EUROBANK ERGASIAS S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

30 SEPTEMBER 2013

8 Othonos Street, Athens 105 57, Greece
www.eurobank.gr, Tel.: (+30) 210 333 7000
Company Registration No: 000223001000

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	Note	Nine months ended 30 September		Three months ended 30 September	
		2013 € million	2012 € million	**2013 € million**	2012 € million
Net interest income		**474**	687	**170**	231
Net banking fee and commission income		**63**	76	**20**	21
Income from non banking services		**4**	3	**1**	2
Dividend income		**3**	16	**2**	2
Net trading income/(losses)		**(21)**	68	**9**	(30)
Gains less losses from investment securities		**16**	66	**0**	(2)
Other operating income/(losses)	8	**(40)**	1	**0**	0
Operating income		**499**	917	**202**	224
Operating expenses	9	**(451)**	(481)	**(148)**	(154)
Profit from operations before impairments and non recurring losses		**48**	436	**54**	70
Impairment losses on loans and advances	10	**(1,037)**	(1,036)	**(343)**	(371)
Impairment and other losses on Greek sovereign exposure	6	**75**	(554)	**-**	-
Other impairment losses	11	**(32)**	(149)	**(14)**	-
Non recurring losses	11	**(85)**	(11)	**(5)**	-
Profit/(loss) before tax		**(1,031)**	(1,314)	**(308)**	(301)
Income tax	12	**257**	265	**75**	66
Non recurring tax adjustments	12	**585**	-	**(6)**	-
Profit/(loss) for the period from continuing operations		**(189)**	(1,049)	**(239)**	(235)
Profit/(loss) for the period from discontinued operations	13	**1**	(56)	**-**	(0)
Net profit/(loss) for the period attributable to shareholders		**(188)**	(1,105)	**(239)**	(235)

Notes on pages 8 to 24 form an integral part of these condensed interim financial statements

	Note	30 September 2013 € million	31 December 2012 € million
ASSETS			
Cash and balances with central banks		**905**	844
Loans and advances to banks		**11,686**	13,307
Financial instruments at fair value through profit or loss		**59**	92
Derivative financial instruments		**1,324**	1,913
Loans and advances to customers	14	**31,431**	33,434
Investment securities	15	**9,197**	4,445
Shares in subsidiary undertakings	16	**3,852**	3,025
Investments in associated undertakings and joint ventures		**6**	6
Property, plant and equipment		**200**	217
Investment property		**70**	68
Intangible assets		**62**	69
Deferred tax asset	12	**2,941**	2,037
Other assets	17	**1,354**	1,351
Total assets		**63,087**	60,808
LIABILITIES			
Due to central banks	18	**17,864**	29,016
Due to other banks	18	**12,866**	4,703
Derivative financial instruments		**1,722**	2,688
Due to customers	19	**23,401**	23,366
Debt issued and other borrowed funds	20	**1,538**	1,763
Other liabilities	21	**587**	569
Total liabilities		**57,978**	62,105
EQUITY			
Ordinary share capital	22	**1,641**	1,228
Share premium	22	**6,670**	1,448
Other reserves		**(4,550)**	(5,611)
Preference shares	23	**950**	950
Total equity attributable to shareholders of the Bank		**4,711**	(1,985)
Hybrid capital	24	**398**	688
Total equity		**5,109**	(1,297)
Total equity and liabilities		**63,087**	60,808

Notes on pages 8 to 24 form an integral part of these condensed interim financial statements

	Nine months ended 30 September				Three months ended 30 September			
	2013		2012		2013		2012	
	€ million		€ million		€ million		€ million	
Profit/(loss) for the period		**(188)**		(1,105)		**(239)**		(235)
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Cash flow hedges								
-net changes in fair value, net of tax	**24**		(96)		**(1)**		(9)	
-transfer to net profit, net of tax	**45**	**69**	26	(70)	**9**	**8**	7	(2)
Available for sale securities								
-net changes in fair value, net of tax	**6**		127		**5**		15	
-impairment losses on investment securities transfer to net profit, net of tax	**(2)**		33		**0**		3	
-transfer to net profit, net of tax	**(4)**	**(0)**	6	166	**1**	**6**	3	21
Other comprehensive income for the period		**69**		96		**14**		19
Total comprehensive income for the period attributable to shareholders:								
-from continuing operations	**(120)**		(953)		**(225)**		(216)	
-from discontinued operations	**1**	**(119)**	(56)	(1,009)	**-**	**(225)**	(0)	(216)

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Interim Statement of Changes in Equity
for the nine months ended 30 September 2013

	Total equity attributable to shareholders of the Bank						
	Ordinary share capital € million	Share premium € million	Special reserves € million	Retained earnings € million	Preference shares € million	Hybrid capital € million	Total € million
Balance at 1 January 2012, as previously reported	1,228	1,448	971	(5,351)	950	744	(10)
Adjustments due to retrospective application of IAS 19 Amendment (note 3)	-	-	16	(16)	-	-	-
Balance at 1 January 2012, as restated	1,228	1,448	987	(5,367)	950	744	(10)
Other comprehensive income for the period	-	-	96	-	-	-	96
Profit/(loss) for the period	-	-	-	(1,105)	-	-	(1,105)
Total comprehensive income for the nine months ended 30 September 2012	-	-	96	(1,105)	-	-	(1,009)
(Purchase)/sale of hybrid capital, net of tax	-	-	-	24	-	(57)	(33)
Hybrid capital's dividend paid, net of tax	-	-	-	(25)	-	-	(25)
Share-based payment:							
- Value of employee services	-	-	(0)	-	-	-	(0)
	-	-	(0)	(1)	-	(57)	(58)
Balance at 30 September 2012	1,228	1,448	1,083	(6,473)	950	687	(1,077)
Balance at 1 January 2013, as previously reported	**1,228**	**1,448**	**970**	**(6,581)**	**950**	**688**	**(1,297)**
Adjustments due to retrospective application of IAS 19 Amendment (note 3)	-	-	20	(20)	-	-	**-**
Balance at 1 January 2013, as restated	**1,228**	**1,448**	**990**	**(6,601)**	**950**	**688**	**(1,297)**
Other comprehensive income for the period	-	-	69	-	-	-	**69**
Profit/(loss) for the period	-	-	-	(188)	-	-	**(188)**
Total comprehensive income for the nine months ended 30 September 2013	**-**	**-**	**69**	**(188)**	**-**	**-**	**(119)**
Share capital decrease by reducing the ordinary shares' par value	(1,211)	-	1,211	-	-	-	**-**
Share capital increase following recapitalisation, net of expenses	1,136	4,537	-	-	-	-	**5,673**
Share capital increase following LME, net of expenses	62	254	-	-	-	-	**316**
Share capital increase following acquisition of NHPB, net of expenses	426	431	-	-	-	-	**857**
(Purchase)/sale of hybrid capital, net of tax	-	-	-	(15)	-	(290)	**(305)**
Hybrid capital's dividend paid, net of tax	-	-	-	(16)	-	-	**(16)**
Share-based payment:							
- Value of employee services	-	-	(0)	-	-	-	**(0)**
	413	**5,222**	**1,211**	**(31)**	**-**	**(290)**	**6,525**
Balance at 30 September 2013	**1,641**	**6,670**	**2,270**	**(6,820)**	**950**	**398**	**5,109**
	Note 22	Note 22			Note 23	Note 24	

Notes on pages 8 to 24 form an integral part of these condensed interim financial statements

	Note	Nine months ended 30 September 2013 € million	Nine months ended 30 September 2012 € million
Cash flows from operating activities [1]			
Profit/(loss) before income tax from operations		**(1,031)**	(1,314)
Adjustments for :			
Impairment losses on loans and advances		**1,037**	1,036
Other impairment losses and provisions		**1**	570
Depreciation and amortisation		**33**	39
Other (income)/losses on investment securities	26	**(34)**	(144)
(Income)/losses on debt issued		**0**	(2)
(Gain)/loss on sale of subsidiary undertakings, associates and joint ventures		**26**	(1)
		32	184
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		**(312)**	1,180
Net (increase)/decrease in financial instruments at fair value through profit or loss		**31**	45
Net (increase)/decrease in loans and advances to banks		**4,070**	9,218
Net (increase)/decrease in loans and advances to customers		**966**	992
Net (increase)/decrease in derivative financial instruments		**(171)**	(135)
Net (increase)/decrease in other assets		**(122)**	(364)
Net increase/(decrease) in due to banks		**(2,989)**	(1,355)
Net increase/(decrease) in due to customers		**35**	(5,433)
Net increase/(decrease) in other liabilities		**(18)**	(3,292)
		1,522	1,040
Income taxes paid		**-**	(2)
Net cash from/(used in) operating activities		**1,522**	1,038
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		**(11)**	(16)
Proceeds from sale of property, plant and equipment and intangible assets		**0**	-
(Purchases)/sales and redemptions of investment securities		**1,036**	812
Acquisition of subsidiaries, associated undertakings, joint ventures and participation in capital increases		**(50)**	(62)
Disposal of subsidiaries and foreign operations		**0**	1
Dividends from investment securities, subsidiaries, associated undertakings and joint ventures		**3**	16
Net cash from/(used in) investing activities		**978**	751
Cash flows from financing activities			
(Repayments)/proceeds from debt issued and other borrowed funds		**(226)**	(2,505)
Proceeds from share capital increase		**316**	-
Expenses paid for share capital increase		**(73)**	-
Purchase of hybrid capital		**(298)**	(27)
Hybrid capital's dividend paid		**(22)**	(31)
Net cash from/(used in) financing activities		**(303)**	(2,563)
Net increase/(decrease) in cash and cash equivalents		**2,197**	(774)
Cash and cash equivalents at beginning of period	26	**1,398**	2,172
Cash and cash equivalents at end of period	26	**3,595**	1,398

[1] The Bank has changed the method of presentation of operating cash flows from direct to indirect for the period ended 30 September 2013 (see note 26).

Notes on pages 8 to 24 form an integral part of these condensed interim financial statements

1. General information

Eurobank Ergasias S.A. (the "Bank") is active in retail, corporate and private banking, asset management, treasury, capital markets and other services. The Bank is incorporated in Greece and its shares are listed on the Athens Stock Exchange. The Bank operates mainly in Greece and through its subsidiaries in Central, Eastern and Southeastern Europe.

These condensed interim financial statements were approved by the Board of Directors on 29 November 2013.

2. Basis of preparation of condensed interim financial statements

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and they should be read in conjunction with the Bank's published annual financial statements for the year ended 31 December 2012. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period. Except as indicated, financial information presented in euro has been rounded to the nearest million.

These condensed interim financial statements are the separate statements of the Bank prepared in accordance with the requirements of the Capital Market Commission. The Bank also prepares consolidated financial statements which include the financial statements of the Bank and its subsidiaries (the "Group").

Going concern considerations

The financial statements have been prepared on a going concern basis. In making its assessment of the Bank's ability to continue as a going concern, the Board of Directors has taken into consideration the impact of the following factors:

<u>Solvency risk</u>

The Bank has incurred substantial impairment losses as a result of the Hellenic Republic's debt restructuring (PSI+). Such losses had a respective impact on the accounting and regulatory capital of the Bank as of 31 December 2011, which fell below the minimum capital requirements as determined by the Bank of Greece (BoG).

Capital needs of the Bank were assessed in November 2012 by BoG at the level of € 5,839 million, in order to be able to achieve the level of Core Tier I capital of 9% throughout the period to end of 2014. This assessment took into account, inter alia, the PSI impairment losses, the results of Blackrock's diagnostic review and the Bank's business plan which also included certain capital strengthening actions.

The Hellenic Financial Stability Fund (HFSF) has contributed to the Bank EFSF notes of total € 5,839 million for its participation in the share capital increase of the Bank, which qualifies as Tier I capital (note 7).

On 28 March 2013, the BoG issued an Executive Committee Act (13/28.03.2013) bringing the limit for the Core Tier I capital to 9% of Risk Weighted Assets and for Equity Core Tier I to 6%, effective from 31 March 2013. According to the new definition of Core Tier I capital, AFS reserve is fully recognised, while the deferred tax asset's recognition is limited to 20% of Core Tier I capital. According to the Bank's capital adequacy figures at 30 September 2013, the minimum ratio of 9%, pursuant to the new definition, is not met. The Bank is examining or already implementing a number of additional initiatives for complying with the new capital adequacy regulation, such as the transaction with Fairfax Holdings Limited (note 29), the implementation of Basel II IRB credit risk methodology to New TT Hellenic Postbank S.A. (NHPB) and New Proton Bank S.A. (New Proton), or transactions associated with the restructuring, transformation or optimisation of operations, in Greece and abroad that will generate or release capital and/or reduce Risk Weighted Assets. In addition, the implementation of a solid integration program for NHPB and New Proton (note 28), the acquisition of which was completed on 30 August 2013, is expected to provide substantial synergies further enhancing the capital base of the Bank. Finally, the Bank announced on 14 November 2013, the initiation of the process to raise approximately € 2 bn through a capital increase. The final amount of the capital increase will be determined by the Bank and HFSF, taking into account the publication of the capital needs currently being assessed by the BoG for the Greek banking sector.

<u>Liquidity risk</u>

The difficulty of the Greek banks to gain access to the international capital and money markets and the reduction of deposits due to heightened sovereign risk and deterioration of the Greek economy led to an increased reliance of the Bank to Eurosystem financing facilities. Although the dependence on Eurosystem funding has significantly decreased compared to its peak levels, as a result of access to the repo markets, deleveraging and deposit inflows, these conditions pose a significant ongoing liquidity challenge for the Bank and the Greek Banking system in general. The Bank expects, as also confirmed in the latest Troika's progress report on the second adjustment program for Greece published in July 2013, that the European Central Bank (ECB) and BoG will preserve sufficient banking system liquidity in line with Eurosystem rules, which stipulate, inter alia, that access to direct ECB, as opposed to other Eurosystem funding, is subject to the Bank maintaining a minimum level of regulatory capital. In addition, following the completion of acquisition of NHPB and New Proton, the Bank has further lowered its dependency on Eurosystem funding and improved its benchmark liquidity ratios.

<u>Other economic uncertainties</u>

The continued deterioration of the Greek economy has adversely affected the Bank's operations and presents significant risks and challenges for the years ahead. Currently, there are a number of material economic and market risks and uncertainties that impact the Greek Banking system. The main risks stem from the adverse macroeconomic environment, the developments on the eurozone sovereign debt crisis and the success, or otherwise, of the significant fiscal adjustment efforts and their impact on the Greek economy. The significant progress made to date could be compromised by external shocks from the global economy as well as implementation risks, political instability and reform fatigue in Greece. The attraction of new investments and the revival of economic growth remain key challenges for the Greek economy. On the other hand, as Greece has taken effective action towards fiscal consolidation, has made progress in the budgetary area and with reforms in other key sectors of the economy, upside potential also exists. Particularly if, privatisation efforts, associated with the rapid improvement of the investment climate and the restoration of confidence, show resilience and are accompanied by sustained strong policy implementation.

Continuation of the recession could adversely affect the region and could lead to lower profitability, deterioration of asset quality and a further reduction of deposits. In addition, increased funding cost remains a significant risk, as it is dependent on both the level of sovereign spreads as well as on foreign exchange rate risk, due to the unstable nature of some currencies. These conditions may further challenge the Bank's capital adequacy position over the foreseeable future.

Notwithstanding the conditions and uncertainties mentioned above, the Directors, having considered the mitigating factors set out below, have a reasonable expectation that the Bank will complete within a specific timeframe all actions and initiatives scheduled to bring regulatory capital above minimum required. Hence they are satisfied that the financial statements of the Bank can be prepared on a going concern basis:

(a) that the Bank continues the implementation of its medium term internal capital generating plan, which includes initiatives generating or releasing Core Tier I capital and/or reducing Risk Weighted Assets,

(b) should they become necessary, the availability of additional recapitalisation funds from the official sector that can support any capital needs on top of the amounts already provided by HFSF through the recent share capital increase,

(c) the existence of the comprehensive financial support program of the EC/ECB/IMF (including the € 50 bn recapitalisation facility), aiming to correct Greece competitiveness gap and restore growth, employment and public debt sustainability and secure the banking system's stability,

(d) the Greek authorities' commitment to support the banking system and create a viable and well capitalised private banking sector, and

(e) the Bank's continued access to Eurosystem funding (ECB and ELA liquidity facilities) over the foreseeable future.

3. Principal accounting policies

The accounting policies and methods of computation in these condensed interim financial statements are consistent with those in the published annual financial statements for the year ended 31 December 2012, except as described below.

(a) The following accounting policy has been added, compared to the principal accounting policies of the Bank applied to the annual financial statements for the year ended 31 December 2012:

Business combinations involving entities under common control

Pursuant to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", since business combinations between entities under common control are excluded from the scope of IFRS 3 "Business Combinations", such transactions are accounted for in the Bank's financial statements by using the pooling of interests method (also known as merger accounting), with reference to the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework and comply with the IFRS general principles, as well as accepted industry practices.

Under the pooling of interests method, the Bank incorporates the assets and liabilities of the acquiree at their pre-combination carrying amounts without any fair value adjustments. Any difference between the cost of the transaction and the carrying amount of the net assets acquired is recorded in the Bank's equity.

The Bank accounts for the cost of such business combinations at the fair value of the consideration given, or if that cannot be reliably measured, the consideration received.

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

- IAS 1, Amendment - Presentation of Items of Other Comprehensive Income
The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. The adoption of the amendments did not have a material impact on presentation of other comprehensive income in the Bank's financial statements.

- IAS 12, Amendment - Deferred tax: Recovery of Underlying Assets
The amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when investment property is measured using the fair value model in IAS 40 ' Investment Property'. This amendment has no impact in the Bank's financial statements.

- IAS 19, Amendment - Employee Benefits
The amendment, which has been applied by the Bank retrospectively from 1 January 2012, introduces several changes to the accounting for employee benefits including the recognition of actuarial gains and losses in other comprehensive income and their permanent exclusion from profit or loss. As a result of the application of the amendment, the Bank's retained earnings were decreased and special reserves were increased by € 16 million, net of tax, as at 1 January 2012 and by a further € 4 million, net of tax, as at 1 January 2013, having no impact on total Bank's net assets. The adoption of this amendment had no impact on neither Interim Income Statement, Balance Sheet, Statement of Comprehensive Income and Cash Flow Statement as at 30 September 2013 nor on their comparatives.

Other changes introduced by the amendment, having no material impact on the Bank's financial statements, include the replacement of the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, used to discount post employment benefit obligation, as well as the requirement to recognise past service cost immediately in profit or loss.

- IFRS 7, Amendment - Disclosures, Offsetting Financial Assets and Financial Liabilities
The amendment requires disclosure of the effect or potential effect of netting arrangements on an entity's financial position. In particular, it requires information about all recognised financial instruments that are set off, according to IAS 32 'Financial Instruments: Presentation', as well as about those recognised financial instruments that, although they are not set off under IAS 32 'Financial Instruments: Presentation', are subject to an enforceable master netting arrangement or similar agreement. The above disclosures did not have impact on the Bank's interim financial statements.

- IFRS 13, Fair Value Measurement
IFRS 13 establishes a single framework for measuring fair value, provides a revised definition of fair value and introduces more comprehensive disclosure requirements on fair value measurement. The disclosure requirements of IFRS 13 do not require comparative information to be provided for periods prior to initial application (1 January 2013). There was no material impact on the financial statements of the Bank from the adoption of the measurement requirements of IFRS 13. New disclosures and enhancements to existing disclosures are provided in note 25.

- Annual Improvements to IFRSs 2009–2011 Cycle
Improvements to IFRSs comprise amendments to a variety of individual IFRS standards aiming to clarify:
-the requirements for comparative information in IAS 1 'Presentation of Financial Statements';
-when certain types of equipment are classified as property, plant and equipment in IAS 16 'Property Plant and Equipment';
-the accounting for the tax effect of distributions to holders of equity instruments in IAS 32' Financial Instruments: Presentation';
-interim financial reporting requirements regarding total segment assets and liabilities in IAS 34 'Interim Financial Reporting'.

The above improvements to IFRSs did not have a material impact on the Bank's financial statements.

4. Critical accounting estimates and judgments in applying accounting policies

In preparing these condensed interim financial statements, the significant judgments made by Management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those applied to the published annual financial statements for the year ended 31 December 2012.

5. Greek Economy Liquidity Support Program

The Bank participates in the Greek Government's plan to support liquidity in the Greek economy under Law 3723/2008, as amended by Laws 3844/2010, 3845/2010, 3872/2010, 3965/2011 and 4093/2012 and extended by Ministerial decision 30089/B.1785/8.7.2013, as follows:

(a) First stream - preference shares
345,500,000 non-voting preference shares with nominal value of € 950 million were subscribed to by the Hellenic Republic on 21 May 2009 (note 23).

(b) Second stream - bonds guaranteed by the Hellenic Republic
As at 30 September 2013, the government guaranteed bonds, totalling to € 13,932 million, were fully retained by the Bank and its subsidiaries. In February 2013, government guaranteed bonds amounting to € 2,344 million, matured (note 20).

Under Law 3723/2008, as amended by Law 3965/2011, for the period the Bank participates in the program through the preference shares or the guaranteed bonds, the Government is entitled to appoint its representative to the Board of Directors, veto strategic decisions, decisions which alter substantially the legal or financial position of the Bank and require the General Assembly's approval and dividend distributions as well as restrict management remuneration.

In addition, under Law 3756/2009, as amended by Law 3844/2010 and supplemented by Laws 3965/2011, 4063/2012 and 4144/2013, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 to 2012, and are not allowed to acquire treasury shares under article 16 of the Company Law.

6. Credit exposure to Greek sovereign debt

Greek Government bonds exchanged under PSI+ in 2012

Under the Bank's participation in the Greek Government Bond exchange program (PSI+), in March/April 2012, the Bank received a) new Greek government bonds (nGGBs) with face value equal to 31.5% of the face amount of the old bonds, b) EFSF notes having a face amount of 15% of the face value of the old bonds and c) GDP-linked securities. All exchanged bonds were derecognised and the new GGBs, classified in the Held to Maturity portfolio, recognised at fair value with an impact of € 5.6 bn losses recorded in 2011 financial statements. In 2012 and, following the international financial community's view that the market for nGGBs is active, the Bank recognised an additional valuation loss of € 427 million based on market quotes at the date of recognition. GDP-linked securities were classified as derivatives. Furthermore, due to its participation in the PSI+ exchange program, the Bank incurred additional costs (extra funding cost, cost related with old GGBs hedging instruments) amounting to € 12 million, while other losses on Greek sovereign exposure amounting to € 115 million recognized by the Bank in 2012, related with valuation losses for derivatives with the Greek State and for a Greek sovereign risk related financial guarantee.

Greek State's debt buyback program in 2012

Following the Eurogroup’s decisions on 27 November 2012 as part of debt reduction measures, the Greek State announced on 3 December 2012 an invitation to eligible holders of nGGBs to submit offers to exchange such securities for six months zero coupon notes to be issued by the European Financial Stability Fund (EFSF). On 18 December 2012, pursuant to the above invitation, nGGBs of aggregate face amount of € 31.9 bn were eventually exchanged for EFSF notes of face amount of € 11.3 bn.

Under its participation to the Greek state’s debt buyback program, the Bank submitted for exchange the 100% of its nGGBs portfolio of total face value € 2.3 bn (carrying amount € 0.6 bn) and received EFSF notes of total face value € 0.8 bn.

Greek sovereign exposure

As at 30 September 2013, the total carrying value of Greek sovereign major exposures amounted to € 4,418 million (31 December 2012: € 5,339 million). This includes a) Treasury Bills of € 1,467 million (31 December 2012: € 2,347 million), booked in special purpose vehicles and guaranteed by the Bank, b) GGBs of € 909 million maturing in 2014 and issued for the Greek State's subscription to the Preference Shares issued under Law 3723/2008 “Greek Economy Liquidity Support Program” (31 December 2012: € 904 million). These GGBs are expected to be repaid in full, c) other non PSI+ exchanged GGBs of € 856 million (31 December 2012: € 832 million), d) derivatives with the Greek State of € 645 million (31 December 2012: € 724 million), e) exposure of € 192 million relating with Greek Sovereign risk financial guarantee (31 December 2012: € 187 million), f) loans guaranteed by the Greek State of € 180 million (31 December 2012: € 182 million), g) loans to Greek public sector of € 140 million (31 December 2012: € 143 million), h) nGGBs of € 9 million included in trading portfolio (31 December 2012: € 5 million) and i) other receivables € 19 million (31 December 2012: € 15 million).

In view of a) the increasing prospects of stabilization and improvement of the Greek economy leading to Greece's recent credit rating upgrade, b) the continuous increase in the market value of Greek bonds signalling the significant improvement of the credit spread, and c) considering that no credit event has occurred since the PSI+ on Greek Government obligations, in the first quarter of 2013 the Bank proceeded with the reversal of an impairment loss of € 75 million, which was initially recognized in 2011, for a non-PSI exchanged Greek Government bond.

7. Greek Banks' recapitalisation

Recapitalisation framework and process

Given the severity of the impact of the PSI+, on 21 February 2012 the Euro Area finance ministers allocated a total of € 50 bn of the second support program for Greece specifically for the recapitalisation of the Greek banking system. These funds were directed to the Hellenic Financial Stability Fund (HFSF) whose mandate has been extended and enhanced accordingly. € 39 bn of these funds were remitted to Greece in 2012 and the final € 11 bn in 2013.

The Bank of Greece (BoG) has assessed the viability of each Greek bank and estimated its capital needs based on the more demanding of (a) a minimum Core Tier I ratio of 9% under the baseline scenario and (b) 7% under the adverse stress scenario, throughout the period to end of 2014. Capital needs of each bank were assessed based on, inter alia, the impact of its participation in the PSI+ program, the results from the BlackRock loan diagnostic exercise, the viability of its business plan, and a detailed timetable of mitigating actions to restore solvency. BoG and the European Central Bank (ECB) assessed that the € 50 bn is adequate to cover the capital needs, as above, of the viable Greek Banks and the resolution of the non viable ones.

In the meantime, the impact of Greek banks participation in the PSI+ was such that they required a temporary financial support from the HFSF, subject to the requirements provided by law and the presubscription agreement signed by each bank, the HFSF and the European Financial Stability Fund (EFSF) (see below).

The HFSF was established in 2010, in order to maintain the stability of the Greek banking system through ensuring that adequate resources are available to support viable banks’ recapitalisation needs and participating in the capital increases for any non-subscribed part.

Banks considered viable were given the opportunity to apply for and receive Core Tier I-eligible capital from the HFSF under a certain process, ruled by Law 3864/2010 and Cabinet Act 38/9.11.2012. According to that legal framework, capital may take the form of ordinary shares, contingent convertible financial instruments or ordinary shares with restricted voting rights. Ordinary shares with restricted voting rights were only available if private investors contributed 10% of the capital raising at the rights issue. The voting rights of the HFSF for the ordinary shares it holds, if the 10% threshold mentioned above is met, is strictly limited to specific strategic decisions on the condition that the bank adheres to its restructuring plan and as long as contingent convertible financial instruments (CoCos) are not mandatorily converted to ordinary shares. The HFSF is obliged to dispose, fully or partly, of all the shares it acquires within five years from the initial rights issue covered by HFSF, if the required 10% private participation is met and within two years if not. In both cases the disposal period may be extended by the Minister of Finance. Cabinet Act 38/9.11.2012, agreed in consultation with the Troika (European Commission, ECB and IMF), provided the technical details of the banks’ recapitalisation framework.

Non viable Banks were resolved by the HFSF, in an orderly manner and at the lowest cost to the State, in a way that ensures financial stability.

To ensure that the system remains well-capitalized, the Bank of Greece has initiated, as committed, a follow-up capital needs exercise, based on macro assumptions and performance until June 2013, using a methodology determined in consultation with the Troika (European Commission, ECB, IMF) and taking into consideration the results from the BlackRock asset quality review, currently in progress. The process is expected to be concluded by end-December 2013.

Eurobank's Group share capital increase and capital management

The Bank of Greece, after assessing the business plan and the capital needs of Eurobank (the “Bank”) concluded on 19 April 2012 that Eurobank is a viable bank and, on 8 November 2012, notified the Bank that its Tier I capital should increase by € 5,839 million. The Bank, the HFSF and the EFSF signed on 28 May 2012, on 21 December 2012 and on 30 April 2013 a trilateral presubscription agreement (PSA) for the advance to the Bank of EFSF notes of face value of € 3,970 million, € 1,341 million and € 528 million, respectively (total € 5,839 million), as advance payment of its participation in the share capital increase of the Bank.

On 7 April 2013, the relevant regulatory authorities, with the consent of the management of both banks, decided that National Bank of Greece (NBG) and Eurobank will be independently recapitalized in full. As a consequence, the merger process of the two Banks was suspended (note 30). Following the above decision, the Board of Directors evaluated the specificities of the exercise in relation with the attraction of capital from private investors and, in particular, the uncertainty regarding the completion or not of the merger with NBG, the ensuing inability of properly assessing the investment proposal, as well as the absence of tens of thousands of Eurobank’s traditional shareholders who were substituted, due to the Voluntary Tender Offer, by NBG’s stake of approximately 85% in the Bank’s capital. As a consequence, the Board of Directors proposed to the Extraordinary General Meeting on 30 April 2013 that the share capital increase of € 5,839 million be fully subscribed by the HFSF.

7. Greek Banks' recapitalisation (continued)

Eurobank's Group share capital increase and capital management (continued)

On 30 April, the Extraordinary General Meeting approved the increase of the share capital of the Bank, in accordance with the provisions of Law 3864/2010 and Act of Cabinet 38/9.11.2012, in order to raise € 5,839 million by issuing 3,789,317,358 new ordinary shares, covered entirely by the HFSF with the contribution of bonds issued by the EFSF and owned by the HFSF (note 22). The capital increase was certified on 31 May and the listing of the new shares was completed on 19 June 2013 after obtaining the relevant approvals from Greek regulatory authorities.

On 28 March 2013, the BoG issued an Executive Committee Act (13/28.03.2013) bringing the limit for the Core Tier I capital to 9% of Risk Weighted Assets and for Equity Core Tier I to 6%, effective from 31 March 2013. According to the new definition of Core Tier I capital, AFS reserve is fully recognised, while deferred tax asset's recognition is limited to 20% of Core Tier I capital. As at 30 September 2013, the Group's Core Tier I ratio stood at 6.8% (Bank's Core Tier I: 8,4%) and proforma with the completion of transaction with Fairfax Financial Holdings Limited and the implementation of Basel II IRB credit risk methodology to NHPB and New Proton at 8.1%.

The Group has sought to maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision ("BIS rules/ratios") and adopted by the European Union and the Bank of Greece in supervising the Bank.

During the last years the Group focused on the organic strengthening of its capital position and, excluding the impact of PSI+, managed to maintain capital ratios at levels comfortably above minimum required. This was achieved by active derisking of lending portfolios through tighter credit policies and change in the portfolio mix in favour of more secured loans. In addition, it proceeded to several strategic initiatives, namely the disposal of Polish (note 13) and Turkish operations, the liability management exercise of buying back preferred securities and Lower Tier II unsecured subordinated notes and the merger with Dias S.A., which have created/released a total capital of € 1.9 bn, as well as the transaction with Fairfax Financial Holdings Limited and the implementation of Basel II IRB credit risk methodology to NHPB and New Proton.

The Group is examining a number of additional initiatives for enhancing its capital base, associated with the restructuring, transformation or optimisation of operations, in Greece and abroad, that will generate or release capital and/or reduce Risk Weighted Assets.

Eurobank's re-privatisation plan-Initial Public Offering (IPO)

As stated in the Memorandum of Economic and Financial Policies (MEFP) of the Second Adjustment Program for Greece published in July 2013, the Hellenic Republic will undertake to place a substantial part of the equity stake in Eurobank held by HFSF to a privately owned strategic international investor by end of March 2014. In this context, a number of intermediary milestones are also provided.

On 14 November 2013, the Bank announced the initiation of the process to raise approximately € 2 bn through a capital increase. The final amount of the capital increase will be determined by the Bank and HFSF, taking into account the publication of the capital needs currently being assessed by the BoG for the Greek banking sector. The proposed capital increase constitutes a step towards further strengthening Eurobank's capital position and enhances the bank's ability to support the Greek economy. The proposed capital increase will be effected through a marketed equity offering.

Restructuring plan

The 28 May 2012 PSA (see above) was assessed as State Aid by the European Commission. Therefore, along with the other viable banks, on 31 October 2012, Eurobank submitted a draft five year restructuring plan to the HFSF, the Ministry of Finance and the European Commission. Following completion of the recapitalisation process, the European Commission has asked that the Greek banks' plans, are revisited and resubmitted for approval. These plans should cover a period until end 2018. The approval process is in progress and should be completed by end-December 2013. In connection with the approval of the restructuring plan, Hellenic Republic will commit that the Bank will implement in particular specific measures and actions and will achieve objectives which are integral part of said restructuring plan.

Monitoring Trustee

The Memorandum of Economic and Financial Policies (MEFP) of the Second Adjustment Program for Greece between the Hellenic Republic, the European Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB) provides for the appointment of a monitoring trustee in all banks under State Aid.

On 22 February 2013, the Bank appointed Grant Thornton as its Monitoring Trustee (MT). The MT will monitor compliance with commitments on corporate governance and commercial operational practices, and the implementation of the restructuring plan and report to the European Commission.

8. Other operating income/(losses)

	30 September 2013 € million
Loss relating with the disposal of subsidiaries (note 16)	**(26)**
Loss relating with the sale of loans to banks	**(13)**
Other income/(losses)	**(1)**
	(40)

During the period, the Bank proceeded with the sale of loans to banks amounting to € 840 million at a discount of 1.6%, with a resulting loss of € 13 million. This initiative enhanced the Bank's Core Tier I ratio by reducing the Risk Weighted Assets and improved its liquidity position.

9. Operating expenses

	30 September 2013 € million	30 September 2012 € million
Staff costs	**(275)**	(290)
Administrative expenses	**(143)**	(152)
Depreciation and amortisation	**(33)**	(39)
Total	**(451)**	(481)

The average number of employees of the Bank during the period was 7,188 (30 September 2012: 7,139). As at 30 September 2013, the number of branches of the Bank amounted to 417.

In November 2013, the Bank launched a Voluntary Exit Scheme for its staff (note 29).

10. Provision for impairment losses on loans and advances to customers

The movement of the provision for impairment losses on loans and advances is as follows:

	30 September 2013				
	Wholesale € million	Mortgage € million	Consumer € million	Small business € million	Total € million
Balance at 1 January	**814**	**327**	**1,661**	**1,021**	**3,823**
Impairment losses on loans and advances charged in the period	**354**	**176**	**245**	**262**	**1,037**
Amounts recovered during the period	**2**	**-**	**4**	**-**	**6**
Loans written off during the period as uncollectible	**(6)**	**(0)**	**(0)**	**(1)**	**(7)**
Foreign exchange differences and other movements	**(49)**	**(36)**	**(57)**	**(68)**	**(210)**
Balance at 30 September	**1,115**	**467**	**1,853**	**1,214**	**4,649**

11. Other impairment and non recurring losses

	30 September 2013 € million	30 September 2012 € million
Impairment losses on repossessed properties	**(8)**	-
Impairment losses on bonds	**(18)**	(100)
Impairment losses on mutual funds and equities	**(6)**	(49)
Other impairment losses	**(32)**	(149)
Provision for claims in dispute	**(40)**	-
Valuation losses on derivative financial instruments	**(23)**	(11)
Expenses relating with NBG Voluntary Tender Offer	**(17)**	-
Expenses relating with the acquisition of NHPB and New Proton	**(5)**	-
Non recurring losses	**(85)**	(11)
	(117)	(160)

As of 30 June 2013, the Bank has incorporated the overnight index swap curve for cash collateralised derivatives. As at the date of change, the valuation losses recognised amounted to € 23 million. As at 30 September 2012, the Bank recognised credit valuation losses amounting to € 11 million related with derivative financial instruments conducted with corporate clients.

As at 30 September 2012, the Bank recognized an impairment loss amounting to € 100 million on subordinated debt issued by Agricultural Bank of Greece (ABG) whose license was revoked in July 2012 and has since been put in liquidation.

As at 30 September 2012, the Bank recognized impairment losses amounting to € 49 million on equity securities (including mutual funds), for which the decline in fair value below cost was considered to be significant and/or prolonged, as a result of the continuing deterioration in the equity markets.

12. Income tax

	30 September 2013 € million	30 September 2012 € million
Current tax	**(5)**	(4)
Deferred tax	**262**	269
Change in nominal tax rates	**591**	-
Losses from tax litigations	**(6)**	-
Total tax (charge)/income from continuing operations	**842**	265
Total tax (charge)/income from discontinued operations	**(0)**	14
Total	**842**	279

According to Law 4110/2013, the nominal Greek corporate tax rate increased to 26% for income generated in accounting years 2013 and onwards. In addition, dividends distributed based on General Meetings held within 2013 are subject to 25% withholding tax, while dividends distributed based on General Meetings held as of 1 January 2014 onwards are subject to 10% withholding tax. The increase of the corporate tax rate mentioned above resulted in the adjustment of the Bank's cumulative deferred tax as of 30 September 2013 by € 602 million, compared to that recorded as of 1 January 2013, out of which € 591 million have been recorded in 30 September 2013 income statement and € 11 million in other comprehensive income.

The Bank recognized in the third quarter of 2013 a non recurring tax charge of € 6 million in relation to tax litigations.

The Bank has been audited by tax authorities up to 2009, has not been audited for 2010 and has obtained by external auditors unqualified tax certificate for years 2011 and 2012, in accordance with article 82 of Law 2238/1994.

Deferred income tax

The movement of deferred income tax is as follows:

	30 September 2013 € million
Balance at 1 January	**2,037**
Income statement credit/(charge)	**853**
Available-for-sale revaluation reserve	**(1)**
Effect in other comprehensive income from the change in nominal tax rates	**11**
Share capital increase and LME expenses	**61**
Cash flow hedges	**(20)**
Balance at 30 September	**2,941**

12. Income tax (continued)

Deferred income tax (continued)

Deferred income tax asset is attributable to the following items:

	30 September 2013 € million
PSI+ tax related losses (tax deductible over a period of thirty years)	1,269
Loan impairment	1,219
Changes in fair value accounted through the income statement	177
Unused tax losses	145
Share capital increase and LME expenses	47
Cash flow hedges	32
Other	52
Net deferred income tax	**2,941**

Deferred income tax (charge)/credit in the income statement is attributable to the following items:

	30 September 2013 € million
Changes in fair value	(78)
Loan impairment	217
Unused tax losses	140
Change in nominal tax rates	591
Tax deductible PSI+ losses	(33)
Other	16
Deferred income tax (charge)/credit	**853**

13. Discontinued operations

Based on the terms of the Investment Agreement signed with Raiffeisen Bank International AG (RBI) in February 2011, the Bank recorded the disposal of its Polish operations as of 31 March 2011 for a total consideration of € 718 million.

On 30 April 2012, the Bank transferred 70% of its Polish banking subsidiary (Polbank) to RBI after obtaining the relevant approvals from the Polish Financial Supervision Authority (KNF). As of 30 April 2012, Polbank and RBI Poland (RBI's Polish banking subsidiary) are combined. The Bank received € 460 million in cash, while the remaining consideration receivable is subject to adjustments based on the Net Asset value of Polbank at the closing of the transaction.

Moreover, on 30 April 2012 the Bank exercised its put option on its remaining 13% stake in Raiffeisen Polbank. In October 2012, following the completion of the relevant transfer of shares, the Bank received € 126 million in cash. The gain on the disposal of Polish operations was adjusted as set out below.

The income statement distinguishes discontinued operations from continuing operations.

	30 September 2013 € million	30 September 2012 € million
Gain/(loss) on disposal before tax	1	(70)
Income tax	(0)	14
Profit/(loss) for the period from discontinued operations attributable to shareholders	**1**	(56)

14. Loans and advances to customers

	30 September 2013 € million	31 December 2012 € million
Wholesale lending	13,000	13,681
Mortgage lending	12,082	12,177
Consumer lending	4,734	5,022
Small business lending	6,264	6,377
Gross loans and advances to customers	**36,080**	37,257
Less: Provision for impairment losses (note 10)	(4,649)	(3,823)
	31,431	33,434

Included in gross loans and advances are:

Past due more than 90 days	10,378	8,729

15. Investment securities

	30 September 2013			
	Available-for-sale securities € million	Debt securities lending portfolio € million	Held-to-maturity securities € million	Total € million
Debt securities				
- EFSF bonds	6	5,854	-	5,860
- Greek government bonds	3	1,762	-	1,765
- Other government bonds	193	371	81	645
- Other issuers	157	304	346	807
	359	8,291	427	9,077
Equity securities	120	-	-	120
Total	479	8,291	427	9,197

	31 December 2012			
	Available-for-sale securities € million	Debt securities lending portfolio € million	Held-to-maturity securities € million	Total € million
Debt securities				
- EFSF bonds	79	-	-	79
- Greek government bonds	9	1,727	-	1,736
- Other government bonds	455	514	232	1,201
- Other issuers	194	302	775	1,271
	737	2,543	1,007	4,287
Equity securities	158	-	-	158
Total	895	2,543	1,007	4,445

During 2013, the Bank, in the context of its recapitalisation (note 7) received from the Hellenic Financial Stability Fund (HFSF) EFSF notes of € 5,839 million. The aforementioned notes are categorised under the Debt Securities Lending portfolio.

During 2013, the Bank proceeded with the downsizing using selective sales of its "Held-to-Maturity" investment securities amounting to € 299 million (face value), as a response to the significant increase in the regulatory capital requirements of the banking industry, imposed by the Bank of Greece bringing the limit for the Core Tier I capital to 9% of Risk Weighted Assets and for Equity Core Tier I to 6%, effective from 31 March 2013 (note 7). The sale of the securities did not trigger tainting rules of the Bank's "Held-to-Maturity" portfolio, as the significant increase in the regulatory requirements of the industry is a non-recurring event beyond the Bank's control that could not have been reasonably anticipated upon initial classification of those securities.

In 2008 and 2010, in accordance with the amendments to IAS 39, the Bank reclassified eligible debt securities from the "Available-for-sale" portfolio to "Debt securities lending" portfolio carried at amortised cost. Interest on the reclassified securities continued to be recognised in interest income using the effective interest rate method. As at 30 September 2013, the carrying amount of the reclassified securities was € 960 million. If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 30 September 2013 would have resulted in € 333 million losses net of tax, which would have been recognised in the available-for-sale revaluation reserve.

16. Shares in subsidiary undertakings

(a) New Proton Bank S.A., New TT Hellenic Postbank S.A., Hellenic Post Credit S.A., Hellenic Postbank - Hellenic Post Mutual Funds Mngt Company S.A., T Credit S.A. and T Leasing S.A., Greece

On 30 August 2013, following the binding agreements signed between the Bank and the Hellenic Financial Stability Fund (HFSF) on 15 July 2013, the Bank acquired by HFSF 100% of the shares and voting rights of New TT Hellenic Postbank S.A. (NHPB) and New Proton Bank S.A. (New Proton), after receiving all necessary regulatory approvals. Thus, as of the said date, NHPB and New Proton became 100% subsidiaries of the Bank. The Bank acquired, through its participation in NHPB, 50% of Hellenic Post Credit S.A., 51% of Hellenic Postbank - Hellenic Post Mutual Funds Mngt Company S.A., and 100% of T Credit S.A. and T Leasing S.A. (note 28).

(b) Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services, Greece

In October 2013, the name of Be-Business Exchanges S.A. was changed and its activities were expanded. The new name of the entity is "Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services" and provides additionally accounting and tax services.

(c) Anaptyxi 2006-1 Plc, Anaptyxi APC Ltd, Anaptyxi Holdings Ltd and Anaptyxi Options Ltd, United Kingdom

In January 2013, the companies were liquidated.

(d) Eurobank EFG Ukraine Distribution LLC, Ukraine

In June 2013, the Bank disposed of Eurobank EFG Ukraine Distribution LLC.

17. Other assets

	30 September 2013 € million	31 December 2012 € million
Receivable from Deposit Guarantee and Investment Fund	342	330
Repossessed properties	323	291
Pledged amount for a Greek sovereign risk financial guarantee	247	246
Income tax receivable	200	163
Receivable from HFSF	57	-
Prepaid expenses and accrued income	27	25
Prepaid expenses for Bank's recapitalisation	-	154
Other assets	158	142
	1,354	1,351

As at 30 September 2013, other assets amounting to € 158 million mainly consist of receivables from a) settlement balances with customers, b) guarantees, c) public entities and d) fraudulent and legal cases.

18. Due to central and other banks

	30 September 2013 € million	31 December 2012 € million
Secured borrowing from ECB and BoG	17,864	28,938
Other borrowing from central banks	-	78
Due to central banks	17,864	29,016
Secured borrowing from other banks	7,830	2,710
Interbank takings	4,773	1,612
Secured borrowing from international financial institutions	205	236
Current accounts and settlement balances with banks	58	145
Due to other banks	12,866	4,703
	30,730	33,719

As at 30 September 2013, the Bank has lowered its dependency on Eurosystem financing facilities to € 17.9 bn as a result of access to the repo markets, assets deleveraging, deposit gathering, as well as the funding synergies from the acquisition of NHPB and New Proton.

As at 30 September 2013, interbank takings include borrowings from NHBP and New Proton amounting to € 3.4 bn.

19. Due to customers

	30 September 2013 € million	31 December 2012 € million
Term deposits	15,668	15,669
Savings and current accounts	6,206	7,302
Repurchase agreements	1,527	395
	23,401	23,366

20. Debt issued and other borrowed funds

	30 September 2013 € million	31 December 2012 € million
Securitised	1,201	1,418
Medium-term notes (EMTN)	336	344
Covered bonds	0	0
Government guaranteed bonds	1	1
	1,538	1,763

During the period, the Bank proceeded with the repurchase of € 174 million of residential mortgage backed securities issued through its special purpose entity Themelion IV Mortgage Finance PLC. The above amount was prior held by the Bank's subsidiaries.

As at 30 September 2013, the covered bonds and government guaranteed bonds under the second stream of the Greek Economy Liquidity Support Program (note 5), totalling € 3,800 million and € 13,932 million respectively, were fully retained by the Bank and its subsidiaries. In February 2013, government guaranteed bonds amounting to € 2,344 million, matured.

Financial disclosures required by the Act 2620/28.08.2009 of the Bank of Greece in relation to the covered bonds issued, are available at the Bank's website.

21. Other liabilities

	30 September 2013 € million	31 December 2012 € million
Provision for financial guarantees [1]	244	247
Recognition of sovereign risk financial guarantee at fair value	55	59
Other provisions	54	14
Deferred income and accrued expenses	44	32
Standard legal staff retirement indemnity obligations	30	29
Other liabilities	160	188
	587	569

[1] Financial guarantees in favour of the Bank's subsidiaries.

As at 30 September 2013, other liabilities amounting to € 160 million mainly consist of payables relating with a) suppliers and creditors, b) bank checks and remittances, c) contributions to insurance organisations, d) duties and other taxes and e) credit card transactions under settlement.

22. Ordinary share capital and share premium

The par value of the Bank's shares is € 0.30 per share (31 December 2012: € 2.22). All shares are fully paid. The movement of ordinary share capital and share premium is as follows:

	Ordinary share capital € million	Share premium € million
Balance at 1 January 2013	**1,228**	**1,448**
Share capital decrease by reducing the ordinary shares' par value	(1,211)	-
Share capital increase following recapitalisation, net of expenses	1,136	4,537
Share capital increase following LME, net of expenses	62	254
Share capital increase following acquisition of NHPB, net of expenses	426	431
Balance at 30 September 2013	**1,641**	**6,670**

	Number of issued ordinary shares
Balance at 1 January 2013	**552,948,427**
Share capital decrease through reverse split (10 old shares for each 1 new share)	(497,653,584)
Share capital increase following recapitalisation	3,789,317,358
Share capital increase following LME	205,804,664
Share capital increase following acquisition of NHPB	1,418,750,000
Balance at 30 September 2013	**5,469,166,865**

On 30 April 2013, the Extraordinary General Meeting approved:

(a) the decrease of the share capital of the Bank by means of the parallel (i) increase of the nominal value of each ordinary share with voting rights and decrease of the total number of the existing ordinary shares thereof through reverse split, at a ratio of 10 old shares for each 1 new share, and (ii) decrease of the nominal value of the ordinary share of the Bank (as it resulted after the reverse split) to € 0.30, for the purpose of forming a special reserve of an equal amount of € 1,211 million, pursuant to article 4 par. 4a of Law 2190/1920. In addition, it authorized the Board of Directors to liquidate, as soon as possible, the shares formed from the aggregation of the fractional balances that may result from the reverse split and distribute to the beneficiaries the proceeds of such sale.

(b) the recapitalisation of the Bank, in accordance with the provisions of Law 3864/2010 and the Act of the Cabinet 38/9.11.2012, of € 5,839 million. The share capital increase is covered entirely by the HFSF with the contribution of bonds, issued by the EFSF and owned by the HFSF, as follows:

(i) the share capital of the Bank is increased by € 1,136.8 million by issuing 3,789,317,358 new ordinary shares with a nominal value of € 0.30 each, and

(ii) the share premium is increased by € 4,702 million.

On 27 June 2013, the Annual General Meeting approved the increase of the Bank's share capital with the amount of € 62 million, by payment in cash of € 317 million in total and the issue of new common shares, of a nominal value of € 0.30 each, via private placement to the holders of five series of preferred securities (Lower Tier I – Series A, B, C, D and E) and one series of subordinated debt instruments (Lower Tier II), with abolition of the pre-emptive rights in favour of existing common and preferred shareholders. Following the aforementioned decision of the AGM, the certification of the payment in cash of the said share capital increase by the Bank's Board of Directors at its meeting on 27 June 2013 and the filing with GEMH of the Ministry of Development and Competitiveness approval decision on 3 July 2013:

(i) the share capital of the Bank is increased by € 62 million by issuing 205,804,664 new ordinary shares with a nominal value of € 0.30 each, and

(ii) the share premium is increased by € 255 million.

On 26 August 2013, the Extraordinary Shareholders General Meeting approved the increase of the Bank's share capital and share premium by € 426 million and € 255 million, respectively, by issuing 1,418,750,000 new ordinary shares with a nominal value of € 0.30 each and offer price of € 0.48 each, subscribed totally by way of contribution in kind by the HFSF and specifically by the contribution of the total number of shares of the "New TT Hellenic Postbank S.A." (NHPB) owned by HFSF, having a value of € 681 million, as derived from their valuation according to article 9, par. 4 of Law 2190/1920. The fair value of the newly issued Bank's ordinary shares was adjusted to € 860 million at the time NHPB shares were acquired, 30 August 2013, based on Eurobank's share market price of € 0.606 at the same date (note 28).

Incremental costs directly attributable to the aforementioned share capital increases amounted to € 170 million, net of tax, mainly comprising the lump sum payment to HFSF imposed by Law 4093/2012 amounting to € 114 million, net of tax and the 1% subscription fee amounting to € 35 million, net of tax, on EFSF notes advanced to the Bank by HFSF on account for the subsequent recapitalisation of the Bank.

Treasury shares
Under Law 3756/2009, banks participating in the Government's Greek Economy Liquidity Support Program are not allowed to acquire treasury shares under article 16 of the Company Law.

23. Preference shares

	Preference Shares	
Number of shares	30 September 2013 € million	31 December 2012 € million
345,500,000	950	950

On 12 January 2009 the Extraordinary General Meeting of the Bank approved the issue of 345,500,000 non-voting, non-listed, non-transferable, tax deductible, non-cumulative 10% preference shares, with nominal value € 2.75 each, under Law 3723/2008 "Greek Economy Liquidity Support Program", to be fully subscribed to and paid by the Greek State with bonds of equivalent value. The proceeds of the issue total € 940 million, net of expenses, and the transaction was completed on 21 May 2009. In accordance with the current legal and regulatory framework, the issued shares have been classified as Tier I capital.

The preference shares pay a non-cumulative coupon of 10%, subject to meeting minimum capital adequacy requirements, set by Bank of Greece, availability of distributable reserves in accordance with article 44a of Company Law 2190/1920 and the approval of the Annual General Meeting. According to Law 3723/2008, as in force, five years after the issue of the preference shares or earlier subject to the approval of the Bank of Greece, the Bank may redeem the preference shares at their nominal value. In case of non redemption at the expiration of the five year period, the coupon is increased by 2% each year.

Based on the 2012 results and Law 3723/2008 in combination with article 44a of Company Law 2190/1920, the distribution of dividends to either ordinary or preference shareholders is not permitted.

24. Hybrid capital

	Series A € million	Series B € million	Series C € million	Series D € million	Series E € million	Total € million
Balance at 1 January 2013	**87**	**153**	**164**	**225**	**59**	**688**
Purchase of hybrid capital (LME)	(16)	(2)	(10)	(208)	(59)	**(295)**
Issue costs transferred to retained earnings upon buy back	1	0	0	4	-	**5**
Balance at 30 September 2013	**72**	**151**	**154**	**21**	**-**	**398**

The rate of preferred dividends for the Tier I Issue series A has been determined at 1.89% for the period 18 March 2013 to 17 March 2014.

As at 30 September 2013, the dividend attributable to hybrid capital's holders amounted to € 14 million (30 September 2012: € 34 million).

On 29 April 2013, the Board of Directors of the Bank decided to proceed with a liability management exercise ("LME") in respect of the five series of preferred securities (Lower Tier I-Series A,B,C,D,E) and the single subordinated medium term note (Lower Tier II) (the "Securities") issued by the Bank through its special purpose entities. In particular, the Board of Directors decided to execute the LME on a voluntary basis as follows:

(a) repurchase by the Bank of the tendered Securities at their nominal value; and

(b) undertaking by holders tendering Securities to participate in the new share capital increase, for cash, with the proceeds of the repurchase, at a share issue price equal to the issue price of the share capital increase of € 5,839 million which was fully subscribed by the HFSF, within the framework of Law 3864/2010, i.e. 1.54091078902977 per share.

On 27 June 2013, the Annual General Meeting approved the aforementioned increase of the Bank's share capital with the amount of € 62 million, by payment in cash of € 317 million in total and the issue of new common shares, of a nominal value of € 0.30 each, via private placement to the holders of five series of preferred securities (Lower Tier I – Series A, B, C, D and E) and one series of subordinated debt instruments (Lower Tier II) (note 22).

On 22 July 2013, ERB Hellas Funding Ltd (Eurobank's SPV) announced that, in accordance with the terms of Series D and E non-cumulative guaranteed non-voting exchangeable preferred securities (both having the benefit of a subordinated guarantee from Eurobank Ergasias S.A.), the non-cumulative preferred dividend on these preferred securities, which would otherwise have been payable on 29 July 2013 and 28 August 2013, respectively, was not declared and was not paid.

Post Balance sheet event

On 24 October 2013, ERB Hellas Funding Ltd announced that, in accordance with the terms of Series D and E non-cumulative guaranteed non-voting exchangeable preferred securities, the non-cumulative preferred dividend on these preferred securities, which would otherwise had been payable on 29 October 2013 and 28 November 2013, respectively, was not declared and was not paid.

On 24 October 2013, ERB Hellas Funding Ltd announced that, in accordance with the terms of Series B non-cumulative guaranteed non-voting preferred securities, the non-cumulative preferred dividend on these preferred securities, which would otherwise had been payable on 4 November 2013, was not declared and was not paid.

25. 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 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 carried at fair value

Trading assets, derivatives and other transactions undertaken for trading purposes, as well as available-for-sale securities and assets and liabilities designated at fair-value-through-profit-or-loss are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, the fair values are estimated using valuation techniques.

These financial instruments carried at fair value are categorised into the three levels of the IFRS fair value hierarchy at 30 September 2013 based on whether the inputs to the fair values are observable or unobservable, as follows:

a) Level 1 – Financial instruments measured based on quoted prices in active markets for identical financial instruments. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and represent actually and regularly occurring transactions. These include actively quoted debt instruments, as well as equity and derivative instruments traded on exchanges.

b) Level 2 – Financial instruments measured using valuation techniques with the following inputs: i) quoted prices for similar financial instruments in active markets, ii) quoted prices for identical or similar financial instruments in markets that are not active, iii) inputs other than quoted prices that are directly or indirectly observable, mainly interest rates and yield curves observable at commonly quoted intervals, forward exchange rates, equity prices, credit spreads and implied volatilities obtained from internationally recognised market data providers and iv) may also include other unobservable inputs which are insignificant to the entire fair value measurement. Level 2 financial instruments mainly include over-the-counter (OTC) derivatives and less-liquid debt instruments.

c) Level 3 – Financial instruments measured using valuation techniques with significant unobservable inputs. When developing unobservable inputs, best information available is used, including own data, while at the same time market participants' assumptions are reflected (e.g. assumptions about risk). Level 3 financial instruments include unquoted equity instruments.

The fair value hierarchy classification of the Bank's financial assets and liabilities carried at fair value is presented in the following table:

	30 September 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
	€ million	**€ million**	**€ million**	**€ million**
Financial assets measured at fair value:				
Financial instruments held for trading	**26**	**33**	**-**	**59**
Derivative financial instruments	**0**	**1,324**	**-**	**1,324**
Available-for-sale investment securities	**324**	**115**	**40**	**479**
Total financial assets	**350**	**1,472**	**40**	**1,862**
Financial liabilities measured at fair value:				
Derivative financial instruments	**0**	**1,722**	**-**	**1,722**
Due to customers:				
- Structured deposits	**-**	**148**	**-**	**148**
Trading liabilities	**0**	**-**	**-**	**0**
Total financial liabilities	**0**	**1,870**	**-**	**1,870**

	31 December 2012			
	Level 1	Level 2	Level 3	Total
	€ million	€ million	€ million	€ million
Financial assets measured at fair value:				
Financial instruments held for trading	69	23	-	92
Derivative financial instruments	0	1,913	-	1,913
Available-for-sale investment securities	711	184	-	895
Total financial assets	780	2,120	-	2,900
Financial liabilities measured at fair value:				
Derivative financial instruments	1	2,687	-	2,688
Due to customers:				
- Structured deposits	-	147	-	147
Total financial liabilities	1	2,834	-	2,835

The Bank recognises transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected. Other than the reclassification of € 3 million available-for-sale bonds from Level 1 to Level 2 effected in the 3rd quarter 2013, due to decrease in the level of market activity, there were no other transfers between Level 1 and 2 and vice versa, as well as, no changes in valuation techniques used, during the period.

Following management review of the fair value hierarchy classification, the Bank transferred certain unquoted available-for-sale equity instruments in Level 3 due to the significance of the unobservable inputs used in their fair value measurement.

Bank's valuation processes

Where valuation techniques are used to determine the fair values of financial instruments, they are validated and periodically reviewed by qualified personnel independent of the personnel that created them. All models are certified before they are used and models are calibrated to ensure that outputs reflect actual data and comparative market prices.

Global Market Counterparty Risk Sector establishes the processes and procedures governing the fair valuations, in line with the Bank's accounting policies.

25. Fair value of financial assets and liabilities (continued)

Financial instruments carried at fair value (continued)

Valuation techniques

OTC derivative financial instruments are fair valued by discounting expected cash flows using market interest rates at the measurement date. For the period ended 30 September 2013, the Bank has switched from libor discounting to overnight index swap (OIS) discounting for collateralized derivatives (note 11). Fair values take account of the credit risk of the Bank and the counterparty, where appropriate.

The Bank determines fair values for debt securities held using quoted market prices in active markets for securities with similar credit risk, maturity and yield or by using discounted cash flows method.

The fair values of unquoted available-for-sale equity instruments are estimated using third parties' valuation reports based mainly on investees' net assets, where management does not perform any further significant adjustments and net assets' valuations, adjusted where considered necessary.

Reconciliation of Level 3 fair value measurements

	30 September 2013 € million
Balance at 1 January	**-**
Transfers into Level 3	**41**
Total gain/(loss) for the period included in profit or loss	**(1)**
Total gain/(loss) for the period included in other comprehensive income	**0**
Balance at 30 September	**40**

Financial instruments not carried at fair value

The following table presents the carrying amounts and fair values of financial assets and liabilities which are not carried at fair value on the balance sheet:

	30 September 2013	
	Carrying amount € million	Fair value € million
Financial assets		
Loans and advances to customers	**31,431**	**31,470**
Investment securities		
- Debt securities lending portfolio	**8,291**	**7,695**
- Held-to-maturity	**427**	**367**
Financial liabilities		
Debt issued and other borrowed funds held by third party investors	**332**	**251**

	31 December 2012	
	Carrying amount € million	Fair value € million
Financial assets		
Loans and advances to customers	33,434	33,650
Investment securities		
- Debt securities lending portfolio	2,543	1,847
- Held-to-maturity	1,007	870
Financial liabilities		
Debt issued and other borrowed funds held by third party investors	377	206

The assumptions and methodologies underlying the calculation of fair values of financial instruments not carried at fair value on the balance sheet date are in line with those used to calculate the fair values for financial instruments carried at fair value and are as follows:

a) Loans and advances to customers: for loans and advances to customers quoted market prices are not available as there are no active markets where these instruments are traded. The fair values are determined using generally accepted valuation techniques with current market parameters. The fair values are estimated by discounting future expected cash flows over the time period they are expected to be recovered, using appropriate risk-adjusted rates.

b) Investment securities carried at amortised cost: the fair values of financial investments are determined using prices quoted in an active market when these are available. In other cases, fair values are determined using quoted market prices for securities with similar credit risk, maturity and yield or by using the discounted cash flows method.

c) Debt issued and other borrowed funds: the fair values of the debt issued and other borrowed funds are determined using quoted market prices, if available. If quoted prices are not available, fair values are determined based on quotes for similar debt securities or by discounting the expected cash flows at a risk-adjusted rate, where the Bank's own credit risk is determined using inputs indirectly observable, i.e. quoted prices of similar securities issued by the Bank or other Greek issuers.

d) For other financial instruments which are short term (cash and balances with central banks, loans and advances to banks, due to central banks and other banks) or re-price at frequent intervals (due to customers), the carrying amounts represent reasonable approximations of fair values.

26. Notes on interim cash flow statement

Following the acquisition of NHPB and New Proton, the Bank considered a) the most appropriate method of incorporation in Group's accounts of cash flows of acquired entities as of 1 September 2013 and b) the best practice applied by the banking industry and decided to change the method of presentation of operating cash flows from direct to indirect for the period ended 30 September 2013. Comparative information for the period ended 30 September 2012 has been adjusted accordingly.

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with less than 90 days maturity:

	30 September 2013 € million	31 December 2012 € million
Cash and balances with central banks (excluding mandatory and collateral deposits with central banks)	**342**	593
Loans and advances to banks	**3,253**	803
Financial instruments at fair value through profit or loss	**0**	2
	3,595	1,398

As at 30 September 2013, loans and advances to banks include reverse repos with NHPB and New Proton amounting to € 2.8 bn.

Certain adjustments presented in operating activities are analysed as follows:

Other (income)/losses on investment securities	30 September 2013 € million	30 September 2012 € million
Amortisation of premiums/discounts	**(15)**	(22)
Adjustment for accrued interest	**0**	(40)
(Gains)/losses from sale	**(16)**	(66)
Dividends	**(3)**	(16)
	(34)	(144)

27. Contingent liabilities and other commitments

As at 30 September 2013, the Bank's contingent liabilities in terms of guarantees, standby letters of credit and commitments to extend credit amounted to € 3,435 million (31 December 2012: € 5,008 million) and the Bank's documentary credits amounted to € 10 million (31 December 2012: € 13 million).

The Bank's capital commitments in terms of property, plant and equipment amounted to € 4 million (31 December 2012: € 5 million).

Legal Proceedings

As at 30 September 2013, there were a number of legal proceedings outstanding against the Bank. The Bank's provision for outstanding litigations and claims in dispute amounted to € 43 million. In almost every case where a provision had been made proper remedies have been filed by the Bank. Other than the aforementioned amount, no significant impact is expected on the Bank's financial position from the outcome of pending lawsuits and cases in arbitration process.

28. Acquisition of New TT Hellenic Postbank S.A. and New Proton Bank S.A.

On 15 July 2013, the Bank signed a binding agreement with the Hellenic Financial Stability Fund (''HFSF'') to acquire 100% of the shares and voting rights of the New TT Hellenic Postbank (''NHPB'') for a consideration of € 681 million in the form of newly issued Eurobank ordinary shares with a minimum of 1,418,750,000 shares.

On the same day, the Bank also signed a binding agreement with HFSF to acquire 100% of the shares and voting rights of the New Proton Bank S.A. ("New Proton") for a € 1 cash consideration. Prior to completion of the transaction, the HFSF covered the capital needs of New Proton by contributing € 395 million in cash.

On 30 August 2013, following the above binding agreements, the Bank acquired from HFSF 100% of the shares and voting rights of NHPB and New Proton, after receiving all necessary regulatory approvals. Thus, as of the said date, NHPB and New Proton became 100% subsidiaries of the Bank.

Both transactions were approved by the Extraordinary General Meeting of Eurobank shareholders, which took place on 26 August 2013. Furthermore, on the same day the Extraordinary General Meeting of Eurobank shareholders approved the increase of the share capital of the Bank through the issuance of 1,418,750,000 new ordinary shares of a nominal value of € 0.30 and issue price € 0.48 each, subscribed by way of contribution in kind from HFSF of the total number of NHPB's shares, amounting to € 681 million. The number of the new ordinary shares issued was the minimum number of shares to be issued to HFSF pursuant to the binding agreement.

Both before and after 30 August 2013, the Bank, NHPB and New Proton were all under the control of HFSF. Although the acquisition of a subsidiary in exchange for the issuance of shares in a common control transaction is not specifically addressed in IFRS, the Bank has recorded the issuance of 1,418,750,000 new ordinary shares, being the consideration for the acquisition of NHPB, with reference to Eurobank's share market price as at the combination date, 30 August 2013, in accordance with IFRS definitions and principles on related areas. Accordingly, the Bank has accounted for the share capital increase at the price of € 0,606 amounting to € 860 million and the difference with the nominal value amounting to € 434 million has been recorded in the share premium account.

Based on the finalised Net Asset Value of NHPB at the completion date and in accordance with the terms of the binding agreement, the consideration was reduced by € 57 million, of which € 55 million were paid by HFSF in cash in November 2013.

28. Acquisition of New TT Hellenic Postbank S.A. and New Proton Bank S.A. (continued)

Post Balance Sheet Event

On 15 October 2013, the Bank signed a Draft Merger Agreement with New Proton. The completion of the merger took place on 22 November 2013 after receiving all necessary regulatory approvals.

In accordance with the Bank's accounting policy, the merger with New Proton will be accounted for by using the pooling of interests method (also known as merger accounting), whereby the assets and liabilities of the acquiree are recognised on the basis of the balance sheet as of the business combination date for the Bank, 30 August 2013, with any difference between the cost of the transaction and the carrying amount of the net assets acquired recorded in the Bank's equity.

The legal merger will be effected with the absorption of New Proton by the Bank in accordance with the provisions of article 16 of Law 2515/1997 and articles 69 and 78 of Company Law 2190/1920, by consolidating the assets and liabilities of the two merging banks, on the basis of the legal merger balance sheets of each bank as of 30 June 2013.

The results of New Proton will be incorporated in the Bank's financial statements retrospectively, starting from the date the Group incorporated New Proton's results, i.e. 30 August 2013.

Furthermore, on 15 October 2013, the Bank signed a Draft Merger Agreement with NHPB. The merger will be effected with the absorption of NHPB by the Bank, by applying the pooling of interests method, as described above for New Proton. The completion of the merger with NHPB is subject to approval by the competent regulatory authorities.

The acquisition of NHPB significantly improves the asset quality, liquidity and the capital base of Eurobank and strengthens its strategic position in the Greek banking sector, thus enhancing its capacity to support Greek businesses and households. In addition, the significant synergies creation makes Eurobank's investment proposition more attractive, facilitating its re-privatisation to the benefit of the Greek State and economy.

29. Other significant and post balance sheet events

Board of Directors

The three year term of the Board of Directors expired at the Annual General Meeting of the Shareholders of 27 June 2013. The General Meeting elected a new Board, the term of office of which was set to three years and expires at the Annual General Meeting which will take place in 2016:

G. A. David	Chairman, Non Executive
G. C. Gondicas	Honorary Chairman, Non executive
E. G. A. Arapoglou	Vice Chairman, Non Executive Independent
C. I. Megalou	Chief Executive Officer
M. H. Colakides	Deputy Chief Executive Officer (until 30 October 2013)
S. L. Lorentziadis	Non Executive Independent
D. T. Papalexopoulos	Non Executive Independent
D. A. Georgoutsos	Non Executive (Greek State representative under Law 3723/2008)
K. H. K. Prince – Wright	Non Executive (HFSF representative under Law 3864/2010)

Eurobank's Voluntary Exit Scheme

A Voluntary Exit Scheme (VES) was designed and implemented for the Bank's employees, having as a main objective to increase the operating efficiency. The VES was offered to all employees of Eurobank as well as to New Proton Bank employees, with Group service of more than 1.5 years. The total cost for the VES, which is expected to be finalized by year end, is estimated at approximately € 81 million, net of provisions for retirement benefits. Moreover, the Bank will have an estimated annual saving, as a result of the scheme, amounting to € 54 million.

Fairfax Financial Holdings Limited

On 19 June 2013, Eurobank and Fairfax Financial Holdings Limited ("Fairfax") announced that they agreed on the principal terms of a proposed transaction aiming to further strengthen their relationship as shareholders of Eurobank Properties S.A. ("Eurobank Properties") and broaden in parallel considerably the ability and resources of Eurobank Properties to become the leading real estate company in Greece and the surrounding region.

On 17 October 2013, Eurobank and Fairfax concluded final binding documentation and received certain key regulatory approvals regarding their cooperation as shareholders of Eurobank Properties.

Under the basic terms of the agreement:

(a) Eurobank Properties will proceed with a share capital increase (the "Rights Issue") to raise € 193 million, approximately, with preemption rights in favour 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 approximately € 20 million and to exercise the purchased Rights as well as its own Rights, thereby investing approximately € 144 million in the Rights Issue. As a result of the Rights exercise, Fairfax will increase its participation in Eurobank Properties to approximately 41% (from approximately 19% that it currently holds), and Eurobank will hold approximately 33.5% assuming that all other shareholders of Eurobank Properties will exercise their 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 agreements 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 Hellenic Capital Markets Commission and the Athens Exchange approvals. The transaction is expected to close by the first quarter of 2014.

29. Other significant and post balance sheet events (continued)

Eurobank Group's operations in Cyprus

On 25 March 2013, the Cypriot government reached an agreement with Troika (European Central Bank, European Commission and International Monetary Fund) on a new financial assistance program that was endorsed by the Eurogroup. The program contains a bail-out assistance package of up to € 10 bn and a bail-in scheme from unsecured depositors at specific banks, and aims to restore the viability of the domestic financial sector and facilitate the return of the Cypriot economy to a sustainable economic growth and sound public finances over the coming years.

The Bank operates in Cyprus through its subsidiary, Eurobank Cyprus Ltd. The subsidiary's operations are currently carried out through a network of seven banking centres, focusing in Wholesale Banking and International Business Banking.

The total assets of the subsidiary stand at € 3.7 bn, out of which, € 1.4 bn, only, relate to assets in Cyprus. The capital base of the subsidiary amounts to € 573 million, while the capital adequacy ratio as at 30 September 2013, stood at the very strong levels of 40.02%, which, combined with the good quality of the loan portfolio, strengthen the shield toward the risks of the current economic conditions.

On 30 September 2013, the deposits of the subsidiary amounted to € 2.5 bn, while the amount of loans to € 1.1 bn, out of which, € 0.4 bn is fully cash collateralised. The subsidiary maintains strong liquidity, with cash invested in low risk short-term investments, outside Cyprus, amounting to € 1.8 bn. The subsidiary maintains high liquidity rates and buffers, significantly above the minimum regulatory limits, which enables it to withstand, even in extreme scenarios of deposits' decrease.

Details of significant post balance sheet events are also provided in the following notes:

Note 7-Greek Banks' recapitalisation
Note 24-Hybrid Capital
Note 28-Acquisition of New TT Hellenic Postbank S.A. and New Proton Bank S.A.

30. National Bank of Greece S.A. (NBG) Voluntary Tender Offer (VTO) and merger

On 15 February 2013, the National Bank of Greece SA (NBG) acquired 84.35% of Eurobank's voting shares following the completion of a Voluntary Tender Offer (VTO) launched on 11 January 2013. The VTO would have been followed by the merger of the two banks, the process of which initiated on 19 March 2013.

On 28 March 2013, BoG sent letters to all viable banks, including the Bank and NGB, stating that each bank should proceed with its recapitalization by the end of April 2013 and requesting them to proceed with the relevant necessary actions. On 7 April 2013, as the joint banks' request for the extension of the recapitalization process up to 20 June 2013 was not granted, the relevant regulatory authorities with the consent of the management of both banks decided that the Bank and NBG will be independently recapitalized in full. As a consequence, the merger process of the two banks was suspended.

In this respect, the Extraordinary General Meeting of shareholders of the Bank, convened on 30 April 2013, decided the increase of the Bank's ordinary share capital, in order to raise € 5,839 million, subscribed by way of contribution in kind from HFSF, in accordance with Law 3864/2010 and Act of Cabinet 38/9.11.2012. As a result of the above mentioned share capital increase of the Bank (note 22), the percentage of the voting rights held by NBG as at 30 September 2013 was reduced below 5%.

31. Related party transactions

EFG Group was the controlling shareholder of the Bank, holding 44.70% of the Bank's ordinary shares and voting rights until 23 July 2012 (see also note 30 above). In May 2013, following its full subscription in the Bank's recapitalisation of € 5,839 million, the HFSF became the controlling shareholder and a related party of the Bank (note 7). On 19 June 2013, HFSF acquired 3,789,317,358 Bank's ordinary shares with voting rights, representing 98.56% of its ordinary share capital. Following the issuance of 205,804,664 new ordinary shares in July, as resolved at the Annual General Meeting of the Shareholders on 27 June 2013, the percentage of the voting rights held in Eurobank by HFSF decreased to 93.55%. Following the share capital increase approved by the Extraordinary General Meeting of 26 August 2013, the percentage of the voting rights held by HFSF increased to 95.23%.

On 12 July 2013, Eurobank signed with HFSF, a relationship framework agreement (RFA) that determines covenants governing the relationship between the Bank and the HFSF and the matters related with, amongst others, the corporate governance of the Bank and the development and approval of the Restructuring Plan. On 26 August 2013, the RFA was approved by the Extraordinary General Meeting in accordance with Law 2190/1920 article 23a. Subject to this agreement, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy (including business plans and budgets) in compliance with the Restructuring Plan and the decision on day-to-day operation of the Bank will continue to rest with the Bank's competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary responsibilities.

The Bank regards other Greek Banks controlled, jointly controlled or significantly influenced by HFSF, within the context of the Greek Banks' recapitalization, as well as the members of key management personnel of HFSF, as related parties. The Bank's transactions with HFSF's related Greek banks are made in the ordinary course of business, are carried out on market terms, are not influenced by the HFSF as the controlling shareholder of the Bank and are not included in the table presented below.

Other than the aforementioned transactions with HFSF related Greek banks, a number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. In addition, as part of its normal course of business in investment banking activities, the Bank at times may hold positions in debt and equity instruments of related parties.

31. Related party transactions (continued)

The volume of the said related party transactions and outstanding balances at the period/year-end are as follows:

	30 September 2013			
	Subsidiaries € million	Key management personnel (KMP) [1] € million	Entities controlled by KMP & associates and joint ventures € million	HFSF € million
Loans and advances to banks	9,432	-	-	-
Financial instruments at fair value through profit or loss	32	-	-	-
Derivative financial instruments assets	20	-	-	-
Investment securities	126	-	-	-
Loans and advances to customers	1,499	5	24	-
Other assets [2]	11	-	-	57
Due to banks	5,895	-	-	-
Derivative financial instruments liabilities	3	-	-	-
Due to customers	1,516	5	8	0
Debt issued and other borrowed funds	2,427	-	-	-
Other liabilities	15	-	-	-
Guarantees issued	2,246	-	-	-
Guarantees received	-	0	-	-
	nine months ended 30 September 2013			
Net interest income	(22)	(0)	0	(0)
Net banking fee and commission income	19	0	0	-
Dividend Income	2	-	-	-
Net trading income [3]	(5)	-	-	-
Other operating income/(expenses)	(14)	-	(0)	-
Impairment losses on loans and advances to customers (collector fees)	(15)	-	-	-

	31 December 2012			
	Subsidiaries € million	Key management personnel (KMP) [1] € million	Entities controlled by KMP & associates and joint ventures € million	EFG Group € million
Loans and advances to banks	9,303	-	-	-
Financial instruments at fair value through profit or loss	23	-	-	-
Derivative financial instruments assets	47	-	-	-
Investment securities	102	-	-	-
Loans and advances to customers	1,684	11	26	-
Other assets	17	-	-	-
Due to banks	2,491	-	-	-
Derivative financial instruments liabilities	16	-	-	-
Due to customers	2,809	7	19	-
Debt issued and other borrowed funds	2,597	-	-	-
Other liabilities	18	-	-	-
Guarantees issued	4,695	-	0	-
Guarantees received	-	0	-	-
	nine months ended 30 September 2012			
Net interest income	8	(0)	1	1
Net banking fee and commission income	35	-	-	(0)
Dividend income	16	-	-	-
Net trading income [3]	(19)	-	-	-
Other operating income/(expenses)	(11)	-	(0)	0
Impairment losses on loans and advances to customers (collector fees)	(19)	-	-	-

[1] Key management personnel includes directors and key management personnel of the Bank and its controlling shareholder and their close family members. As at 30 September 2013, the volume of transactions and outstanding balances with key management personnel of HFSF is immaterial.

[2] Receivable from HFSF due to the consideration adjustment for the acquisition of NHPB pursuant on the terms of the relevant binding agreement (note 28).

[3] Trading gains/losses from derivatives with subsidiaries are offset by corresponding gains/losses from derivatives with third parties.

No provisions have been recognised in respect of loans given to related parties.

In relation to the Letters of Guarantee issued, the Bank has received cash collateral of € 502 million as at 30 September 2013 (31 December 2012: € 1,276 million), which is included in Due to customers.

31. Related party transactions (continued)

Key management compensation (directors and other key management personnel of the Bank)

Key management personnel are entitled to compensation in the form of short-term employee benefits of € 4.4 million (30 September 2012: € 4.8 million) and long-term employee benefits (excluding share-based payments) of € 0.4 million (30 September 2012: € 0.4 million). Additionally, income of € 0.1 million relating with forfeited share options has been recognized in income statement as at 30 September 2013 (30 September 2012: € 0.1 million expense).

32. Dividends

Final dividends are not accounted for until they have been ratified by the Annual General Meeting.

Under Law 3756/2009, as amended by Law 3844/2010 and supplemented by Laws 3965/2011, 4063/2012 and 4144/2013, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 to 2012. Based on the 2012 results and Law 3723/2008 in combination with article 44a of Company Law 2190/1920, the distribution of dividends to either ordinary or preference shareholders is not permitted (note 23).

Athens, 29 November 2013

George A. David	Christos I. Megalou	Harris V. Kokologiannis
Passport No 706574975	I.D. No AE - 011012	I.D. No AK - 021124
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER