



Report on the accounting value of the assets of Eurobank Ergasias SA for the merger by absorption with Grivalia Properties REIC SA

Based on the merger balance sheet as at 31 December 2018

KPMG Certified Auditors AE

22 February 2019

This report contains 13 pages

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Report on the accounting value of the assets of Merger Balance Sheet as at 31 December 2018 of Eurobank Ergasias SA

1 Assignment, purpose and scope of work

This report has been issued following an assignment of the Board of Directors of “Eurobank Ergasias SA” (hereafter “the Bank”), for the purposes of confirming the accounting values of the assets on 31 December 2018 in the context of the merger through absorption of “Grivalia Properties REIC”, under the provisions of the articles 68 par. 2, 69-70 and 72-77 of L. 2190/1920 and the provisions of the article 16 of L. 2515/1997 and of the articles 1-5 of L. 2166/1993 as they are currently in force.



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2 Information regarding the Bank

The corporate name of the Bank, as it is stated in its codified Articles of Association, is “Eurobank Ergasias Societe Anonyme” and has its registered office in municipality of Athens, Prefecture of Attica.

Bank’s duration, according its Articles of Association, expires on 31 December 2100.

The Bank was established in 1924 and its General Commercial Registry Number is 000223001000.

3 Object

The object of the Bank, according its Articles of Association, is to perform any operation and activity that credit institutions are allowed to perform, according to the legislation each time in force.

The object of the Bank is the widest possible, in the sense that the Bank's operations, projects, services and activities of every kind may include any business, project, service and activity in general, that, either traditionally, or in the context of technical, economic and social developments, is part of the activities, operations, services, projects that can be performed by a credit institution.

The following activities, indicatively, fall within the object of the Bank:

- a) Acceptance of money deposits or other repayable funds
- b) Granting of loans or other credit, including factoring of business claims
- c) Leasing
- d) Money transmission services, including funds transfers
- e) Issue and administration of means of payment (credit and debit cards, travelers' cheques and banker's drafts)
- f) Guarantees and commitments
- g) Transactions in the name of the Bank or its customers regarding:
 - i. money market instruments (securities, deposit certificates etc)
 - ii. foreign exchange
 - iii. financial futures and options
 - iv. exchange and interest-rate instruments
 - v. transferable securities
- h) Participation in the issue of securities and provision of similar services, including specifically underwriting services
- i) Advice to undertakings on capital structure, industrial strategy and related questions and advice as well as services relating to mergers and the purchase of undertakings
- j) Intermediation in interbank markets
- k) Portfolio Management on any kind of property belonging to customers or provision of advisory services regarding its management
- l) Safekeeping and administration of transferable securities
- m) Collection and processing of commercial information, including credit assessments of customers
- n) Hiring of safe deposit boxes (vaults)
- o) Issue of electronic money
- p) Provision of primary and ancillary investment services, such as those mentioned in article 4 of L. 3606/2007, as each time in force



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q) Any other operation or activity related to the above, allowed by law.

In the framework of the above object, the Bank may establish businesses and companies of any form acquire participations of any kind in businesses and companies which already exist, in cooperation with any third person, and generally take any action serving directly or indirectly its object.



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4 Share Capital

The share capital of the Bank at 31 December 2018 amounts to six hundred and fifty five million, seven hundred ninety nine thousand, six hundred and twenty nine Euros and fifty cents (EURO 655 799 629.50), and is divided into two billion, one hundred and eighty five million, nine hundred and ninety eight thousand, seven hundred and sixty five (2 185 998 765) ordinary registered voting shares, each having a nominal value of thirty cents (EURO 0.30).



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5 Management of the Bank

The Board of Directors of the Bank, at its meeting held on 10 July 2018, decided its assembly in body, the appointment of Chief Executive Officer and Deputy Chief Executive Officers and the determination of executive and non-executive members, as follows:

1. Nikolaos V. Karamouzis, President of Board of Directors, non-executive member
2. Fokion Ch. Karavis, CEO, executive member
3. Stavros E. Ioannou, Deputy CEO, executive member
4. Theodore A. Kalantonis, Deputy CEO, executive member
5. Konstantinos V. Vasileiou, Deputy CEO, executive member
6. George K. Chrysikos, non-executive member
7. Richard P. Boucher, independent non-executive member
8. Rajeev Kakar, independent non-executive member
9. Bradley Paul L. Martin, independent non-executive member
10. Jawaid A. Mirza, independent non-executive member
11. George E. Myhal, independent non-executive member
12. Lucrezia Reichlin, independent non-executive member
13. Ekaterini K. Beritsi, Representative of Hellenic Financial Stability Fund, non-executive member



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6 Procedure performed

This report was based on the figures of the Bank's merger balance sheet as at 31 December 2018, as attached in section 7 of this report, which has been prepared by and under the responsibility of the Bank's Management.

The Bank prepares its financial statements in accordance with International Financial Reporting Standards (I.F.R.S.), as adopted by the European Union, and for that purpose, the Bank has an independent accounting system.

Our work was conducted in accordance with the International Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information".

The procedure we performed was limited to compare the accounting values of the assets and liabilities that are included in the Bank's merger balance sheet as at 31 December 2018, as attached in section 7 of this report, with the relevant balances of the Bank's trial balance at that date taking into account the balance sheet entries.

Additionally, in the context of our work, we reviewed the Draft Merger Agreement dated 22 February 2019

The merger balance sheet and the Draft Merger Agreement have been approved by the Board of Directors of the Bank on 22 February 2019.

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7 Merger Balance Sheet as at 31 December 2018

EUROBANK ERGASIAS SA BALANCE SHEET as of 31 December 2018		31 December 2018 € mil.
Assets		
Cash and Balances with Central Banks		397
Due from Credit Institutions		3,190
Trading Securities		18
Derivative Financial Instruments		1,875
Loans and Advances to Customers		29,354
Investment Securities		6,597
Shares in Subsidiary Undertakings		1,753
Property, Plant and Equipment		244
Investment Property		32
Intangible Assets		126
Deferred Tax Assets		4,903
Other Assets		1,766
Assets Classified as Held-for-Sale		20
Total Assets		50,275
LIABILITIES		
Due to Central Banks		2,050
Due to Credit Institutions		9,247
Derivative Financial Instruments		1,896
Due to Customers		29,135
Debt Securities in Issue		2,697
Other Liabilities		872
Total Liabilities		45,897
EQUITY		
Ordinary share capital		656
Share premium		8,056
Reserves and retained earnings		(4,376)
Hybrid Capital		42
Total equity		4,378
Total Equity and Liabilities		50,275



Report on the accounting value of the assets of Merger Balance Sheet as at 31 December 2018 of Eurobank Ergasias SA

As from the merger balance sheet and the Bank's trial balance, taking into account the balance sheet entries, the total accounting value of the Bank's equity as at 31 December 2018, has as follows:

	Million Euro
Share Capital – ordinary shares	656
Share premium	8 056
Reserves	7 761
Retained earnings	(12 137)
Hybrid Capital	<u>42</u>
Total equity	<u>4 378</u>

Equity analyses as follows:

	Million Euro
Total assets	50 275
less: total liabilities	<u>45 897</u>
Equity	<u>4 378</u>



KPMG Certified Auditors AE
3 Stratigou Tombra Street
Aghia Paraskevi
153 42 Athens, Greece
Telephone +30 210 6062100
Fax +30 210 6062111

8 Report of Actual Findings of Agreed-Upon Procedures 31 December 2018

Report of factual findings in connection with the merger balance sheet (Free translation from the original in Greek)

To the Board of Directors of EUROBANK ERGASIAS S.A.

According to the engagement letter dated 11 January 2019, we have performed the procedures agreed with you and enumerated below with respect to the obligation of EUROBANK ERGASIAS SA (the "Bank") to prepare a merger balance sheet for 31 December 2018. The merger balance sheet is prepared in the context of the merger through absorption of "Grivalia Properties". The procedures we performed are provided in the article 3 of L. 2166/1993 and in the article 16 paragraph 5 of L. 2515/1997 and they are intended to meet the requirements of the above articles. In the above context we reviewed the draft merger agreement dated 22 February 2019

Management of the Bank is responsible for the preparation and legitimate presentation of the merger balance sheet.

Our responsibility is to perform the procedures enumerated below and to report our findings to you. Our engagement was undertaken in accordance with the International Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" applicable to agreed-upon procedures engagements.

Procedure performed

We performed the following procedure:

We compared the book accounting values of the assets and liabilities that are included in the Bank's merger balance sheet as at 31 December 2018 with the relevant balances of Bank's trial balance at that date and taking into account the balance sheet entries.

Findings

From the performance of the above mentioned procedures, we have confirmed that the accounting values of assets and liabilities included in the attached Bank's merger balance sheet as at 31 December 2018, agree with the relevant balances of Bank's trial balance at that date taking into account the balance sheet entries.

Since the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements we do not express any assurance in addition to those mentioned above.



Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose.

This report relates only to the items specified above and does not extend to any financial statements of the Bank, taken as a whole.

Athens, 22 February 2019

KPMG Certified Auditors AE

AM ΣΟΕΛ 114

Anastasios Kyriacoulis, Certified Auditor Accountant
AM SOEL 39291