

ERB NEW EUROPE HOLDING B.V.

Amsterdam, the Netherlands

FINANCIAL STATEMENTS 2013



PricewaterhouseCoopers
Accountants N.V.
For identification
purposes only

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 2013.

Key Activities

ERB New Europe Holding B.V. 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 B.V. 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
- 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.

Position of Eurobank Group

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.

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Report of Managing Directors

Position of Eurobank Group (continued)

As at 30 September 2014, the Common Equity Tier I 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 Authority (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.

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 2013 and no changes are expected in 2014.

Current year loss

During the year under review the Company recorded a loss of EUR 175,763,733. This loss was mainly driven by the impairment of both the investment and the loan provided to Public J.S.C. Universal Bank, mainly as a result of the political and economic events occurred in Ukraine. In addition, result was also significantly affected by the impairment of the investments in Eurobank Bulgaria AD and Eurobank A.D. Beograd following the decrease of the relevant estimated recoverable amounts. In the previous financial year (2012) the loss recorded amounted EUR 17,028,411.

Related party transactions - Eurobank Ergasias S.A. shareholding structure

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%.

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Report of Managing Directors

Related party transactions - Eurobank Ergasias S.A. shareholding structure (continued)

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.

Group's operations in Ukraine

Following the reporting date, Ukraine has witnessed sharp escalation of the political crisis, with international implications. As a result the economic situation and outlook in that country have become more challenging and subject to significant risks. The events and the political developments that occurred in Ukraine after the reporting period may result in a decline of the relevant asset values. The Company's exposure in Ukraine has been fully impaired.

Operations in Ukraine classified as held for sale

In March 2014, Eurobank's management committed to a plan to sell the Group's operations in Ukraine (including Company's subsidiaries Public J.S.C Universal Bank and ERB Property Services Ukraine LLC). The sale was considered highly probable, therefore, the Group's operations in Ukraine were classified as a disposal group held for sale. On 14 August 2014, Eurobank entered into an agreement with entities of the Ukrainian Delta Bank Group for the disposal of its Ukrainian subsidiary "Public J.S.C. Universal Bank". The transaction was subject to the necessary approvals by the competent authorities as well as conditions relating to the political and economic situation in Ukraine. On 23 September 2014, Eurobank Ergasias S.A. announced that the appropriate approvals have not been provided in order for the aforementioned transaction to be completed. Consequently, Eurobank Ergasias S.A. decided to terminate the agreement with the Delta Bank Group.

Other events

No other material subsequent 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 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, 28/11/2014

Managing Directors



I. Tegopoulos



S. Psychogiorgos



S. van der Meer



M. Martis

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Statement of Comprehensive income for the period ended December 31, 2013 (in EUR)

	<u>Notes</u>	<u>31/12/2013</u>	<u>31/12/2012</u>
Income and Expenses			
Interest income		1,118,858	1,362,394
Interest expense		(293,900)	(420,845)
Gain on disposal and liquidation of investments	9	1,448,771	35,588
Impairment losses on investments in subsidiaries and associates	7,8,9	(144,222,500)	(16,959,149)
Impairment losses on loans and advances	10	(33,490,585)	--
Currency exchange result		22,251	12,898
Other Income/(expenses)		6,042	(1,186,994)
General and administrative expenses		(141,211)	(350,590)
		<u>(175,552,275)</u>	<u>(17,506,698)</u>
<u>Profit/ (Loss) Before Tax</u>		<u>(175,552,275)</u>	<u>(17,506,698)</u>
Corporate income tax	16	146,048	478,288
<u>Profit/ (Loss) For the Year</u>		<u>(175,406,227)</u>	<u>(17,028,410)</u>
Other Comprehensive income		--	--
<u>Total Comprehensive income for the year</u>		<u>(175,406,227)</u>	<u>(17,028,410)</u>

The notes to the accounts on pages 9 to 34 form an integral part of these financial statements

ERB NEW EUROPE HOLDING B.V.

Balance Sheet as at December 31, 2013

(In EUR, before appropriation of results)

ASSETS

	Notes	<u>31/12/2013</u>	<u>31/12/2012</u>
Non-current Assets			
Investments in subsidiaries	7	591,422,477	716,722,242
Investments in associates	8	199,314,168	218,236,903
Loan granted to subsidiary undertakings	10	--	35,305,151
		<u>790,736,645</u>	<u>970,264,296</u>
Current assets			
Trade and other receivables	11	1,988,145	1,813,750
Cash and cash equivalents	12	53,063,854	51,985,089
		<u>55,051,999</u>	<u>53,798,839</u>
TOTAL ASSETS		<u><u>845,788,644</u></u>	<u><u>1,024,063,135</u></u>

EQUITY

Capital and reserves attributable to equity holders of the company

Ordinary shares	13	850,000,000	850,000,000
Share premium		401,027,926	401,027,926
Retained earnings		(264,269,994)	(247,241,584)
Result current year		(175,406,227)	(17,028,410)
TOTAL EQUITY		<u>811,351,705</u>	<u>986,757,932</u>

LIABILITIES

Current liabilities

Loan payable	14	34,386,598	36,019,474
Trade and other payables	15	50,341	1,285,729
		<u>34,436,939</u>	<u>37,305,203</u>
TOTAL EQUITY AND LIABILITIES		<u><u>845,788,644</u></u>	<u><u>1,024,063,135</u></u>

The notes to the accounts on pages 9 to 34 form an integral part of these financial statements

ERB NEW EUROPE HOLDING B.V.

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

	Notes	2013	2012
Cash flow from operating activities			
Profit/(Loss) before tax for the year		(175,552,275)	(17,506,698)
Adjustments for:			
Impairment loss on investments in subsidiaries and associates	7+8	144,222,500	16,959,149
Impairment losses on loans and advances	10	33,490,585	--
Unrealised foreign exchange gain		18,227	695,451
Interest income		(1,118,858)	(1,362,394)
Interest expense		293,900	420,845
		1,354,080	(793,647)
Net (increase)/decrease in Trade and Other receivables	11	--	645,047
Net increase/(decrease) in Trade and Other payables	15	(1,235,388)	1,208,201
Gain on disposal and liquidation of investments		--	(35,588)
Cash generated from operations		118,692	1,024,013
Interest paid		(370,857)	(599,295)
Tax received/(paid)	16	(76,968)	831,713
Net cash from operating activities		(329,133)	1,256,431
Cash flows from investing activities			
Interest received		1,420,110	1,127,030
Proceeds from disposal of investments		--	3,489,262
Acquisition of investment undertakings and participation in share capital	7+8+9	--	(45,979,780)
Proceeds from repayments of loan granted	10	--	36,626,816
Net cash used in investing activities		1,420,110	(4,736,672)
Cash flows from financing activities			
Repayments of loan received		--	(37,354,562)
Net cash used in financing activities		--	(37,354,562)
Net (decrease) /increase in cash equivalents		1,090,977	(40,834,803)
Cash and cash equivalents at the beginning of the year		51,985,089	92,727,965
Effect of exchange rate fluctuations on cash held		(12,212)	91,927
Cash and cash equivalents at the end of the year	12	53,063,854	51,985,089
Movement in cash		(1,090,977)	40,834,803

The notes to the accounts on pages 9 to 34 form an integral part of these financial statements

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Statement of Changes in equity for the period ended December 31, 2013 (in EUR)

	<u>Ordinary Shares</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at January 1, 2012	850,000,000	401,027,926	(247,241,584)	1,003,786,342
Profit/(Loss) for the period	--	--	(17,028,410)	(17,028,410)
Other comprehensive Income for the year	--	--	--	--
Balance as at December 31, 2012	850,000,000	401,027,926	(264,269,994)	986,757,932
Profit/(Loss) for the period	--	--	(175,406,227)	(175,406,227)
Other comprehensive Income for the year	--	--	--	--
Balance as at December 31, 2013	<u>850,000,000</u>	<u>401,027,926</u>	<u>(439,676,221)</u>	<u>811,351,705</u>

The notes to the accounts on pages 9 to 34 form an integral part of these financial statements

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013 (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.

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 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.

2 PRINCIPAL ACCOUNTING POLICIES

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

(a) 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.

(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), applied from 1 January 2013:

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Notes to the Financial Statements as at December 31, 2013
(in EUR)

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 did not have a material impact on the presentation of other comprehensive income in the financial statements.

IAS 12, Amendment - Deferred tax: Recovery of Underlying Assets

The amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when investment property is measured using the fair value model in IAS 40 "Investment Property". The amendment has no impact on the financial statements.

IAS 19, Amendment - Employee Benefits

The amendments have been applied by the Group retrospectively. As a result, the opening consolidated balance sheet as of 1 January 2012 and the comparative figures have been accordingly restated. This IAS does not apply to the company.

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

The amendment requires disclosure of the effect or potential effect of netting arrangements on an entity's financial position. In particular, it requires information about all recognised financial instruments that are set off, according to IAS 32 "Financial Instruments: Presentation", as well as about those recognised 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.

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Notes to the Financial Statements as at December 31, 2013
(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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";
- when certain types of equipment are classified as property, plant and equipment in IAS 16 "Property Plant and Equipment";
- the accounting for the tax effect of distributions to holders of equity instruments in IAS 32 "Financial Instruments: Presentation"; and
- interim financial reporting requirements regarding total segment assets and liabilities in IAS 34 "Interim Financial Reporting"

The above improvements to IFRSs did not have a material impact on the Company's 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 19, Amendment- Defined Benefit Plans: Employee Contributions (effective 1 January 2015, not yet endorsed by EU)

The amendment clarifies the accounting for post-employment benefit plans where employees or third parties are required to make contributions which do not vary with the length of employee service, for example, employee contributions calculated according to a fixed percentage of salary. The amendment allows these contributions to be deducted from pension expense in the year in which the related employee service is delivered, instead of attributing them to periods of employee service.

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

IAS 27, Amendment - Separate Financial Statements (effective 1 January 2014)

The amendment is issued concurrently with IFRS 10 Consolidated Financial Statements and together they supersede IAS 27 'Consolidated and Separate Financial Statements'. The amendment prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

The adoption of the amendment is not expected to have any impact on the Company's financial statements.

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Notes to the Financial Statements as at December 31, 2013
(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

IAS 28, Amendment - Investments in Associates and Joint Ventures (effective 1 January 2014)

The amendment replaces IAS 28 'Investments in Associates', prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

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

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.

IAS 39, Amendment - Novation of derivatives and continuation of hedge accounting (effective 1 January 2014)

The amendment provides relief from discontinuing hedge accounting when, as a result of laws and regulations, a derivative designated as a hedging instrument is novated to effect clearing with a central counterparty and specific criteria are met.

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

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.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013 (in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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 January 1, 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 financial statements.

IFRS 10, Consolidated Financial Statements (effective 1 January 2014)

IFRS 10 replaces the part of IAS 27 'Consolidated and Separate Financial Statements' that deals with consolidated financial statements and SIC 12 'Consolidation-Special Purpose Entities'. Under IFRS 10, there is a new definition of control, providing a single basis for consolidation for all entities. This basis is built on the concept of power over the investee, variability of returns from the involvement with the investee and their linkage, replacing thus focus on legal control or exposure to risks and rewards, depending on the nature of the entity.

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

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Notes to the Financial Statements as at December 31, 2013

(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

IFRS 11, Joint Arrangements (effective 1 January 2014)

IFRS 11 replaces IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities- Non – monetary Contributions by Venturers'. Under IFRS 11, there are only two types of joint arrangements, joint operations and joint ventures and their type is determined by focusing on the rights and obligations of the arrangement, rather than its legal form. The equity method of accounting is now mandatory for joint ventures. The option to use the proportionate consolidation method to account for joint ventures, which is not applied by the Group, is no longer allowed.

The adoption of this standard is not expected to have a material impact on the financial statements.

IFRS 12, Disclosure of Interests in Other Entities (effective 1 January 2014)

IFRS 12 specifies the disclosures required to enable users of financial statements to evaluate the nature of and risks associated with the reporting entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

The adoption of the standard is expected to result in expanded disclosures in the financial statements of the Company.

IFRS 10, 11 and 12 Amendments - Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (effective 1 January 2014)

The amendments clarify the transition guidance in IFRS 10 and provide additional transition relief in IFRS 10, 11 and 12, requiring adjusted comparative information to be limited only to the preceding comparative period. In addition, for disclosures related to unconsolidated structured entities, the requirement to present comparative information for periods before IFRS 12 is first applied, is removed.

The Company will adopt these amendments when it first applies IFRS 10, IFRS 11 and IFRS 12.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013
(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

IFRS 10, 12 and IAS 27 Amendments - Investment Entities (effective 1 January 2014)

The amendments require that 'investment entities', as defined below, account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss. The only exception would be subsidiaries that are considered an extension of the investment entity's investing activities. Under the amendments an 'Investment entity' is an entity that:

- (a) obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- (b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

The amendments also set out disclosure requirements for investment entities.

The adoption of the amendments is not expected to affect Company's financial statements.

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";
- Revaluation method—proportionate restatement of accumulated depreciation in IAS 16 "Property, Plant and Equipment";
- Key management personnel in IAS 24 "Related Party Disclosures"; and
- Revaluation method—proportionate restatement of accumulated amortization in IAS 38 "Intangible Assets";

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 exceptions for joint ventures in IFRS 3 "Business Combinations";
- Scope of portfolio exception in IFRS 13 "Fair Value Measurement";
- Clarifying the interrelationship between IFRS 3 "Business Combinations" and IAS 40 "Investment Property" when classifying property as investment property or owner-occupied property in IAS 40; and
- Meaning of "effective IFRSs" in IFRS 1 First-time Adoption of International Financial Reporting Standards

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013

(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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. The financial statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and of financial assets and financial liabilities (including derivative instruments) at fair-value-through-profit-or-loss.

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.

The Company's presentation currency is the Euro (€) being the functional currency of the parent company. Except as

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").

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013

(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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 investments in subsidiaries are accounted at cost less any impairment losses. In case an impairment is required, the loss regarding this adjustment will be recognized in the profit and loss account.

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 are accounted at cost less any impairment losses.

Investment securities

Under Investment securities (Available for Sale) are classified all investments 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.

Loans and Receivables

Loans and receivables are accounted at cost less any impairment losses. 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.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013
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2 PRINCIPAL ACCOUNTING POLICIES (continued)

Loans payable

Loans and payables are accounted at cost less any impairment losses. They are included in the current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities.

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 investments and loans granted 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). Eurobank's Financial Statements can be found at www.eurobank.gr.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013
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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.

Since Eurobank Ergasias SA is the ultimate parent entity of the company, the company doesn't have any specific policy in place to monitor the risk.

Interest rate risk

The Company's interest rate risk arises from current assets and 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 2013, the Company's interest rate on the long-term loan receivable was LIBOR plus 0.65%, whereas the interest rate on the short-term loan payable was until 1/3/2013 LIBOR plus 0.325% and thereafter 0.45%.

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

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.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013
(in EUR)

5 FINANCIAL RISK MANAGEMENT (continued)

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 aggregate. In addition, the Company holds four bank accounts in United States Dollars which is disclosed in note 12 of these financial statements. Moreover, the Company has other intercompany loans receivable and payable in USD as disclosed in note 10 and 14 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 2013	CCY	Less than 1 year		Over 1 year	
		Amount in CCY	Amount in EUR	Amount in CCY	Amount in EUR
Loan payables	USD	(47,422,557)	(34,386,598)	--	--
Interest payables	USD	--	--	--	--
Cash and cash equivalent	UAH	4	--	--	--
Cash and cash equivalent	RSD	64,000	559	--	--
Cash and cash equivalent	USD	995,059	721,528	--	--

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 equivalent	UAH	4	--	--	--
Cash and cash equivalent	RSD	64,041	563	--	--
Cash and cash equivalent	USD	371,868	281,846	--	--

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 3,362,753. By comparing this same analysis on the Company's 2012 balances a shift of 10% of the USD rate, would have caused a maximum increase/ decrease of EUR 66,567.

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Notes to the Financial Statements as at December 31, 2013
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5 FINANCIAL RISK MANAGEMENT (continued)

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 2013	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Over 12 months
Liabilities:				
Loan payable	34,386,598	--	--	--
Trade and other payables	--	50,341	--	--
As at 31 December 2012	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Over 12 months
Liabilities:				
Loan payable	36,019,474	--	--	--
Trade and other payables	--	75,362	--	--

Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price). When a quoted price for an identical asset or liability is not observable, fair value is measured using valuation techniques that are appropriate in the circumstances, and maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect assumptions that market participants would use when pricing financial instruments, such as quoted prices in active markets for similar instruments, interest rates and yield curves, implied volatilities and credit spreads.

Financial instruments not carried at fair value

For 'Loan granted to subsidiary undertakings' and 'Loan payable' carrying amounts represent reasonable approximations of fair values.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013
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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. Projection has a time horizon of ten years. The 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:

	2013		2012	
	pre-tax discount rate	growth rate	pre-tax discount rate	growth rate
Bulgaria	10.3%	3.00%	10.9%	4.00%
Romania	10.8%	3.00%	11.2%	4.00%
Serbia	14.2%	3.00%	11.6%	4.00%

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Notes to the Financial Statements as at December 31, 2013
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7 INVESTMENTS IN SUBSIDIARIES

The movements in the investments in subsidiaries are as follows:

	<u>2013</u>	<u>2012</u>
Opening balance as at January 1,	716,722,242	686,896,503
Additions	--	45,979,754
Disposal/Liquidation	--	(3,532,703)
Impairment loss	(125,299,765)	(12,621,312)
Balance as at December 31,	<u>591,422,477</u>	<u>716,722,242</u>

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

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro</u>
1 IMO 03 EAD (formerly known as EFG Securities Bulgaria EAD)		
Bulgaria		
Opening balance	100%	315,192
Impairment loss	--	(315,192)
Closing balance	<u>100%</u>	<u>--</u>
2 ERB Retail Services IFN SA		
Romania		
Opening balance	99.15%	25,745,916
Closing balance	<u>99.15%</u>	<u>25,745,916</u>
3 Eurobank Cyprus Limited		
Cyprus		
Opening balance	100%	257,454,482
Closing balance	<u>100%</u>	<u>257,454,482</u>
4 ERB Leasing IFN SA		
Romania		
Opening balance	97.23%	19,087,458
Impairment loss	--	(1,950,349)
Closing balance	<u>97.23%</u>	<u>17,137,109</u>

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Notes to the Financial Statements as at December 31, 2013
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7 INVESTMENTS IN SUBSIDIARIES (continued)

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro</u>
5 ERB Asset Fin DOO Beograd Serbia		
Opening balance	100%	--
Closing balance	<u>100%</u>	<u>--</u>
The investment was fully impaired in financial year 2009.		
6 ERB New Europe Funding II B.V. The Netherlands		
Opening balance	100%	12,000,200
Closing balance	<u>100%</u>	<u>12,000,200</u>
7 Public J.S.C. Universal Bank Ukraine		
Opening balance	99.97%	74,558,192
Impairment loss		<u>(74,558,192)</u>
Closing balance	<u>99.97%</u>	<u>--</u>
The impairment is mainly due to the political and economic events occurred in Ukraine.		
8 ERB Property Services Ukraine LLC Ukraine		
Opening balance	99.00%	--
Closing balance	<u>99.00%</u>	<u>--</u>
The investment was fully impaired in financial year 2009.		
9 Eurobank Bulgaria AD Bulgaria		
Opening balance	54.27%	323,574,901
Impairment loss	<u>--</u>	<u>(48,476,032)</u>
Closing balance	54.27%	<u>275,098,869</u>
The impairment is due to the decrease of the relevant estimated recoverable amounts.		

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Notes to the Financial Statements as at December 31, 2013
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7 INVESTMENTS IN SUBSIDIARIES (continued)

10 Eurobank Finance SA Romania

Opening balance	62.80%	—
Closing balance	62.80%	—

The investment was fully impaired in financial year 2011.

11 ERB IT Shared Services S.A. Romania

Opening balance	98.90%	3,985,901
Closing balance	98.90%	3,985,901

8 INVESTMENTS IN ASSOCIATES

The movements in the investments in associates are as follows:

	2013	2012
Opening balance as at January 1,	218,236,903	222,574,714
Additions	--	26
Impairment loss	(18,922,735)	(4,337,837)
Balance as at December 31,	199,314,168	218,236,903

The impairment is due to the decrease of the relevant estimated recoverable amounts.

The Company has shares in the following Associates:

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Notes to the Financial Statements as at December 31, 2013
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8 INVESTMENTS IN ASSOCIATES (continued)

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro</u>
1 Eurobank A.D. Beograd Serbia		
Opening balance	42.74%	199,048,210
Impairment loss	--	(18,586,463)
Closing balance	<u>42.74%</u>	<u>180,461,747</u>
2 ERB Leasing A.D. Beograd Serbia		
Opening balance	48.63%	510,000
Movements	--	--
Closing balance	<u>48.63%</u>	<u>510,000</u>
3 Bancpost SA Romania		
Opening balance	5.33%	18,678,693
Impairment loss	--	(336,272)
Closing balance	<u>5.33%</u>	<u>18,342,421</u>

9 INVESTMENT SECURITIES

The Company has shares in the following investment securities:

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

During the year EFG Investment II (UK) reduced its capital and paid an amount of EUR 1,448,771 to the Company. This amount has been included in Gain/(loss) on disposal and liquidation of investments.

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Notes to the Financial Statements as at December 31, 2013
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10 LOAN GRANTED TO SUBSIDIARY UNDERTAKINGS

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

Name	Description	CCY	Amount in CCY	2013	2012
	Subordinated				
PJSC Universal Bank	loan	USD	46,124,000	33,445,000	34,958,314
PJSC Universal Bank	Interest	USD	62,866	45,585	346,837
Impairment loan and interest PJSC Universal Bank		USD	(46,186,866)	(33,490,585)	--
			--	--	35,305,151

The loan to PJSC Universal Bank in Ukraine has been fully impaired this year following events in the Country (please refer to 'Group's operations in Ukraine' section in the Report of Managing Directors).

11 TRADE AND OTHER RECEIVABLES

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

Name	Description	CCY	Amount in CCY	2013	2012
EFG International Bermuda Ltd		USD	1	1	1
EFG Investment II (UK)		USD	1,481,879	1,074,526	1,123,146
* Income tax receivable	Corporate Income tax			913,618	690,603
				1,988,145	1,813,750

* Note 16 of the financial statements provides a detailed breakdown of the Income tax receivable.

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Notes to the Financial Statements as at December 31, 2013 (in EUR)

12 CASH AND CASH EQUIVALENTS

Cash at banks

<u>Description</u>	<u>CCY</u>	<u>Amount in CCY</u>	<u>Rate</u>	<u>2013</u>	<u>2012</u>
Current accounts	USD	995,059	0.7251	721,528	281,846
Current accounts	UAH	4	0.1000	--	--
Current accounts	RSD	64,000	0.0087	559	563
Current accounts	EUR	2,773,705	1.0000	2,773,705	2,633,604
Deposit account	EUR	49,500,000	1.0000	49,500,000	49,000,000
Accrued interest on deposit account	EUR	68,063	1.0000	68,063	69,076
				<u>53,063,854</u>	<u>51,985,089</u>

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

13 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, 2013, 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 8 of this report.

14 LOAN PAYABLE

As at December 31, 2013, the Company's outstanding borrowings are detailed as follows:

<u>Name</u>	<u>Description</u>	<u>CCY</u>	<u>Amount in CCY</u>	<u>2013</u>	<u>2012</u>
Eurobank Private Bank Luxemburg S.A.	Loan	USD	47,422,557	34,386,598	35,942,517
Eurobank Private Bank Luxemburg S.A.	Interest	USD	--	--	76,957
			<u>47,422,557</u>	<u>34,386,598</u>	<u>36,019,474</u>

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Notes to the Financial Statements as at December 31, 2013
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15 TRADE AND OTHER PAYABLES

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

<u>Name</u>	<u>Description</u>	<u>CCY</u>	<u>Amount in CCY</u>	<u>2013</u>	<u>2012</u>
EFG Investment II (UK)		USD		--	1,210,367
	General and admin.				
Trade and other payables expenses				50,341	75,362
				<u>50,341</u>	<u>1,285,729</u>

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Notes to the Financial Statements as at December 31, 2013 (in EUR)

16 TAXATION

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

	<u>2013</u>
Loss before income tax	(175,552,275)
Add: Non-deductable expenses:	
- Impairment loss on investments	144,222,500
- Impairment losses on loans	22,202,121
- Participation exemption	(1,448,771)
	<hr/>
Taxable amount	(10,576,424)
The fiscal loss of the year 2013 can be offset to the taxable profit of 2012, resulting in a tax refund of	(189,568)
	<hr/>
Corporate Income tax carry back	(189,568)
Adjustment provision based on final assessment previous years	760
Adjustment of Corporate Income tax for previous year	42,760
	<hr/> <u>(146,048)</u>

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

	<u>2013</u>	<u>2012</u>
Opening balance	690,603	1,044,028
Estimate tax charge for the year	--	(146,808)
Tax carry back refund	189,568	--
Payments made/ (receipts) during the year relating to previous years	(197,140)	(1,471,224)
Adjustment provision based on final assessment previous years	(760)	197,900
Payments made via preliminary assessment for the year	190,000	639,511
Withholding tax on interest (reclaimable)	84,107	--
Adjustment of Corporate Income tax for previous year	(42,760)	427,196
Balance as at December 31,	<hr/> <u>913,618</u>	<hr/> <u>690,603</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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17 RELATED PARTY TRANSACTIONS

Related party transactions - Eurobank Ergasias S.A. shareholding structure

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 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.

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:

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Notes to the Financial Statements as at December 31, 2013
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17 RELATED PARTY TRANSACTIONS (continued)

(a) Loan granted to subsidiary undertakings

Description	Closing balance	
	2013	2012
Subordinated loan	33,445,000	34,958,314
Interest receivable	45,585	346,837
Impairment loan and interest	(33,490,585)	-
	-	35,305,151

(b) Trade and other receivables

Description	Closing balance	
	2013	2012
Non-interest bearing intercompany advance	-	-
Dividend receivable	1	1
	1	1

(c) Cash and cash equivalents

Description	Closing balance	
	2013	2012
Current accounts held with subsidiaries / associates	256,876	395,274
Current accounts held with shareholder	1,037,269	812,289
Deposit account held with shareholder	49,500,000	49,000,000
Accrued interest on deposit with shareholder	68,063	69,076
	50,862,208	50,276,639

(d) Loan payable

Description	Closing balance	
	2013	2012
Loan payable	34,386,598	35,942,517
Interest payable	-	76,958
	34,386,598	36,019,475

(e) General and administrative expenses

Description	Closing balance	
	2013	2012
Letter of credit regarding loan payable to group companies	21,910	184,473
	21,910	184,473

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Notes to the Financial Statements as at December 31, 2013
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17 RELATED PARTY TRANSACTIONS (continued)

(f) Financial income and expenses

Description	Closing balance	
	2013	2012
Interest income on subordinated loan with subsidiary	326,537	516,135
Interest income on deposit account held with shareholder	792,321	846,259
Interest expense on loan payable to group company	(293,900)	(420,845)
	<u>824,958</u>	<u>941,549</u>

18 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 19,000 (2012: 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.

19 CONTINGENT LIABILITIES AND COMMITMENTS

No contingent liabilities or commitments that would affect the financial statements of the entity are outstanding as at December 31, 2013.

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

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2013
(in EUR)

20 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.

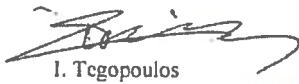
As per July 23, 2013, P. Hadjisotiriou has resigned as managing director of the Company, and as per same date I. Tegopoulos has been appointed as managing director of the Company.

As per July 23, 2013, D. Politis has resigned as managing director of the Company, and as per same date C. Kokologiannis has been appointed as managing director of the Company.

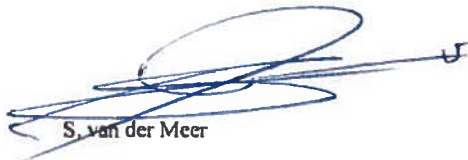
As per December 23, 2013, Mr. G. Meijssen has resigned as managing director of the Company, and as per same date Mr. M.A.H. Martis has been appointed as managing director of the Company.

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


The Board of Managing Directors,




I. Tegopoulos



S. van der Meer



S. Psychogyios



M. Martis

Amsterdam, 22nd Jul 2014

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 loss sustained by the Company during the year under review will be debited to the other reserve. This proposed appropriation of the result has not been reflected in these financial statements and is subject to the approval of the General Meeting of Shareholders.

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 I 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 Authority (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.

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.

Group's operations in Ukraine

Following the reporting date, Ukraine has witnessed sharp escalation of the political crisis, with international implications. As a result the economic situation and outlook in that country have become more challenging and subject to significant risks. The events and the political developments that occurred in Ukraine after the reporting period may result in a decline of the relevant asset values. The Company's exposure in Ukraine has been fully impaired.

Operations in Ukraine classified as held for sale

In March 2014, Eurobank's management committed to a plan to sell the Group's operations in Ukraine (including Company's subsidiaries Public J.S.C Universal Bank and ERB Property Services Ukraine LLC). The sale was considered highly probable, therefore, the Group's operations in Ukraine were classified as a disposal group held for sale. On 14 August 2014, Eurobank entered into an agreement with entities of the Ukrainian Delta Bank Group for the disposal of its Ukrainian subsidiary "Public J.S.C. Universal Bank". The transaction was subject to the necessary approvals by the competent authorities as well as conditions relating to the political and economic situation in Ukraine. On 23 September 2014, Eurobank Ergasias S.A. announced that the appropriate approvals have not been provided in order for the aforementioned transaction to be completed. Consequently, Eurobank Ergasias S.A. decided to terminate the agreement with the Delta Bank Group.

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

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 2013 as set out on pages 5 to 34 of ERB New Europe Holding B.V., Amsterdam, which comprise the balance sheet as at 31 December 2013, the income statement, 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.

Managing Directors' responsibility

The Managing Directors are 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, the Managing Directors are 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 the director, 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.

Ref.: e0340266

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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 2013, and of its result and its cash flows for the year then 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, 28 November 2014
PricewaterhouseCoopers Accountants N.V.

drs. V.S. van der Reijden RA