows:

<u>Name</u>	<u>Description</u>	<u>CCY</u>	<u>Amount in CCY</u>	<u>2012</u>	<u>2011</u>
PJSC Universal Bank	Subordinated loan	USD	46,124,000	34,958,314	71,585,130
PJSC Universal Bank	Interest	USD	457,617	346,837	111,473
			46,581,617	35,305,152	71,696,603

The increase of share capital of J.S.C. Universal Bank dated March 16, 2012 (note 7) was performed through conversion of the subordinated loan granted to the subsidiary by the Company.

## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
(in EUR)

### 12 TRADE AND OTHER RECEIVABLES

As at December 31, 2012, this item can be detailed as follows:

Name	Description	CCY	Amount in CCY	2012	2011
EFG International Bermuda Ltd	Intercompany	USD	1	1	29,727
Eurobank EFG Holding (Luxembourg) S.A.	Intercompany	USD	--	--	1,700,000
EFG Investment II (UK)		USD	1,481,879	1,123,146	--
Interest receivable	Corporate Income tax			--	38,467
* Income tax receivable	Corporate Income tax			690,603	1,044,028
				<u>1,813,750</u>	<u>2,812,222</u>

\* Note 17 of the financial statements provides a detailed breakdown of the Income tax receivable.

### 13 CASH AND CASH EQUIVALENTS

Cash at banks

Description	CCY	Amount in CCY	Rate	2012	2011
Current accounts	USD	371,868	0.76	281,846	481,244
Current accounts	UAH	4	0.10	--	--
Current accounts	RSD	64,041	0.01	563	618
Current accounts	EUR	2,633,604	1.00	2,633,604	2,235,836
Deposit account	EUR	49,000,000	1.00	49,000,000	90,000,000
Accrued interest on deposit account	EUR	69,076	1.00	69,076	10,267
				<u>51,985,089</u>	<u>92,727,965</u>

All Cash and Cash equivalents is at free disposal of the Company.

### 14 EQUITY

The Company's authorized share capital amounts to EUR 1,000,000,000 and consists of 1,000,000 ordinary shares with a nominal value of EUR 1,000 each.

As at December 31, 2012, 850,000 shares were issued and fully paid-up.

For the movements in the Equity we refer to the Statement of changes in Equity on page 9 of this report.

### 15 LOAN PAYABLE

As at December 31, 2012, the Company's outstanding borrowings are detailed as follows:

Name	Description	CCY	Amount in CCY	2012	2011
Eurobank Private Bank Luxemburg S.A.	Loan	USD	47,422,557	35,942,517	72,588,729
Eurobank Private Bank Luxemburg S.A.	Interest	USD	101,538	76,958	255,408
				<u>47,524,095</u>	<u>72,844,137</u>

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
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### 16 TRADE AND OTHER PAYABLES

As at December 31, 2012, this item can be detailed as follows:

Name	Description	CCY	Amount in CCY	2012	2011
Marble Asset Management LLP	Intercompany			--	17,892
Eurobank Household Lending Services S.A.	Intercompany			--	10,000
EFG Investment II (UK) Ltd.		USD	1,597,000	1,210,367	
	General and administrative expenses			75,362	49,636
Trade and other payables				<u>1,285,729</u>	<u>77,528</u>

Included above is an amount of USD 1,597,000 (EUR 1,210,367) relating to excess dividend distributions from EFG Investment II (UK) Ltd. The calculation of such dividends by the asset manager had originally ignored goodwill amortization resulting to excess distributions. Following subsequent claims, it was agreed, in 2012, that the Company reimburses the relevant amount. Aforementioned amount has been included in Other income/(expense).

### 17 TAXATION

As at December 31, 2012, this item can be detailed as follows:

	2012
Profit before income tax	(17,506,698)
Add: Non-deductible expenses:	
- Provisions against investment Losses	--
- Impairment loss on investments	16,959,149
- Participation exemption	(35,588)
- Other expenses	1,210,367
Less: Tax free or non-taxable income:	
- Unrealized currency exchange results	--
Taxable profit	<u>627,230</u>
Statutory tax rate 20% over 200,000	40,000
Statutory tax rate 25% over remaining amount	<u>106,808</u>
Corporate Income tax current year	146,808
Adjustment provision based on final assessment previous years	(197,900)
Adjustment of Corporate Income tax for previous year	<u>(427,196)</u>
	<u>(478,288)</u>

The movements in the Corporate Income tax receivable / (payable) are as follows:

	2012	2011
Opening balance	1,044,028	404,105
Estimate tax charge for the year	(146,808)	(451,443)
Payments made/ (receipts) during the year relating to previous years	(1,471,224)	1,303
Adjustment provision based on final assessment previous years	197,900	351,871
Payments made via preliminary assessment for the year	639,511	591,772
Withholding tax on interest (reclaimable)	--	165,610
Adjustment of Corporate Income tax for previous year	427,196	(19,190)
Balance as at December 31,	<u>690,603</u>	<u>1,044,028</u>

The nominal Corporate income tax rate in the Netherlands is 20% for the first EUR 200,000 and the remaining taxable result 25%.

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
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### 18 RELATED PARTY TRANSACTIONS

The company is subsidiary of Eurobank Ergasias SA (the Bank) which is listed in the Athens Stock Exchange. Until 23 July 2012, Eurobank Ergasias S.A was a member of the EFG Group, which held 44,70% of the Bank's ordinary shares and voting rights, through wholly owned subsidiaries of the ultimate parent company.

EFG Group was the controlling shareholder of the Eurobank Ergasias S.A., holding 44.70% of the Eurobank's ordinary shares and voting rights until 23 July 2012. 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 increases to 95.23%.

Eurobank Ergasias 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. Eurobank Ergasias 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 related party transactions presented.

A number of transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. The volume of the said related party transactions and outstanding balances at the year-end are as follows:

(a) *Loan granted to subsidiary undertakings*

Description	Closing balance	
	2012	2011
Subordinated loan	34,958,314	71,585,130
Interest receivable	346,837	111,473
	35,305,152	71,696,603

(b) *Trade and other receivables*

Description	Closing balance	
	2012	2011
Non-interest bearing intercompany advance	-	1,700,000
Dividend receivable	1	29,727
	1	1,729,727

(c) *Cash and cash equivalents*

Description	Closing balance	
	2012	2011
Current accounts held with subsidiaries / associates	395,274	381,937
Current accounts held with shareholder	812,289	2,134,098
Deposit account held with shareholder	49,000,000	90,000,000
Accrued interest on deposit with shareholder	69,076	10,267
	50,276,639	92,526,302

(d) *Loan payable*

Description	Closing balance	
	2012	2011
Loan payable	35,942,517	72,588,729
Interest payable	76,958	255,408
	36,019,474	72,844,137

(e) *General and administrative expenses*

Description	Closing balance	
	2012	2011
Letter of credit regarding loan payable to group companies	184,473	169,329
	184,473	169,329

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## ERB NEW EUROPE HOLDING B.V.

Notes to the Balance Sheet and Statement of Comprehensive income as at December 31, 2012  
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### 18 RELATED PARTY TRANSACTIONS (CONTINUE)

#### (f) Financial income and expenses

Description	Closing balance	
	2012	2011
Interest income on subordinated loan with subsidiary	516,135	651,690
Interest income on deposit account held with shareholder	846,259	1,981,854
Interest expense on loan payable to group company	(420,845)	(542,208)
	<u>941,549</u>	<u>2,091,336</u>

The increase of share capital of J.S.C. Universal Bank dated March 16, 2012 (note 7) was performed through conversion of the subordinated loan granted to the subsidiary by the Company.

### 19 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.

The audit fees of EUR 16,000 (2011: EUR 16,000) comprises the fees of external 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.

### 20 CONTINGENT LIABILITIES AND COMMITMENTS

No contingent liabilities or commitments that would affect the financial statements of the entity are outstanding as at December 31, 2012.

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

### 21 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.

Ms. P. Hadjisotiriou and Mr. D. Politis resigned as Managing Director as per July 15, 2013.

Mr. Ch. Kokologiannis and Mr. I. Tegopoulos have been appointed as Managing Director as per July 23, 2013.

#### The Board of Managing Directors.

I. Tegopoulos

Ch. Kokologiannis

S. van der Meer

G. N. Meijssen

Amsterdam, December 20, 2013

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# ERB NEW EUROPE HOLDING B.V.

## Other Information

### Unappropriated result

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the unappropriated results are at the disposal of the shareholder in accordance with 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 result for the year to the other reserve. This proposed allocation of result has not been incorporated in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

### Post balance sheet events

#### **Eurobank Ergasias S.A. shareholding structure**

EFG Group was the controlling shareholder of the Eurobank Ergasias S.A., holding 44.70% of the Eurobank's ordinary shares and voting rights until 23 July 2012. 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 increases to 95.23%.

Eurobank Ergasias 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. Eurobank Ergasias 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 related party transactions presented.

#### **National Bank of Greece S.A. 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 Eurobank Ergasias S.A. 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 Eurobank 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 Eurobank Ergasias S.A., convened on 30 April 2013, decided the increase of the Eurobank'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, the percentage of the voting rights held by NBG as at 30 September 2013 was reduced below 5%.

# ERB NEW EUROPE HOLDING B.V.

## Other Information

### Post balance sheet events (continued)

#### Other events

The liquidation process of EFG Business Services d.o.o. Beograd was completed on September 4, 2013.

The Company holds a large deposit with Eurobank Ergasias Group (the parent company). The parent company's long term rating was CCC at mid November 2013 (2012: CCC, 2011: CCC) and the short term is C (2012: C, 2011: C) according to the Standard & Poor's credit rating.

No other material subsequent events, affecting the financial statements, have occurred to date.

### Other significant events – Investment in Eurobank Cyprus Ltd (subsidiary)

As at 30.9.2013, the total assets of the subsidiary stand at € 3.7 bn, out of which, € 1.4 bn, only, relate to assets in Cyprus. The capital base of the subsidiary amounts to € 573 million, while the capital adequacy ratio stood at the very strong levels of 40.02%, which, combined with the good quality of the loan portfolio, strengthen the shield toward the risks of the current economic conditions. 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.

### Auditor's report

Reference is made to the auditors' report hereinafter.



## ***Independent auditor's report***

To: the general meeting of ERB New Europe Holding B.V.

### ***Report on the financial statements***

We have audited the accompanying financial statements of ERB New Europe Holding B.V., Amsterdam, which comprise the balance sheet as at 31 December 2012, the profit and loss account, the statement of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

### ***Management's responsibility***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Report of the Managing Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of ERB New Europe Holding B.V. as at 31 December 2012, and of its result and its cash flows for the year then

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*PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, The Netherlands*

*T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, [www.pwc.nl](http://www.pwc.nl)*

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ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

***Report on other legal and regulatory requirements***

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Managing Directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Report of the Managing Directors, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 21 December 2013  
PricewaterhouseCoopers Accountants N.V.

Original has been signed by V.S. van der Reijden RA