EUROBANK ERGASIAS S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

30 SEPTEMBER 2012

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	Note	Nine months ended 30 September		Three months ended 30 September	
		2012	2011	**2012**	2011
		€ million	€ million	**€ million**	€ million
Net interest income		**687**	926	**231**	314
Net banking fee and commission income		**76**	129	**21**	42
Income from non banking services		**3**	6	**2**	2
Dividend income		**16**	20	**2**	5
Net trading income		**68**	(22)	**(30)**	(7)
Gains less losses from investment securities		**66**	(66)	**(2)**	31
Other operating income		**1**	17	**0**	1
Operating income		**917**	1,010	**224**	388
Operating expenses		**(481)**	(502)	**(154)**	(159)
Profit from operations before impairment on loans and advances and non recurring valuation losses		**436**	508	**70**	229
Impairment losses on loans and advances	10	**(1,036)**	(803)	**(371)**	(272)
Impairment and other losses on Greek sovereign exposure	6	**(554)**	(830)	**-**	(62)
Other non recurring valuation losses	11	**(160)**	-	**-**	-
Profit/(loss) before tax		**(1,314)**	(1,125)	**(301)**	(105)
Income tax	8	**265**	212	**66**	10
Profit/(loss) for the period from continuing operations		**(1,049)**	(913)	**(235)**	(95)
Profit/(loss) for the period from discontinued operations	9	**(56)**	190	**(0)**	-
Net profit/(loss) for the period attributable to shareholders		**(1,105)**	(723)	**(235)**	(95)

Notes on pages 8 to 16 form an integral part of these condensed interim financial statements

	Note	30 September 2012 € million	31 December 2011 € million
ASSETS			
Cash and balances with central banks		**486**	1,821
Loans and advances to banks		**14,066**	23,965
Financial instruments at fair value through profit or loss		**40**	94
Derivative financial instruments		**1,929**	1,950
Loans and advances to customers		**33,902**	36,087
Investment securities	12	**5,228**	5,946
Shares in subsidiary undertakings		**2,983**	2,946
Investments in joint ventures		**6**	6
Property, plant and equipment		**309**	328
Intangible assets		**69**	73
Deferred tax asset		**1,996**	1,718
Other assets		**1,215**	848
Total assets		**62,229**	75,782
LIABILITIES			
Secured borrowing from banks		**33,998**	34,549
Other deposits from banks		**2,567**	3,372
Derivative financial instruments		**2,954**	3,044
Due to customers		**21,432**	26,864
Debt issued and other borrowed funds	14	**1,830**	4,337
Other liabilities		**525**	3,626
Total liabilities		**63,306**	75,792
EQUITY			
Ordinary share capital	15	**1,228**	1,228
Share premium	15	**1,448**	1,448
Other reserves		**(5,390)**	(4,380)
Preference shares	16	**950**	950
Hybrid capital	17	**687**	744
Total		**(1,077)**	(10)
Total equity and liabilities		**62,229**	75,782

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	Nine months ended 30 September				Three months ended 30 September			
	2012 € million		2011 € million		2012 € million		2011 € million	
Profit/(loss) for the period		**(1,105)**		(723)		**(235)**		(95)
Other comprehensive income:								
Cash flow hedges								
-net changes in fair value, net of tax	**(96)**		(10)		**(9)**		(5)	
-transfer to net profit, net of tax	**26**	**(70)**	(6)	(16)	**7**	**(2)**	(4)	(9)
Available for sale securities								
-net changes in fair value, net of tax	**127**		(130)		**15**		(73)	
-impairment losses on Greek sovereign debt transfer to net profit, net of tax	**-**		23		**-**		7	
- impairment losses on other investment securities transfer to net profit, net of tax	**33**		-		**3**		-	
-transfer to net profit, net of tax	**6**	**166**	(28)	(135)	**3**	**21**	(30)	(96)
Foreign currency translation								
-net changes in fair value, net of tax	**-**		1		**-**		-	
-transfer to net profit, net of tax	**-**	**-**	(3)	(2)	**-**	**-**	-	-
Other comprehensive income for the period		**96**		(153)		**19**		(105)
Total comprehensive income for the period attributable to shareholders:								
-from continuing operations	**(953)**		(1,065)		**(216)**		(200)	
-from discontinued operations	**(56)**	**(1,009)**	189	(876)	**(0)**	**(216)**	-	(200)

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EUROBANK ERGASIAS S.A.

Interim Statement of Changes in Equity
for the nine months ended 30 September 2012

	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 2011	1,481	1,450	691	(247)	950	790	5,115
Other comprehensive income for the period	-	-	(153)	-	-	-	(153)
Profit/(loss) for the period	-	-	-	(723)	-	-	(723)
Total comprehensive income for the nine months ended 30 September 2011	-	-	(153)	(723)	-	-	(876)
Merger with Dias S.A.	73	(6)	-	-	-	-	67
Share capital decrease by reducing the ordinary shares' par value	(326)	-	79	247	-	-	-
Purchase/sale of hybrid capital	-	-	-	18	-	(37)	(19)
Preference shares' and hybrid capital's dividend paid	-	-	-	(105)	-	-	(105)
Share-based payment:							
- Value of employee services	-	-	0	-	-	-	0
Treasury shares arising from mergers	(2)	(1)	-	-	-	-	(3)
Sale of treasury shares, net of tax and related expenses	2	1	-	(7)	-	-	(4)
	(253)	(6)	79	153	-	(37)	(64)
Balance at 30 September 2011	1,228	1,444	617	(817)	950	753	4,175
Balance at 1 January 2012	**1,228**	**1,448**	**971**	**(5,351)**	**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	-	-	-	24	-	(57)	**(33)**
Hybrid capital's dividend paid	-	-	-	(25)	-	-	**(25)**
Share-based payment:							
- Value of employee services	-	-	(0)	-	-	-	**(0)**
	-	**-**	**(0)**	**(1)**	**-**	**(57)**	**(58)**
Balance at 30 September 2012	**1,228**	**1,448**	**1,067**	**(6,457)**	**950**	**687**	**(1,077)**
	Note 15	Note 15			Note 16	Note 17	

Notes on pages 8 to 16 form an integral part of these condensed interim financial statements

Interim Cash Flow Statement
for the nine months ended 30 September 2012

	Nine months ended 30 September	
	2012	2011
	€ million	€ million
Cash flows from operating activities		
Interest received and net trading receipts	**2,110**	2,605
Interest paid	**(1,629)**	(1,797)
Fees and commissions received	**392**	221
Fees and commissions paid	**(327)**	(93)
Cash payments to employees and suppliers	**(430)**	(430)
Income taxes paid	**(2)**	(5)
Cash flows from continuing operating profits before changes in operating assets and liabilities	**114**	501
Changes in operating assets and liabilities		
Net (increase)/decrease in cash and balances with central banks	**1,180**	(964)
Net (increase)/decrease in financial instruments at fair value through profit or loss	**76**	88
Net (increase)/decrease in loans and advances to banks	**9,249**	6,990
Net (increase)/decrease in loans and advances to customers	**1,156**	329
Net (increase)/decrease in derivative financial instruments	**76**	(406)
Net (increase)/decrease in other assets	**(351)**	(166)
Net increase/(decrease) in due to banks	**(1,380)**	3,021
Net increase/(decrease) in due to customers	**(5,741)**	(8,997)
Net increase/(decrease) in other liabilities	**(3,341)**	(120)
Net cash from/(used in) continuing operating activities	**1,038**	276
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	**(16)**	(19)
(Purchases)/sales and redemptions of investment securities	**812**	489
Acquisition of subsidiary and joint ventures and participations in capital increases	**(62)**	(1)
Cash acquired from merger with subsidiary	**-**	23
Disposal of subsidiaries and foreign operations, net of cash and cash equivalents disposed	**1**	382
Dividends from investment securities, subsidiary and joint ventures	**16**	23
Net cash from/(used in) continuing investing activities	**751**	897
Cash flows from financing activities		
(Repayments)/proceeds from debt issued and other borrowed funds	**(2,505)**	(1,609)
Purchase of hybrid capital	**(27)**	(30)
Proceeds from sale of hybrid capital	**-**	11
Preference shares' and hybrid capital's dividend paid	**(31)**	(128)
Proceeds from sale of treasury shares	**0**	3
Net cash from/(used in) continuing financing activities	**(2,563)**	(1,753)
Net increase/(decrease) in cash and cash equivalents from continuing operations	**(774)**	(580)
Net cash flows from discontinued operating activities	**-**	36
Net cash flows from discontinued investing activities	**-**	(29)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	**-**	7
Cash and cash equivalents at beginning of period	**2,172**	3,235
Cash and cash equivalents at end of period	**1,398**	2,662

Notes on pages 8 to 16 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. The Bank's corporate name was amended on 2 August 2012 from "EFG Eurobank Ergasias S.A." to Eurobank Ergasias S.A.", following the Annual General Meeting's resolution on 29 June 2012.

These condensed interim financial statements were approved by the Board of Directors on 21 December 2012.

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 2011. 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:

Solvency risk

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.

Capital needs of the Bank were assessed by the Bank of Greece (BoG) at the level of € 5,839 million, in order to be able to achieve the level of EBA 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 Bank's business plan which also includes certain capital strengthening actions.

HFSF (Hellenic Financial Stability Fund) has already advanced to the Bank EFSF notes of total € 3.97 bn (face value) and signed a presubscription agreement for the advance to the Bank of EFSF notes of € 1.34 bn (total € 5.31 bn) as advance payment of its participation in the future share capital increase of the Bank. The said advance qualifies as Tier I capital and brings the EBA Core Tier I capital above the current minimum level of 9%. In addition, HFSF provided to the Bank a commitment letter for additional capital support of € 0.53 bn up to the total level of recapitalisation needs of € 5,839 million.

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 Bank to Eurosystem financing facilities. These conditions pose a significant ongoing liquidity challenge for the Bank and the Greek Banking system in general. The Bank expects that the ECB and Bank of Greece 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 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 and reform fatigue in Greece. The restoration of confidence, after the approval of the next EFSF disbursement amounting to € 43.7 bn by the Eurogroup on 13 December 2012, the attraction of new investments and the revival of economic growth remain key challenges of the Greek economy.

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, have a reasonable expectation that the recapitalisation of the Bank will be promptly and successfully completed and hence are satisfied that the financial statements of the Bank can be prepared on a going concern basis:

(a) Bank of Greece (BoG) recommendation of 18 April 2012 and 23 May 2012 for the Bank's accession to the provisions of article 6 par. 8 and 10 respectively of Law 3864/2010 as amended (Establishment of the Hellenic Financial Stability Fund-HFSF and Recapitalisation of Greek financial institutions),

(b) the HFSF's advance contributions of € 3.97 bn and € 1.34 bn (total € 5.31 bn) and the HFSF's commitment letter for € 0.53 bn, following the relevant applications submitted by the Bank and the confirmation received by the BoG about the viability and credibility of the Bank's business plan, in order to ensure that the Bank is sufficiently capitalized to the current minimum level of 9% (EBA Core Tier I),

(c) 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,

(d) 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,

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

(f) 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 2011.

The following amendments to standards and interpretations are effective from 1 January 2012, but currently, they do not have a significant effect to the Bank's financial statements:

- IFRS 7, Amendment - Disclosures, Transfers of Financial Assets

4. Critical accounting estimates and judgements in applying accounting policies

In preparing these condensed interim financial statements, the significant judgements 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 2011.

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 and 3965/2011 and extended by Ministerial decision 32252/B.1132/17.07.2012, 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 16).

(b) Second stream - bonds guaranteed by the Hellenic Republic
As at 30 September 2012, the government guaranteed bonds, totalling to € 17,776 million, were fully retained by the Bank and its subsidiaries (note 14). In November 2012, government guaranteed bonds amounting to € 1,500 million, matured.

(c) Third stream - lending of Greek Government bonds
Liquidity obtained under this stream must be used to fund mortgages and loans to small and medium-size enterprises. As of 29 December 2011, there were no special Greek Government bonds borrowed by the Bank.

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 (streams (a) and (b) above), 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 and 4063/2012, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 to date, 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

On 21 February 2012, Euro Area finance ministers agreed on a bail out program for Greece, including financial assistance from the official sector and a voluntary debt exchange agreed with the Private Sector.

The key terms and conditions of the final voluntary debt exchange package (PSI+) were as follows:

(a) For every bond selected to participate in PSI+, 53.5% of the face amount was forgiven, 31.5% of the face amount was exchanged with new bonds of equal face amount issued by Greece and the remaining 15% was exchanged with short-term securities issued by the European Financial Stability Facility (EFSF),

(b) The coupon on the new Greek Government Bonds (nGGBs) is 2% from 2012 to 2015, rising to 3% from 2015 to 2020, 3.65% for 2021 and 4.3% until 2042,

(c) Accrued interest on the exchanged bonds was settled through the issue of short-term EFSF securities,

(d) The nGGBs were issued in 20 separate tranches with staggered bullet maturities commencing in 2023 and ending in 2042 to replicate an amortisation of 5% per annum on the aggregate amount of the nGGBs,

(e) The nGGBs rank pari passu with the EFSF € 30 bn loan to Greece contributing to the PSI+ exercise,

(f) nGGBs are subject to English Law,

(g) Each new bond is accompanied by a detachable GDP-linked security of the same notional amount as the face amount of the new bond.

The support program aimed at ensuring debt sustainability and restoring competitiveness, allowing Greece to achieve strict fiscal consolidation targets and the implementation of privatization plans and structural reforms.

The invitation for tender was launched on 24 February 2012 and the bonds invited to participate in PSI+ had an aggregate outstanding face amount of approximately € 206 bn. Greek and foreign law bonds of approximately € 199 bn were eventually exchanged.

Under Law 4046/2012, the tax losses arising from the bond exchange under the PSI+ program will be tax deductible in equal instalments over the life of the new bonds received, irrespective of the holding period of the bonds.

The exchange program of Greek Government bonds and other eligible securities (PSI+) provides evidence of a concession granted to the borrower (the Greek State) by the lender relating to the borrower's financial difficulty that the lender would not otherwise consider. Therefore, following the Bank's participation in the program, the Bank recognised an impairment loss of € 5,641 million before tax, as of 31 December 2011, for GGBs and other securities of face value € 7,334 million exchanged in 2012 under PSI+. Included above were GGBs of face value € 4.7 bn which were booked in special purpose vehicles and guaranteed by the Bank. During the first quarter of 2012, these GGBs were purchased by the Bank.

6. Credit exposure to Greek sovereign debt (continued)

Greek Government bonds exchanged under PSI+ in 2012 (continued)

Under this exchange, 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. 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, the Bank 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. As at 30 September 2012, and considering 2011 impact, total loss has amounted to € 6.2 bn. As at 30 September 2012, the carrying value of nGGBs amounted to € 607 million.

Post balance sheet event

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

Other Greek sovereign exposure

As at 30 September 2012, the total carrying value of other Greek sovereign exposure amounted to € 5,000 million. This includes Treasury Bills (booked in special purpose vehicles and guaranteed by the Bank) of € 2,356 million and GGBs of € 910 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".

Other losses on Greek sovereign exposure further include € 115 million valuation losses for derivatives with the Greek State and a Greek sovereign risk related financial guarantee.

7. Greek Banks' recapitalisation

Recapitalisation framework and process

Given the severity of the impact of the Greek Government Bond exchange program (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 are directed to the Hellenic Financial Stability Fund (HFSF) whose mandate has been extended and enhanced accordingly. € 23 bn of these funds were remitted to Greece in April 2012, € 16 bn in December 2012 and the final € 11 bn is expected in January 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 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 Greek Government Bonds exchange program (PSI+) is such that they require a temporary financial support from the Hellenic Financial Stability Fund (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 to the capital increases for any non-subscribed part.

Banks considered viable have been given the opportunity to apply for and receive EBA-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, subject to the 10% threshold mentioned above, 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 (see below under (b)). HFSF is obliged to dispose, fully or partly, all the shares it acquired 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 Minister of Finance decision.

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, as follows:

(a) Issue of ordinary shares in order to reach, as a minimum, Core Tier I capital 6%, without including, for the purpose of this calculation the preference shares issued under Law 3723/2008 and the contingent convertible financial instruments issued under the current Act (see (b) below). The new shares, the uncovered part of which will be covered by HFSF, will be priced at the lower of i) the average price of the last 50 trading days prior to the date the offering price of the shares is determined, discounted by 50% and ii) the market price at the last date prior to the date the offering price of the shares is determined. The rights issue is expected to be completed by April 2013.

(b) Issue of contingent convertible financial instruments (CoCos) in order to cover the gap between the rights' issue amount and the total capital needs of the Bank as set by BoG. The CoCos will be fully paid by the HFSF and will give banks the right to call the issue at par plus interest subject to the relevant approval by BoG, following capital action or capital surplus. The CoCos will carry an annual interest rate of 7%, which will increase by 0.5% per annum. If consolidated profits for the previous year do not suffice and BoG assesses that payment may jeopardize CAD ratios, coupon will be payable in kind through issuance of ordinary shares at average market price of the last 50 trading days prior to the payment date.

    The CoCos will convert immediately to ordinary shares if the required 10% private participation in rights issue is not met, at 50% of the average market price of the last 50 trading days prior to the issue of the CoCos, provided that their issue will take place prior to the issue of ordinary shares. On the assumption that 10% private participation is met, the CoCos will convert to ordinary shares under the following conditions: i) if the Bank decides not to pay coupon, at 65% of average market price of the last 50 trading days prior to the interest cut off date, ii) if Core Tier I or Basel III Common Equity Tier I falls below 7% or 5.125% respectively, at 50% of the price of the initial rights issue covered by HFSF and iii) after five years, at 50% of the price of the initial rights issue covered by HFSF. The issue of CoCos is expected in January 2013.

7. Greek Banks' recapitalisation (continued)

Recapitalisation framework and process (continued)

(c) Issue of warrants on all ordinary shares acquired by HFSF provided that the requirement for 10% private participation in rights issue is achieved. The warrants are issued to the private participants in the rights' issue and are listed and tradable instruments which provide the shareholders/ warrant holders i) the right to purchase the shares from HFSF within 4.5 years, twice a year at a strike price equal to the principal amount plus 4%, which steps up by 1% per annum (warrant strike price), ii) the pre-emption right to purchase from HFSF the shares at the lower of warrant strike price and market value of last 50 days from HFSF's notice, in case HFSF intends to sell them, following a 3 year minimum holding period.

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, by the second quarter of 2013, the Bank of Greece will conduct a follow-up stress-test exercise, based on end of 2012 market values and using a methodology determined in consultation with the Troika (European Commission, ECB, IMF).

Eurobank's capital requirements

BoG, after assessing the business plan and the capital needs of Eurobank (the “Bank”) has 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 by April 2013. The Bank, the HFSF and the European Financial Stability Facility (“EFSF”) signed on 28 May 2012 and on 21 December 2012 a trilateral presubscription agreement for the advance to the Bank of EFSF notes of face value of € 3.97 bn and € 1.34 bn respectively (total € 5.31 bn) as advance payment of its participation in the future share capital increase of the Bank. In addition, HFSF provided to the Bank a commitment letter for additional capital support of € 0.53 bn up to the total level of recapitalisation needs of € 5,839 million. Proforma with the full recapitalisation amount of € 5,839 million, on 30 September 2012 the Group's regulatory capital stands at € 4.7 bn, the EBA Core Tier I capital at € 4.4 bn, its Capital Adequacy ratio at 11.8% and the EBA Core Tier I ratio at 10.9%. The disposal of the Turkish operations, which was agreed in April 2012 and is expected to complete in December 2012, will further increase Eurobank's capital ratios by approximately 50 bps.

The Group continues the implementation of its medium term internal capital generating plan, which includes initiatives which generate or release EBA equity capital and/or reduce Risk Weighted Assets. In addition, the Group is preparing for a capital raising whose timing and structure will depend on the outcome of National Bank of Greece S.A. voluntary tender offer (note 20).

8. Income tax

On 14 February 2012, Law 4046/2012 was enacted and provided that the tax losses arising from the bond exchange under the PSI+ program (note 6) will be tax deductible in equal instalments over the life of the new bonds received, irrespective of the holding period of the bonds.

The nominal Greek corporate tax rate is 20%. In addition, dividends distributed as of 2012 are subject to a 25% withholding tax.

9. 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, Eurobank exercised on 30 April 2012 its put option on its remaining 13% stake in Raiffeisen Polbank. In October 2012, the relevant transfer of shares was completed.

The results of the Bank's Polish operations are set out below. The income statement distinguishes discontinued operations from continuing operations.

	Nine months ended 30 September	
	2012	2011
	€ million	€ million
Net interest income	**-**	35
Net banking fee and commission income	**-**	7
Other income from discontinued operations	**-**	(1)
Operating expenses	**-**	(35)
Impairment losses on loans and advances	**-**	(17)
Profit/(loss) before tax from discontinued operations	**-**	(11)
Income tax	**-**	2
Profit/(loss) before gain on disposal	**-**	(9)
Gain/(loss) on disposal before tax	**(70)**	240
Income tax	**14**	(41)
Profit/(loss) for the period from discontinued operations attributable to shareholders	**(56)**	190

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:

	€ million
Balance at 1 January 2012	**2,744**
Impairment losses on loans and advances charged in the period	1,036
Amounts recovered during the period	6
Loans written off during the period as uncollectible	(38)
Foreign exchange differences and other movements	(171)
Balance at 30 September 2012	**3,577**

11. Other non recurring valuation losses

	30 September 2012 € million
Impairment losses on bonds	**100**
Impairment losses on mutual funds and equities	**49**
Credit valuation losses on derivative financial instruments	**11**
	160

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

12. Investment securities

	30 September 2012 € million	31 December 2011 € million
Available-for-sale investment securities	**916**	1,052
Debt securities lending portfolio	**2,635**	3,402
Held-to-maturity investment securities	**1,677**	1,492
	5,228	5,946

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 2012, the carrying amount of the reclassified securities was € 1,420 million. If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 30 September 2012 would have resulted in € 552 million losses net of tax, which would have been recognised in the available-for-sale revaluation reserve.

Reclassified Greek Government bonds of € 148 million as at 31 December 2011, exchanged with new bonds under the PSI plan in 2012, were derecognised (note 6).

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 (see note 6).

13. Shares in subsidiary undertakings

(a) EFG Leasing IFN S.A., Romania
In April 2012, the Bank decreased its participation in EFG Leasing IFN S.A. from 7.37% to 2.77%.

(b) EFG Hellas (Cayman Islands) Ltd, Cayman Islands
In February 2012, the Bank sold its participation in EFG Hellas (Cayman Islands) Ltd to its subsidiary EFG New Europe Funding III Ltd.

(c) EFG Hellas II (Cayman Islands) Ltd, Cayman Islands
In March 2012, the company was liquidated.

Post balance sheet events

(d) Eurobank Financial Planning Services S.A. (previously Open 24 S.A.), Eurobank Household Lending Services S.A. (previously Eurobank Cards S.A.) and Eurobank Remedial Services S.A. (previously Eurobank Financial Planning Services S.A.), Greece
In November 2012, “Eurobank Cards S.A." changed its name into "Eurobank Household Lending Services S.A." and it operates in promotion and management of loan/ insurance products to households. "Eurobank Financial Planning Services S.A." was renamed to "Eurobank Remedial Services S.A." and operates in notification to overdue debtors.

In December 2012, the name and the activity of “Open 24 S.A.” were changed. The new name of the entity is “Eurobank Financial Planning Services S.A.” and it operates in the management of overdue consumer and mortgage loans.

(e) Anaptyxi SME II 2009-1 Plc, Anaptyxi SME II APC Ltd, Anaptyxi SME II Holdings Ltd, Karta 2005-1 Plc, Karta APC Ltd, Karta Holdings Ltd, Karta LNI 1 Ltd and Karta Options Ltd, United Kingdom
In October 2012, the companies were liquidated.

14. Debt issued and other borrowed funds

	30 September 2012 € million	31 December 2011 € million
Securitised	**1,457**	4,335
Medium-term notes (EMTN)	**372**	-
Covered bonds	**0**	1
Government guaranteed bonds	**1**	1
	1,830	4,337

During the period, the Bank proceeded with the repurchase of residential mortgage backed securities amounting to € 28 million, issued by its special purpose entity Themeleion Mortgage Finance PLC in June 2004. From the above amount € 24 million was prior held by the Bank's subsidiaries.

14. Debt issued and other borrowed funds (continued)

During the period, the Bank proceeded with the repurchase of residential mortgage backed securities amounting to € 36 million, issued by its special purpose entity Themeleion II Mortgage Finance PLC in June 2005. From the above amount € 16 million was prior held by the Bank's subsidiaries.

During the period, the Bank proceeded with the repurchase of residential mortgage backed securities amounting to € 101 million, issued by its special purpose entity Themeleion III Mortgage Finance PLC in June 2006. From the above amount € 48 million was prior held by the Bank's subsidiaries.

During the period, the Bank proceeded with the repurchase of residential mortgage backed securities amounting to € 385 million, issued by its special purpose entity Themeleion IV Mortgage Finance PLC in June 2007. From the above amount € 202 million was prior held by the Bank's subsidiaries.

During the period, the Bank proceeded with the repurchase of consumer loan asset backed securities amounting to € 2,200 million, issued by its special purpose entity Daneion 2007-1 PLC in November 2007. The above amount was prior held by the Bank's subsidiaries.

During the period, the Bank issued, under the EMTN program, notes amounting to € 386 million, which were purchased by its subsidiaries.

As at 30 September 2012, 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 € 17,776 million respectively, were fully retained by the Bank and its subsidiaries. In May 2012, covered bonds amounting to € 650 million, matured. In November 2012, government guaranteed bonds amounting to € 1,500 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 on the Bank's website.

15. Ordinary share capital, share premium and treasury shares

The par value of the Bank's shares is € 2.22 per share (31 December 2011: € 2.22). All shares are fully paid. Ordinary share capital, share premium and treasury shares are as follows:

	Ordinary share capital € million	Treasury shares € million	Net € million	Share premium € million	Treasury shares € million	Net € million
Balance at 30 September 2012	**1,228**	**-**	**1,228**	**1,448**	**-**	**1,448**

	Number of shares		
	Issued ordinary shares	Treasury shares	Net
Balance at 30 September 2012	**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 17, 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.

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.

16. Preference shares

Preference Shares		
Number of shares	30 September 2012 € million	31 December 2011 € 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 2011 results and article 44a of Company Law 2190/1920, the Shareholders' Annual General Meeting approved the non distribution of a dividend to either ordinary or preference shareholders.

Post Balance sheet event
Under Law 3723/2008, as amended by Law 4093/2012, the Banks are required to pay the 10% coupon on preference shares notwithstanding the provisions of Law 2190/1920, with the exception of article 44a, and provided that the relevant payment does not jeopardise the minimum capital adequacy requirements.

17. Hybrid capital

The movement of hybrid capital issued by the Bank through its Special Purpose Entity, EFG Hellas Funding Limited, is as follows:

	Series A € million	Series B € million	Series C € million	Series D € million	Series E € million	Total € million
Balance at 1 January 2012	**89**	**155**	**166**	**275**	**59**	**744**
Purchase of hybrid capital	(3)	(3)	(2)	(49)	-	**(57)**
Sale of hybrid capital	-	-	-	-	-	**-**
Balance at 30 September 2012	**86**	**152**	**164**	**226**	**59**	**687**

The rate of preferred dividends for the Tier I Issue series A has been determined at 2.50% for the period 18 March 2012 to 17 March 2013.

As at 30 September 2012, the dividend attributable to hybrid capital's holders amounted to € 34 million (30 September 2011: € 37 million).

As at 30 September 2012, total gain from the redemption of hybrid capital amounted to € 24 million (30 September 2011: € 18 million).

18. Advance contribution of Hellenic Financial Stability Fund

On 28 May 2012 the HFSF advanced to the Bank EFSF notes of face value of € 3.97 bn on account for the impending recapitalisation of the Bank. Under the terms of the relevant presubscription agreement (PSA), the entire transaction was recorded as a securities lending agreement. On 21 December 2012, the Bank, the HFSF and the EFSF signed a similar PSA for the advance to the Bank of further EFSF notes of face value of € 1.34 bn (see note 7).

19. Contingent liabilities and other commitments

As at 30 September 2012, the Bank's contingent liabilities in terms of guarantees, standby letters of credit and commitments to extend credit amounted to € 7,652 million (31 December 2011: € 10,814 million) and the Bank's documentary credits amounted to € 12 million (31 December 2011: € 19 million).

The Bank's capital commitments in terms of property, plant and equipment amounted to € 5 million (31 December 2011: € 6 million).

20. National Bank of Greece S.A. voluntary tender offer

On 5 October 2012, the National Bank of Greece (NBG) announced its intention to launch a voluntary exchange offer to acquire all Eurobank's shares offering 58 new shares of NBG for every 100 shares of Eurobank tendered. NBG also stated that, Eurobank shareholders holding 43.6% of Eurobank's ordinary share capital have committed to tender their shares in the tender offer. The offer is subject to regulatory approvals. On 23 November 2012, the General Meeting of the shareholders of NBG, approved the increase of NBG's share capital, and the issue of new ordinary shares to be offered to Eurobank's ordinary shareholders who will accept NBG's voluntary tender offer at the said exchange ratio.

The Bank announced that the exchange offer falls within the context of the on-going consolidation of the Greek banking system. Eurobank's board will further evaluate, in a constructive spirit, the merits of the business combination in the interest of all stakeholders, including employees, customers, shareholders and the Greek economy.

After the offer is launched, following the approval of relevant offering documentation by the Greek Capital Market Committee, the Bank's Board of Directors, with the assistance of its financial advisers, will consider the merits, the terms and conditions of the exchange offer and express its opinion thereon as required by Law 3461/2006.

21. Other significant and post balance sheet events

On 22 May 2012, the Second Repeat Extraordinary Shareholders' Meeting of Alpha Bank aborted the merger procedure with Eurobank and recalled Alpha Bank's General Meeting decisions on 15 November 2011.

Under Law 3864/2012 as amended by Law 4093/2012, that was enacted in November 2012, the banks receiving financial support from HFSF are required to make a lump sum payment to HFSF totalling to € 556 million. According to the relevant presubscription agreement signed with HFSF on 21 December 2012, Eurobank's portion was determined at € 154 million.

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

Note 5-Greek Economy Liquidity Support Program
Note 6-Credit exposure to Greek sovereign debt
Note 7-Greek Banks' recapitalisation
Note 9-Discontinued operations
Note 13-Shares in subsidiary undertakings
Note 16-Preference shares
Note 18-Advance contribution of Hellenic Financial Stability Fund

22. Related party transactions

Until 23 July 2012, the Bank was a member of the EFG Group, having as operating parent company the "European Financial Group EFG (Luxembourg) S.A." and ultimate parent company the "Private Financial Holdings Limited", the latter owned and controlled indirectly by members of the Latsis family. In particular, the EFG Group held 44.70% of the Bank's ordinary shares and voting rights, through wholly owned subsidiaries of the ultimate parent company and the remaining ordinary shares and voting rights were held by institutional and retail investors, none of which, to the knowledge of the Bank, held 5% or more.

On 23 July 2012, 43.55% of the ordinary shares and voting rights held by EFG Group were transferred to ten legal entities, each of which acquired approximately 4.4%, while the EFG Group retained the remaining 1.15%. These entities have formally stated they are independent from each other. As a result, from 23 July 2012, onwards, Eurobank ceased to be under EFG Group's control and will no longer be consolidated in the financial statements of the EFG Group. In addition, the Bank's corporate and trade name have already been amended in order to no longer include the "EFG" suffix.

In the context of the separation of the Eurobank Group from the EFG Group, the five EFG Group nominated Board members of Eurobank resigned from the Board. On 21 September 2012 the Board elected Mrs. Angeliki Frangou and Messrs. George David and Nicholas Stassinopoulos as new BoD members, with a term equal to the remaining term of the resigned members.

22. Related party transactions (continued)

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

	30 September 2012			
	Subsidiaries € million	EFG Group € million	Key management personnel (KMP) [2] € million	Entities controlled by KMP and associates € million
Loans and advances to banks	**9,636**	**-**	**-**	**-**
Financial instruments at fair value through profit or loss	**26**	**-**	**-**	**-**
Derivative financial instruments assets	**103**	**-**	**-**	**-**
Investment securities	**153**	**-**	**-**	**-**
Loans and advances to customers	**1,745**	**-**	**11**	**25**
Other assets	**38**	**-**	**-**	**-**
Due to banks	**2,013**	**-**	**-**	**-**
Derivative financial instruments liabilities	**37**	**-**	**-**	**-**
Due to customers	**2,706**	**-**	**8**	**8**
Debt issued and other borrowed funds	**2,646**	**-**	**-**	**-**
Other liabilities	**17**	**-**	**-**	**-**
Guarantees issued	**5,426**	**-**	**-**	**0**
Guarantees received	**-**	**-**	**0**	**-**
	nine months ended 30 September 2012			
Net interest income	**8**	**1**	**(0)**	**1**
Net banking fee and commission income	**35**	**(0)**	**-**	**-**
Dividend income	**16**	**-**	**-**	**-**
Net trading income [1]	**(19)**	**-**	**-**	**-**
Other operating income/(expenses)	**(11)**	**0**	**-**	**(0)**
Impairment losses on loans and advances to customers (collector fees)	**(19)**	**-**	**-**	**-**

	31 December 2011			
	Subsidiaries € million	EFG Group € million	Key management personnel (KMP) [2] € million	Entities controlled by KMP and associates € million
Loans and advances to banks	17,629	0	-	-
Financial instruments at fair value through profit or loss	95	0	-	-
Derivative financial instruments assets	196	-	-	1
Investment securities	389	82	-	7
Loans and advances to customers	2,044	-	15	107
Other assets	17	-	-	-
Due to banks	2,976	54	-	-
Derivative financial instruments liabilities	74	-	-	-
Due to customers	5,992	1	31	96
Debt issued and other borrowed funds	3,977	-	-	-
Other liabilities	27	-	-	-
Guarantees issued	7,960	271	0	5
Guarantees received	-	271	0	9
	nine months ended 30 September 2011			
Net interest income	42	4	(1)	1
Net banking fee and commission income	49	1	-	-
Dividend income	17	-	-	-
Net trading income [1]	42	-	-	-
Other operating income/(expenses)	(12)	(3)	(0)	(0)
Impairment losses on loans and advances to customers (collector fees)	(18)	-	-	-

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

[2] Key management personnel includes directors, key management personnel of the Bank and its parent and their close family members.

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

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 € 4.8 million (30 September 2011: € 4.9 million), and long-term employee benefits of € 0.5 million out of which € 0.1 million are share-based payments (30 September 2011: € 1.3 million and € 1 million respectively).

23. 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 and 4063/2012, banks participating in the Greek Economy Liquidity Support Program are not allowed to declare a cash dividend to their ordinary shareholders for 2008 to date. Based on the 2011 results and article 44a of Company Law 2190/1920, the Shareholders Annual General Meeting approved the non distribution of a dividend to either ordinary or preference shareholders (see also note 16).

Athens, 21 December 2012

Efthymios N. Christodoulou	**Nicholas C. Nanopoulos**	**Paula N. Hadjisotiriou**	**Harris V. Kokologiannis**
I.D. No AB - 049358	I.D. No AE - 586794	I.D. No AK - 221300	I.D. No AK - 021124
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	HEAD OF GROUP FINANCE & CONTROL