

ERB NEW EUROPE HOLDING B.V.

Amsterdam, the Netherlands

FINANCIAL STATEMENTS 2015



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 the 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 ended 31 December 2015.

Key Activities

ERB New Europe Holding B.V. was incorporated on July 2, 2003 and has its registered and office address at Herengracht 500, Amsterdam, the Netherlands. The Company is incorporated in The Netherlands and is wholly owned by Eurobank Ergasias S.A. ("the Bank and / or the Group") 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 S.A. 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.

Position of Eurobank Group

Macroeconomic environment

In 2015, the macroeconomic environment in Greece has been very challenging for the Greek banking system. In the first half of the year, the prolonged uncertainty relating to an agreement with the Eurozone partners over the implementation of the required reforms for the conclusion of the Second Economic Adjustment Program, the unsuccessful expiration of the former, the tightened liquidity conditions due to the financing problems of the Greek State and the significant deposit outflows – already observed from late 2014 – led to the imposition of restrictions in banking transactions (capital controls) together with a temporary bank holiday on 28 June 2015. In mid - August the Greek Government reached a final agreement with its European partners on a new 3-year European Stability Mechanism (ESM) program – the Third Economic Adjustment Program (TEAP) - with a ca € 86 bn financing envelope and a series of reforms aiming to restore fiscal sustainability, safeguard financial stability, enhance growth, competitiveness and investment and develop a modern state and public administration. The Greek Government managed to complete two sets of prior actions from the program at the end of November and December 2015. By mid - December 2015, the systemic banks' recapitalization was completed with only ca € 5.4 bn used from the initial buffer of up to € 25 bn. The unused funds were subtracted from the ESM loan, reducing it to ca € 64.5 bn as of the end of January 2016.

In the first months of 2016, the macroeconomic environment in Greece has remained challenging for the Greek banking system. Following the ongoing negotiations with its European partners during the last months, Greece has successfully concluded the 1st review of the Third Economic Adjustment Program (TEAP), which permitted the disbursement of the first sub-tranche of € 7.5 bn from the second installment of the European Stability Mechanism (ESM) loan on 21 June 2016, allowing the country to cover its debt servicing needs and clear a part of the State's arrears to the private sector. Accordingly, the European Central Bank (ECB) decided the reinstatement of the waiver for the instruments issued by the Hellenic Republic and the improvement of the advance rates for providing Eurosystem financing with Pillar II guarantees as collateral, while the participation of Greek Government Bonds in ECB's Quantitative Easing (QE) program will be examined at a later stage conditional on the implementation of the 2nd review and the results of the Debt Sustainability Analysis that the ECB is expected to conduct after the implementation of the short term debt relief measures for Greece. The latter are in accordance with the roadmap of debt relief agreed in the 25 May 2016 Eurogroup. The second sub-tranche of € 2.8 bn from the 1st program review was approved by the ESM on 25 October 2016. The completion of the 1st review helped in reducing the short term uncertainty surrounding the economic outlook and contributed to further relaxation of capital controls, as of 22 July 2016. This, along with the mobilization of European Union (EU) funding to support domestic investment and job creation and the decisive implementation of the reforms agreed in the context of the ESM program, would facilitate the restoration of confidence in the prospects of the Greek economy and the further stabilization of the domestic environment, which are necessary conditions for the resumption of positive economic growth.

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Position of Eurobank Group (continued)

Currently, the main risks and uncertainties are associated with a) the impact on the level of economic activity from additional fiscal measures included in the key prior actions of the 1st review of the TEAP, b) possible delays in the implementation of the reforms' agenda in order to meet the next targets and milestones of the TEAP including the timely completion of the 2nd review scheduled for early December 2016, c) the timing of a full lift of restrictions in the free movement of capital and the respective impact on the level of economic activity, d) a possible deterioration of the refugee crisis and the impact on the internal economy and e) the geopolitical conditions in the broader region and the external shocks from a slowdown in the global economy.

Liquidity risk

In accordance with the agreement with the European partners, the authorities are committed to preserving sufficient liquidity in the banking system, as long as Greece meets its obligations under the ESM program. The decisive implementation of the measures agreed in the context of the new ESM program permitted ECB to reinstate the waiver for the instruments issued by the Hellenic Republic and decrease the haircuts applied for Pillar II guarantees. These developments have enabled Greek banks to reduce their dependence on the expensive Emergency Liquidity Assistance (ELA) mechanism and increase their liquidity buffers. The stabilization of the macroeconomic environment and a recovery of the domestic economic sentiment will facilitate a faster return of deposits in the banking system and the further re-access to the markets for liquidity.

In the first nine months of 2016, the Bank has managed to reduce its dependence on Eurosystem funding mainly through the increase in repo transactions in the interbank market, the selective assets deleveraging, the utilization of a part of foreign subsidiaries' surplus liquidity and to some extent by deposit inflows.

Solvency risk

On 31 October 2015, the ECB announced the results of the comprehensive assessment (CA) based on which, a shortfall of € 0.3 bn in baseline scenario against 9.5% Common Equity Tier 1 (CET1) threshold and € 2.1 bn in adverse scenario against 8% CET1 threshold, the lowest shortfall across Greek banks, was identified for the Bank. Following the CA results and in line with the new recapitalization framework introduced by Law 4340/2015, the Bank proceeded to a capital increase of € 2,039 million, which was covered exclusively from the markets. As a result, the Group strengthened further its capital base and its CET1 ratio stood at 17% at the end of December 2015.

Notwithstanding the direct and indirect exposure of the banking system to sovereign risk, the successful completion of the Bank's and other Greek systemic banks' recapitalization process constituted a key milestone for rebuilding trust in the banking system and in the economy in general.

The Group continues implementing its medium term internal capital generating plan, which includes initiatives generating or releasing CET1 capital and/or reducing risk weighted assets. One of the key areas of focus remains the active management of non-performing loans, taking advantage of the Group's internal infrastructure and the important legislative changes that have taken or are expected to take place, aiming to substantially reduce their stock in due course. The Group's Common Equity Tier 1 (CET1) ratio stood at 17% at the end of June 2016 and the net profit attributable to shareholders amounted to € 106 million for the period ended 30 June 2016.

The Board of Directors, taking into consideration the above factors relating to the adequacy of the Group's capital position and its anticipated continued access to Eurosystem funding over the foreseeable future, and despite the existing uncertainties relating to the macroeconomic environment in Greece, has been satisfied that the financial statements of the Company can be prepared on a going concern basis.

Risk Management

The Managing Board utilises 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.

ERB NEW EUROPE HOLDING B.V.

Report of the Managing Directors

Credit Rating of Eurobank Group

The parent company's (Eurobank Ergasias Group) long term rating was 'CCC+' at July 2016 (2015: 'SD, 2014: CCC+) according to the Standard & Poor's credit rating.

Outlook

There were no changes in the nature of the activities of the Company in 2015 and no changes are expected in 2016.

Current year results

During the year under review the Company recorded a profit of EUR 278,915,524. This profit was mainly driven by the dividend income from subsidiaries and from another side from the reversal of impairments of subsidiaries and associates. (see Notes 5, 7 and 8). In the previous financial year (2014) the loss recorded amounted EUR 59,360,094.

Related parties

In November 2015, following the completion of the Bank's share capital increase, fully covered by investors, institutional and others the percentage of the Bank's ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) decreased from 35.41% to 2.38%.

Despite the aforementioned significant decrease of its percentage, the HFSF is still considered to have significant influence over the Bank. In particular, in the context of the Law 3864/2010, as in force, HFSF exercises its voting rights in the Bank's General Assembly only for decisions concerning the amendment of the Bank's Articles of Association, including the increase or decrease of the Bank's capital or the granting of a corresponding authorization to the Bank's Board, decisions concerning the mergers, divisions, conversions, revivals, extension of duration or dissolution of the Bank, the transfer of assets, or any other issue requiring approval by an increased majority as provided for in Company Law 2190/1920. In addition, the Bank has entered into a new Relationship Framework Agreement (RFA) with the HFSF on 4 December 2015 replacing the previous one, signed on 26 August 2014.

Operations in Ukraine classified as held for sale

In March 2014, management committed to a plan to sell the Group's operations in Ukraine (including Public J.S.C. Universal Bank and ERB Property Services Ukraine LLC). The sale was considered probable, therefore, the Group's and therefore Company's operations in Ukraine were classified as a disposal group held for sale.

Following the classification of the disposal group as held for sale, in accordance with IFRS 5, the Group has measured it at the lower of its carrying amount and fair value less costs to sell. The continuing adverse conditions in the country led to an extension of the period to complete the sale beyond one year. The operations in Ukraine continue to be classified as a disposal group held for sale, as the Group and the Company remain committed to their plan to sell that disposal group.

Other events

On 23 January 2015, the Company received a dividend of EUR 266,0 million by its wholly owned subsidiary Eurobank Cyprus Ltd, following the latter's Extraordinary General Meeting which took place on the same date. On 29 June 2015, the Company's General Meeting decided i) the decrease of share capital and share premium accounts by EUR 47,2 million and EUR 401,0 million respectively through set-off of negative retained earnings amounting to EUR 448,2 million, ii) the distribution of interim dividend amounting to EUR 262,1 million to its sole shareholder, Eurobank Ergasias S.A.

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

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

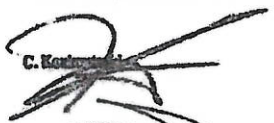

Future developments



The Company's business strategy and activities are linked to those 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.

Amsterdam, December 5, 2016

Managing Directors
ERB New Europe Holding B.V.
Chamber of Commerce number: 34192635


C. Koutoukidis

E.H. Janssens


S. Pijnders

R. Meijer

ERB NEW EUROPE HOLDING B.V.

Statement of Comprehensive income for the period ended December 31, 2015 (in EUR)

	Notes	31/12/2015	31/12/2014
Income and Expenses			
Interest income	17	1.417.209	746.275
Interest expense	17	-1.209.887	-707.299
Impairment reversal / (loss) on investments in subsidiaries and associat	7, 8	17.279.064	-51.002.594
Dividend income	5	265.973.447	--
Gain on disposal and liquidation of investments	7	1	--
Currency exchange result		-4.493.857	-4.851.333
Other income/expenses		17.788	4
General and administrative expenses		-489.951	-232.238
Operating Profit / (Loss)		<u>278.493.814</u>	<u>-56.047.185</u>
Profit / (Loss) Before Tax		<u>278.493.814</u>	<u>-56.047.185</u>
Corporate income tax (expense)/income	16	-225.640	63.587
Profit / (Loss) for the year from continuing operations		<u>278.268.174</u>	<u>-55.983.598</u>
Profit / (Loss) for the year from discontinued operations	10	647.351	-3.376.497
Profit / (Loss) for the year		<u><u>278.915.524</u></u>	<u><u>-59.360.094</u></u>

The notes to the accounts on pages 9 to 28 form an integral part of these financial statements

ERB NEW EUROPE HOLDING B.V.

Balance Sheet as at December 31, 2015

(In EUR, before appropriation of results)

ASSETS	Notes	31/12/2015	31/12/2014
Non-current assets			
Investments in subsidiaries	7	576.326.728	552.508.002
Investments in associates	8	186.760.226	187.226.228
Loan granted to subsidiary undertakings	17	227.788	--
		<u>763.314.741</u>	<u>739.734.230</u>
Current assets			
Trade and other receivables	11	1.275.283	1.126.161
Cash and cash equivalents	12	48.152.599	50.905.523
		<u>49.427.882</u>	<u>52.031.684</u>
TOTAL ASSETS		<u>812.742.623</u>	<u>791.765.914</u>
EQUITY			
Equity attributable to equity holders of the Company			
Ordinary shares	5.2	802.808.000	850.000.000
Share premium		4.157	401.027.926
Retained earnings, excluding the result for the current year		-312.933.193	-439.676.220
Current year result		278.915.524	-59.360.094
TOTAL EQUITY		<u>768.794.488</u>	<u>751.991.612</u>
LIABILITIES			
Current liabilities			
Loan payable	14	43.813.750	39.651.116
Trade and other payables	15	134.383	123.186
		<u>43.948.134</u>	<u>39.774.302</u>
TOTAL EQUITY, PROVISIONS AND LIABILITIES		<u>812.742.623</u>	<u>791.765.914</u>

The notes to the accounts on pages 9 to 28 form an integral part of these financial statements

ERB NEW EUROPE HOLDING B.V.

Cash Flow Statement **for the period ended December 31, 2015** (in EUR)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
Cash flow from continuing operating activities			
(Application of Indirect Method)			
Profit/(Loss) before tax for the year		278.493.814	-56.047.185
Adjustments for:			
Impairment loss / reversal on			
investments in subsidiaries and	7, 8	-17.279.064	51.002.594
Dividend distributed		-262.112.647	
Unrealised foreign exchange gain		3.910.116	4.519.791
Interest income		-1.417.209	-746.275
Interest expense		1.209.887	707.299
		<u>2.804.896</u>	<u>-563.776</u>
Net (increase)/decrease in trade and Other receivables	11	-245.989	763.002
Net increase/(decrease) in trade and Other payables	15	11.199	72.843
Cash (used in)/generated from continuing operations		<u>2.570.105</u>	<u>272.069</u>
Interest paid		-1.878.102	-116.027
Tax received/(paid)	16	501.419	204.904
Net cash (used in)/generated from continuing operating activities		<u>1.193.423</u>	<u>360.946</u>
Cash flows from continuing investing activities			
Interest received		1.429.804	781.713
Additions in investments in subsidiaries	7	-6.012.527	--
Additions in investments in associates	8	-61.132	--
Repayment of EPS Ukraine loan held with ERB Cyprus		-221.226	--
Net cash generated from continuing investing activities		<u>-4.865.082</u>	<u>781.713</u>
Net (decrease) /increase in cash equivalents from continuing operating activities		<u>-3.671.659</u>	<u>1.142.659</u>
Net cash flows generated from/(used in) discontinued investing activities	9, 10	658.603	-3.399.018
Net decrease in cash equivalents		<u>-3.013.057</u>	<u>-2.256.360</u>
Cash and cash equivalents at the beginning of the year	12	50.905.523	53.063.855
Cash and cash equivalents at the end of the year	12	48.152.598	50.905.523
Effect of exchange rate fluctuations on cash held		260.132	98.029
Movement in cash		<u>3.013.057</u>	<u>2.256.362</u>

The notes to the accounts on pages 9 to 28 form an integral part of these financial statements

ERB NEW EUROPE HOLDING B.V.

Statement of Changes in equity for the period ended December 31, 2015 (in EUR)

	Ordinary Shares	Share premium	Retained earnings	Total
Balance as at January 1, 2014	850.000.000	401.027.926	-439.676.220	811.351.706
Profit/(Loss) for the period	--	--	-59.360.094	-59.360.094
Other comprehensive Income for the year	--	--	--	--
Balance as at December 31, 2014	850.000.000	401.027.926	-499.036.314	751.991.612
Share capital / premium decrease (note 5)	-47.192.000	-401.023.769	448.215.769	0
Dividend distributed	--	--	-262.112.647	-262.112.647
Profit / (Loss) for the period			278.915.524	278.915.524
Other Comprehensive income for the year				--
Balance as at December 31, 2015	<u>802.808.000</u>	<u>4.157</u>	<u>-34.017.669</u>	<u>768.794.488</u>

The notes to the accounts on pages 9 to 28 form an integral part of these financial statements

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015 (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. (the 'Parent') 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 an intermediate holding and finance company and currently has its office address at Herengracht 500, Amsterdam, the Netherlands. The Company's Chamber of Commerce number is 34192535.

2 PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

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

The policies set out below have been consistently applied to the years 2015 and 2014, except as described below. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

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

The following amendments to standards and new interpretations, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IC) and endorsed by the European Union (EU), apply from 1 January 2015:

Annual Improvements to IFRSs 2011-2013 Cycle

The amendments introduce key changes to three IFRSs, following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project, as follows:

- Clarify that IFRS 3 'Business Combinations' does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- Clarify that the exception in IFRS 13 'Fair Value Measurement' for measuring the fair value of a group of financial assets and financial liabilities on a net basis applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 'Financial Instruments: Recognition and Measurement' or IFRS 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities under IAS 32 'Financial Instruments: Presentation';
- Address the interrelationship between IFRS 3 'Business Combinations' and IAS 40 'Investment Property', clarifying in the latter that an entity should assess whether: (a) the acquired property is investment property under IAS 40 and (b) the acquisition of investment property constitutes a business combination as defined in IFRS 3.

The adoption of the amendments had no impact on the Company's financial statements.

IFRIC 21, Levies

IFRIC 21 Levies clarifies that an entity recognises a liability for a levy that is not income tax when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. 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 had no impact on the Company's financial statements.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015 (in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

New standards and amendments to standards not yet adopted by the Company

A number of new standards and amendments to existing standards are effective after 2015, as they have not yet been endorsed by 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 1, Amendment - Disclosure initiative (effective 1 January 2016)

The amendment clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The adoption of the amendment is not expected to impact the Company's financial statements.

IAS 7, Amendment - Disclosure Initiative (effective 1 January 2017, not yet endorsed by EU)

The amendment requires disclosure of information enabling users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The disclosure requirements also apply to changes in financial assets, such as assets that hedge liabilities arising from financing activities, if cash flows from those financial assets were or future cash flows will be, included in cash flows from financing activities.

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

IAS 12, Amendment - Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2017, not yet endorsed by EU)

The amendment clarifies that (a) unrealised losses on debt instruments measured at fair value in the financial statements and at cost for tax purposes may give rise to a deductible temporary difference irrespective of whether the entity expects to recover the carrying amount of the debt instrument by sale or use (b) estimates for future taxable profits exclude tax deductions resulting from the reversal of those deductible temporary differences (c) the estimate of probable future taxable profits may include the recovery of an asset for more than its carrying amount, if there is sufficient evidence that it is probable that this will be realized by the entity, and (d) a deferred tax asset is assessed in combination with all of the other deferred tax assets where the tax law does not restrict the sources of taxable profits against which the entity may make deductions on the reversal of that deductible temporary differences may be reversed. Where restrictions apply, deferred tax assets are assessed in combination only with other deferred tax assets of the same type.

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

IAS 27, Amendment - Equity Method in Separate Financial Statements (effective 1 January 2016)

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. In particular, separate financial statements are those presented in addition to consolidated financial statements or in addition to the financial statements of an investor that does not have investments in subsidiaries but has investments in associates or joint ventures which are required by IAS 28 Investments in Associates and Joint Ventures to be accounted for using the equity method.

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

IFRS 9, Financial Instruments (effective 1 January 2018, not yet endorsed by EU)

In July 2014, the IASB published the final version of IFRS 9 which replaces IAS 39 'Financial Instruments'. IFRS 9 sets out revised requirements on the classification and measurements of financial assets, addresses the reporting of fair value changes in own debt when designated at fair value, replaces the existing incurred loss model used for the impairment of financial assets with an expected credit loss model and incorporates changes to hedge accounting.

Classification and measurement

IFRS 9 applies one classification approach for all types of financial assets, according to which the classification and measurement of financial assets is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. A business model refers to how an entity manages its financial assets so as to generate cash flows, by collecting contractual cash flows, or selling financial assets or both. Upon assessment, each financial asset will be classified in one of the three categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income.

With regard to financial liabilities, the treatment followed in IAS 39 is carried forward to IFRS 9 essentially unchanged. However, IFRS 9 requires fair value changes of liabilities designated at fair value under the fair value option which are attributable to the change in the entity's own credit risk to be presented in other comprehensive income rather than in profit or loss, unless this would result in an accounting mismatch. The adoption of the amendment is not expected to impact the Company's financial statements.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

IFRS 9 introduces an expected credit loss model that will apply to all financial instruments that are subject to impairment accounting and replaces the incurred loss model in IAS 39. The new requirements eliminate the threshold in IAS 39 that required a credit event to have occurred before credit losses were recognised. Under IFRS 9, a loss allowance will be recognised for all financial assets, therefore the new requirements will result in the earlier recognition of credit losses.

The new standard uses a 'three stage approach' that will reflect changes in credit quality since initial recognition. At each reporting date, a loss allowance equal to 12-month expected credit losses will be recognised for all financial assets for which there is no significant increase in credit risk since initial recognition. For financial assets that have experienced a significant increase in credit risk since initial recognition as well as purchased or originated credit impaired financial assets, a loss allowance equal to lifetime expected credit losses will be recognized. The measurement of expected credit losses will be a probability-weighted average amount that will reflect the time value of money. In measuring expected credit losses, information about past events, current conditions and forecasts of future conditions should be considered. The adoption of the amendment is not expected to impact the Company's financial statements.

IFRS 10, IFRS 12 and IAS 28, Amendments - Investment Entities: Applying the Consolidation Exception (effective 1 January 2016, not yet endorsed by EU)

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

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

IFRS 10 and IAS 28, Amendments - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date to be determined by IASB, not yet endorsed by EU)

These amendments address an inconsistency between the requirements in IFRS 10 and IAS 28 dealing with the sale or contribution of assets between an investor and its associates or joint ventures. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, whereas a partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are in a subsidiary.

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

IFRS 11, Amendment – Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016)

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'.

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

Annual Improvements to IFRSs 2010-2012 Cycle (effective 1 January 2016)

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 amortisation in IAS 38 'Intangible Assets'

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

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015 (in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Annual Improvements to IFRSs 2012-2014 Cycle (effective 1 January 2016)

The amendments introduce key changes to four IFRSs following the publication of the results of the IASB's 2012-14 cycle of the annual improvements project. The topics addressed by these amendments are set out below:

- Clarifying in IFRS 5 'Non-current assets held for sale and discontinued operations' that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.
- Adding in IFRS 7 'Financial instruments: Disclosures' specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. It also clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.
- Clarifying in IAS 19 'Employee benefits' that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.
- Clarifying in IAS 34 'Interim financial reporting' what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

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

Prior year comparison

The accounting policies have been consistently applied to the years presented. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Foreign currencies

All monetary investments 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. The Company's presentation currency is the EUR being the functional currency of the parent company. Except as indicated, financial information presented in EUR has been rounded to the nearest million.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The investments in subsidiaries are accounted for at cost less any accumulated impairment losses. The Company determines at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognises the amount to the profit and loss. For the further explanation please see page 19 'Subsidiaries'.

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 accounted for at cost less any accumulated impairment losses. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount to the profit and loss.

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 recognised at fair value plus transaction costs and subsequently carried at fair value. Gains and losses arising from changes in the fair value of the investment securities are recognised directly in equity, until the financial investment is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss. The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset (debt and equity securities). If any such evidence exists the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in profit and loss, is removed from equity in profit and loss.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset. For loan and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced either directly or through the use of allowance account and the amount of the loss shall be recognised in the profit and loss.

Trade and other receivables are amounts due from customers in the ordinary course of business and its value is assumed to be a close approximation of their fair value. Trade and other receivables are included in the current assets if collection is expected in one year or less. If not, they are presented as non-current assets.

Loans and payables (borrowings)

Borrowings are recognised initially at fair value, net of transaction cost incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings and trade and other payables are classified as current liabilities if payment is due to one year or less. If not, they are presented as non-current liabilities.

Cash and cash equivalents

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

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.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
(in EUR)

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Interest income and expenses

Interest income and expenses are recognised in the income statement for all interest bearing instruments on an accruals basis, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Dividend income is recognised when the right to receive payment is established.

De-recognition of financial assets and liabilities

A financial asset is derecognised when the contractual cash flows of the loan expire, or the Company transfers its rights to receive those cash flows in an outright sale in which substantially all the risk and rewards of ownership have been transferred. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Non-current assets classified as held for sale

Non-current assets are classified as held for sale when the carrying amount is to be recovered through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

3 PRINCIPLES OF DETERMINATION OF RESULT

General

Result is determined as the difference between dividend/investment income and interest income on loans granted and interest expense from loans issued and other charges for the year. Income from transactions is recognised in the year in which it is realised.

4 CONSOLIDATION

The company has not prepared consolidated annual accounts for the year ended 31 December 2015. No consolidation is performed as the Company decided to apply the exemption for consolidation as is permitted under Article 408, Title 9 Book 2 of The Netherlands Civil Code. A copy of the consolidated financial statements of the parent company Eurobank Ergasias S.A. will be filed with the Chamber of Commerce in Amsterdam, The Netherlands. 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, 2015 (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 focuses on the unpredictability of financial markets and seek to minimise 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 Rating of Eurobank Group

The Company holds a large current account with Eurobank Ergasias Group (the parent company) which amounts to EUR 43,071,171 as at 31/12/2015. The parent company's long-term rating was 'CCC+' at July 2016 (2015: 'SD, 2014: CCC+') according to the Standard & Poor's credit rating.

Since Eurobank Ergasias S.A. 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 investments 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 2015, the Company's interest rate on the long-term loan receivable was LIBOR plus 2.75%, whereas the interest rate on the short-term loan payable was LIBOR plus 2.55%.

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.

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 investments in foreign currencies.

It holds one bank account in Serbian Dinars and one in Ukraine Hryvnia. These bank accounts have an immaterial amount in aggregate. In addition, the Company holds one bank account in United States Dollars and one in Swiss Francs which is disclosed in note 12 of these financial statements. Moreover, the Company has other intercompany loans receivable and payable in USD and CHF as disclosed in note 9 and 11 of these financial statements. Any resulting exchange differences on the items mentioned above, are included in the Statement of Comprehensive income. Foreign currency risk is continued monitored by the management and is regarded manageable.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
(in EUR)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 profit and loss account as it uses the historical cost for the valuation of its participations.

As at 31 December 2015	CCY	Amount in CCY	Less than 1 year	Over 1 year	
			Amount in EUR	Amount in CCY	Amount in EUR
Trade and other receivables	CHF	22.416	19.982	--	--
Trade and other receivables	USD	476.034	394.840	--	--
Cash and cash equivalents	UAH	59.060	2.252	--	--
Cash and cash equivalents	RSD	64.041	527	--	--
Cash and cash equivalents	USD	3.633.504	3.117.482	--	--
Cash and cash equivalents	CHF	17.626	16.268	--	--
As at 31 December 2014	CCY	Amount in CCY	Less than 1 year	Over 1 year	
			Amount in EUR	Amount in CCY	Amount in EUR
Loan payables	USD	-47.422.557	-39.059.844	--	--
Interest payables	USD	-717.864	-591.272	--	--
Trade and other receivables	USD	429.623	353.862	--	--
Cash and cash equivalents	UAH	806.138	41.915	--	--
Cash and cash equivalents	RSD	64.041	529	--	--
Cash and cash equivalents	USD	2.859.753	2.355.451	--	--
Cash and cash equivalents	CHF	--	--	--	--

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 339,725 and 415,219 respectively. By comparing this same analysis on the Company's 2014 balances a shift of 10% of the USD rate, would have caused a maximum increase/decrease of EUR 3,358,346 and 4,104,645 respectively.

Foreign currency risk is continued monitored by the management and is regarded manageable.

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Notes to the Financial Statements as at December 31, 2015
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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 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.

	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Over 12 months
As at 31 December 2015				
Liabilities:				
Loan payable	43.813.750	--	--	--
Trade and other payables	--	134.383	--	--
As at 31 December 2014				
Liabilities:				
Loan payable	39.651.116	--	--	--
Trade and other payables	--	123.186	--	--

5.2 Capital management

The Company actively manages capital base to cover risk inherent to the business. The Company's objectives, when managing capital are:

- To provide an adequate level of capital so as to enable the Company to continue its operations as a going concern
- To maintain a strong capital base to support the development of its business

The Company is not required to comply with any capital requirements set by the regulators.
There have been no material changes in the Company's management of capital during the year.

The capital of the Company is presented below:

	31 December 2015	31 December 2014
Issued and paid-up capital	802.808.000	850.000.000
Share premium	4.157	401.027.926
Retained Earnings	-50.820.545	-439.676.220
Dividend distributed	-262.112.647	0
Result current year	278.915.524	-59.360.094
Total equity	768.794.489	751.991.612

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
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5 FINANCIAL RISK MANAGEMENT (CONTINUED)

As per January 23, 2015, the Company received a dividend of EUR 266,0 million by its wholly owned subsidiary Eurobank Cyprus Ltd, following the latter's Extraordinary General Meeting which took place on the same date. On 29 June 2015, the Company's General Meeting decided i) the decrease of share capital and share premium accounts by EUR 47,2 million and EUR 401,0 million respectively through set-off of negative retained earnings amounting to EUR 448,2 million, ii) the distribution of interim dividend amounting to EUR 262,1 million to its sole shareholder, Eurobank Ergasias S.A.

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

The carrying amounts of loan granted to subsidiary undertakings, trade payables, trade receivables and cash and cash equivalents are assumed to approximate their fair values.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Impairment of investments

The Company follows the guidance of IAS36 to determine when an investment is impaired. An impairment loss is recognised for the amount by which the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs of disposal and its value in use. When an investment is impaired, the loss regarding this impairment is recognised in the profit and loss.

An impairment loss recognised in prior periods for an investment shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount which cannot be higher than the acquisition cost. That increase is a reversal of an impairment loss and is recognised immediately in profit or loss.

7 INVESTMENTS IN SUBSIDIARIES

The movements in the investments in subsidiaries are as follows:

	2015	2014
Opening balance as at January 1,	552.508.002	591.422.477
Additions	6.012.527	179
Reversal of impairment loss / (Impairment loss)	17.806.198	-38.914.654
Balance as at December 31,	<u>576.326.728</u>	<u>552.508.002</u>

The impairment of the subsidiaries is based on the latest available management estimates on the recoverable amount.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
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7 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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 2015	Cost price in euro 2014
1 IMO 03 EAD (formerly known as EFG Securities Bulgaria EAD)			
Bulgaria			
Opening balance	100%	--	--
Closing balance	0%	--	--
The investment was fully impaired in financial year 2013. On 15/12/2015 the total investment was sold to NEU03 Property Holdings its (100% shareholding) for EUR 2.			
2 ERB Retail Services IFN SA			
Romania			
Opening balance	99,15%	25.745.916	25.745.916
Movements		27	--
Closing balance	99,15%	25.745.943	25.745.916
3 Eurobank Cyprus Limited			
Cyprus			
Opening balance	100%	257.454.482	257.454.482
Closing balance	100%	257.454.482	257.454.482
4 ERB Leasing IFN SA			
Romania			
Opening balance	97,23%	7.323.848	17.137.109
Additions (Share Capital Increase)		3.000.000	--
Impairment loss		(522.707)	(9.813.261)
Closing balance	97,64%	9.801.141	7.323.848
The impairment is based on the latest available management estimate on the recoverable amount.			
5 ERB Asset Fin DOO Beograd			
Serbia			
Opening balance	100%	--	--
Additions (Share Capital Increase)		1.012.500	--
Impairment loss	--	(258.138)	--
Closing balance	100%	754.362	--
The impairment is based on the latest available management estimate on the recoverable amount.			
6 ERB New Europe Funding II B.V.			
The Netherlands			
Opening balance	100%	12.000.200	12.000.200
Closing balance	100%	12.000.200	12.000.200

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
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7 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro 2015</u>	<u>Cost price in euro 2014</u>
7 Eurobank Bulgaria AD Bulgaria			
Opening balance	54,27%	245.997.476	275.098.869
Reversal of impairment loss / (Impairment loss)	--	20.027.659	(29.101.393)
Closing balance	54,27%	266.025.135	245.997.476

The reversal of impairment for 2015 is based on the latest available management estimate on the recoverable amount. During 2015 Eurobank Bulgaria AD has managed to achieve net profit of €43 million and increase its total equity to an amount of €467 million. This performance was mainly a result of a combination of reduced cost of funding, reduction of operating costs and significantly lower loan loss provisions following a notable improvement in the formation of loans past due. Profitable performance has continued - and improved - during 2016, a fact that has been also taken into consideration for the estimation of the recoverable amount.

8 Eurobank Finance SA **Romania**

Opening balance	62,80%	--	--
Additions (Share Capital Increase)		2.000.000	--
Impairment loss		(1.440.616)	--
Closing balance	80,35%	559.384	--

The impairment is based on the latest available management estimate on the recoverable amount.

9 ERB IT Shared Services S.A. **Romania**

Opening balance	98,90%	3.986.080	3.985.901
Movements		--	179
Closing balance	98,90%	3.986.080	3.986.080

8 INVESTMENTS IN ASSOCIATES

The movements in the investments in associates are as follows:

	<u>Cost price in euro 2015</u>	<u>Cost price in euro 2014</u>
Opening balance as at January 1,	187.226.228	199.314.168
Additions	61.132	--
Impairment loss	(527.134)	(12.087.940)
Balance as at December 31,	186.760.226	187.226.228

The impairment of the associates is based on the latest available management estimates on the recoverable amount.

The Company has shares in the following Associates:

<u>Name</u>	<u>Ownership and voting rights</u>	<u>Cost price in euro 2015</u>	<u>Cost price in euro 2014</u>
1 Eurobank A.D. Beograd Serbia			
Opening balance	42,74%	170.381.468	180.461.747
Movements	--	0	(10.080.279)
Closing balance	42,74%	170.381.468	170.381.468

The impairment is based on the latest available management estimate on the recoverable amount.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
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8 INVESTMENTS IN ASSOCIATES (CONTINUED)

Name		Ownership and voting rights	Cost price in euro 2015	Cost price in euro 2014
2 ERB Leasing A.D. Beograd Serbia	Opening balance	48,63%	510.000	510.000
	Closing balance	48,63%	510.000	510.000
3 Bancpost SA Romania	Opening balance	5,33%	16.334.760	18.342.421
	Additions		61.132	--
	Impairment loss		(527.134)	(2.007.661)
	Closing balance	5,37%	15.868.758	16.334.760

The impairment is based on the latest available management estimate on the recoverable amount.

9 LOAN GRANTED TO SUBSIDIARY UNDERTAKINGS

Subordinated loan granted to Public J.S.C. Universal Bank, Ukraine. Maturity date 10/12/2021.

As at December 31, 2015, this item can be detailed as follows:

Description	CCY	Amount in CCY		2015	2014
Subordinated loan	USD	0	0	0	16.369.327
Interest	USD	0	0	0	67.824
Impairment	USD	0	0	0	(16.437.151)
Loan	CHF	10.541.000	9.728.657		0
Impairment	CHF	-10.541.000	-9.728.657		0
		0	0	0	0

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Notes to the Financial Statements as at December 31, 2015
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9 LOAN GRANTED TO SUBSIDIARY UNDERTAKINGS (CONTINUED)

The year-end balance of loan and interest receivable from Public J.S.C. Universal Bank in Ukraine has been fully impaired in both 2013 and 2014 following events in the Country (please refer to 'Operations in Ukraine classified as held for sale' section in the Report of the Managing Directors) and classification of its operations as held for sale (Note 10).

During the year 2015, the Company received interest income amounting to EUR 590,924 from its subordinated loan to Public J.S.C. Universal Bank. Company's interest rate on the long-term loan receivable was LIBOR plus 2.75%.

10 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In March 2014, management committed to a plan to sell the Group's operations in Ukraine (including Public J.S.C. Universal Bank and ERB Property Services Ukraine LLC). The sale was considered highly probable, therefore, the Company's operations in Ukraine were classified as held for sale. The operations in Ukraine continue to be classified as held for sale as the Group and therefore the Company remains committed to sell its operations.

The Company has shares in the following Investments held for sale:

		Ownership and voting rights	Cost price in EUR 2015	Cost price in EUR 2014
1 Public J.S.C. Universal Bank				
Ukraine				
	Opening balance	99,97%	--	--
	Additions		75.141.332	25.990.298
	Impairment loss		(75.141.332)	(25.990.298)
	Closing balance	99,97%	--	--
2 ERB Property Services Ukraine LLC				
Ukraine				
	Opening balance	99,00%	--	--
	Closing balance	99,00%	--	--

In March 2014, management committed to a plan to sell the Group's operations in Ukraine (including Public J.S.C. Universal Bank and ERB Property Services Ukraine LLC). The sale was considered highly probable, therefore, the Company's operations in Ukraine were classified as held for sale. Following the classification of the disposal group as held for sale, in accordance with IFRS 5, management has measured it at the lower of its carrying amount and fair value less costs to sell. The determination of fair value less costs to sell was based on recent bid offers received from third parties for the sale, further adjusted by management in order to reflect the continuing stressed market environment.

The continuing adverse conditions in the country led to an extension of the period to complete the sale beyond one year. The Group's operations in Ukraine continue to be classified as a disposal group held for sale, as the Group remains committed to its plan to sell that disposal group.

	2015	2014
Interest income	590.924	902.982
Impairment loss on investment	-6.147	-25.990.298
Reversal of impairment losses on loans and advances	62.574	21.710.819
Net profit / (loss) from discontinued operations	647.351	-3.376.497

In December 2015, the Company participated in Public J.S.C. Universal Bank's share capital increase with an amount at UAH 1.883 million (€75mil) in order to strengthen its capital base as a result of capital plan requested by the National Bank of Ukraine. The capital increase was fully covered by New Europe Holding through the utilization of existing debt provided by the Group which was converted to €75mil capital. Utilized funds were derived through Eurobank Ergasias S.A. (amounting to total of €58,7 million) and NEH (€16.4 million being subordinated debt granted to Universal). Eurobank Ergasias S.A. also transferred an amount of CHF 10,5 million to the Company for the purposes of increasing Public J.S.C. Universal Bank's share capital that due to favourable FX movements was not fully utilized (refer to Note 9 of the financial statements). The specific unutilized receivable of CHF 8.6million was transferred back to Eurobank Ergasias S.A. during 2016.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015 (in EUR)

11 TRADE AND OTHER RECEIVABLES

As at December 31, 2015, this item can be detailed as follows:

Name	CCY	Amount in CCY	2015	2014
EFG International Bermuda Ltd	USD	1	1	1
Eurobank EFG Holding (Luxembourg) S.A.	CHF	22.416	19.982	--
EFG Investment II (UK)	USD	476.033	394.839	353.862
* Income tax receivable			860.462	772.297
			<u>1.275.283</u>	<u>1.126.160</u>

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

12 CASH AND CASH EQUIVALENTS

Cash at banks

As at December 31, 2015, this item can be detailed as follows:

Description	CCY	Amount in CCY	Rate	2015	2014
Current accounts	USD	3.633.504	0,8580	3.117.482	2.355.451
Current accounts	UAH	59.060	0,0381	2.252	41.915
Current accounts	RSD	64.041	0,0082	527	529
Current accounts	CHF	17.626	0,9229	16.268	
Current accounts	EUR	45.016.070	1,0000	45.016.070	4.991.315
Deposit account	EUR	--			43.500.000
Accrued interest on deposit account	EUR	--		--	16.313
				<u>48.152.599</u>	<u>50.905.523</u>

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

13 EQUITY

The Company's authorised share capital amounts to EUR 1,000,000,000 and consists of 1,000,000 ordinary shares with a nominal value of 1,000 each. On 29 June 2015 the nominal value of the ordinary shares has been decreased from the original nominal value of EUR 1,000 with EUR 55.52 each, resulting in the new nominal value of EUR 944.48 per share. In order to decrease the negative reserve, the Company made a set off on 29 June 2015 of the share premium for the amount of EUR 401.027.926 against the negative reserve of EUR 448.215.769 which was in the books as at 29 June 2015. The remainder repayment of the negative reserve has been facilitated by decreasing the nominal value of the shares. As at December 31, 2015, 850,000 shares were issued and fully paid-up (as at December 31, 2014, 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.

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Notes to the Financial Statements as at December 31, 2015 (in EUR)

14 LOAN PAYABLE

As at December 31, 2015, the Company's outstanding borrowings are detailed as follows:

Name	Description	CCY	2015	2014
Eurobank Private Bank Luxemburg S.A. (Maturity date: 30/06/2017)	Loan	EUR	43.813.750	39.059.844
Eurobank Private Bank Luxemburg S.A.	Interest	EUR	0	591.272
			<u>43.813.750</u>	<u>39.651.116</u>

Until 1/4/2015 the nominal CCY of the loan was in USD. Interest rate applied was until 1/4/2015 LIBOR plus 2.55% and thereafter EURIBOR plus 2.55%.

15 TRADE AND OTHER PAYABLES

As at December 31, 2015, this item can be detailed as follows:

Name	Description	2015	2014
Trade and other payables	General and admin. expenses	134.383	123.186
		<u>134.383</u>	<u>123.186</u>

16 TAXATION

For the year ended December 31, 2015, this item can be detailed as follows:

	2015
Profit before income tax	278.493.814
- Participation exemption*	(265.973.447)
Add: Non-deductible expenses:	
- Impairment loss on investments	(17.279.064)
- Interest income from discontinued operations	590.924
Taxable amount	(4.167.773)
Corporate Income Tax paid during 2015	(328.636)
Corporate Income Tax received from previous years	102.996
Corporate Income Tax position 2015	(225.640)

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

*The full participation exemption applies on the dividends received during the financial year 2015.

-102.996

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015 (in EUR)

16 TAXATION (CONTINUED)

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

	2015	2014
Opening balance	772.297	913.618
Tax carry back refund	257.158	398.406
Payments made/ (receipts) during the year relating to previous years	(618.134)	(533.021)
Adjustment provision based on final assessment previous years	(154.162)	(334.819)
Payments made via preliminary assessment for the year	451.402	240.000
Withholding tax on interest (reclaimable)	151.901	88.113
Balance as at December 31, 2015	<u>860.462</u>	<u>772.297</u>

The Company has fiscal tax loss available to carry forward as at 31 December 2015 amounting to € 8,900,305. No relevant deferred tax asset has been recognised since management does not expect that the Company will have adequate future taxable profits.

17 RELATED PARTY TRANSACTIONS

In November 2015, following the completion of the Bank's share capital increase, fully covered by investors, institutional and others the percentage of the Bank's ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) decreased from 35.41% to 2.38%.

Despite the aforementioned significant decrease of its percentage, the HFSF is still considered to have significant influence over the Bank. In particular, in the context of the Law 3854/2010, as in force, HFSF exercises its voting rights in the Bank's General Assembly only for decisions concerning the amendment of the Bank's Articles of Association, including the increase or decrease of the Bank's capital or the granting of a corresponding authorisation to the Bank's Board, decisions concerning the mergers, divisions, conversions, revivals, extension of duration or dissolution of the Bank, the transfer of assets, or any other issue requiring approval by an increased majority as provided for in Company Law 2190/1920. In addition, the Bank has entered into a new Relationship Framework Agreement (RFA) with the HFSF on 4 December 2015 replacing the previous one, signed on 26 August 2014.

ERB NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
(in EUR)

17 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Loan granted to subsidiary undertakings (Public J.S.C. Universal Bank Ukraine)

Description	Closing balance	
	2015	2014
Subordinated loan	9.728.657	16.369.327
Interest receivable	-	67.824
Impairment loan and interest	(9.728.657)	(16.437.151)
	-	-

(b) Trade and other receivables

Description	Closing balance	
	2015	2014
Loan to ERB Property Services Ukraine LLC	227.788	-
	227.788	-

(c) Cash and cash equivalents (Eurobank Ergasias S.A.)

Description	Closing balance	
	2015	2014
Current accounts held with subsidiaries / associates	1.755.600	423.611
Current accounts held with shareholder / parent entity	44.571.805	3.317.431
Deposit account held with shareholder / parent entity	-	43.500.000
Accrued interest on deposit with shareholder / parent entity	-	16.313
	46.327.405	47.257.355

(d) Loan payable (Eurobank Private Bank Luxembourg S.A.)

Description	Closing balance	
	2015	2014
Loan payable	43.813.750	39.059.844
Interest payable	-	591.272
	43.813.750	39.651.116

(e) Financial income and expenses

Description	Closing balance	
	2015	2014
Interest Income on subordinated loan with subsidiary (Public J.S.C. Universal Bank, Ukraine)	590.924	902.982
Interest income on deposit account held with shareholder (Eurobank Ergasias S.A.)	1.417.209	746.275
Dividend income from Eurobank Cyprus Limited	265.973.447	-
Interest expense on loan payable to group company (Eurobank Private Bank Luxembourg S.A.)	(1.209.887)	(707.299)
	266.771.693	941.958

In December 2014, Public J.S.C. Universal Bank proceeded to partial early repayment of the subordinated debt amounting to EUR 22 mil. The Company participated in the Share Capital Increase of Public J.S.C. Universal Bank, amounting to UAH 501 mil (EUR 26 mil.) as a result of the stress test imposed by National Bank of Ukraine.

ERD NEW EUROPE HOLDING B.V.

Notes to the Financial Statements as at December 31, 2015
(in EUR)

10 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 contributions.

The audit fees of EUR 19,000 (2014: EUR 19,000) comprises the fees of external independent auditor PricewaterhouseCoopers Accountants N.V. for the statutory audit of the financial statements. The external independent auditor has not charged any fees relating to other assurance related services, tax, consulting or any other consulting services.

11 CONTINGENT LIABILITIES, LITIGATIONS AND COMMITMENTS

No contingent liabilities, litigation or commitments that would affect the financial statements of the entity are outstanding as at December 31, 2015. No off-balance sheet contractual commitments or obligations, affecting the financial statements, have occurred to date.

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 Director.

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 2:275 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.

On July 31, 2015, Mr. C. Kouhouwink has been appointed as the new managing director of the Company.

As per August 17, 2015, Mr. S. van der Meer and Mr. M.A.H. Maris have resigned as managing directors of the Company, and as per same date Mr. E.H. Janssens and Mr. R. Wemmen have been appointed as managing directors of the Company.

The Board of Managing Directors:

C. Kouhouwink

E.H. Janssens

Amsterdam, December 3, 2016

S. van der Meer

ERB NEW EUROPE HOLDING B.V.

Other Information

Statutory provision regarding appropriation of Result

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the 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.

Position of Eurobank Group

Macroeconomic environment

In 2015, the macroeconomic environment in Greece has been very challenging for the Greek banking system. In the first half of the year, the prolonged uncertainty relating to an agreement with the Eurozone partners over the implementation of the required reforms for the conclusion of the Second Economic Adjustment Program, the unsuccessful expiration of the former, the tightened liquidity conditions due to the financing problems of the Greek State and the significant deposit outflows – already observed from late 2014 – led to the imposition of restrictions in banking transactions (capital controls) together with a temporary bank holiday on 28 June 2015. In mid - August the Greek Government reached a final agreement with its European partners on a new 3-year European Stability Mechanism (ESM) program – the Third Economic Adjustment Program (TEAP) - with a ca € 86 bn financing envelope and a series of reforms aiming to restore fiscal sustainability, safeguard financial stability, enhance growth, competitiveness and investment and develop a modern state and public administration. The Greek Government managed to complete two sets of prior actions from the program at the end of November and December 2015. By mid - December 2015, the systemic banks' recapitalization was completed with only ca € 5.4 bn used from the initial buffer of up to € 25 bn. The unused funds were subtracted from the ESM loan, reducing it to ca € 64.5 bn as of the end of January 2016.

In the first months of 2016, the macroeconomic environment in Greece has remained challenging for the Greek banking system. Following the ongoing negotiations with its European partners during the last months, Greece has successfully concluded the 1st review of the Third Economic Adjustment Program (TEAP), which permitted the disbursement of the first sub-tranche of € 7.5 bn from the second installment of the European Stability Mechanism (ESM) loan on 21 June 2016, allowing the country to cover its debt servicing needs and clear a part of the State's arrears to the private sector. Accordingly, the European Central Bank (ECB) decided the reinstatement of the waiver for the instruments issued by the Hellenic Republic and the improvement of the advance rates for providing Eurosystem financing with Pillar II guarantees as collateral, while the participation of Greek Government Bonds in ECB's Quantitative Easing (QE) program will be examined at a later stage conditional on the implementation of the 2nd review and the results of the Debt Sustainability Analysis that the ECB is expected to conduct after the implementation of the short term debt relief measures for Greece. The latter are in accordance with the roadmap of debt relief agreed in the 25 May 2016 Eurogroup. The second sub-tranche of € 2.8 bn from the 1st program review was approved by the ESM on 25 October 2016. The completion of the 1st review helped in reducing the short term uncertainty surrounding the economic outlook and contributed to further relaxation of capital controls, as of 22 July 2016. This, along with the mobilization of European Union (EU) funding to support domestic investment and job creation and the decisive implementation of the reforms agreed in the context of the ESM program, would facilitate the restoration of confidence in the prospects of the Greek economy and the further stabilization of the domestic environment, which are necessary conditions for the resumption of positive economic growth.

Currently, the main risks and uncertainties are associated with a) the impact on the level of economic activity from additional fiscal measures included in the key prior actions of the 1st review of the TEAP, b) possible delays in the implementation of the reforms' agenda in order to meet the next targets and milestones of the TEAP including the timely completion of the 2nd review scheduled for early December 2016, c) the timing of a full lift of restrictions in the free movement of capital and the respective impact on the level of economic activity, d) a possible deterioration of the refugee crisis and the impact on the internal economy and e) the geopolitical conditions in the broader region and the external shocks from a slowdown in the global economy.

Position of Eurobank Group (continued)

Liquidity risk

In accordance with the agreement with the European partners, the authorities are committed to preserving sufficient liquidity in the banking system, as long as Greece meets its obligations under the ESM program. The decisive implementation of the measures agreed in the context of the new ESM program permitted ECB to reinstate the waiver for the instruments issued by the Hellenic Republic and decrease the haircuts applied for Pillar II guarantees. These developments have enabled Greek banks to reduce their dependence on the expensive Emergency Liquidity Assistance (ELA) mechanism and increase their liquidity buffers. The stabilization of the macroeconomic environment and a recovery of the domestic economic sentiment will facilitate a faster return of deposits in the banking system and the further re-access to the markets for liquidity.

In the first nine months of 2016, the Bank has managed to reduce its dependence on Eurosystem funding mainly through the increase in repo transactions in the interbank market, the selective assets deleveraging, the utilization of a part of foreign subsidiaries' surplus liquidity and to some extent by deposit inflows.

Solvency risk

On 31 October 2015, the ECB announced the results of the comprehensive assessment (CA) based on which, a shortfall of € 0.3 bn in baseline scenario against 9.5% Common Equity Tier 1 (CET1) threshold and € 2.1 bn in adverse scenario against 8% CET1 threshold, the lowest shortfall across Greek banks, was identified for the Bank. Following the CA results and in line with the new recapitalization framework introduced by Law 4340/2015, the Bank proceeded to a capital increase of € 2,039 million, which was covered exclusively from the markets. As a result, the Group strengthened further its capital base and its CET1 ratio stood at 17% at the end of December 2015.

Notwithstanding the direct and indirect exposure of the banking system to sovereign risk, the successful completion of the Bank's and other Greek systemic banks' recapitalization process constituted a key milestone for rebuilding trust in the banking system and in the economy in general.

The Group continues implementing its medium term internal capital generating plan, which includes initiatives generating or releasing CET1 capital and/or reducing risk weighted assets. One of the key areas of focus remains the active management of non-performing loans, taking advantage of the Group's internal infrastructure and the important legislative changes that have taken or are expected to take place, aiming to substantially reduce their stock in due course. The Group's Common Equity Tier 1 (CET1) ratio stood at 17% at the end of June 2016 and the net profit attributable to shareholders amounted to € 106 million for the period ended 30 June 2016.

The Board of Directors, taking into consideration the above factors relating to the adequacy of the Group's capital position and its anticipated continued access to Eurosystem funding over the foreseeable future, and despite the existing uncertainties relating to the macroeconomic environment in Greece, has been satisfied that the financial statements of the Company can be prepared on a going concern basis.

Operations in Ukraine classified as held for sale

In March 2014, management committed to a plan to sell the Group's operations in Ukraine (including Public J.S.C. Universal Bank and ERB Property Services Ukraine LLC). The sale was considered highly probable, therefore, the Company's operations in Ukraine were classified as held for sale.

Following the classification of the disposal group as held for sale, in accordance with IFRS 5, management has measured it at the lower of its carrying amount and fair value less costs to sell. The determination of fair value less costs to sell was based on recent bid offers received from third parties for the sale, further adjusted by management in order to reflect the continuing stressed market environment.

The continuing adverse conditions in the country led to an extension of the period to complete the sale beyond one year. The Group's operations in Ukraine continue to be classified as a disposal group held for sale, as the Group remains committed to its plan to sell that disposal group.

Post balance sheet events

On 1 March 2016, the acquisition of the entirety of the operations of Alpha Bank's Bulgarian Branch ('Branch') by Eurobank's subsidiary in Bulgaria, Eurobank Bulgaria A.D. was completed after obtaining the relevant regulatory approvals. The consideration for the acquisition of the Branch was € 1. The acquisition of the Branch constitutes a step forward for Eurobank Bulgaria A.D. to further strengthen its position in the Bulgarian banking sector and expand its customer base in both the retail and corporate business segments. Eurobank Bulgaria A.D. is expected to benefit from significant synergies, while maintaining its strong capital ratios and substantial liquidity buffers.

Other events

On 23 January 2015, the Company received a dividend of EUR 266,0 million by its wholly owned subsidiary Eurobank Cyprus Ltd, following the latter's Extraordinary General Meeting which took place on the same date. On 29 June 2015, the Company's General Meeting decided i) the decrease of share capital and share premium accounts by EUR 47,2 million and EUR 401,0 million respectively through set-off of negative retained earnings amounting to EUR 448,2 million, ii) the distribution of interim dividend amounting to EUR 262,1 million to its sole shareholder, Eurobank Ergasias S.A.

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

Independent Auditor's report

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



Independent auditor's report

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

Report on the financial statements 2015

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of ERB New Europe Holding B.V. as at 31 December 2015, 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 (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015 of ERB New Europe Holding B.V., Amsterdam ('the company').

The financial statements comprise:

- the balance sheet as at 31 December 2015;
- the following statements for 2015: the income statement, the statements of comprehensive income, changes in equity and cash flows;
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of ERB New Europe Holding B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

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

Ref.: e0391765

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Responsibilities of management

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going-concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the directors' report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the directors' report and the other information):

- we have no deficiencies to report as a result of our examination whether the directors' report, 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 by Part 9 of Book 2 of the Dutch Civil Code has been annexed;
- we report that the directors' report, to the extent we can assess, is consistent with the financial statements.

Rotterdam, 5 december 2016
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.P.A. Corver RA

Appendix to our auditor's report on the financial statements 2015 of ERB New Europe Holding B.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things, of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's financial statements we are responsible for the direction, supervision and performance of the audit of the financial statements. In this context, we have determined the nature and extent of the audit procedures for subsidiaries to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.