EUROBANK ERGASIAS S.A.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

31 MARCH 2013

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	Note	Three months ended 31 March 2013 € million	2012 € million
Net interest income		**277**	426
Net banking fee and commission income		**46**	55
Net insurance income		**11**	5
Income from non banking services		**8**	8
Dividend income		**0**	0
Net trading income		**(4)**	65
Gains less losses from investment securities		**4**	(23)
Other operating income		**(0)**	0
Operating income		**342**	536
Operating expenses		**(249)**	(273)
Profit from operations before impairment on loans and advances and non recurring losses		**93**	263
Impairment losses on loans and advances	12	**(418)**	(360)
Impairment and other losses on Greek sovereign exposure	6	**75**	(439)
Other non recurring losses	13	**(25)**	-
Share of results of associated undertakings and joint ventures		**(0)**	(1)
Profit/(loss) before tax		**(275)**	(537)
Income tax	10	**70**	106
Non recurring tax adjustments	10	**583**	-
Profit/(loss) for the period from continuing operations		**378**	(431)
Profit/(loss) for the period from discontinued operations	11	**-**	6
Net profit/(loss) for the period		**378**	(425)
Net profit for the period attributable to non controlling interest		**3**	3
Net profit/(loss) for the period attributable to shareholders		**375**	(428)

		€	€
Earnings/(losses) per share			
-Basic earnings/(losses) per share	9	**0.67**	(0.45)
-Diluted earnings/(losses) per share	9	**0.55**	(0.45)
Earnings/(losses) per share from continuing operations			
-Basic earnings/(losses) per share	9	**0.67**	(0.46)
-Diluted earnings/(losses) per share	9	**0.55**	(0.46)

Notes on pages 8 to 19 form an integral part of these condensed consolidated interim financial statements

	Note	31 March 2013 € million	31 December 2012 € million
ASSETS			
Cash and balances with central banks		**1,814**	2,065
Loans and advances to banks		**3,552**	4,693
Financial instruments at fair value through profit or loss		**300**	710
Derivative financial instruments		**1,694**	1,888
Loans and advances to customers		**42,398**	43,171
Investment securities	14	**8,348**	9,469
Property, plant and equipment		**1,382**	1,306
Intangible assets		**405**	406
Deferred tax asset		**2,779**	2,106
Other assets	16	**1,854**	1,839
Total assets		**64,526**	67,653
LIABILITIES			
Due to central banks		**22,375**	29,047
Due to other banks		**5,041**	2,772
Derivative financial instruments		**2,462**	2,677
Due to customers		**32,197**	30,752
Debt issued and other borrowed funds	17	**948**	1,365
Other liabilities		**1,740**	1,695
Total liabilities		**64,763**	68,308
EQUITY			
Ordinary share capital	18	**1,228**	1,222
Share premium	18	**1,448**	1,451
Other reserves		**(4,511)**	(4,922)
Preference shares	19	**950**	950
Preferred securities	20	**367**	367
Non controlling interest		**281**	277
Total		**(237)**	(655)
Total equity and liabilities		**64,526**	67,653

Notes on pages 8 to 19 form an integral part of these condensed consolidated interim financial statements

	Three months ended 31 March			
	2013		2012	
	€ million		€ million	
Profit/(loss) for the period		**378**		(425)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- net changes in fair value, net of tax	**6**		(16)	
- transfer to net profit, net of tax	**18**	**24**	(6)	(22)
Available for sale securities				
- net changes in fair value, net of tax	**2**		44	
- impairment losses on investment securities transfer to net profit, net of tax	**2**		-	
- transfer to net profit, net of tax	**7**	**11**	1	45
Foreign currency translation				
- net changes in fair value, net of tax	**11**	**11**	(23)	(23)
Other comprehensive income for the period		**46**		0
Total comprehensive income for the period attributable to:				
Shareholders				
- from continuing operations	**420**		(443)	
- from discontinued operations	**-**	**420**	15	(428)
Non controlling interest				
- from continuing operations	**4**		3	
- from discontinued operations	**-**	**4**	0	3
		424		(425)

Notes on pages 8 to 19 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Statement of Changes in Equity
for the three months ended 31 March 2013

	Ordinary share capital € million	Share premium € million	Special reserves € million	Retained earnings € million	Preference shares € million	Preferred securities € million	Non controlling interest € million	Total € million
Balance at 1 January 2012, as previously reported	1,226	1,439	1,276	(5,039)	950	745	278	875
Adjustments due to retrospective application of IAS 19 Amendment (note 3)	-	-	16	(16)	-	-	-	-
Balance at 1 January 2012, as restated	1,226	1,439	1,292	(5,055)	950	745	278	875
Other comprehensive income for the period	-	-	0	-	-	-	0	0
Profit/(loss) for the period	-	-	-	(428)	-	-	3	(425)
Total comprehensive income for the three months ended 31 March 2012	-	-	0	(428)	-	-	3	(425)
Purchase/sale of preferred securities, net of tax	-	-	-	191	-	(325)	-	(134)
Preferred securities' dividend paid, net of tax	-	-	-	(14)	-	-	-	(14)
Dividends distributed by subsidiaries attributable to non controlling interest	-	-	-	-	-	-	(11)	(11)
Share-based payment:								
- Value of employee services	-	-	(0)	-	-	-	-	(0)
Purchase of treasury shares	(0)	(0)	-	-	-	-	-	(0)
Sale of treasury shares, net of tax and related expenses	0	(1)	-	-	-	-	-	(1)
	0	(1)	(0)	177	-	(325)	(11)	(160)
Balance at 31 March 2012	1,226	1,438	1,292	(5,306)	950	420	270	290
Balance at 1 January 2013, as previously reported	**1,222**	**1,451**	**1,191**	**(6,113)**	**950**	**367**	**277**	**(655)**
Adjustments due to retrospective application of IAS 19 Amendment (note 3)	-	-	21	(21)	-	-	-	**-**
Balance at 1 January 2013, as restated	**1,222**	**1,451**	**1,212**	**(6,134)**	**950**	**367**	**277**	**(655)**
Other comprehensive income for the period	-	-	45	-	-	-	1	**46**
Profit/(loss) for the period	-	-	-	375	-	-	3	**378**
Total comprehensive income for the three months ended 31 March 2013	**-**	**-**	**45**	**375**	**-**	**-**	**4**	**424**
Purchase/sale of preferred securities, net of tax	-	-	-	(3)	-	-	-	**(3)**
Preferred securities' dividend paid, net of tax	-	-	-	(5)	-	-	-	**(5)**
Share-based payment:								
- Value of employee services	-	-	(0)	-	-	-	-	**(0)**
Purchase of treasury shares	(0)	0	-	-	-	-	-	**(0)**
Sale of treasury shares, net of tax and related expenses	6	(3)	-	(1)	-	-	-	**2**
	6	**(3)**	**(0)**	**(9)**	**-**	**-**	**-**	**(6)**
Balance at 31 March 2013	**1,228**	**1,448**	**1,257**	**(5,768)**	**950**	**367**	**281**	**(237)**
	Note 18	Note 18			Note 19	Note 20		

Notes on pages 8 to 19 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Cash Flow Statement
for the three months ended 31 March 2013

	Three months ended 31 March	
	2013	2012
	€ million	€ million
Cash flows from operating activities		
Interest received and net trading receipts	**258**	744
Interest paid	**(141)**	(448)
Fees and commissions received	**106**	86
Fees and commissions paid	**(34)**	(30)
Cash payments to employees and suppliers	**(209)**	(212)
Income taxes paid	**(2)**	(3)
Cash flows from continuing operating profits before changes in operating assets and liabilities	**(22)**	137
Changes in operating assets and liabilities		
Net (increase)/decrease in cash and balances with central banks	**(80)**	1,281
Net (increase)/decrease in financial instruments at fair value through profit or loss	**236**	2
Net (increase)/decrease in loans and advances to banks	**1,056**	478
Net (increase)/decrease in loans and advances to customers	**609**	860
Net (increase)/decrease in derivative financial instruments	**(9)**	(221)
Net (increase)/decrease in other assets	**(85)**	(250)
Net increase/(decrease) in due to banks	**(4,422)**	(841)
Net increase/(decrease) in due to customers	**1,321**	(1,254)
Net increase/(decrease) in other liabilities	**(2)**	(77)
Net cash from/(used in) continuing operating activities	**(1,398)**	115
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	**(18)**	(21)
Proceeds from sale of property, plant and equipment and intangible assets	**1**	1
(Purchases)/sales and redemptions of investment securities	**1,244**	1,030
Acquisition of associated undertakings and joint ventures	**(0)**	-
Dividends from investment securities, associated undertakings and joint ventures	**0**	0
Net cash from/(used in) continuing investing activities	**1,227**	1,010
Cash flows from financing activities		
(Repayments)/proceeds from debt issued and other borrowed funds	**(405)**	(655)
Purchase of preferred securities	**-**	(134)
Preferred securities' dividend paid	**(7)**	(14)
Purchase of treasury shares	**(0)**	(0)
Proceeds from sale of treasury shares	**2**	0
Net contributions by non controlling interest	**-**	(11)
Net cash from/(used in) continuing financing activities	**(410)**	(814)
Effect of exchange rate changes on cash and cash equivalents	**5**	(11)
Net increase/(decrease) in cash and cash equivalents from continuing operations	**(576)**	300
Net cash flows from discontinued operating activities	**-**	(160)
Net cash flows from discontinued investing activities	**-**	168
Net increase/(decrease) in cash and cash equivalents from discontinued operations	**-**	8
Cash and cash equivalents at beginning of period	**2,214**	3,124
Cash and cash equivalents at end of period	**1,638**	3,432

Notes on pages 8 to 19 form an integral part of these condensed consolidated interim financial statements

1. General information

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 31 May 2013.

2. Basis of preparation of condensed consolidated interim financial statements

These condensed consolidated 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 Group's published consolidated 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.

Going concern considerations

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

Solvency risk

The Group 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 Group as of 31 December 2011, which fell below the minimum capital requirements as determined by the Bank of Greece (BoG).

Capital needs of the Group were assessed 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 takes into account, inter alia, the PSI impairment losses, the results of Blackrock's diagnostic review and the Group's business plan which also includes certain capital strengthening actions.

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

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 Group's capital adequacy figures at 31 March 2013, and taking into consideration the total level of the share capital increase in the context of recapitalization, the minimum ratio of 9%, pursuant to the new definition, is not met. The Group has examined and is implementing alternative ways of complying with the new regulation, such as the redemption of preferred securities and subordinated debt securities at par (notes 17 and 20), with an equivalent increase in the Bank's share capital.

Liquidity risk

The inability 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 Group to Eurosystem financing facilities. Although the dependence on Eurosystem funding has significantly decreased in the first quarter of 2013, as a result of some limited access to the markets and deposit inflows, these conditions pose a significant ongoing liquidity challenge for the Group and the Greek Banking system in general. The Group expects that the European Central Bank (ECB) and BoG facilities will continue to be available, until the normalization of market conditions.

Other economic uncertainties

The continued deterioration of the Greek economy has adversely affected the Group'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 of 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 (as also noted in the latest Troika's progress report on the second macroeconomic adjustment program for Greece), upside risks also exist. Particularly if, first 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.

Notwithstanding the conditions and uncertainties mentioned above, the Directors, having considered the mitigating factors set out below, as well as the successful completion of the Bank's recapitalisation, have a reasonable expectation that the Group 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 Group can be prepared on a going concern basis:

(a) that the Group 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, such as the liability management exercise, which is expected to have a positive impact on the Core Tier I ratio,

(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 committed by HFSF,

(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 Group'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 consolidated interim financial statements are consistent with those in the published consolidated annual financial statements for the year ended 31 December 2012, except as described below.

The below amendments to standards and interpretations are effective from 1 January 2013 for European Union (EU):

- IAS 1, Amendment - Presentation of Items of Other Comprehensive Income
- IAS 12, Amendment - Deferred tax: Recovery of Underlying Assets
- IAS 19, Amendment - Employee Benefits
- IFRS 7, Amendment - Disclosures, Offsetting Financial Assets and Financial Liabilities
- IFRS 13, Fair Value Measurement
- Annual Improvements to IFRSs 2009–2011 Cycle

As a result of the Group's adoption of IAS 19 Amendment, which has been applied retrospectively from 1 January 2012, actuarial gains/losses are now recognized in other comprehensive income and are excluded from profit or loss. This change in accounting policy decreased the retained earnings and increased special reserves by € 16 million, net of tax, as at 1 January 2012 and by a further € 5 million, net of tax, as at 1 January 2013, having no impact on total Group net assets. The adoption of the amendment had no impact on neither consolidated Interim Income Statement, Balance Sheet, Statement of Comprehensive Income and Cash Flow Statement as at 31 March 2013 nor on their comparatives.

Except from IAS 19 Amendment, the adoption of the rest of the amendments, currently has no significant effect to the Group's financial statements.

4. Critical accounting estimates and judgements in applying accounting policies

In preparing these condensed consolidated interim financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the published consolidated 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 57126/B.2421/28.12.2012, 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 19).

(b) Second stream - bonds guaranteed by the Hellenic Republic
As at 31 March 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 17).

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 Group's participation in the Greek Government Bond exchange program (PSI+), in March/April 2012, the Group 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. In 2012 and, following the international financial community's view that the market for nGGBs is active, the Group recognised an additional valuation loss of € 427 million based on market quotes at the date of recognition. The full amount was recognized in the first quarter of 2012 (see below). GDP-linked securities were classified as derivatives. Furthermore, the Group incurred additional costs (extra funding cost, cost relating to old GGBs hedging instruments) amounting to € 12 million due to its participation in the PSI+ exchange program.

<u>Restatement of first quarter 2012 new Greek Government Bonds (nGGBs) valuation losses</u>
Following the position adopted by the international financial community that the price quotes for the nGGBs received under the execution of the Greek Government Bond exchange program (PSI+) represented actual and regularly occurring market transactions on an arm’s length basis, the fair value at which the nGGBs received by the Group were initially recognised, was retrospectively adjusted in order for the nGGBs to be reflected at such quoted prices as of the date of recognition. As a result, the interim financial information for the three month period ended 31 March 2012, was restated as follows: The carrying amount of the Held to Maturity investment portfolio decreased by € 240 million with a respective increase of the impairment losses on Greek sovereign risk and the deferred tax asset increased by € 48 million through a respective adjustment of the income tax expense.

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 Group 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. The transaction resulted in a pre tax gain of € 192 million recorded in the fourth quarter of 2012.

6. Credit exposure to Greek sovereign debt (continued)

Greek sovereign exposure

As at 31 March 2013, the total carrying value of Greek sovereign exposure amounted to € 5,235 million (31 December 2012: € 6,041 million). This includes a) Treasury Bills of € 2,222 million (31 December 2012: € 3,053 million), b) GGBs of € 908 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 € 901 million (31 December 2012: € 832 million), d) derivatives with the Greek State of € 670 million (31 December 2012: € 724 million), e) exposure of € 187 million relating with Greek Sovereign risk financial guarantee (31 December 2012: € 187 million), f) loans guaranteed by the Greek State of € 188 million (31 December 2012: € 182 million), g) loans to Greek public sector of € 155 million (31 December 2012: € 154 million) and h) nGGBs of € 4 million included in trading portfolio (31 December 2012: € 5 million).

In view of (i) the increasing prospects of stabilization and improvement of the Greek economy leading to Greece's recent credit rating upgrade, (ii) the continuous increase in the market value of Greek bonds signalling the significant improvement of the credit spread, and (iii) considering that no credit event has occurred since the PSI+ on Greek Government obligations, as at 31 March 2013 the Group has proceeded in 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 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 have been given the opportunity to apply for and receive Core Tier I-eligible capital from the HFSF under a certain process. 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 will only be available if private investors contribute 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, will be 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. A Cabinet Act on 9 November 2012, agreed in consultation with the Troika (European Commission, ECB and IMF), provided the technical details of the banks' recapitalisation framework.

Non viable Banks will be 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 will initiate, as committed, a follow-up stress-test exercise, based on macro assumptions and performance through June 2013, and using a methodology determined in consultation with the Troika (European Commission, ECB, IMF), to be concluded by end-December 2013.

Eurobank's share capital increase

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 European Financial Stability Facility (EFSF) signed on 28 May 2012, on 21 December 2012 and on 30 April 2013 a trilateral presubscription agreement (PSA) for the advance to 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 25). Following the above decision, the BoD evaluated the specificities of the exercise in relation with the attraction of capital from private investors and, in particular, the uncertainty regarding the completion or not of the merger with NBG, and the ensuing inability of properly assessing the investment proposal, as well as the absence of tens of thousands of Eurobank's traditional shareholders who were substituted, due to the recent Voluntary Tender Offer, by NBG's stake of approximately 85% in the Bank's capital. As a consequence, the BoD proposed to the Extraordinary General Meeting on 30 April 2013 that the share capital increase of € 5,839 million be fully subscribed by the HFSF.

On 30 April, 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 18). The capital increase was certified on 31 May and the listing of the new shares is expected to be completed shortly after obtaining the relevant approvals from Greek regulatory authorities.

Since the beginning of the crisis, the Group continued 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, which have created/released a total capital of € 1.9 bn.

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. According to the Group's capital adequacy figures at 31 March 2013, and taking into consideration the share capital increase completed on 31 May, total Capital Adequacy ratio (CAD) stood at 8.9% and Core Tier I and Equity Core Tier I ratios at 7.8%. The Group has examined and is implementing alternative ways of complying with the new regulation such as the redemption of preferred securities and subordinated debt securities at par (notes 17 and 20), with an equivalent increase in the Bank's share capital, which bring total CAD at 9.8% and Core Tier I ratio at 9.5%.

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 during the summer of 2013.

7. Greek Banks' recapitalisation (continued)

Restructuring plan (continued)

If the relevant authorities finally decide not to conclude the merger with NBG, Eurobank will submit, as it should, a comprehensive business plan that will enable the Bank to rapidly attract capital, private, institutional and/or strategic, from Greece and abroad, as provided for by the current legal framework. The plan, adapted to the needs of, and the new conditions prevailing in, the Greek and international banking markets, will enable the further enhancing of Eurobank's capital base, allowing it to retain and increase its corporate value, its access to international markets and prompt return to organic profitability; in so doing, it will safeguard the Bank's ability to play a leading role in the national effort to exit the crisis and return to positive growth.

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. Segment information

Management has determined the operating segments based on the internal reports reviewed by the Strategic Planning Group (SPG) that are used to allocate resources and to assess its performance in order to make strategic decisions. The SPG considers the business both from a business unit and geographic perspective. Geographically, management considers the performance of its business in Greece and other countries in Europe (International). Greece is further segregated into retail, wholesale, wealth management, and global and capital markets while International is monitored and reviewed on a country basis. The Group aggregates segments when they exhibit similar economic characteristics and profile and are expected to have similar long-term economic development.

With the exception of Greece no other individual country contributed more than 10% of consolidated net income. The Group is organized in the following reportable segments:

- Retail: incorporating customer current accounts, savings, deposits and investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate: incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities.
- Wealth Management: incorporating private banking services, including total wealth management, to medium and high net worth individuals, insurance, mutual fund and investment savings products, and institutional asset management.
- Global and Capital Markets: incorporating investment banking services including corporate finance, merger and acquisitions advice, custody, equity brokerage, financial instruments trading and institutional finance to corporate and institutional entities, as well as, specialised financial advice and intermediation to private and large retail individuals as well as small and large corporate entities.
- International: incorporating operations in Romania, Bulgaria, Serbia, Cyprus, Ukraine and Luxembourg. During the second quarter of 2012, the Strategic Planning Group (SPG) decided the monitoring of the Group's operations in all European countries in one business segment "International". The new segment includes the Group's foreign operations in eastern and southeastern Europe (New Europe) and in Luxembourg, previously monitored as part of Greece segment. For the period ended 31 March 2013, the profit before tax of the Group's operations in Luxembourg was € 5 million (31 March 2012: € 9 million). Comparative figures have been adjusted accordingly.

Other operations of the Group comprise mainly of investing activities, including property management and investment and the management of unallocated capital.

The Group's management reporting is based on International Financial Reporting Standards (IFRS). The accounting policies of the Group's operating segments are the same with those described in the principal accounting policies.

Revenues from transactions between business segments are allocated on a mutually agreed basis at rates that approximate market prices.

	For the three months ended 31 March 2013							
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	International € million	Elimination center € million	Total € million
External revenue	158	117	31	(87)	(6)	129	-	342
Inter-segment revenue	20	6	(15)	(8)	4	0	(7)	-
Total revenue	178	123	16	(95)	(2)	129	(7)	342
Profit before tax before one-offs (see note)	(180)	(28)	1	(111)	(9)	2	-	(325)
One-offs	-	(5)	-	72	(17)	-	-	50
Non controlling interest	-	-	0	-	(3)	(0)	-	(3)
Profit before tax attributable to shareholders, after one-offs	(180)	(33)	1	(39)	(29)	2	-	(278)
Profit before tax attributable to shareholders, before one-offs	(180)	(28)	1	(111)	(12)	2	-	(328)
Segment assets	20,780	13,989	1,719	9,163	4,820	14,055	-	64,526

Note: One-off items include a reversal of impairment losses on Greek sovereign exposure, impairment losses on AFS corporate bonds and expenses relating with NBG Voluntary Tender Offer (notes 6 and 13).

8. Segment information (continued)

	For the three months ended 31 March 2012							
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	International € million	Elimination center € million	Total € million
External revenue	190	108	30	86	(18)	140	-	536
Inter-segment revenue	16	5	(9)	(11)	7	2	(10)	-
Total revenue	206	113	21	75	(11)	142	(10)	536
Profit before tax from continuing operations excl. impairment on GGBs	(196)	67	6	57	(25)	(7)	-	(98)
Impairment on GGBs	-	-	-	(404)	(35)	(0)	-	(439)
Profit before tax from discontinued operations	-	-	-	-	-	7	-	7
Non controlling interest	-	-	0	-	(4)	(0)	-	(4)
Profit before tax attributable to shareholders, after impairment on GGBs	(196)	67	6	(347)	(64)	(0)	-	(534)
Profit before tax attributable to shareholders, excl. impairment on GGBs	(196)	67	6	57	(29)	(0)	-	(95)

	31 December 2012							
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	Other € million	International € million	Elimination center € million	Total € million
Segment assets	21,270	14,269	2,078	11,710	4,171	14,155	-	67,653

9. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Group has two categories of potentially dilutive ordinary shares: share options and convertible, subject to certain conditions, preferred securities (Series D and E). In order to adjust the weighted average number of shares for the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Bank's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is added to the weighted average number of ordinary shares in issue in order to determine the weighted average number of ordinary shares used for the calculation of the diluted earnings per share.

		Three months ended 31 March	
		2013	2012
Net profit/(loss) for the period attributable to ordinary shareholders (after deducting dividend attributable to preferred securities holders and after including gains/(losses) on preferred securities)	*€ million*	**368**	(246)
Net profit/(loss) for the period from continuing operations (after deducting dividend attributable to preferred securities holders and after including gains/(losses) on preferred securities)	*€ million*	**368**	(252)
Weighted average number of ordinary shares in issue	*Number of shares*	***551,579,148***	*552,257,757*
Weighted average number of ordinary shares for diluted earnings per share	*Number of shares*	***681,781,851***	*552,257,757*
Earnings/(losses) per share			
- Basic earnings/(losses) per share	€	**0.67**	(0.45)
- Diluted earnings/(losses) per share	€	**0.55**	(0.45)
Earnings/(losses) per share from continuing operations			
- Basic earnings/(losses) per share	€	**0.67**	(0.46)
- Diluted earnings/(losses) per share	€	**0.55**	(0.46)

Basic and diluted earnings per share from discontinued operations for the period ended 31 March 2012 amount to € 0.01.

Share options did not have an effect on the diluted earnings per share, as their exercise price exceeded the average market price of the Bank's shares for the period. The Series D and E of preferred securities (note 20), were not included in the calculation of diluted earnings per share for the period ended 31 March 2012, as their effect would have been anti-dilutive. As at 31 March 2013, the dividend attributable to Series D and E of preferred securities amounted to € 4 million.

10. Income tax

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 Group's cumulative deferred tax as of 31 March 2013 by € 608 million, compared to that recorded as of 1 January 2013, out of which € 596 million have been recorded in 31 March 2013 income statement and € 12 million in other comprehensive income.

Following the recalculation of subsidiaries' deferred tax asset, the Group recognised on 31 March 2013 income statement a loss amounting to € 13 million.

11. Discontinued operations

Disposal of Polish operations

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

On 30 April 2012, the Group 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 Group 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 Group 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 Group received € 126 million in cash.

Disposal of Turkish operations

On 21 December 2012, the Group disposed Eurobank Tekfen A.S. and its subsidiaries to Burgan Bank of Kuwait, following the approvals from all competent authorities. The Group recognized a loss of € 31 million, before tax, arising from the recyclement of losses previously recognized in other comprehensive income (currency translation and available for sale reserve) to the income statement. Turkish operations for 2012 are presented in the International segment.

The results of the Group's Turkish operations for 2012 are set out below. The income statement distinguishes discontinued operations from continuing operations.

	31 March 2012 € million
Net interest income	**24**
Net banking fee and commission income	**4**
Other income from discontinued operations	**4**
Operating expenses	**(20)**
Impairment losses on loans and advances	**(5)**
Profit/(loss) before tax from discontinued operations	**7**
Income tax	**(1)**
Net profit/(loss) from discontinued operations	**6**
Net profit from discontinued operations attributable to non controlling interest	**0**
Profit/(loss) for the period from discontinued operations attributable to shareholders	**6**

12. 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:

	€ million
Balance at 1 January 2013	**4,670**
Impairment losses on loans and advances charged in the period	418
Amounts recovered during the period	5
Loans written off during the period as uncollectible	(24)
Foreign exchange differences and other movements	(68)
Balance at 31 March 2013	**5,001**

13. Other non recurring losses

	31 March 2013 € million
Expenses relating with NBG Voluntary Tender Offer	**17**
Impairment losses on available for sale corporate bonds	**8**
	25

14. Investment securities

	31 March 2013 € million	31 December 2012 € million
Available-for-sale investment securities	**2,997**	3,183
Debt securities lending portfolio	**4,134**	4,897
Held-to-maturity investment securities	**1,217**	1,389
	8,348	9,469

14. Investment securities (continued)

In 2008 and 2010, in accordance with the amendments to IAS 39, the Group 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 31 March 2013, the carrying amount of the reclassified securities was € 1,299 million. If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 31 March 2013 would have resulted in € 392 million losses net of tax, which would have been recognised in the available-for-sale revaluation reserve.

15. Shares in subsidiary undertakings

The following is a listing of the Bank's subsidiaries as at 31 March 2013:

Name	Note	Percentage Holding	Country of incorporation	Line of business
Be-Business Exchanges S.A.		98.01	Greece	Business-to-business e-commerce
Enalios Real Estate Developments S.A. [1]		100.00	Greece	Real estate
ERB Insurance Services S.A.		100.00	Greece	Insurance brokerage
Eurobank Asset Management Mutual Fund Mngt Company S.A.		100.00	Greece	Mutual fund and asset management
Eurobank Business Services S.A.		100.00	Greece	Payroll and advisory services
Eurobank Equities S.A.		100.00	Greece	Capital markets and advisory services
Eurobank Ergasias Leasing S.A.		100.00	Greece	Leasing
Eurobank Factors S.A.		100.00	Greece	Factoring
Eurobank Financial Planning Services S.A.		100.00	Greece	Management of overdue loans
Eurobank Household Lending Services S.A.		100.00	Greece	Promotion/management of household products
Eurobank Properties R.E.I.C.		55.94	Greece	Real estate
Eurobank Property Services S.A.		100.00	Greece	Real estate services
Eurobank Remedial Services S.A.		100.00	Greece	Notification to overdue debtors
Eurolife ERB General Insurance S.A.		100.00	Greece	Insurance services
Eurolife ERB Life Insurance S.A.		100.00	Greece	Insurance services
Global Fund Management S.A. [1]		99.50	Greece	Investment advisors
Eurobank Bulgaria A.D.		99.99	Bulgaria	Banking
Bulgarian Retail Services A.D.		100.00	Bulgaria	Rendering of financial services and credit card management
EFG Auto Leasing E.O.O.D.		100.00	Bulgaria	Vehicle leasing and rental
ERB Property Services Sofia A.D.		80.00	Bulgaria	Real estate services
ERB Leasing E.A.D.		100.00	Bulgaria	Leasing
IMO 03 E.A.D.		100.00	Bulgaria	Real estate services
IMO Central Office E.A.D.		100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.		100.00	Bulgaria	Real estate services
IMO Rila E.A.D.		100.00	Bulgaria	Real estate services
ERB Hellas (Cayman Islands) Ltd		100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd		100.00	Channel Islands	Holding company
ERB Hellas Funding Ltd		100.00	Channel Islands	Special purpose financing vehicle
Eurobank Cyprus Ltd		100.00	Cyprus	Banking
CEH Balkan Holdings Ltd		100.00	Cyprus	Holding company
Chamia Enterprises Company Ltd		100.00	Cyprus	Special purpose investment vehicle
ERB New Europe Funding III Ltd		100.00	Cyprus	Finance company
NEU II Property Holdings Ltd		100.00	Cyprus	Holding company
NEU III Property Holdings Ltd		100.00	Cyprus	Holding company
NEU Property Holdings Ltd		100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.		100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.		100.00	Luxembourg	Fund management
Eurobank EFG Holding (Luxembourg) S.A.		100.00	Luxembourg	Holding company
ERB New Europe Funding B.V.		100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.		100.00	Netherlands	Finance company
ERB New Europe Holding B.V.		100.00	Netherlands	Holding company
Bancpost S.A.		99.11	Romania	Banking
Eliade Tower S.A.		55.94	Romania	Real estate
ERB IT Shared Services S.A.		100.00	Romania	Informatics data processing
ERB Leasing IFN S.A.		100.00	Romania	Leasing
ERB Retail Services IFN S.A.		100.00	Romania	Credit card management
ERB ROM Consult S.A.	a	100.00	Romania	Consultancy services
Eurobank Finance S.A.		100.00	Romania	Investment banking
Eurobank Property Services S.A.		80.00	Romania	Real estate services
Eurolife ERB Asigurari de Viata S.A.		100.00	Romania	Insurance services
Eurolife ERB Asigurari Generale S.A.		100.00	Romania	Insurance services
IMO Property Investments Bucuresti S.A.		100.00	Romania	Real estate services
IMO-II Property Investments S.A.		100.00	Romania	Real estate services
Retail Development S.A.		55.94	Romania	Real estate
Seferco Development S.A.		55.94	Romania	Real estate
Eurobank A.D. Beograd		99.98	Serbia	Banking
EFG Business Services d.o.o. Beograd		100.00	Serbia	Payroll and advisory services
ERB Asset Fin d.o.o. Beograd		100.00	Serbia	Asset management
ERB Leasing A.D. Beograd		99.99	Serbia	Leasing
ERB Property Services d.o.o. Beograd		80.00	Serbia	Real estate services
IMO Property Investments A.D. Beograd		100.00	Serbia	Real estate services
Reco Real Property A.D.		55.94	Serbia	Real estate
EFG Istanbul Holding A.S.		100.00	Turkey	Holding company
Public J.S.C. Universal Bank		99.97	Ukraine	Banking
ERB Property Services Ukraine LLC		100.00	Ukraine	Real estate services
Eurobank EFG Ukraine Distribution LLC		100.00	Ukraine	Sundry services

15. Shares in subsidiary undertakings (continued)

Name	Note	Percentage Holding	Country of incorporation	Line of business
Anaptyxi II Holdings Ltd [(2)]		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi II Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME I Holdings Ltd [(2)]		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Anaptyxi SME I Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Andromeda Leasing I Holdings Ltd [(2)]		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Andromeda Leasing I Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion 2007-1 Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion APC Ltd		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Daneion Holdings Ltd [(2)]		-	United Kingdom	Special purpose financing vehicle (SIC 12)
ERB Hellas Plc		100.00	United Kingdom	Special purpose financing vehicle
Karta II Holdings Ltd [(2)]		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Karta II Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion II Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion III Holdings Ltd [(2)]		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion III Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion IV Holdings Ltd [(2)]		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion IV Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)
Themeleion Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle (SIC 12)

[(1)] *dormant/under liquidation entities not consolidated due to immateriality*
[(2)] *not consolidated due to immateriality*

(a) ERB ROM Consult S.A., Romania
In March 2013, the name and activity of "Eurobank Securities S.A." were changed. The new name of the entity is "ERB ROM Consult S.A." and it provides consultancy services.

(b) Anaptyxi 2006-1 Plc, Anaptyxi APC Ltd, Anaptyxi Holdings Ltd and Anaptyxi Options Ltd, United Kingdom
In January 2013, the companies were liquidated.

(c) Best Direct S.A., Greece
In February 2013, the company was liquidated.

16. Other assets

As at 31 March 2013, investments in associated undertakings and joint ventures amounted to € 7 million (31 December 2012: € 8 million, 31 March 2012: € 7 million) and are presented within “Other Assets".

The following is a listing of the Group's associated undertakings and joint ventures as at 31 March 2013:

Name	Note	Percentage Holding	Country of incorporation	Line of business
Femion Ltd		66.45	Cyprus	Special purpose investment vehicle
Cardlink S.A.		50.00	Greece	POS administration
Tefin S.A.		50.00	Greece	Motor vehicle sales financing
Sinda Enterprises Company Ltd		48.00	Cyprus	Special purpose investment vehicle
Unitfinance S.A.		40.00	Greece	Financing company
Rosequeens Properties Ltd		33.33	Cyprus	Special purpose investment vehicle
Rosequeens Properties SRL		33.33	Romania	Real estate company
Odyssey GP S.a.r.l.	a	20.00	Luxembourg	Special purpose investment vehicle

Odyssey GP S.a.r.l. is the Group's associated undertaking.

(a) Odyssey GP S.a.r.l., Luxembourg
In February 2013, the Group acquired 20% of Odyssey GP S.a.r.l., a special purpose investment vehicle incorporated in Luxembourg.

17. Debt issued and other borrowed funds

	31 March 2013 € million	31 December 2012 € million
Medium-term notes (EMTN)	**371**	772
Subordinated	**217**	217
Securitised	**360**	376
	948	1,365

During the period, notes amounting to € 374 million, issued under the EMTN Program through the Group's special purpose entities, matured.

As at 31 March 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.

Post Balance sheet event
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) and the single subordinated medium term note (Lower Tier II) issued by the Bank through its special purpose entities (see also note 20).

18. Ordinary share capital, share premium and treasury shares

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

	Ordinary share capital € million	Treasury shares € million	Net € million	Share premium € million	Treasury shares € million	Net € million
Balance at 1 January 2013	**1,228**	**(6)**	**1,222**	**1,448**	**3**	**1,451**
Purchase of treasury shares	-	(0)	**(0)**	-	0	**0**
Sale of treasury shares	-	6	**6**	-	(3)	**(3)**
Balance at 31 March 2013	**1,228**	**-**	**1,228**	**1,448**	**-**	**1,448**

	Number of shares		
	Issued ordinary shares	Treasury shares	Net
Balance at 1 January 2013	**552,948,427**	**(2,587,872)**	**550,360,555**
Purchase of treasury shares	-	(65,979)	**(65,979)**
Sale of treasury shares	-	2,653,851	**2,653,851**
Balance at 31 March 2013	**552,948,427**	**-**	**552,948,427**

In June 2009, the Annual General Meeting approved the issue, within certain parameters, the terms and timing of which are at the Board of Directors discretion, either in total or gradually in tranches, of a callable bond of up to € 500 million, convertible to ordinary shares of the Bank (note 20, Series D and E). In July 2011, the repeat Annual General Meeting decided the amendment of the terms of the callable bonds approved by the Annual General Meeting in June 2009 for the amount of € 150 million not yet issued/allotted and the increase of the bonds total amount by up to € 100 million under certain conditions.

Post Balance sheet event

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 will result 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 € 1,137 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.

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.

In the ordinary course of business, subsidiaries of the Group may acquire and dispose of treasury shares.

19. Preference shares

	Preference Shares		
	Number of shares	31 March 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 article 44a of Company Law 2190/1920, the Directors do no recommend the distribution of dividends to either ordinary or preference shareholders.

20. Preferred securities

	Series A € million	Series B € million	Series C € million	Series D € million	Series E € million	Total € million
Balance at 31 March 2013	**17**	**7**	**59**	**225**	**59**	**367**

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 31 March 2013, the dividend attributable to preferred securities' holders amounted to € 7 million (31 March 2012: € 11 million).

20. Preferred securities (continued)

Post Balance sheet event

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.

The participation of the Securities holders in the LME is at their discretion and the total nominal value of the tendered Securities that the Bank will accept will not exceed € 580 million, out of the total nominal amount outstanding of approximately € 663 million.

The decision on the Bank's share capital increase related to the LME program for cash up to € 580 million will be taken by the Annual General Meeting of the Bank's shareholders, which is expected to take place on 27 June 2013. The new capital increase is expected to be completed following the required approvals.

21. Fair value of financial assets and liabilities

Fair value is the amount for which an asset or liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available, the fair value of financial assets and liabilities is estimated using present value or other estimation and valuation techniques where all significant inputs are observable. These inputs are mainly related to interest rate curves, fx rates, equity prices, credit spreads and implied volatilities obtained from internationally recognised market data providers. The values derived using these techniques are significantly affected by underlying assumptions concerning both the amounts and timing of future cash flows and the discount rates used. In addition, the fair values reported, may be materially different from the values actually realised upon sale or settlement.

The assumptions and methodologies underlying the calculation of fair value of financial instruments at the balance sheet date are as follows:

a) Trading assets, derivatives and other transaction undertaken for trading purposes as well as treasury bills, 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, then the fair values are estimated using valuation techniques.

b) Investment securities carried at amortised cost: the fair value of financial investments is determined using prices quoted in an active market when these are available. In other cases, fair value is determined using a valuation technique. As at 31 March 2013, the fair value of "Debt securities lending portfolio" and "Held-to-maturity investment securities" was € 3,406 million and € 1,096 million, respectively (31 December 2012: € 4,193 million and € 1,225 million, respectively).

c) 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 value is determined using generally accepted valuation techniques with current market parameters. The fair value is estimated by discounting future expected cash flows over the time period they are expected to be recovered, using appropriate risk-adjusted rates. As at 31 March 2013, the fair value of "loans and advances to customers" was € 42,850 million (31 December 2012: € 43,700 million).

d) Debt issued and other borrowed funds: the fair value of the debt issued and other borrowed funds is determined using quoted market prices, if available. If quoted prices are not available, the fair value is determined by discounting the remaining contractual cash flows at a discount rate adjusted for own credit spread, where appropriate. As at 31 March 2013, the fair value of long term debt carried at amortized cost was € 676 million (31 December 2012: € 1,031 million).

e) Other financial instruments, which are short term or re-price at frequent intervals, their carrying value represents a reasonable estimate of fair value.

All financial instruments that are measured at fair value are categorised in one of the three fair value hierarchy levels at year-end; based on whether the inputs to the fair values are observable or non-observable:

i) Level 1 – Quoted prices in active markets for identical assets and liabilities. Quoted prices must be readily and regularly available from an exchange or active index/market location and prices must represent actual and regularly occurring market transactions on an arm's length basis.

ii) Level 2 – Financial instruments measured using valuation techniques where all significant inputs are market observable.

iii) Level 3 – Financial instruments measured using valuation technique with significant non observable inputs.

The classification of the Group's financial assets and liabilities using the fair value hierarchy is presented in the following table:

	31 March 2013			
	Quoted prices in active market (Level 1) € million	Valuation technique observable parameters (Level 2) € million	Valuation technique non observable parameters (Level 3) € million	Total € million
Financial assets measured at fair value:				
Financial instruments held for trading	57	15	-	72
Financial instruments designated at fair value through profit or loss	228	-	-	228
Derivative financial instruments	1	1,693	-	1,694
Available-for-sale investment securities	2,697	300	-	2,997
Total financial assets	**2,983**	**2,008**	**-**	**4,991**
Financial liabilities measured at fair value:				
Derivative financial instruments	1	2,461	-	2,462
Due to customers:				
- Structured deposits	-	22	-	22
- Unit linked products	239	281	-	520
Debt issued and other borrowed funds:				
- Structured notes	-	27	-	27
Trading liabilities	3	-	-	3
Total financial liabilities	**243**	**2,791**	**-**	**3,034**

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

	31 December 2012			
	Quoted prices in active market (Level 1) € million	Valuation technique observable parameters (Level 2) € million	Valuation technique non observable parameters (Level 3) € million	Total € million
Financial assets measured at fair value:				
Financial instruments held for trading	428	4	-	432
Financial instruments designated at fair value through profit or loss	278	-	-	278
Derivative financial instruments	0	1,888	-	1,888
Available-for-sale investment securities	2,870	313	-	3,183
Total financial assets	3,576	2,205	-	5,781
Financial liabilities measured at fair value:				
Derivative financial instruments	1	2,676	-	2,677
Due to customers:				
- Structured deposits	-	22	-	22
- Unit linked products	290	293	-	583
Debt issued and other borrowed funds:				
- Structured notes	-	29	-	29
Trading liabilities	3	-	-	3
Total financial liabilities	294	3,020	-	3,314

22. Advance contribution of Hellenic Financial Stability Fund

On 28 May 2012, on 21 December 2012 and on 30 April 2013 the HFSF advanced to the Group EFSF notes of face value of € 3,970 million, € 1,341 million and € 528 million, respectively, on account for the recapitalisation of the Bank (note 7). As at 31 March 2013, under the terms of the relevant presubscription agreements (PSAs), the transaction (advance of € 3,970 million and € 1,341 million) was recorded as a securities lending agreement (off balance sheet).

23. Contingent liabilities and other commitments

As at 31 March 2013, the Group's contingent liabilities in terms of guarantees, standby letters of credit and commitments to extend credit amounted to € 1,617 million (31 December 2012: € 1,627 million) and the Group's documentary credits amounted to € 65 million (31 December 2012: € 78 million).

The Group's capital commitments in terms of property, plant and equipment amounted to € 9 million (31 December 2012: € 8 million).

24. Other significant and post balance sheet events

Group's operations in Cyprus

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

The total assets of the subsidiary stand at € 4.2 bn, out of which, €1.7 bn, only, relate to assets in Cyprus. The capital base of the subsidiary amounts to € 569 million, while the capital adequacy ratio as at 31 March 2013, stood at the very strong levels of 31.76%, which, combined with the very good quality of the loan portfolio, strengthen the shield toward the risks of the current economic conditions.

On 31 March 2013, the deposits of the subsidiary amounted to € 2.9 bn, while the amount of loans to € 1.5 bn, out of which, € 0.7 bn is fully cash collateralised. The subsidiary maintains strong liquidity, with cash invested in low risk short-term investments, outside Cyprus, amounting to € 1.7 bn. According to the recent decisions of the Eurogroup and the Authorities of the Republic of Cyprus, none of the deposits of the customers of the subsidiary suffer any impairment or levy. 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.

The Group's activity in Cyprus' market contributed to 4.4% of consolidated operating income in the first quarter of 2013.

Both the Group as a whole, as well as its subsidiary bank in Cyprus do not hold deposits at the Bank of Cyprus or the CPB in Cyprus. The Group's exposure to securities of these banks as at 31 March 2013 is less than € 1 million.

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

Note 7-Greek Banks' recapitalisation
Note 17-Debt issued and other borrowed funds
Note 18-Ordinary share capital, share premium and treasury shares
Note 20-Preferred securities
Note 25-National Bank of Greece S.A. (NBG) Voluntary Tender Offer (VTO) and merger

25. 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.

26. 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 25 above).

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 Group at times may hold positions in debt and equity instruments of related parties. The volume of related party transactions and outstanding balances at the period/year-end are as follows:

	31 March 2013		31 December 2012		
	Key management personnel (KMP)[(1)] € million	Entities controlled by KMP and joint ventures € million	EFG Group € million	Key management personnel (KMP)[(1)] € million	Entities controlled by KMP and joint ventures € million
Loans and advances to customers	**9**	**25**	-	11	26
Due to customers	**12**	**28**	-	12	20
Other liabilities	**1**	**-**	-	1	-
Guarantees issued	**-**	**0**	-	-	1
Guarantees received	**0**	**-**	-	0	-
	three months ended 31 March 2013		three months ended 31 March 2012		
Net interest income	**0**	**(0)**	1	(0)	(3)
Net banking fee and commission income	**0**	**0**	(0)	0	0
Other operating income/(expense)	**(0)**	**(0)**	(0)	(1)	(0)

[(1)]Key management personnel includes directors and key management personnel of the Group and their close family members. As at 31 March 2012, key management personnel also included directors and key management personnel of the Group's parent company.

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

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

Key management personnel are entitled to compensation in the form of short-term employee benefits of € 1.6 million (31 March 2012: € 1.8 million) and long-term employee benefits (excluding share-based payments) of € 0.1 million (31 March 2012: € 0.1 million). Additionally, income of € 0.15 million relating with forfeited share options has been recognized in income statement as at 31 March 2013 (31 March 2012: € 0.2 million expense).

27. 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 article 44a of Company Law 2190/1920, the Directors do no recommend the distribution of dividends to either ordinary or preference shareholders (note 19).

Athens, 31 May 2013

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CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	HEAD OF GROUP FINANCE & CONTROL