

Athens, 18 October 2013

Announcement – Eurobank and Fairfax Financial Holdings jointly proceed to strengthening and enhancing the operations of Eurobank Properties

Further to the announcement of 19 June 2013, Eurobank Ergasias S.A. (“Eurobank”) and Fairfax Financial Holdings Limited (“Fairfax”) have concluded final binding documentation and received certain key regulatory approvals regarding their cooperation as shareholders of Eurobank Properties REIC (“Eurobank Properties”).

Under the basic terms of the agreements:

- (a) Eurobank Properties will proceed with a share capital increase (the “Rights Issue”) to raise c. €193 mn with pre-emption rights in favor of Eurobank Properties’ existing shareholders (the “Rights”) at an offer price of €4.80 per new share;
- (b) Fairfax undertook to purchase Eurobank’s Rights at an aggregate cash consideration of c. €20 mn and to exercise the purchased Rights as well as its own Rights, thereby investing c. €144 mn in the Rights Issue. As a result of the Rights exercise, Fairfax will increase its participation in Eurobank Properties to c. 41% (from c. 19%), and Eurobank will hold c. 33.5% (assuming full take up of the Rights); and
- (c) Eurobank and Fairfax will cooperate so that, until 30 June 2020, Eurobank will retain management control and will fully consolidate Eurobank Properties while Fairfax will be represented in the board of directors of Eurobank Properties and hold customary veto rights for transactions of this type. These arrangements will be in force for as long as Eurobank’s participation in Eurobank Properties remains above 20%; following which management control will automatically pass to Fairfax and Eurobank will retain customary veto rights depending on the level of its shareholding in Eurobank Properties.

The transaction has received all necessary regulatory approvals with the exception of the Rights issue which is subject to obtaining the Hellenic Capital Markets Commission and the Athens Exchange approvals. The transaction is expected to close by the first quarter of 2014. The aforementioned framework will not only further strengthen the relationship of Eurobank and Fairfax as shareholders of Eurobank Properties but will also broaden considerably the ability and resources of Eurobank Properties to become a leading real estate company in Greece and the surrounding region.

Fairfax Financial Holdings Limited is a financial services holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and investment management.

Eurobank is a European banking organization with total assets of €81bn, offering universal banking services across eight countries.