



## Eurobank Properties REIC

ANNUAL CONSOLIDATED AND COMPANY FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

**This financial report has been translated from the original report that has been prepared in the Greek language. Reasonable care has been taken to ensure that this report represents an accurate translation of the original text. In the event that differences exist between this translation and the original Greek language financial report, the Greek language financial report will prevail over this document.**

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**Statement of the members of the Board of Directors**

**(according to the article 4, par.2 of the Law 3556/2007)**

To the best of our knowledge, the Annual Report of Eurobank Properties REIC for the year ended December 31, 2013 complies with applicable accounting standards, and presents fairly the assets, liabilities, equity and results of the Company and the Group.

Furthermore, to the best of our knowledge, the Report of the Directors for the year presents fairly the development, the performance and the status of Eurobank Properties REIC and its subsidiaries, including the major risks and uncertainties they face.

Marousi, February 13, 2014

The undersigned

Nikolaos A. Bertzos

Georgios Chryssikos

Georgios Katsibris

Chairman of the BoD  
Non-executive member of the BoD

Chief Executive Officer  
Executive member of the BoD

Independent non-executive  
member of the BoD

**DIRECTORS' REPORT OF  
«EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY»  
FOR THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31 2013**

**Dear Shareholders,**

According to Law 3556/2007 and Law 2190/1920 we present the Board of Directors' annual report of Eurobank Properties REIC Consolidated and Company Financial Statements for the year ended December 31, 2013. This report contains the information required from paragraph 7 & 8 of article 4 of Law 3556/2007, the report of Corporate Governance according to article 2 paragraph 2 of Law 3873/2010, the Consolidated and Company Financial Statements for the year 2013, the notes on these financial statements based on IFRS, and the audit opinion of the independent auditors.

### **GROUP FINANCIAL POSITION**

The year 2013 was another difficult year due to the prolonged recession of the Greek economy but at the same time was a milestone year, since the basic problem of double deficits, i.e. financial and current account deficit, seems to be, for the first time, effectively tackled, creating, thus, the conditions for exiting recession.

The sustainability of these surpluses in conjunction with the core problem of public debt will be the key objectives for the coming year. At the same time, the expected further financial improvement in Eurozone and European Union and the reinforcement of global economic activity will further assist the Greek economy in its efforts to recover. On the other hand, the completion of the restructuring of the banking industry and the systemic financial stability is expected to be sluggish in the Eurozone. Additionally, the upcoming elections may lead to political and social changes, particularly in the Member Countries that apply strict long-term fiscal adjustment programs.

In this economic environment, the commercial real estate sector in which the Group is operating slowdown in terms of fair value and rents leading to further pressure for the renegotiation of the rents, especially in secondary commercial real estate, warehouses and non-competitive office buildings. In this difficult financial environment, the Group was able to successfully manage the credit risk, maintain high occupancy rates (over 91 %), to successfully renegotiate new leases in the existing properties, to maintain its operating costs low and to efficiently manage its cash. The Group remained committed to its strategy by maintaining high investment standards and implemented its investment policy and strategy through the realization of new investments.

Additionally, the recent amendment of the law concerning the real estate investment companies (Law 4141/2013 and Law 4209/2013), has enabled the Company to take advantage of all the prospects arisen, in order to expand its business object, considering investment opportunities across the spectrum of real estate such as, among others, hotel and lodging real estate, directly or through long-term concessions and development of projects through Joint Ventures.

In 2013, the property values were further decreased but with the slower rate resulting in a decrease in the total value of the Group's portfolio by €43,151. The reduced decline compared to this of the previous year, is attributed to the stabilization of prices of rents because of the improved expectations for the Greek economy, but also because of the supply reduction.

As at 31/12/2013 the portfolio of the Group consisted of sixty (60) properties. Most of Group's portfolio properties are located in Greece, forty two (42) located in the greater Athens area, twelve (12) located in other major cities and one (1) plot of land in Spata. In Central and Eastern Europe, the Group owns two (2) commercial properties in Serbia and three (3) in Romania.

As at 31/12/2013, the investment portfolio of the Group's properties consisted of approximately 399,980 sq.m. with a fair value of €564,194 as assessed by certified appraisers of the companies NAI HELLAS/AVENT S.A. and Savills Hellas Ltd.

**Revenue:** Group's revenue for the year ended December 31, 2013 amounted to €36,925 compared to €38,870 for the year 2012, showing a decrease of €1,945 or by 5% compared to 11% of the year 2012. The decrease is mainly due to reduced rental incomes because of the re-negotiation of the agreements as a result of the economic downturn.

**Net gain/ (loss) from fair value adjustments on investment property:** Group's net loss from fair value adjustments on investment property for the year ended December 31, 2013 amounted to €43,151 compared to €65,687 for the previous year. The decrease is mainly due to: a) pressures for rent re-negotiations of commercial properties due to the

prolonged recession of the economy and b) to high discount rates used in the DCF analysis by Sworn-In Valuators despite the fact that the country risk is reduced, resulting in a reduction of present value of the investment property.

**Operating Loss:** Group's operating loss for the year 2013 amounted to €1,695 compared €31,471 for the previous year. Group's operational profits, excluding loss from fair value adjustments on investment property, provisions for bad debts and other income, amounted to €2,092 compared to €34,588 for the previous year, showing a decrease of €2,496 or 7%. The decrease is mainly due to the reduced rental incomes.

**Interest Income:** Group's interest income for the year 2013 amounted to €7,286 compared to €8,676 for the previous year, showing a decrease of €1,390 or 16%. The decrease is due to lower term deposit rates during the year.

**Finance costs:** Group's finance costs for the year 2013 amounted to €2,180 compared to €3,095 for the previous year, showing a decrease of €915 or 30%. The decrease is due to the reduced outstanding loans and the reduced Euribor rates during the year.

**Negative goodwill arising from subsidiary's acquisition:** as at 31.12.2013 the company acquired 100% of the share capital of the company Cloud Hellas Ktimatiki S.A. This acquisition had a positive impact on Group's results amounting to €2,050 and presenting negative goodwill.

**Taxes:** Group's tax expenses for the year 2013 amounted to €2,725, compared to €2,170 for the previous year, showing an increase of €555 or 26%. The increase in taxes is due mainly to the fact that the taxes of the previous year were reduced because of the partial reversal of the provision recorded in 2011 taken place in 2012 for the extraordinary tax on property, driven by a correction in surfaces and rates charged by PPC.

As described in note 21 of the Annual Consolidated and Company Financial Statements, the Company is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents at a tax rate of 10% of the aggregate European Central Bank reference rate plus 1%.

**Profit/ (loss) after tax:** As a result of the above, profit after taxes for 2013 amounted to €2,736 compared to loss €28,060 net profit for the previous year.

**Treasury Shares:** The Company in 2013 purchased 3,000 treasury shares of a total cost of €16 and average price (amount in €) €5.15 per share, according to the decision of the Ordinary Shareholders Meeting dated March 15, 2012 which approved the purchase of treasury shares up to 2% on the total amount of shares at a maximum price of (amount in €) € per share and a minimum price of (amount in €) €2.13, in accordance with article 16 of Law 2190/1920, amended by Law 3604/2007. As at December 31, 2013 the Company owned 1,150,571 treasury shares with a total cost of €6,735 and average price (amount in €) €5.85 per share.

### Basic Ratios

The Group evaluates the results and performance on a monthly basis identifying timely and effectively variances from the objectives and taking corrective measures when this is necessary. Group's performance is measured using the following financial performance indicators which are internationally used :

	31.12.2013	31.12.2012
<b>Liquidity Ratios</b>		
Current Ratio	2.8x	7.9x
<b>Leverage Ratio</b>		
Total debt to Total Assets	16%	12%
LTV	22%	15%
<b>Market Ratios</b>		
NAV (amount in €)	€10.34	€10.30

**Fund from Operations**

	31.12.2013	31.12.2012	Movement	%
Fund from Operations (F.F.O.)	33,827	37,591	(3,764)	(10%)

**SIGNIFICANT EVENTS DURING THE YEAR**

1. Following the positive opinion of the Council of Experts, dated 18/10/2013, and the unanimous decision of the B.o.D. of H.R.A.D.F. , the Company was declared as preferred bidder of the tender for the sale and leaseback of a portfolio of 14 properties. Upon successful completion of this transaction the 14 properties will be leased to the Greek State for 20 years and the purchase price to be paid by the Company shall be €145.81 million. The transaction was subject to the following conditions: comprehensive legal and technical due diligence and review of the sale and lease back contracts from the State Court of Auditors. On 08/01/2014 the H.R.A.D.F. notified to the Company the act no 275/2013 of the State Court of Auditors (F' Department) which blocked signing of the above contracts. The H.R.A.D.F. filed a revocation petition against the relevant act of the Court of Audit, as it was expected. On 7/2/2014 the petition was heard and it is pending final decision of the State Court of Auditors . In case of revocation of the act of the State Court of Auditors, Group's turnover for 2014 is expected to show improvement compared to the year ended by €14.06 million on an annualized basis because of the expected rents from the lease of 14 properties to the Greek State. It is noted that on 6/12/2013, the Company signed the heads terms of a loan agreement for a period of five years amounting to €60 million with HSBC Bank plc, London. The bond loan will aim at financing part of that investment.

2. As at 31 December, 2013, the Company signed a sale - purchase agreement for 100 % of the shares of Cloud Hellas Ktimatiki SA for a consideration of (amount in €) €3. Thereafter , the Company will procure a share capital increase of Cloud Hellas Ktimatiki SA bringing in the total amount of €50 million, which will be entirely directed for repayment of an equal amount of debt of the acquired company. As for the remaining debt, it has been agreed that the lenders would waive it. The portfolio of the acquired company consists of four stores in central Athens and Thessaloniki , leased mainly to Praktiker Hellas and to a lower extent to Carrefour- Marinopoulos and McDonalds. In specific the properties are located i) in Tavros of Attica, Piraeus Street , ii) in Elliniko of Attica, Vouliagmeni Avenue , iii) in Egaleo of Attica, 339 Iera Odos Street and iv) in Pylea of Thessaloniki, 34 Marinou Antypa Street and Thessaloniki – Thermi Street. The total built up area of the properties amounts to 65,100 sqm of which 53,500 sqm correspond to superstructure and 11,600 sqm to auxiliary underground spaces, while some properties have a residual coefficient. As at 31/12/2013, the fair value of the property amounted to €63.18 million. This acquisition resulted in a negative goodwill for the Group which amounted to €12.05 millions.

3. As at 23/12/2013, the Company signed an agreement for the acquisition of a portfolio of warehouses in Aspropyrgos, In particular, the portfolio regards 3 properties for storage use of total leasable area of approximately 37,800 sq.m. which will be 100 % leased at the date of their acquisition . The total consideration for the acquisition of the portfolio will amount to €17 million, while the total annual rent for the first year will amount to €2 million . This transaction is subject to the successful completion of the Company's financial, fiscal, legal and technical due diligence in the subjects of this transaction and to the conduct of an appraisal of the value by a certified appraiser according to the applicable law of REICs .

4. As at December 23, 2013 the Company concluded the sale of a property located in Kiev Ukraine, 66-68 Chervonoarmiyska str.,. The property is a ground floor retail branch with basement, with total surface of 541,6sqm. The agreed price for the disposal was €3.300. The fair value as at June 30, 2013 was €3.019. Net gains from the sale of the investment property (excluding expenses related to the disposal of €131) amounted to €150 and were recorded in profit and loss statement.

**SUBSEQUENT EVENTS**

As at November 8, 2013 the Extraordinary Shareholders Meeting decided the share capital increase, through the payment in cash and by pre-emption right in favor of the existing shareholders, through the issuance of 40,260,000 new common registered shares, of a nominal value of (amount in €) €2.13 and issue price of (amount in €) €4.80 each. The share capital increase which started on January 14, 2014, was successfully completed on January 31, 2014 fully covered. As a consequence, the Company's Share Capital was increased by €85.754 through the issuance of 40,260,000 new common shares and the resulting difference of €107,494 was credited to a special reserve "share premium account" as provided for by law.

Following the completion of the Share Capital Increase of the Company and the listing of the new shares in the Athens Stock Exchange on February 6, 2014, the shareholding structure of the Company with shareholders of more than 5% is as follows:

• Fairfax Financial Holdings Limited *	41.50%
• Eurobank Ergasias SA	33.95%
• Fidelity Management & Research LLC	5.80%

\* Wentworth Insurance Company Limited (a subsidiary of Fairfax Financial Holdings Limited) currently holds directly 5,278,797 ordinary registered shares representing 5.21% of the Share Capital of the Company. Odyssey Reinsurance Company (a subsidiary of Fairfax Financial Holdings Limited) currently holds directly 9,596,988 ordinary registered shares representing 9.48% of the Share Capital of the Company.

Fairfax Financial Holdings Limited and Eurobank Ergasias SA have entered into a Shareholders' Agreement, which regulates their relationship as major shareholders of the Company. They have acquired specific rights from the Shareholders Agreement which depends on the relative time period. From the date of signing of the shareholders agreement until the earliest ( I ) of the date on which the participation of Eurobank Ergasias SA in the share capital of the Company falls below 20%, and ( II ) of the date of 06.30.2020 (Initial Period), the parties will implement a common policy regarding management of the Company. After the expiry of the initial period, Fairfax Financial Holdings Limited will automatically and ipso jure acquire the control of the Company and the parties will cooperate on the issues of the composition of the B.o.D, the Investment Committee, other Committees of the Company as well as to the dismissal / hiring of the Chief Executive Officer. If the percentage of Eurobank Ergasias SA falls below 20% but it remains above 5%, then it has the right to exercise a veto on certain strategic issues. Eurobank Ergasias S.A. will cease to have any veto rights after the lapse of 18 months from the expiry of the initial period regardless its shareholding percentage in the Share Capital of the Company.

## OUTLOOK

The prospect of recovery of the real estate market is significantly affected by the decline of uncertainty for the Greek economy and reinforcement of the prospects for improvement. During 2013 the investment activity in the real estate market, was increased (compared to this of the previous years) which is expected to continue during the current year. In this context, the expectations of the commercial real estate market in 2014 would be enhanced compared to both those of 2013 and the previous years, as it is estimated that there might be a relative stabilization of commercial values and an increase in the number of real estate transactions. Particularly, the trend of stabilization of the commercial real estate values mainly applies to the prime properties, while as for the secondary properties, the pressure on their values and rents is expected to be continued. The Management of the Company has the belief that during the current year many attractive investment opportunities will emerge.

In addition, the revenues from leases of the Group for 2014 are expected to show improvement compared to those of 2013 as a result of the new Group's real estate investments. More specifically, the expected revenues from leases of the Group will increase by €5,5 million approximately (annualized) from the properties of Cloud Hellas SA and in case of successful completion of the transaction with both HRADF and the acquisition of the three warehouses the revenues from leases will be further increased by an amount of €14.06 million and €2 million, respectively.

The Company intends to invest the proceeds of the abovementioned Share Capital Increase according to the provisions of Law 2778/1999, as amended, and to its investment policy and strategy within 36 months. The investment objectives of the Company for the proceeds from and in general, are particularly, investments in commercial real estate in prime locations.

Our Company is consistently focused on its investment objective of creating long term value for its shareholders. The high quality portfolio which produces steady income, low LTV and high liquidity establishes the Company as a key player in the Greek and Southeastern Europe market.

**SIGNIFICANT RISKS****Fluctuations in Property Values:**

Fluctuations in property values are reflected in the Income Statement and Balance Sheet depending on the market value of our commercial properties. During the reference period, the Group recorded losses from fair value adjustments due to the economic conditions in real economy and specifically in the real estate sector. The fluctuations of market values have a significant impact on Group profitability and assets. However, due to the long term duration of leases and the quality of tenants, the impact on cash flow from investment properties is estimated to be steady.

**Non-Performance of Tenants:**

Income may be adversely affected by the non-performance of tenants. However, the Group has a diversified portfolio consisting mainly of reputed Companies in Greece and Southeastern Europe and this should minimise the impact of the non-performance of any individual tenants.

**Interest rate risk**

Group's interest rate risk arises from long-term finance leases, bank borrowings with variable rates and the high volume of capital investments in term deposits which the Group holds.

**Inflation Risk**

Group's exposure to inflation risk is limited as the Group in general enters into long term operating lease agreements with tenants for a minimum of 12 years. The annual rental increases are linked to the consumer price index plus a spread of up to 1%.

**Regulatory and Compliance Risks:**

As mentioned above, the Company has invested in South-eastern Europe. The Company has investments in Romania and Serbia. A lack of understanding of the local regulatory environment could result in increased international and local taxes or other regulatory sanctions. For mitigating these risks, we contract local consultants such as legal advisors and local accountants to offer us advice regarding the regulatory environment, as well as our rights and obligations, both before and after a new investment.

**External Environmental Factors**

The Company has investments in Greece, Romania, and Serbia. The Company can be affected in general by external factors such as political instability, economic uncertainty, and changes in tax regulations.

**RELATED PARTY TRANSACTIONS**

All transactions from and to with related parties are executed under the prevailing market terms. The significant related party transactions, as defined by IAS 24 are fully disclosed in note 25 of the Consolidated and Company Financial Statements for the year ended December 31, 2013.

**CORPORATE GOVERNANCE****I. Corporate Governance Code**

The Company, pursuant to Law 3873/2010 has enacted and implements a Corporate Governance Code which can be found in its website [www.eurobankproperties.gr](http://www.eurobankproperties.gr)

**Corporate Governance principles that the Company follows in addition to laws and regulations**

The B.o.D has formed a Remuneration – Nomination Committee and it has delegated to it the responsibility to consider matters relating in one hand to executive and key management personnel remuneration, including remuneration policy, employee benefits and long-term incentive schemes and on the other hand to assess the competency, effectiveness and performance of directors, as well as to consider the recommendation on the appointment of key executives to the parent company as well as its affiliates.

The majority of the members of the B.o.D are non- executive.

The B.o.D has put in place a process of the self-assessment of the BoD and all its Committees at least once in every two years.

The above best practices are an integral part of the Company's Corporate Governance Code which can be found in its site [www.eurobankproperties.gr](http://www.eurobankproperties.gr)

## **II. Description of the internal control and risk management system with regard to the preparation of the financial statements**

### **Internal Control**

The directors are responsible for reviewing the effectiveness of the Company's system of internal control, including internal financial control, which is designed to provide reasonable, but not absolute, assurance regarding (a) the safeguarding of assets against unauthorized use or disposition (b) the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may be reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

### **Code of Business Conduct**

The Company maintains a Code of Business Conduct and Ethics which applies to all employees and is signed by all employees.

### **Organizational Structure**

A clear organization structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of staff is maintained both through the rigorous recruitment policies and performance appraisal system.

### **Roles and Responsibilities**

There are documented approval limits by the Board of Directors for all forms of payments, receipts, bank transfers, and also other responsibilities relevant to the Company's current assets

### **Information Systems**

Information systems are developed to support the Company's long-term objectives. Appropriate policies and procedures are in place covering all significant areas of the business.

### **Planning & Monitoring**

There are sufficient detailed annual budgets, which are subject to adequate scrutiny.

Comparisons are made between actual, historical and budgeted expenditures with adequately detailed explanations obtained for all significant variances.

### **Management Accounting System**

An adequate management accounting system is in place providing management with financial and operational performance measurement indicators. Detailed management accounts are prepared monthly to cover each major area of the business

Variances from plan and previous forecasts are analyzed, explained and acted on in a timely manner. As well as regular Board discussions, monthly meetings are held by the Management Board to discuss performance.

### **Internal control framework**

Effective corporate governance remains key to the business. The Company continues to review its internal control framework to ensure it maintains a strong and effective internal control environment.

A risk-based audit plan, which provides assurance over key business processes and financial risks facing the Company, is approved by the Audit Committee yearly.

Specific operating procedures have been established for areas with high risk of fraud, including areas related with transactions with suppliers and payments (e.g. procurement policy and banking policy). These procedures describe all decision-making processes by the appropriate company officials.

The Audit Committee considers significant control matters raised by management and both the internal and external auditors report its findings to the Board. Where weaknesses are identified, the Audit Committee ensures that management takes appropriate action.

### **Risk Management**

The Company has a structure and process to help identify, assess and manage risks. Weekly management meetings attended by the Chief Executive Officer and all Senior Managers review current issues including issues relating to financial reporting and fraud.

### **III. Additional information pursuant to sections (c), (d), (f), (g) and (h) of article 10 par. 1 of the 2004/25/EK Directive**

- The additional information pursuant to section (c) of article 10 par. 1 of the 2004/25/EC Directive can be found in the section of the present Directors report that presents the additional information pursuant to article 4 par. 7 of Law 3556/2007.
- With regard to the additional information pursuant to section (d) of article 10 par. 1 of the 2004/25/EC Directive, there is not any kind of titles issued by the Company which confer special control rights to their holders.
- With regard to the additional information pursuant to section (e) of article 10 par. 1 of the 2004/25/EC Directive, there does not exist any limitations whatsoever with regard to voting rights.
- With regard to the additional information pursuant to section (f) of article 10 par. 1 of the 2004/25/EC Directive, any amendment of the Articles of Association of the Company needs to be approved by the General Shareholder Meeting as stipulated by Law 2190/1920. Following the proposal of the BoD, the BoD members are elected by the General Shareholder Meeting. In case of replacement of one of the members of the BoD, the BoD takes the decision and its decision is validated by the next General Shareholder Meeting.
- The additional information pursuant to section (g) of article 10 par. 1 of the 2004/25/EC Directive can be found in the section of the present Directors report that presents the additional information pursuant to article 4 par. 7 of Law 3556/2007.

### **IV. Information about the General Shareholders Meeting.**

#### **• Basic Authorities**

The General Shareholders Meeting is the supreme body of the Company. It is convoked by the BoD and has the authority to decide all Company matters. Pursuant to the relevant legislation all shareholders are entitled to attend the Shareholders Meeting either in person or by an authorized representative.

#### **• Mode of operation, description of the rights of the shareholders and how these can be exercised**

The BoD ensures that the preparation and the conduct of the General Shareholders Meeting facilitate the effective exercise of the rights of the shareholders. The shareholders are informed in advance of all the issues that relate to their attendance of the General Shareholders Meeting including the agenda and the rights they have during the course of the General Shareholder Meeting. Specifically, as regards to the preparation of the General Shareholders Meeting and pursuant to the provisions of Law 3884/2010, the Company publicizes on its website at least 20 days prior to the General Shareholders Meeting both in Greek and in English, information relating to :

- The date, time and place of the convocation of the General Shareholders Meeting

- The basic rules and practices regarding the participation of the shareholders, including the right to introduce topics in the agenda, to make enquiries and the deadline for the exercise of these rights,
- The voting procedure, the terms and conditions for proxy voting and the necessary forms and documents for proxy voting
- The proposed agenda of the General Shareholder Meeting, including draft resolutions and any other accompanying documents
- In case of election of BoD members, the list of the proposed persons along with their resumes
- The total number of shares and voting rights at the time of the convocation of the General Shareholders Meeting,
  - i The Chairman of the BoD, the Chief Executive Officer and the Chairman of the BoD Committees should attend the General Shareholders Meeting and provide shareholders with all necessary information with regard to the items of the agenda and to the questions posed by the shareholders. The internal auditor of the Company should also be present at the General Shareholders Meeting.
  - ii During the General Shareholders Meeting, the Chairman of the BoD temporarily takes the chair. One or two of the shareholders or the authorised representatives of the shareholders which are present at the General Shareholder Meeting are afforded by the Chairman the duties of temporary secretaries.
  - iii Following the validation of the list of shareholders which have the right to vote at the General Shareholder Meeting, the General Shareholder Meeting elects the final Chairman and secretaries which have the duty to collect the votes of the shareholders. The decisions of the General Shareholder Meeting are made in accordance with the provisions of the Company's Articles of Association and of the relevant legislation.
  - iv Excerpts of the minutes of the General Shareholder Meeting are made available on the Company website within 15 days as of the end of the General Shareholder Meeting in both Greek and English.
  - v Every shareholder that is recorded as such in the records of the custodian of the Company shares is entitled to attend and vote as the General Shareholder Meeting. For the shareholder to exercise the above rights there is no need to have its shares reserved or to follow a similar procedure. The shareholder may authorise another person if he so desires. Other than that, the Company fully complies with the provisions of Law 2190/1920 (article 28a).

## V. Information about the BoD and its Committees.

- **Composition and mode of operation of the BoD**

- VI. The company is managed by a BoD that consists from seven (7) at minimum to eleven (11) at maximum, members. The majority of the members should be non-executive out of which, at least three (3) should be independent non executive. All the BoD members are elected by the General Shareholders Meeting which also sets their term of office. A legal person may also be elected as member of the BoD.

The present composition of the BoD consists of the following eleven (11) members:

Nikolaos A. Bertzos:	Chairman, Non-executive
Petros Katsoulas:	Vice Chairman A', Non-executive member
Wade Sebastian Burton :	Vice Chairman B', Non-executive member
George Chryssikos:	Chief Executive Officer, Executive member
Platon Monokrousos-:	Non-executive member
George Bersis:	Non-executive member
Ignace- Charles Rotman:	Independent, Non-executive member
George Katsibris:	Independent, Non-executive member
George Papazoglou:	Independent, Non-executive member
Dimitrios Papadopoulos:	Independent, Non-executive member
Takis Kanellopoulos:	Independent, Non-executive member

The BoD elects from its members the Chairman and one (1) up to three (3) Vice-chairmen. If the Chairman is absent, or cannot perform his duties, he is substituted by the first in line Vice-chairman. In case the Vice-chairman A is absent, or cannot perform his duties, he is substituted by the next in line Vice-chairman or by another member of the BoD pursuant to a decision of the BoD.

The BoD can meet apart from the Company's registered seat, anywhere else that owns a business settlement or a subsidiary company. The BoD can also meet via teleconference. The BoD meets as often as necessary so as to ensure the effective exercise of its duties and responsibilities.

At the BoD meetings the Chairman takes the chair. The Chairman may, if he wishes so, appoint a Secretary of the BoD. The BoD takes decisions with the majority of the present or the duly represented members. The minutes of the meetings are signed either by the Chairman, or by each of the Vice-chairman or by the Chief Executive Officer of the Company or by the Secretary of the BoD. Each of the above persons is entitled to issue certified copies or excerpts of the minutes.

- **Composition and mode of operation of the BoD Committees**

**Audit Committee**

- Company's Audit Committee role as a sub-committee of the BoD is to provide assistance to the BoD with respect to the fulfilment of its supervisory duties regarding the procedures for reviewing the financial statements, the compliance of the Company with the legal and regulatory regime, the assessment of the Company's internal control environment and the supervision of the internal & external auditors.

- The members of the Audit Committee are appointed by the General Shareholders Meeting following the proposal of the BoD. The Audit Committee is made up of at least two (2) non executive members and of an Independent non executive member who chairs its meetings. The Chairman of the Audit Committee should have an in-depth knowledge of financial reporting and accounting issues.

- The Audit Committee meets as often as it is necessary, but in any case at least four (4) times a year, following an invitation made by its Chairman and meets with the Internal auditor of the Company at least twice a year without the presence of members of the management of the Company.

The current composition of the Audit Committee consists of the following three (3) members:

- 1) George Katsibris:- Chairman
- 2) Platon Monokrousos:- Secretary
- 3) Takis Kanellopoulos: Member

**Investment Committee**

- The Investment Committee has the authority to decide on all matters relating to the implementation of the investment strategy, the implementation of new investments, the disposal of current assets and other activities such as entering into new lease agreements and renegotiating current lease agreements.

- The Investment Committee consists of five (5) members which are appointed by the BoD. It is mandatory that one of the members of the Investment Committee is the Chief Executive Officer of the Company which also acts as Chairman of the Investment Committee.

- The Investment Committee meets whenever the Chairman or its members deem it necessary, following relevant invitation extended by the Chairman.

The present composition of the Investment Committee consists of the following five (5) members:

- George Chryssikos: Chairman
- Nikolaos A. Bertzos: Member
- Dimitrios Papadopoulos : Member

George Papazoglou: Member

Wade Sebastian Burton: Member

### **Remuneration – Nomination Committee**

- The BoD has delegated to the Remuneration – Nomination Committee the responsibility a) to consider matters relating to executive and key management personnel remuneration, including remuneration policy, employee benefits and long-term incentive schemes b) to assess the competency, effectiveness and performance of directors, as well as to consider the recommendation on the appointment of key executives to the parent company as well as its affiliates. In specific, the Remuneration - Nomination Committee:
  - proposes to the BoD the remuneration package of the executive, managerial and senior officers and deals with matters that concern the Company’s Remuneration Policy in general.
  - considers the competency and effectiveness of individual directors and the BoD as a whole; assesses whether retiring directors be recommended for re-nomination and identifies and proposes new candidates to fill the vacant posts.
- The Remuneration - Nomination Committee consists of three (3) members, the majority of which are non-executive. The Chairman of the Committee is appointed by the BoD and should be non-executive. In case there is an executive member in the composition of the Committee, this member cannot attend and vote at the Remuneration - Nomination Committee meeting that considers its remuneration package.
- The Remuneration - Nomination Committee meets following invitation extended by its Chairman as often as it is necessary, but in case at least once a year.

The present composition of the Remuneration Committee consists of the following three members:

Wade Sebastian Burton : Chairman

Petros Katsoulas: Member

George Chryssikos: Member

More information about the above BoD sub-committees can be found at the company’s website where their Terms of Reference have been made available.

### **Additional information according to the article 4 par. 7 of the Law 3556/2007 and article 2 of the Decision 7/448/11.10.2007 Capital Market Commission – Explanatory Report**

#### **1. Structure of the Company’s Share Capital**

The Company’s Share Capital as at 31.12.2013 amounted to €129,930,000.00, divided into 61,000,000 shares of nominal value of (amount in €) €2.13 each. All the shares are ordinary, nominal, with voting rights, and listed for trading in the Securities Market of the Athens Exchange (“Large Cap” Classification) and have all the rights and obligations as determined by the Law.

#### **2. Limits of transfer of Company shares**

The Company shares may be transferred as provided by the law and the Company’s Articles of Association have no restrictions as regards to the transfer of shares.

#### **3. Significant direct or indirect shares in the sense of articles 9 and 11 of Law 3556/2007**

On 31.12.2013, Eurobank Ergasias S.A. held 55,56% of the share capital of the Company, Fairfax Financial Holdings Limited held 19,12% and Fidelity Management and Research LLC held 5,84%. No other individual or legal entity holds more than 5% of the share capital.

On 18.10.2013, the Company received a notification statement in TR-1 form, according to which on 17.10.2013 the Companies "Fairfax Financial Holdings Limited" and "Eurobank Ergasias SA" executed a shareholders agreement based on which they undertook the responsibility to act jointly and to follow a common policy as per the management of "Eurobank Properties REIC". As a consequence of this agreement, the above companies jointly control directly and indirectly 45.806.477 shares and voting rights or 75,09% of the share capital and voting rights of "Eurobank Properties REIC"

#### **4. Shares conferring special control rights**

No Company shares exist that confer special control rights.

#### **5. Limitations on voting rights**

The Company's Articles of Association do not provide for any limitations on voting rights.

#### **6. Agreements among Company shareholders entailing limitations on the transfer of shares or limitations on voting rights.**

There are no agreements among the shareholders, agreements of transfer or repurchase of shares, agreements restricting the right of transfer or charge of shares of the Company, including any agreement relating to voting rights, pre-emption rights, rights to purchase or sell, except for the following-relating to the Company- Agreement, conducted between Eurobank Ergasias SA and Fairfax Financial Holdings Limited on the 17th October 2013: a) the Investment Agreement which defines the terms and conditions of Fairfax Financial Holdings Limited participation in the share capital of the Company and b ) the Shareholders' Agreement, which regulates the relations between the major shareholders of the Company (the "Agreements" ) .

##### **(A) Investment Agreement:**

The basic terms of the Investment Agreement are as follows:

- i. The Share Capital of the Company will increase by €193,248,000 through the issuance of 40,260,000 new ordinary shares with voting rights (each as New Share) of nominal value of €2.13 and issuance value of € 4.80 per New Share .
- ii. Fairfax Financial Holdings Limited will purchase its pre-emption rights corresponding to 33,888,849 existing Shares held by Eurobank Ergasias SA in the price of €0.59 per share option (totally amounting to € 19,994,420.90).
- iii. Fairfax Financial Holdings Limited will fully exercise its pre-emption rights acquired by Eurobank Ergasias SA, and pre-emption rights corresponding to the Shares held by Fairfax Financial Holdings Limited on October 17, 2013 . Thus, in total the Fairfax Financial Holdings Limited committed to exercise pre-emption rights for a minimum of 30,077,162 New Shares .

Following the completion of the Share Capital Increase (and assuming that the pre-emption rights will be exercised in full) , Fairfax Financial Holdings Limited and Eurobank Ergasias SA will hold a total of at least 41.21 % and 33.47 % respectively, of the Share Capital of the Company.

##### **(B) Shareholders Agreement :**

Fairfax Financial Holdings Limited and Eurobank Ergasias SA have concluded a Shareholders Agreement which regulates their relationship as major shareholders of the Company. They have acquired specific rights of the Shareholders Agreement, which depend on the relative time period. From the signature date of the Shareholders Agreement until the earlier (i) the date on which the participation of Eurobank in the share capital of the Company falls below 20 % and (ii) on 06.30.2020 (Initial Period ) , the parties shall apply common policy regarding the management of the Company . Following the expiry of the Initial Period, Fairfax Financial Holdings Limited will automatically and ipso jure acquire the control of the Company and the parties will collaborate on the composition of the Board of Directors, the Investment Committee, the rest of committees of the Company as well as the recall / appointment of the Chief Executive Officer. If the percentage of Eurobank falls below 20 % but remains above 5 % , then veto rights on certain strategic issues arise.

Eurobank Ergasias SA will cease to have any veto rights after 18 months from the expiry of the Initial Period , regardless of its percentage in the share capital of the Company .

**7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association**

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20.

**8. Authority of the Board of Directors or certain of its members to issue new shares or to purchase the treasury shares**

As at 13.03.2008 the Ordinary General Meeting of the Shareholders authorized the Board of Directors, in accordance with article 13 par. 14 of C.L. 2190/1920, for five (5) years, to effect a stock options plan, according to par. 13 of article 13 of C.L. 2190/1920, applicable to employees and members of the Company's Board of Directors and associated companies, potentially increasing share capital and issuing new shares. The resolution has not been implemented in the period due to adverse financial circumstances.

The Board of Directors is authorized to acquire treasury shares, according to the resolution of the Ordinary General Meeting of the Shareholders held on 15.3.2012 which has prescribed treasury shares acquisitions, in accordance with article 16 of C.L. 2190/1920 for a period of one (1) year. Pursuant to the above decision of the Ordinary General Meeting of the Shareholders, the Board of Directors is also authorised to regulate all issue regarding implementation of this stock options plan..

Pursuant to the decision dated 16/3/2009, the BoD has delegated to Mr Nikolaos Bertso, Chairman of the BoD and to Mr Georgios Chryssikos, executive member of the BoD acting jointly, the authority to acquire treasury shares on behalf of the Company.

**9. Significant agreements entered in force, amended or terminated in the event of a change in the control of the Company, following a public tender offer.**

The Company has no agreements which are entered in force, amended or terminated in the event of a change in the control of the Company following a public tender offer.

**10. Significant agreements with members of the Board of Directors or employees of the Company.**

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their term of office or employment as a result of a public tender offer.

Maroussi, February 13, 2014

The undersigned

Nikolaos A. Bertso

Georgios Chryssikos

Georgios Katsibris

Chairman of the BoD

Chief Executive Officer

Independent non-executive

Non-executive member of the BoD

Executive member of the BoD

member of the BoD

[Translation from the original text in Greek]

## **Independent Auditor's Report**

To the Shareholders of Eurobank Properties REIC

### **Report on the Separate and Consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of Eurobank Properties REIC which comprise the separate and consolidated balance sheet as of 31 December 2013 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the Eurobank Properties REIC and its subsidiaries as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

### **Reference on Other Legal and Regulatory Matters**

- a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, February 14, 2014

PricewaterhouseCoopers

268 Kifissias Ave.

15232 Athens, Greece.

AM SOEL 113

Kyriacos Riris

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Annual Consolidated and Company Financial Statements  
for the year ended December 31, 2013

**Consolidated and Company Balance Sheet**

	Note	Group		Company	
		31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment property	7	564.194	547.100	413.739	457.178
Property, plant and equipment	9	1.600	1.638	1.596	1.638
Goodwill and Intangible Assets		390	435	55	100
Investment in subsidiaries	10	-	-	105.092	55.092
Deferred tax asset		391	391	-	-
Other long term receivables	11	2.959	1.773	15.281	6.988
		<b>569.534</b>	<b>551.337</b>	<b>535.763</b>	<b>520.996</b>
<b>Current assets</b>					
Trade and other receivables	12	5.125	6.311	3.913	4.993
Cash and cash equivalents	13	190.695	161.091	176.945	153.005
		<b>195.820</b>	<b>167.402</b>	<b>180.858</b>	<b>157.998</b>
<b>TOTAL ASSETS</b>		<b>765.354</b>	<b>718.739</b>	<b>716.621</b>	<b>678.994</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share Capital	14	129.930	129.930	129.930	129.930
Share premium	14	466.749	466.749	466.749	466.749
Own shares	14	(6.735)	(6.719)	(6.735)	(6.719)
Other reserves	14	10.779	10.823	10.021	10.021
Retained earnings		28.924	26.191	21.453	31.767
<b>Total shareholders' equity</b>		<b>629.647</b>	<b>626.974</b>	<b>621.418</b>	<b>631.748</b>
<b>Non-current liabilities</b>					
Borrowings, including finance leases	15	62.104	67.405	31.451	34.902
Tenant deposits		2.962	3.097	2.962	3.097
Other non-current liabilities		319	-	319	-
		<b>65.385</b>	<b>70.502</b>	<b>34.732</b>	<b>37.999</b>
<b>Current liabilities</b>					
Trade and other payables	16	4.541	2.389	2.606	1.005
Short term liabilities due to subsidiaries	8	-	-	50.000	-
Dividends payable		7	8	7	8
Current income tax liabilities		2.425	3.130	2.342	2.988
Borrowings, including finance leases	15	62.985	15.523	5.152	5.033
Tenant deposits		364	213	364	213
		<b>70.322</b>	<b>21.263</b>	<b>60.471</b>	<b>9.247</b>
<b>Total liabilities</b>		<b>135.707</b>	<b>91.765</b>	<b>95.203</b>	<b>47.246</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>765.354</b>	<b>718.739</b>	<b>716.621</b>	<b>678.994</b>

**Consolidated and Company Income Statement**

	Note	Group		Company	
		31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Revenue</b>					
Rental income	17	36.775	38.870	30.063	32.346
Gain from investment property disposals	7	150	-	150	-
		<b>36.925</b>	<b>38.870</b>	<b>30.213</b>	<b>32.346</b>
<b>Net gain/(loss) from fair value adjustments on investment property</b>					
Technical service fees	7	(43.151)	(65.687)	(40.503)	(54.375)
Other direct property relating expenses	18	(1.323)	(1.109)	(1.160)	(930)
Provisions for bad debts	12	(736)	(498)	(740)	(666)
Employee benefit expense- BoD	19	(1.610)	(1.317)	(1.578)	(1.279)
Depreciation of assets		(90)	(90)	(89)	(90)
Other income		100	126	100	126
Other expenses	20	(1.217)	(1.082)	(1.077)	(756)
<b>Operating profit/ (loss)</b>		<b>(11.695)</b>	<b>(31.471)</b>	<b>(15.050)</b>	<b>(25.914)</b>
<b>Interest income</b>					
Finance costs		7.286	8.676	7.745	8.693
<b>Finance costs</b>					
		(2.180)	(3.095)	(1.087)	(1.493)
<b>Negative goodwill arising from subsidiary's acquisition</b>					
	8	12.050	-	-	-
<b>Profit/ (loss) before tax</b>		<b>5.461</b>	<b>(25.890)</b>	<b>(8.392)</b>	<b>(18.714)</b>
<b>Taxes</b>					
	21	(2.725)	(2.170)	(1.922)	(1.408)
<b>Profit/ (loss) for the year</b>		<b>2.736</b>	<b>(28.060)</b>	<b>(10.314)</b>	<b>(20.122)</b>
<b>Earnings/ (losses) per share (expressed in € per share)</b>					
- Basic and Diluted	22	0,05	(0,47)		

## Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Profit/ (loss) for the year</b>	<b>2.736</b>	<b>(28.060)</b>	<b>(10.314)</b>	<b>(20.122)</b>
<b>Other comprehensive income/ (loss) after taxes:</b>				
<b>Items that may be subsequently reclassified to profit or loss</b>				
Exchange rate differences transferred to income/ (loss) after taxes	(47)	(123)	-	-
Total comprehensive income/ (loss)	(47)	(123)	-	-
<b>Total comprehensive income/ (loss) after taxes for the year</b>	<b>2.689</b>	<b>(28.183)</b>	<b>(10.314)</b>	<b>(20.122)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>				
- Shareholders (Owners of the parent)	2.689	(28.183)	(10.314)	(20.122)
- Minority interest	-	-	-	-
<b>Total comprehensive income/ (loss) after taxes for the year</b>	<b>2.689</b>	<b>(28.183)</b>	<b>(10.314)</b>	<b>(20.122)</b>

The Consolidated and Company Financial Statements for the year ended December 31, 2013 were approved by the Board of Directors on February 13, 2014 and are signed on its behalf by:

Nikolaos A. Bertzos

Georgios Chryssikos

Panagiotis Aristeidis Varfis

Evangelos Tentis

Chairman of the BoD

Chief Executive Officer

Chief Financial Officer

Chief Accountant

Non-executive member of the BoD

Executive member of the BoD

**Consolidated Statement of Changes in Shareholders' Equity**

	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total Equity
<b>Balance 01 January 2012</b>		129.930	466.749	(5.842)	10.946	78.651	680.434
Profit/ (loss) for the year		-	-	-	-	(28.060)	(28.060)
Foreign exchange differences		-	-	-	(123)	-	(123)
<b>Total comprehensive income/ (loss) for the year</b>		-	-	-	(123)	(28.060)	(28.183)
Acquisition of own shares	14	-	-	(877)	-	-	(877)
Dividend relating to 2011 approved by the shareholders		-	-	-	-	(24.400)	(24.400)
<b>Balance 31 December 2012</b>		129.930	466.749	(6.719)	10.823	26.191	626.974
<b>Balance 01 January 2013</b>		129.930	466.749	(6.719)	10.823	26.191	626.974
Profit/ (loss) for the year		-	-	-	-	2.736	2.736
Foreign exchange differences		-	-	-	(48)	1	(47)
<b>Total comprehensive income/ (loss) for the year</b>		-	-	-	(48)	2.737	2.689
Acquisition of own shares	14	-	-	(16)	-	-	(16)
Transfer to reserves		-	-	-	4	(4)	-
<b>Balance 31 December 2013</b>		129.930	466.749	(6.735)	10.779	28.924	629.647

**Company Statement of Changes in Shareholders' Equity**

	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total Equity
<b>Balance 01 January 2012</b>		<b>129.930</b>	<b>466.749</b>	<b>(5.842)</b>	<b>10.021</b>	<b>76.289</b>	<b>677.147</b>
Profit/ (loss) for the year		-	-	-	-	(20.122)	(20.122)
Other comprehensive income/ (loss) after tax		-	-	-	-	-	-
<b>Total comprehensive income/ (loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20.122)</b>	<b>(20.122)</b>
Acquisition of own shares	14	-	-	(877)	-	-	(877)
Dividend relating to 2011 approved by the shareholders		-	-	-	-	(24.400)	(24.400)
<b>Balance 31 December 2012</b>		<b>129.930</b>	<b>466.749</b>	<b>(6.719)</b>	<b>10.021</b>	<b>31.767</b>	<b>631.748</b>
<b>Balance 01 January 2013</b>		<b>129.930</b>	<b>466.749</b>	<b>(6.719)</b>	<b>10.021</b>	<b>31.767</b>	<b>631.748</b>
Profit/ (loss) for the year		-	-	-	-	(10.314)	(10.314)
Other comprehensive income/ (loss) after tax		-	-	-	-	-	-
<b>Total comprehensive income/ (loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10.314)</b>	<b>(10.314)</b>
Acquisition of own shares	14	-	-	(16)	-	-	(16)
<b>Balance 31 December 2013</b>		<b>129.930</b>	<b>466.749</b>	<b>(6.735)</b>	<b>10.021</b>	<b>21.453</b>	<b>621.418</b>

**Consolidated and Company Cash Flow Statement**

	Note	Group		Company	
		01/01 - 31/12/2013	01/01 - 31/12/2012	01/01 - 31/12/2013	01/01 - 31/12/2012
<b>Cash flows from operating activities</b>					
Profit/ (loss) for the year		2.736	(28.060)	(10.314)	(20.122)
Other (gains)/ losses		(100)	(126)	(100)	(126)
Gain from investment property disposals	7	(150)	-	(150)	-
Negative goodwill arising from subsidiary's acquisition	8	(12.050)	-	-	-
Interest income		(7.286)	(8.676)	(7.745)	(8.693)
Finance costs		2.180	3.095	1.087	1.493
Taxes	21	2.725	2.170	1.922	1.408
(Increase)/decrease of fair value of investment property	7	43.151	65.687	40.503	54.375
Depreciation of assets		90	90	89	90
<b>Changes in working capital after</b>					
Decrease/ (increase) in receivables		(217)	(146)	(1.486)	279
Increase / (decrease) in payables		(1.273)	(560)	746	(778)
Cash generated from operating activities		29.806	33.474	24.552	27.926
Interest paid		(2.208)	(2.959)	(1.083)	(1.474)
Taxes paid		(2.306)	(2.682)	(1.508)	(1.921)
<b>Net cash generated from operating activities</b>		<b>25.292</b>	<b>27.833</b>	<b>21.961</b>	<b>24.531</b>
<b>Cash flows from investing activities</b>					
Subsidiary's acquisition after the deduction of cash and cash equivalents	8	5.983	-	-	-
Subsequent capital expenditure on investment property		(86)	(738)	(86)	(738)
Purchases of property, plant and equipment		(7)	(28)	(2)	(28)
Disposals of property plant and equipment	7	3.300	-	3.300	-
Loans due from subsidiaries	11	-	-	(8.070)	(4.315)
Repayments of loans due from subsidiaries	11	-	-	900	2.238
Interest received		8.913	6.871	9.285	7.081
<b>Net cash used in investing activities</b>		<b>18.103</b>	<b>6.105</b>	<b>5.327</b>	<b>4.238</b>
<b>Cash flows from financing activities</b>					
Purchase of treasury shares	14	(16)	(877)	(16)	(877)
Repayments of borrowings		(13.822)	(5.175)	(3.332)	(3.165)
Dividends paid		-	(24.400)	-	(24.400)
<b>Net cash used in financing activities</b>		<b>(13.838)</b>	<b>(30.452)</b>	<b>(3.348)</b>	<b>(28.442)</b>
<b>Net increase/ (decrease) in cash and cash equivalents for the year</b>					
Cash and cash equivalents at the beginning of the year	13	161.091	157.482	153.005	152.678
Exchange gains / (losses) on cash and cash equivalents		47	123	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>190.695</b>	<b>161.091</b>	<b>176.945</b>	<b>153.005</b>

## 1 General information

The present financial statements include the financial statements of the Company Eurobank Properties Real Estate Investment Company (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the year ended December 31, 2013.

The Company and the Group is an investment property group with a majority of its portfolio located in Greece and an expanding portfolio in Southeastern Europe. Its business is leasing out investment property under operating leases and is classified as a Real Estate Investment Company under Greek Law 2778/1999 with effect from September 29, 2005.

The Company is incorporated and domiciled in Marousi, Greece. The address of its registered office is 117 Kifisias Avenue & Ag. Konstantinou, Marousi (General Comm.Registry 000239101000) Greece and is listed in the Athens Stock Exchange.

These Consolidated and Company Financial Statements (hereafter the “Financial Statements”) have been approved for issue by the Board of Directors on February 13, 2014.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

#### Statement of compliance

These consolidated and company financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and International Financial Reporting Standards issued by the IASB.

#### Preparation of consolidated and company financial statements

The Financial Statements have been prepared under the historical cost convention and adjusted for the fair value of investment properties. The preparation of financial statements in accordance with I.F.R.S. requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies (see note 5).

#### Comparatives

Certain comparatives figures have been reclassified for presentation purposes, in order to become comparable with those figures in the current year.

***New standards, amendments to standards and interpretations:*** Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

#### **Standards and Interpretations effective for the current financial year**

##### **IAS 1 (Amendment) “Presentation of Financial Statements”**

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

##### **IAS 19 (Amendment) “Employee Benefits”**

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment,

measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits.

#### **IAS 12 (Amendment) “Income Taxes”**

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 “Investment Property”.

#### **IFRS 13 “Fair Value Measurement”**

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones.

#### **IFRS 7 (Amendment) “Financial Instruments: Disclosures”**

The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position.

#### **IFRIC 20 “Stripping costs in the production phase of a surface mine”**

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity.

#### **Amendments to standards that form part of the IASB’s 2011 annual improvements project**

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB’s annual improvements project.

#### **IAS 1 “Presentation of financial statements”**

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 “Accounting policies, changes in accounting estimates and errors” or (b) voluntarily.

#### **IAS 16 “Property, plant and equipment”**

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

#### **IAS 32 “Financial instruments: Presentation”**

The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

#### **IAS 34, ‘Interim financial reporting’**

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 “Operating segments”.

**Standards and Interpretations effective for periods beginning on or after 1 January 2014**

**IFRS 9 “Financial Instruments”** (effective for annual periods beginning on or after 1 January 2015)

**IFRS 9 “Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39”** (effective for annual periods beginning on or after 1 January 2015)

**IFRS 7 (Amendment) “Financial Instruments: Disclosures”** (effective for annual periods beginning on or after 1 January 2015)

**IAS 32 (Amendment) “Financial Instruments: Presentation”** (effective for annual periods beginning on or after 1 January 2014)

**Group of standards on consolidation and joint arrangements** (effective for annual periods beginning on or after 1 January 2014)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows.

**IFRS 10 “Consolidated Financial Statements”**

**IFRS 11 “Joint Arrangements”**

**IFRS 12 “Disclosure of Interests in Other Entities”**

**IAS 27 (Amendment) “Separate Financial Statements”**

**IAS 28 (Amendment) “Investments in Associates and Joint Ventures”**

**IFRS 10, IFRS 11 and IFRS 12 (Amendment) “Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance”** (effective for annual periods beginning on or after 1 January 2014)

**IFRS 10, IFRS 12 and IAS 27 (Amendment) “Investment entities”** (effective for annual periods beginning on or after 1 January 2014)

**IAS 36 (Amendment) “Recoverable amount disclosures for non-financial assets”** (effective for annual periods beginning on or after 1 January 2014)

**IFRIC 21 “Levies”** (effective for annual periods beginning on or after 1 January 2014)

**IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”** (effective for annual periods beginning on or after 1 January 2014)

**IAS 19 (Amendment) “Employee Benefits”** (effective for annual periods beginning on or after 1 July 2014)

**Annual Improvements to IFRSs 2012** (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB’s 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

**IFRS 2 “Share-based payment”****IFRS 3 “Business combinations”****IFRS 8 “Operating segments”****IFRS 13 “Fair value measurement”****IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”****IAS 24 “Related party disclosures”****Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 July 2014)**

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB’s 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

**IFRS 3 “Business combinations”****IFRS 13 “Fair value measurement”****IAS 40 “Investment property”****IFRS 1 “First-time adoption of International Financial Reporting Standards”****3 Accounting policies****3.1 Investment in Subsidiaries**

Investments in subsidiaries in Company’s financial statements is stated at cost less impairment.

**3.2 Consolidation**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to control the financial and operating policies and in general has above 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement as negative goodwill.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

### **3.3 Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the General Manager of the Company.

### **3.4 Foreign currency translation**

#### (a) Functional and presentational currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

#### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which income and expenses are translated at the rate of the dates of the transactions), and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the closing entity and translated at the closing rate.

### **3.5 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property.

Investment property comprises freehold land, freehold buildings and property held under finance leases, as well as properties under construction which are being developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are appraised as at June 30 and December 31 each year by independent professional valuers in accordance with the guidance issued by the International Valuation Standards Committee.

Investment property under construction is measured at fair value only if it can be measured reliably.

Investment property further qualified for continued use as investment property, or for which the market has become less active, continues to be valued at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows (including rental payments and other outflows) that could be expected in respect of the property. Some of those outflows are reflected as a liability; whereas others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values are recorded in the income statement. Investment property is derecognised when disposed or when use of investment property is ended and there is no future economic benefit expected from the disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer, is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement to the extent that this gain reverses a previous impairment loss. Any remaining profit is recognized in Other comprehensive income by increasing the asset revaluation reserve in equity.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to non current assets as available for sale if they meet the criteria of IFRS 5. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

### **3.6 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss under finance cost in the period in which they are incurred.

### **3.7 Property, Plant and equipment**

All property, plant and equipment is stated in the balance sheet at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on the component approach, is calculated so as to write off the cost of the assets, over their estimated useful lives, using the straight-line method, as follows:

Land	Nil
Buildings	50 years
Fixtures and equipment	4 – 7 years

The assets' residual values and useful life are reviewed, and adjusted if appropriate, at least each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the income statement.

### 3.8 Leases

a) Where the Group is the lessee:

(i) Operating lease – leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the period of the lease. There were no material operating leases for the periods covered by the financial statements.

(ii) Finance lease – leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the balance of the lease liability outstanding. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance charges are charged to the income statement. The investment properties acquired under finance leases are carried at their fair value.

b) Where the Group is the lessor

Operating lease – properties leased out under operating leases are included in investment property in the balance sheet (Note 7). See note 3.18 for the recognition of rental income.

The Group does not currently lease out properties under finance leases.

### 3.9 Impairment of non financial assets

Assets that are not subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed.

### 3.10 Intangible assets

Intangible assets consist mainly of goodwill and software. Goodwill is the excess of the cost of an acquisition over the fair value of the share of net assets acquired. Goodwill and other indefinite-lived intangible assets are not amortised but rather tested for impairment annually and whenever there is an indication of impairment. Goodwill and other indefinite-lived intangible assets are carried at cost less accumulated impairment losses.

The software is valued at cost less accumulated depreciation. Depreciation is calculated on a straight line over the useful life of these items which has been estimated at 4 years.

### **3.11 Trade receivables**

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, unless the effects of discounting are not material, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

### **3.12 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, cash deposits and highly liquid time deposits held with banks with original maturities of approximately three months or less.

### **3.13 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction (net of tax), from the proceeds.

### **3.14 Trade and other payables**

Trade payables are recognised initially at fair value and subsequently measured using the effective interest rate method.

### **3.15 Bank borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption values are recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### **3.16 Current and deferred tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

With effect from 29 September 2005, when the Company obtained regulatory approval to operate as a real estate investment vehicle under Greek Law 2778/1999, the tax basis on which it will be subject to tax changed from an income tax basis to an asset based tax basis (see Note 21). Accordingly, with effect from the above date, no further temporary differences will arise requiring the recognition of deferred income tax assets or liabilities since the Company will no longer be subject to income taxes as a result of its change in tax status.

For the Group, temporary differences arise only in foreign subsidiaries and are subject to deferred tax.

### **3.17 Provisions**

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Where the Group, as a lessee, is contractually required to restore a leased in property to an agreed condition, prior to release by a lessor, provision is made for such costs as they are identified.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

### **3.18 Revenue recognition**

Revenue includes rental income and income from property trading.

Rental income from operating leases is recognised in income on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction from rental income.

Contingent rents, such as turnover rents, are recorded as income in the periods in which they are earned.

### **3.19 Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### **3.20 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the General Assembly of Shareholders.

### **3.21 Interest expense**

Interest expenses for borrowings are recognised within 'finance costs' in the income statement using the effective interest rate method. Exempt are borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate to the net carrying amount of the financial asset or the financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts.

### **3.22 Off-setting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legal enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 4 Financial risk management

### 4.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including price risk and cash flow interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade and other receivables, cash and cash equivalents, trade and other payables and borrowings. The accounting policy with respect to these financial instruments is described in Note 3.

Risk management is carried out by the Company's management based on the advice of the treasury and risk management departments within its parent company, Bank Eurobank Ergasias S.A.. Risk management primarily focuses on the identification and evaluation of financial risk, which includes the following specific areas: such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investing excess liquidity.

#### a) Market risk

##### i) Foreign exchange risk

The Group operates internationally but is not significantly exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from commercial transactions. However, recognised assets and liabilities are initially recognised in Euro, which is the Group's functional currency. The Group's exposure to foreign currency risk at December 31, 2013 and 2012 was not significant representing less than 4% of total assets and total liabilities for each respective year end. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

The Group's policy, in accordance with the legislation governing Greek REICs, is not to enter into any currency hedging transactions.

##### ii) Price risk

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including market rentals risk. In order to reduce price risk, the Group usually enters into long term operating lease arrangements with tenants for a minimum of 12 years under which annual rental increases are linked to the consumer price index plus a spread of up to 1%. The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

##### iii) Cash flow and fair value interest rate risk

The Group has significant interest bearing assets comprising deposits held at call and short term deposits with banks.

The Group's interest rate risk arises from long-term finance leases and bank borrowings (Note 15). Finance leases and bank borrowings which are all issued at variable rates expose the Group to cash flow interest rate risk.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Finance charges may increase as a result of such changes. They may reduce or create losses in the event that unexpected movements arise. In order to reduce the Group's interest rate exposure under long term finance leases, contractual re-pricing dates are restricted to a maximum period of 6 months. If interest rates fluctuate +/- 1% the effect on the Income Statement would be approximately +/- €56 (31.12.2012: +/- €782).

#### b) Credit risk

The Group has significant concentrations of credit risk with respect to cash balances and deposits held with banks and rental income received from tenants under property operating lease contracts. However, no significant losses are anticipated, as procedures are in place to ensure that rental contracts are entered into with customers with an appropriate credit history and cash transactions are restricted to financial institutions. It should be noted that, in order to minimize the credit risk, Group's cash and cash equivalents are invested in systemic banks and in subsidiaries of systemic banks.

Group's concentration of credit risk arises from transactions with related parties (see note 25).

## c) Liquidity risk

Prudent liquidity risk management implies sufficient cash balances, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group management aims to maintain flexibility in funding by keeping adequate cash and committed credit lines available.

The Group's liquidity position is monitored on a regular basis by the management. A summary table is presented below with maturity of financial assets and liabilities (the tables include undiscounted flows for interest and principal):

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Financial Assets</b>				
<b>Current assets</b>				
Trade and other receivables	5.125	6.311	3.913	4.993
Cash and cash equivalents	190.695	161.091	176.945	153.005
	<b>195.820</b>	<b>167.402</b>	<b>180.858</b>	<b>157.998</b>
<b>Financial Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Borrowings, including finance leases</b>				
Between 1 and 2 years	7.453	7.460	4.487	4.441
Between 2 and 5 years	29.101	31.655	11.242	12.879
Over 5 years	35.944	41.135	21.112	24.107
	<b>72.498</b>	<b>80.250</b>	<b>36.841</b>	<b>41.427</b>
<b>Current liabilities</b>				
Trade and other payables (including dividends payable)	4.548	2.397	2.613	1.013
Borrowings, including finance leases	65.093	17.812	6.145	6.112
	<b>69.641</b>	<b>20.209</b>	<b>8.758</b>	<b>7.125</b>
	<b>142.139</b>	<b>100.459</b>	<b>45.599</b>	<b>48.552</b>

#### 4.2 Fair value estimation

Group uses the following hierarchy for the determination of the fair value of the financial assets and liabilities:

**Level 1:** Quoted prices in an active market for identical assets and liabilities

**Level 2:** Other valuation techniques, other than quoted prices in Level 1, derived principally from or corroborated by observable market data by correlation or other means

**Level 3:** valuation techniques by using inputs having significant influence in fair value measurement and are unobservable

The following table analyses within the fair value hierarchy the Group's assets and liabilities not measured at fair value at December 31, 2013, but for which fair value is disclosed:

<b>Financial Liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Borrowings, including finance leases	-	-	125.089	125.089
<b>Total</b>	<b>-</b>	<b>-</b>	<b>125.089</b>	<b>125.089</b>

The liabilities included in the above table are carried at amortized cost and their carrying values are a reasonable approximation of fair value.

As at December 31, 2013 the book value of "trade and other receivables", "cash and cash equivalents" and "trade and other payables" approximates the fair value

There were no transfers between Level 1 and 2 during the year, neither transfers in and out of Level 3 concerning the estimation of fair value.

#### 4.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt ratio). This ratio is calculated as total borrowings (including finance leases) divided by total assets, as shown in the consolidated balance sheet. The regulatory regime governing Greek REICs permit Greek REICs to borrow up to 50% of the value of total assets, for acquisitions and improvements on properties. The Company's goal is to optimise its capital structure through effective use of debt financing.

The gearing ratios (total debt ratio) as at December 31, 2013 and December 31, 2012 were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Total borrowings (including finance leases)	125.089	82.928	36.603	39.935
Total assets	765.354	718.739	716.621	678.994
<b>Gearing ratio</b>	<b>16%</b>	<b>12%</b>	<b>5%</b>	<b>6%</b>

## 5 Critical accounting estimates and assumptions

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group's management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### a) Estimated of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group, based on the advice of its independent external valuers, determines the amount within a range of reasonable fair value estimates. In making their judgment, the Group considers information from a variety of sources including:

(i) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences,

(ii) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contacts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

b) Principal assumptions for management's estimation of fair value

If information on current or recent prices of assumptions underlying the discounted cash flow approach investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; vacant periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The future rental rates are estimated depending on the actual location, type and quality of the properties, and taking into account market data and projections at the valuation date.

c) Impact of economic conditions to Group

The year 2013 was another difficult year due to the prolonged recession of the greek economy but in the same time was also a year of inflection , since the basic problem of double deficits, ie financial and current account deficit, seems to be, for the first time, effectively faced, creating, thus, the conditions for the exit from recession. In this economic environment, the sector of commercial real estate, where the Group has its activities, showed a further decline both in values and rents ,as a result the pressure for the renegotiation of the rents continues to exist , especially in neighborhood commercial real estate, warehouses , and non-competitive buildings of offices. As a consequence there is a risk of further pressure on rental income and further losses on the fair value of investment property.

There are no other areas where significant judgments are exercised.

## 6 Segment analysis

### A) Operating segments

For the year ended December 31, 2013:

	Offices	Logistics	Retail	Mixed use	Total
<b>REVENUE</b>					
Rental revenue	14.884	2.767	7.519	11.521	36.691
Income/ (expense) from service charges	67	-	22	(5)	84
Gain from investment property disposals	-	-	150	-	150
<b>Total</b>	<b>14.951</b>	<b>2.767</b>	<b>7.691</b>	<b>11.516</b>	<b>36.925</b>

### RESULTS

Net gain/ (loss) from fair value adjustments on investment property	(13.242)	(1.520)	(8.544)	(19.845)	(43.151)
Other direct property relating expenses	(480)	(107)	(270)	(466)	(1.323)
Technical service fees	(365)	(20)	(91)	(117)	(593)
Provisions for bad debts	4	-	-	(740)	(736)
Finance costs	(1.999)	(33)	(40)	(108)	(2.180)
<b>Profit/ (loss) relating to investment property</b>	<b>(1.131)</b>	<b>1.087</b>	<b>(1.254)</b>	<b>(9.760)</b>	<b>(11.058)</b>

### Reconciliation of net profit/ (loss) for the year:

Profit/ (loss) relating to investment property	(11.058)
Interest income	7.286
Other expenses	(2.917)
Other income	100
Negative goodwill arising from subsidiary's acquisition	12.050
Taxes	(2.725)
<b>Net profit/ (loss) for the year</b>	<b>2.736</b>

For the year ended December 31, 2012:

	<b>Offices</b>	<b>Logistics</b>	<b>Retail</b>	<b>Mixed use</b>	<b>Total</b>
<b>REVENUE</b>					
Rental revenue	15.803	3.313	7.776	11.856	38.748
Income/ (expense) from service charges	115	-	19	(12)	122
<b>Total</b>	<b>15.918</b>	<b>3.313</b>	<b>7.795</b>	<b>11.844</b>	<b>38.870</b>

**RESULTS**

Net gain/ (loss) from fair value adjustments on investment property	(19.654)	(11.296)	(17.672)	(17.065)	(65.687)
Other direct property relating expenses	(437)	(95)	(217)	(360)	(1.109)
Technical service fees	(414)	(30)	(110)	(130)	(684)
Provisions for bad debts	108	(31)	(575)	-	(498)
Finance costs	(2.682)	(51)	(226)	(136)	(3.095)
<b>Profit/ (loss) relating to investment property</b>	<b>(7.161)</b>	<b>(8.190)</b>	<b>(11.005)</b>	<b>(5.847)</b>	<b>(32.203)</b>

**Reconciliation of net profit/ (loss) for the year:**

Profit/ (loss) relating to investment property	(32.203)
Interest income	8.676
Other expenses	(2.489)
Other income	126
Taxes	(2.170)
<b>Net profit/ (loss) for the year</b>	<b>(28.060)</b>

## B) Geographical segments

For the year ended December 31, 2013:

	<b>Revenue</b>	<b>Non-current assets</b>
Greece	30.213	481.467
Romania	5.760	74.401
Serbia	952	13.275
	<b>36.925</b>	<b>569.143</b>

For the year ended December 31, 2012:

	Revenue	Non-current assets
Greece	32.346	460.089
Romania	5.823	75.908
Serbia	701	14.349
	<b>38.870</b>	<b>550.346</b>

## 7 Investment Property

	Note	Group	
		31/12/2013	31/12/2012
<b>Balance at the beginning of the year</b>		<b>547.100</b>	<b>612.998</b>
<b>Additions:</b>			
Subsequent capital expenditure on investment property		83	33
Acquisition of subsidiary	8	63.181	
Reversal of provision for capital expenditures for legislation of space		-	(244)
Disposals		(3.019)	-
Net gain/(loss) from fair value adjustments on investment property		(43.151)	(65.687)
<b>Balance at the end of the year</b>		<b>564.194</b>	<b>547.100</b>
		Εταιρεία	
		31/12/2013	31/12/2012
<b>Balance at the beginning of the year</b>		<b>457.178</b>	<b>511.764</b>
<b>Additions:</b>			
Subsequent capital expenditure on investment property		83	33
Reversal of provision for capital expenditures for legislation of space		-	(244)
Disposals		(3.019)	-
Net gain/(loss) from fair value adjustments on investment property		(40.503)	(54.375)
<b>Balance at the end of the year</b>		<b>413.739</b>	<b>457.178</b>

As at December 23, 2013 the Company concluded the sale of a property located in Kiev Ukraine, 66-68 Chervonoarmiyska str.. The property is a ground floor retail branch with basement, with total surface of 541,6sqm. The agreed price for the disposal was €3.300. The fair value as at June 30, 2013 was €3.019. Net gains from the sale of the investment property (excluding expenses related to the disposal of €131) amounted to €150 and were recorded in profit and loss statement.

Group's investment property is measured at fair value. The following table analyses Group's investment property per operating and geographical segment:

Country	Greece	Greece	Greece	Greece	Romania	Romania	Serbia	Serbia	Ukraine	2013	2012
Segment	Offices	Logistics	Retail	Mixed use	Retail	Offices	Mixed use	Retail	Retail	Total	Total
Fair value hierarchy	3	3	3	3	3	3	3	3	3		
<b>Fair value at January 01</b>	<b>160.468</b>	<b>39.066</b>	<b>86.535</b>	<b>167.896</b>	<b>11.083</b>	<b>64.490</b>	<b>13.114</b>	<b>1.235</b>	<b>3.213</b>	<b>547.100</b>	<b>612.998</b>
Additions:											
-Subsequent capital expenditure on investment property	1		42	40						83	33
-Acquisition of investment property through Acquisition of a subsidiary	63.181									63.181	
Reversal of provision for capital expenditures for legislation of space											(244)
Disposals									(3.019)	(3.019)	-
Net gain/(loss) from fair value adjustments on investment property	(11.953)	(1.520)	(8.061)	(18.776)	(220)	(1.290)	(1.069)	(68)	(194)	(43.151)	(65.687)
<b>Fair value at December 31</b>	<b>211.697</b>	<b>37.546</b>	<b>78.516</b>	<b>149.160</b>	<b>10.863</b>	<b>63.200</b>	<b>12.045</b>	<b>1.167</b>	<b>-</b>	<b>564.194</b>	<b>547.100</b>

Information about the fair value measurements of the investment property per operating and geographical segment:

Country	Segment	Fair Valud	Valuation technique	Monthly Rent	Discount rate (%)
Greece	Offices	148.517	80% discounted cash flows (DCF) & 20% sales comparison	979	9% -11,5%
Greece	Logistics	34.508	80% discounted cash flows (DCF) & 20% sales comparison	197	11% -12%
Greece	Retail	141.700	80% discounted cash flows (DCF) & 20% sales comparison	926	10% -11%
Greece	Mixed use	149.157	80% discounted cash flows (DCF) & 20% sales comparison	917	9% -10,5%
Greece	Land plot	3.038	Sales comparison	-	-
Romania	Retail	10.862	80% discounted cash flows (DCF) & 20% sales comparison	72	11,25%
Romania	Offices	63.200	80% discounted cash flows (DCF) & 20% sales comparison	404	10,5% -11,5%
Serbia	Mixed use	12.045	80% discounted cash flows (DCF) & 20% sales comparison	96	11,00%
Serbia	Retail	1.167	80% discounted cash flows (DCF) & 20% sales comparison	9	11,50%
	<b>Total</b>	<b>564.194</b>			

Company's investment property valuation is performed taking into consideration the high and best use (HABU) of each asset wherever possible, legally permissible and financially possible. This valuation is based on physical characteristics of each asset, the allowed usage and the opportunity cost of each investment.

Were the length of vacant periods as at December 31, 2013, were to increase or decrease in the DCF by +/-5% from management's estimates, the carrying amount of investment properties that are valued would be estimated +/- €475 lower or higher, respectively.

Were the discount rate as at December 31, 2013, used in the DCF analysis to increase or decrease by +/-5%, the carrying amount of investment properties would be an estimated €18.300 lower or €18.667 higher, respectively"

The net carrying amount of investment property held under finance leases as at 31.12.2013 amounts to €18.721 (31.12.2012: €19.469).

In accordance with existing Greek REIC legislation, property valuations are supported by independent appraisals performed for 30 June and 31 December each year. Valuations are based on two methods according to the appraising standards, and for this portfolio the discounted cash flow method and the comparative method are used.

For lease liabilities and bank borrowings that are effectively secured as the rights to the leased asset revert to the lessor in the event of default please refer to note 15.

As of December 31, 2013, the Company has invested in property a lower percentage of its total assets than that required by article 22, paragraph a) of Law 2778/1999 as amended by Law 3581/2007 and law 4141/2013. This is due to the lack of investment opportunities based on the criteria set out by the Company's Investment Committee from 2008 up until today, as a result of the deteriorating economic conditions that have also affected the Real Estate Industry.

As of October, 21 2013 the Company is the preferred bidder by the Hellenic Republic Asset Development Fund for the acquisition of a portfolio consisting of 14 assets and the respective lease to the Hellenic Republic for 20 years.

Total surface of the properties is approximately 189.000 sqm, of which 136.000 sqm above ground and 53.000 sqm of basement spaces. The price for the acquisition of the portfolio is €145,81m and the annual rental income will be in excess of €4m with an annual upward adjustment. The transaction is expected to be completed during 2014 and it will significantly improve the diversification of the existing portfolio.

Upon completion of the transaction, the proportion of the company's property investments relation to total assets will be higher than required by law.

## **8 Acquisition of subsidiary**

On December 31, 2013 the Company acquired 100% of the share capital of Cloud Hellas S.A. The acquired company owns a portfolio of four retail boxes in Athens and Thessaloniki leased to Praktiker Hellas, Carrefour-Marinopoulos and McDonalds. Specifically the retail boxes are located on: i) Tavros, Attica, 176 Pireos Avenue, ii) Hellinikon, Attica, on the side road of Vouliagmenis Avenue, iii) Egaleo, Attica, 339 Iera Odos Str and iv) Pylea, Thessaloniki, 34 Marinou Antypa Str and Thessalonikis-Thermis Str. Total surface of the properties is 65.100 sqm, of which 53.500 sqm above ground and 11.600 sqm of basement support spaces, in addition to remaining building co-efficient in some of the properties.

The consideration for the acquisition of shares has been agreed at €3 whereas the total consideration will be €50.000. The acquisition has been accounted using the acquisition accounting treatment. Consequently, the total assets and liabilities acquired were measured at fair value in accordance with IFRS 3.

The subsidiary from its acquisition date and from its consolidation in the Group, adopts the same accounting principles with the Group and its tax regime is the same as a R.E.I.C..

Based on the framework agreement among the parties as of 31/12/2013 Eurobank Properties has a contractual obligation to proceed in a Share Capital Increase of €50.000 during the current period. The total proceeds of the Share Capital Increase and the Cash and Cash Equivalents that will remain after the receipt of receivables and the payment of trade payables will be used for the repayment of its bond loan.

It is noted that the following securities have been granted in favor of the lending bank:

(a) First rank mortgage over the following properties of Cloud Hellas Ktimatiki S.A.

i) over the property located in Pylea, Thessaloniki, for the amount of €16,497

ii) over the property located in Agia Varvara, Attica. for the amount of €25,872

ii) over the property located in Elliniko, Attica, for the amount of €18,018

- iv) over the property located in Tavros, Attica, for the amount of €21,637
- (b) First rank pledge and assignment of the rent receivables from the lease agreements of the properties of Cloud Hellas Ktimatiki S.A.
- (c) First rank pledge and assignment of the insurance proceeds from the insurance contracts of the properties of Cloud Hellas
- (d) First rank pledge over the bank accounts that Cloud Hellas Ktimatiki S.A. maintains in the lending bank
- (e) First rank pledge and assignment of the proceeds from the sale of the properties of Cloud Hellas Ktimatiki S.A.
- (f) First rank pledge over the shares of Cloud Hellas Ktimatiki S.A.

The fair values of the assets and liabilities acquired are not final and consequently the accounting of the acquisition is not final as well (provisional accounting). The negative goodwill recognized in this acquisition amount to €12.050 and is provisional based on the fact that according to the framework agreement there are assets and liabilities which cannot be reliably measured at fair value and consequently the calculation of the haircut of the outstanding debt cannot be precisely measured.

The fair values of assets and liabilities acquired are as follows:

Investment property	63.181
Trade receivables	195
Receivables from Parent Company	50.000
Cash and cash equivalents	5.983
<b>Total Assets</b>	<b>119.359</b>
Trade and other payables	1.327
Borrowings	55.983
<b>Total Liabilities</b>	<b>57.310</b>
Total net assets acquired	62.050
Consideration of transaction	50.000
<b>Negative goodwill</b>	<b>12.050</b>

**9 Property, plant and equipment**
**Group**

	<b>Land and buildings</b>	<b>Fixtures and fittings</b>	<b>Total</b>
<b>Cost value:</b>			
Balance 01 January 2012	1.501	570	<b>2.071</b>
Additions	-	4	<b>4</b>
<b>Balance 31 December 2012</b>	<b>1.501</b>	<b>574</b>	<b>2.075</b>
<b>Accumulated depreciation:</b>			
Balance 01 January 2012	38	350	<b>388</b>
Depreciation charge	15	33	<b>48</b>
<b>Balance 31 December 2012</b>	<b>53</b>	<b>383</b>	<b>436</b>
<b>Net book value 31 December 2012</b>	<b>1.448</b>	<b>190</b>	<b>1.638</b>
<b>Cost value:</b>			
Balance 01 January 2013	1.501	574	<b>2.075</b>
Additions	-	6	<b>6</b>
<b>Balance 31 December 2013</b>	<b>1.501</b>	<b>580</b>	<b>2.081</b>
<b>Accumulated depreciation:</b>			
Balance 01 January 2013	53	383	<b>436</b>
Depreciation charge	15	30	<b>45</b>
<b>Balance 31 December 2013</b>	<b>68</b>	<b>413</b>	<b>481</b>
<b>Net book value 31 December 2013</b>	<b>1.433</b>	<b>167</b>	<b>1.600</b>

**Company**

	<b>Land and buildings</b>	<b>Fixtures and fittings</b>	<b>Total</b>
<b>Cost value:</b>			
Balance 01 January 2012	1.501	570	<b>2.071</b>
Additions	-	4	<b>4</b>
Balance 31 December 2012	<b>1.501</b>	<b>574</b>	<b>2.075</b>
<b>Accumulated depreciation:</b>			
Balance 01 January 2012	38	350	<b>388</b>
Depreciation charge	15	33	<b>48</b>
Balance 31 December 2012	<b>53</b>	<b>383</b>	<b>436</b>
<b>Net book value 31 December 2012</b>	<b>1.448</b>	<b>190</b>	<b>1.638</b>
<b>Cost value:</b>			
Balance 01 January 2013	1.501	574	<b>2.075</b>
Additions	-	2	<b>2</b>
Balance 31 December 2013	<b>1.501</b>	<b>576</b>	<b>2.077</b>
<b>Accumulated depreciation:</b>			
Balance 01 January 2013	53	383	<b>436</b>
Depreciation charge	15	29	<b>44</b>
Balance 31 December 2013	<b>68</b>	<b>412</b>	<b>480</b>
<b>Net book value 31 December 2013</b>	<b>1.433</b>	<b>163</b>	<b>1.596</b>

**10 Investment in Subsidiaries**

	<b>Country of incorporation</b>	<b>Percentage of interest</b>	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>Unaudited tax fiscal years</b>
Reco Real Property A.D.	Serbia	100%	17.240	17.240	2008-2013
Eliade Tower SA	Romania	99,99%	11.805	11.805	2009-2013
Retail Development S.A.	Romania	99,99%	4.561	4.561	2009-2013
Seferco Development S.A.	Romania	99,99%	21.486	21.486	2009-2013
Cloud Ktimatiki Hellas S.A.	Greece	100%	50.000	-	2010,2013
			<b>105.092</b>	<b>55.092</b>	

## 11 Other long term receivables

The figure "Other long term receivables" for the year ended December 31, 2013, includes shareholders loans of €4.315 and €8.070 receivable from the foreign subsidiaries, Eliade Tower S.A. and Retail Development S.A. respectively. As at December 31, 2012 shareholders loans payable by the foreign subsidiaries, Eliade Tower S.A. and Retail Development S.A. amounted to €4.315 and €000 respectively.

On March 12, 2013 the shareholder's loan amounting to €000 was repaid and a new shareholder's loan amounting to €8.070 was granted to the subsidiary Retail Development S.A. in order to repay the loan granted by Banca Romaneasca (see note 15).

Additionally, the figure "Other long term receivables" for the period ended December 31, 2013, includes accrued rental receivable for the Group of €2.959 (Company: €2.896). As at December 31, 2012 the respective figure for the Group and the Company amounting to €1.773 was included in the figure "Trade and other receivables" and as at December 31, 2013 it was reclassified in order to become comparable with those figures in the current year.

## 12 Trade and other receivables

The analysis of trade and other receivables is as follows:

	Note	Group		Company	
		31/12/2013	31/12/2012	31/12/2013	31/12/2012
Trade receivables		857	1.765	554	1.195
Receivables from related parties	25	805	562	707	432
Other receivables		3.463	3.984	2.652	3.366
<b>Trade and other receivables</b>		<b>5.125</b>	<b>6.311</b>	<b>3.913</b>	<b>4.993</b>

Trade receivables of the Company as of December 31, 2013 include provisions for bad debts amounting to €1.601, out of which €740 was recorded in the current year. Trade receivables of the Company as of December 31, 2012 include provisions for bad debts amounting to €861 out of which €666 was recorded in 2012.

Trade receivables of the Group as of December 31, 2013 include provisions for bad debts amounting to €2.136, out of which €740 was recorded in the current year. Furthermore, trade receivables include a reversal of provision from prior years amounting to €4 due to payment from clients. Trade receivables of the Group as of December 31, 2012 include provisions for bad debts amounting to €1.400 out of which €27 was recorded in 2012. Furthermore in year 2012, trade receivables include a reversal of provision from prior years of amount €29 due to payment from clients.

Group's and Company's other receivables as of December 31, 2013 mainly include interest income accruals from term deposits of amount €300 approximately.

Group's and Company's other receivables as of December 31, 2012 mainly include interest income accruals from term deposits of amount €1.928 approximately.

The ageing analysis of trade receivables is as follows:

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Trade receivables</b>				
Due within due date	477	1.123	368	553
Past due but not impaired:				
- 4 to 6 months	380	642	186	642
- over 6 months	-	-	-	-
Doubtful debts	2.136	1.400	1.601	861
Less: Provision for doubtful debts past due	(2.136)	(1.400)	(1.601)	(861)
	<b>857</b>	<b>1.765</b>	<b>554</b>	<b>1.195</b>

### 13 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Cash in hand	4	1	1	-
Cash at bank and short-term deposits	190.691	161.090	176.944	153.005
<b>Cash and cash equivalents</b>	<b>190.695</b>	<b>161.091</b>	<b>176.945</b>	<b>153.005</b>

The Company can make use of its own funds freely as long as it upholds its articles of association and the limitations set by Law 2778/1999 as in force.

### 14 Share Capital

The analysis and movement of the share capital and the share premium is as follows:

	shares (thousands)	Share capital	Share premium	Own shares	Total
<b>Balance 01 January 2012</b>	<b>60.074</b>	<b>129.930</b>	<b>466.749</b>	<b>(5.842)</b>	<b>590.837</b>
Acquisition of own shares	(221)	-	-	(877)	(877)
<b>Balance 31 December 2012</b>	<b>59.853</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.719)</b>	<b>589.960</b>
<b>Balance 01 January 2013</b>	<b>59.853</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.719)</b>	<b>589.960</b>
Acquisition of own shares	(3)	-	-	(16)	(16)
<b>Balance 31 December 2013</b>	<b>59.850</b>	<b>129.930</b>	<b>466.749</b>	<b>(6.735)</b>	<b>589.944</b>

The total authorised number of ordinary shares is 61.000 thousands (31.12.2012: 61.000 thousands) with a par value of (amount in €) €2,13 per share. All shares are fully paid up. All shares are listed in the main market of Athens Stock Exchange. The Company shares are ordinary shares with voting right.

The Company in 2013 purchased 3 thousand treasury shares with a total cost of €16 and average price (amount in €) €5,15 per share, according to the Ordinary Shareholders Meeting at March 16, 2009 which approved the purchase of treasury shares up to 2% on the total amount of shares at a maximum price of (amount in €) €9 and a minimum price of (amount in €) €2,13, in accordance with article 16 of Law 2190/1920 as it was amended by Law 3604/2007. As of December 31, 2013 the Company owned 1.150.571 treasury shares of total cost €6.735 with an average price of (amount in €) €5,85 per share.

As at December 31, 2012 the company owned 1.147.571 treasury shares of total cost €6.719 with an average price of (amount in €) €5,86 per share.

As at March 15, 2012 the Ordinary Shareholders Meeting approved the purchase of own shares for an additional period of one year. During this period, the Company purchased own shares amounting to 0.3% on the total amount of shares resulting to a total amount of shares owned by the Company at 1.9% of share capital.

As at November 8, 2013 the Extraordinary Shareholders Meeting decided the share capital increase, through the payment in cash and by pre-emption right in favor of the existing shareholders, through the issuance of 40,260,000 new common registered shares, of a nominal value of (amount in €) €2.13 and issue price of (amount in €) €4.80 each. The share capital increase which started on January 14, 2014, was successfully completed on January 31, 2014 fully covered. As a consequence, the Company's Share Capital was increased by €85.754 through the issuance of 40,260,000 new common shares and the resulting difference of €107,494 was credited to a special reserve "share premium account" as provided for by law.

Following the completion of the Company's Share Capital and the listing for trading of the new shares in the Athens Stock Exchange on February 6, 2014 the Company's shareholder structure with stakes over 5% is as follows:

- Fairfax Financial Holdings Limited \* 41.50%
- Eurobank Ergasias A.E. 33.95%
- Fidelity Management & Research LLC 5.80%

\*Wentworth Insurance Company Limited (subsidiary of Fairfax Financial Holdings Limited) owns directly 5,278,797 common shares amounting to 5.21% of Company's Share Capital. Odyssey Reinsurance Company (subsidiary of Fairfax Financial Holdings Limited) owns directly 9,596,988 common shares amounting to 9.48% of Company's Share Capital

#### *Other reserves*

Other reserves mainly include statutory reserves and reserves from income taxed in a special way relating to gains from sale of shares not listed, namely the company Immobiliare Rio Nuovo S.p.A in the year 2002.

## **15 Borrowings including obligations under finance leases**

All borrowings are at variable interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest costs may increase or decrease as a result of such changes.

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Non-current</b>				
Bank borrowings	51.138	53.838	20.485	21.335
Finance lease liabilities	10.966	13.567	10.966	13.567
<b>Non-current borrowings, including finance leases</b>	<b>62.104</b>	<b>67.405</b>	<b>31.451</b>	<b>34.902</b>
<b>Current</b>				
Bank borrowings	60.383	13.025	2.550	2.535
Finance lease liabilities	2.602	2.498	2.602	2.498
<b>Current borrowings, including finance leases</b>	<b>62.985</b>	<b>15.523</b>	<b>5.152</b>	<b>5.033</b>
<b>Total borrowings, including finance leases</b>	<b>125.089</b>	<b>82.928</b>	<b>36.603</b>	<b>39.935</b>

The maturity of loans is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Up to 1 year	62.985	15.523	5.152	5.033
From 1 to 5 years	29.059	30.891	12.462	13.774
Over 5 years	33.045	36.514	18.989	21.128
	<b>125.089</b>	<b>82.928</b>	<b>36.603</b>	<b>39.935</b>

The exposure of the Group's borrowings to interest rate changes and the contractual reprising dates are limited to a maximum period of 6 months.

The effective interest rate is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Bank borrowings	2,99%	3,51%	2,65%	3,49%
Finance lease liabilities	2,10%	2,51%	2,10%	2,51%

The fair value of current borrowings approximates their carrying amount on reporting dates, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based current variable interest rates at the end of the current year.

The Group is not exposed to foreign exchange risk in relation to the loans undertaken, as all borrowings are denominated in the functional currency.

Minimum lease payments in respect of finance leases are as follows:

	<b>Group and Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
Up to 1 year	2.870	2.808
From 1 to 5 years	9.241	10.866
Over 5 years	2.272	3.478
	<b>14.383</b>	<b>17.152</b>
Future finance charges on finance leases	(815)	(1.087)
<b>Present value of finance lease liabilities</b>	<b>13.568</b>	<b>16.065</b>

The present value of finance lease liabilities is as follows:

	<b>Group and Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
Up to 1 year	2.602	2.498
From 1 to 5 years	8.742	10.194
Over 5 years	2.224	3.373
<b>Present value of finance lease liabilities</b>	<b>13.568</b>	<b>16.065</b>

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

On March 13, 2013, the subsidiary Retail Development S.A. fully repaid the loan of amount €8.640 granted by Banca Romaneasca S.A..

A mortgage of €4.660 has been registered in favor of Eurobank A.D. Beograd over a property of subsidiary Reco Real Property A.D. located at 7-9 Terazije Street, Belgrade, Serbia.

A mortgage of €9.500 has been registered in favor of NBG Bank Malta Limited, member of the National Bank of Greece Group over a property of subsidiary Retail Development S.A., located in Iasi, Romania. On April 5, 2013 the mortgage was deleted after the loan was fully repaid by Retail Development S.A..

A mortgage of €29.275 has been registered in favor of Bancpost S.A. over the property of subsidiary Seferco Development S.A., located at Bucharest, Romania.

A mortgage of €12.000 has been registered in favor of Eurobank Ergasias S.A. over the property of subsidiary Eliade Tower S.A., located at Bucharest, Romania.

Concerning the securities granted by the subsidiary Cloud Hellas Ktimatiki S.A. please refer to note 8.

Finally, a mortgage of €29.900 has been registered in favor of Alpha Bank S.A. over the property of parent Company located in Tauros, 25 Martiou & Thessalonikis and in Athens, 49 Stadiou.

## 16 Trade and other payables

The analysis of trade and other payables is as follows:

		<b>Group</b>		<b>Company</b>	
		<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Trade payables		1.051	347	544	171
Other payables and accruals		2.433	1.634	1.052	639
Amounts due to related parties	<b>25</b>	1.057	408	1.010	195
<b>Trade and other payables</b>		<b>4.541</b>	<b>2.389</b>	<b>2.606</b>	<b>1.005</b>

## 17 Rental income

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Rental revenue	36.691	38.748	30.063	32.346
Income/ (expense) from service charges	84	122	-	-
<b>Rental income</b>	<b>36.775</b>	<b>38.870</b>	<b>30.063</b>	<b>32.346</b>

The period of leases whereby the Group leases out its property (located in Greece) under operating leases is for a minimum 12 years term. Lease rentals are revised annually in accordance with the lease terms by reference to the consumer price index plus a spread up to 1%.

Contingent rents for the year ended December 31, 2013 are not material and have no material effect on the income statement for the Group and the Company. For the year ended December 31, 2012 there were no contingent rents for the Group and the Company.

Rental income of the Group is not subject to seasonality.

Future aggregate minimum (non-cancellable) rentals receivable under operating leases, exclusive of future rental adjustments, were as follows:

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Up to 1 year	42.028	39.318	35.392	32.657
From 1 to 5 years	154.945	143.422	133.608	121.014
Over 5 years	219.332	277.791	184.236	225.905
	<b>416.305</b>	<b>460.531</b>	<b>353.236</b>	<b>379.576</b>

## 18 Other direct property relating expenses

Other direct property related expenses comprise the following:

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Valuation fees	67	106	61	104
Lawyers' fees and other professional services	127	66	94	48
Stamp duty and other withholding taxes	66	74	66	74
Insurance expenses	320	338	272	292
Repair and maintenance expenses	429	242	359	133
Services charges	306	296	305	296
Other expenses	8	(13)	3	(17)
<b>Other direct property relating expenses</b>	<b>1.323</b>	<b>1.109</b>	<b>1.160</b>	<b>930</b>

Other direct property relating expenses incurred in leased and vacant properties were as follows:

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Leased property	1.212	1.028	1.049	853
Vacant property	111	81	111	77
	<b>1.323</b>	<b>1.109</b>	<b>1.160</b>	<b>930</b>

**19 Employee Benefit Expense- BoD**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Salaries, wages and allowances	833	813	808	784
Social security costs	201	175	196	168
Other benefits	85	71	83	69
Profit distributed to employees- BoD	491	258	491	258
<b>Employee benefit expense- BoD</b>	<b>1.610</b>	<b>1.317</b>	<b>1.578</b>	<b>1.279</b>

The figure “Profit distributed to employees” for the year ended December 31, 2013 includes a reversal of 2012 provision for additional benefits amounting to €109 that was not paid (31.12.2012: €270).

Furthermore, the figure “Profit distributed to employees” for the year ended December 31, 2013 includes a provision of €600 for additional benefits of 2013 that will be paid in 2014 (31.12.2012: €528).

The total number of employees of the Group as at December 31, 2013 was 20 (31.12.2012: 19 employees).

**20 Other Expenses**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Professional fees	375	458	244	157
Expenses relating to promotion, advertising and publicatio:	177	248	177	248
Other	665	376	656	351
<b>Other expenses</b>	<b>1.217</b>	<b>1.082</b>	<b>1.077</b>	<b>756</b>

**21 Taxes**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Current income tax	1.345	1.546	1.031	1.289
Other taxes relating to investment property	809	851	329	346
Extraordinary property tax imposed according law 4021/3-10-2011	562	(227)	562	(227)
Deferred tax	9	-	-	-
<b>Taxes</b>	<b>2.725</b>	<b>2.170</b>	<b>1.922</b>	<b>1.408</b>

The Company is exempted from corporate income tax under Greek R.E.I.C. legislation and is subject to an annual tax determined by reference to the fair value of its investment properties and cash equivalents at the tax rate of 10% of the aggregate European Central Bank reference rate plus 1% (the taxation formula is as follows: 10% \* (ECB reference rate + 1%)). The above tax is final and relieves the Company and its shareholders of any further tax liabilities. Taxes for the Group and the Company for 2012 amounts to €2.725 and €1.922 respectively.

The Company’s taxes for the year ended December 31, 2013 include an amount of €24 for the imposition of extraordinary property tax according Law 4021/3-10-2011 (31.12.2012: €57). Furthermore it includes a partial reversal of the respective provision recorded in 2012 of amount €62 (31.12.2012: €1.084).

The foreign subsidiaries are taxed on their taxable income based on tax rates of 10% (Serbia) and 16% (Romania), applicable to each respective tax jurisdiction. No significant foreign income tax expense for the subsidiaries was incurred for the period ended December 31, 2013.

## 22 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the consolidated net profit/ (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>Group</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Profit/ (loss) attributable to equity holders of the Company</b>	2.736	(28.060)
<b>Weighted average number of ordinary shares in issue (thousands)</b>	59.850	59.943
<b>Basic earnings/ (losses) per share (€ per share)</b>	<b>0,05</b>	<b>(0,47)</b>

There were no dilutive potential ordinary shares. Therefore, the dilutive earnings per share is the same as the basic earnings per share for all periods presented.

## 23 Contingent Liabilities

The Company has not been subject to tax audit for the years ended December 31, 2008, 2009 and 2010. Management does not believe that any significant additional taxes will be finally assessed by the tax authorities for the open tax years. The Company has been audited by a certified auditor according to article 82 par. 5 of Law 2238/1994, and has received a tax certificate for the year 2011 and 2012, while it is expected to receive a tax certificate for the year 2013.

The tax authorities issued final tax assessments for the Company during November 2005 for additional income taxes, and penalties totalling €1.191 for the open tax years to December 31 2004. The Company's management, based on the advice of its legal advisors, disputes additional assessments of incomes taxes, and penalties totalling €1.191 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing tax legislation. The first hearing has been set on 01.04.2014. The Company's management believes that no provision for the later amounts that may be assessed by the tax authorities is necessary in these financial statements since no significant obligations will arise.

## 24 Capital expenditures

On December 31, 2013 Group's capital expenditure relating to improvements on investment property amounted to €438.

## 25 Related party Transactions

The Company is controlled by Eurobank Ergasias S.A. (incorporated in Athens and listed on the Athens Stock Exchange, Greece), which owns 55,56% of the Company's shares.

Following the completion of the Company's Share Capital increase on January 31, 2014 and the listing of the new shares in Athens Stock Exchange on February 06, 2014, as disclosed in the note 14, the participation of the Eurobank Ergasias S.A. in the Company's Share Capital is 33,95%..

Following the successful completion of the recapitalization of the Eurobank Ergasias S.A. from the European Financial Stability Facility (E.F.S.F.) and the introduction of its new shares on the Athens Stock Exchange on June 19, 2013 the E.F.S.F. acquired 3,789,317,358 ordinary shares with voting rights issued by Eurobank Ergasias SA, representing 98.56% of the ordinary voting shares. Following the issuance of 205,804,664 new ordinary shares in July, as resolved at the Annual General Meeting of the Shareholders on 27 June 2013, the percentage of the voting rights held in Eurobank by HFSF decreased to 93.55%. Following the share capital increase approved by the Extraordinary General Meeting of 26 August 2013, the percentage of the voting rights held by HFSF increased to 95.23%.

The following transactions were carried out with related parties:

- a) Rental income received and sale of services – Group and Company

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Rental income</b>				
Parent (Bank Eurobank Ergasias S.A.)	10.651	11.465	10.651	11.465
Other related parties	7.388	7.175	3.177	3.365
	<b>18.039</b>	<b>18.640</b>	<b>13.828</b>	<b>14.830</b>

Group's rental revenues from leases with Eurobank Ergasias S.A. amount to 29% for 2013 (2012: 29%).

- b) Purchase of services

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Technical service fees</b>				
Subsidiary of parent company (Eurobank Property Services S.A.)	502	588	216	290
	<b>502</b>	<b>588</b>	<b>216</b>	<b>290</b>

- c) Financing incurred on borrowings

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Bank borrowings</b>				
Parent (Bank Eurobank Ergasias S.A.)	310	387	43	51
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	679	904	-	-
Subsidiary of parent company (Eurobank A.D. Beograd)	42	46	-	-
Subsidiary of parent company (New Europe Funding B.V.)	66	90	-	-
<b>Finance lease liabilities</b>				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	282	382	282	382
	<b>1.379</b>	<b>1.809</b>	<b>325</b>	<b>433</b>

- d) Interest income earned on cash and cash equivalents

	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Subsidiary (Eliade Tower S.A.)	-	-	262	165
Subsidiary (Retail Development S.A.)	-	-	407	54
Parent (Bank Eurobank Ergasias S.A.)	5.516	6.548	5.516	6.548
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	-	48	-	48
Subsidiary of parent company (Eurobank A.D. Beograd)	27	30	-	-
Subsidiary of parent company (SC Bancpost S.A.)	299	158	130	48
	<b>5.842</b>	<b>6.784</b>	<b>6.315</b>	<b>6.863</b>

e) Transfers under financing arrangements:

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Net cash transfers in/ (out) under financing arrangements</b>				
Subsidiary (Eliade Tower S.A.)	-	-	-	(2.077)
Subsidiary (Retail Development S.A.)	-	-	(7.170)	-
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	(1.680)	(1.680)	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	(2.256)	(2.100)	(2.256)	(2.100)
Subsidiary of parent company (Eurobank A.D. Beograd)	(100)	600	-	-
Subsidiary of parent company (New Europe Funding B.V.)	(70)	(770)	-	-
	<b>(4.106)</b>	<b>(3.950)</b>	<b>(9.426)</b>	<b>(4.177)</b>

f) Key management compensation – Group and Company

	<b>31/12/2013</b>	<b>31/12/2012</b>
Salaries and other short-term employee benefits	692	812
	<b>692</b>	<b>812</b>

g) Period-end balances arising from transactions with related parties

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Other long term receivables</b>				
Parent (Bank Eurobank Ergasias S.A.)	1.591	1.632	1.591	1.633
Subsidiary (Eliade Tower S.A.)	-	-	4.315	4.315
Subsidiary (Retail Development S.A.)	-	-	8.070	900
Other related parties	45	1	-	-
	<b>1.636</b>	<b>1.633</b>	<b>13.976</b>	<b>6.848</b>
<b>Trade and other receivables from related parties</b>				
Parent (Bank Eurobank Ergasias S.A.)	298	114	297	114
Subsidiary (Eliade Tower S.A.)	-	-	66	66
Subsidiary (Retail Development S.A.)	-	-	124	32
Other related parties	507	448	220	220
	<b>805</b>	<b>562</b>	<b>707</b>	<b>432</b>
<b>Trade payables to related parties</b>				
Subsidiary (Cloud Hellas S.A.)	-	-	50.000	-
Parent (Bank Eurobank Ergasias S.A.)	764	(5)	764	(5)
Other related parties	293	413	246	200
	<b>1.057</b>	<b>408</b>	<b>51.010</b>	<b>195</b>
<b>Long term tenant deposits</b>				
Parent (Bank Eurobank Ergasias S.A.)	1.769	1.767	1.769	1.767
Other related parties	489	484	489	484
	<b>2.258</b>	<b>2.251</b>	<b>2.258</b>	<b>2.251</b>
<b>Other non-current liabilities</b>				
Parent (Bank Eurobank Ergasias S.A.)	307	-	307	-
Other related parties	12	-	12	-
	<b>319</b>	<b>-</b>	<b>319</b>	<b>-</b>
<b>Short term tenant deposits</b>				
Parent (Bank Eurobank Ergasias S.A.)	18	-	18	-
Other related parties	-	37	-	37
	<b>18</b>	<b>37</b>	<b>18</b>	<b>37</b>
<b>Long-term borrowings, including finance leases</b>				
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	27.673	29.353	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	9.620	11.975	9.620	11.975
Subsidiary of parent company (Eurobank A.D. Beograd)	400	500	-	-
Subsidiary of parent company (New Europe Funding B.V.)	2.580	2.650	-	-
	<b>40.273</b>	<b>44.478</b>	<b>9.620</b>	<b>11.975</b>
<b>Short-term borrowings, including finance leases</b>				
Parent (Bank Eurobank Ergasias S.A.)	1.700	1.700	1.700	1.700
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1.680	1.680	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	2.357	2.257	2.357	2.257
Subsidiary of parent company (Eurobank A.D. Beograd)	100	100	-	-
Subsidiary of parent company (New Europe Funding B.V.)	70	70	-	-
	<b>5.907</b>	<b>5.807</b>	<b>4.057</b>	<b>3.957</b>
<b>Cash and cash equivalents</b>				
Parent (Bank Eurobank Ergasias S.A.)	147.630	114.591	147.630	114.591
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1	1	1	1
Subsidiary of parent company (Eurobank A.D. Beograd)	2.386	1.936	-	-
Subsidiary of parent company (SC Bancpost S.A.)	1.482	7.232	1	4.034
	<b>151.499</b>	<b>123.760</b>	<b>147.632</b>	<b>118.626</b>

h) Commitments and contingent liabilities

There are no commitments and contingent liabilities between the Company and related parties.

**26 Events after the balance sheet date**

Until the date of approval of financial statements no significant events have taken place that affect the financial position of the Company on December 31, 2013, apart from the above mentioned events (note 14).

**Summary financial data and information for the year ended December 31, 2013**  
(according to Law 2190/20, article 135, for companies that prepare annual financial statements according to I.F.R.S.)

The financial information listed below, extracted from the Annual Consolidated and Company Financial Statements for the year ended December 31, 2013 aims to provide a general awareness about the financial position and the financial results of the Company Eurobank Properties REIC. Consequently, it is recommended to the reader, before any investment decision or transaction is performed with the Company, to visit the website of the Company where the Annual Consolidated and Company Financial Statements for the year December 31, 2013 are available.

**COMPANY'S DATA**

**Authority in charge:** Ministry of Regional Development and Competitiveness  
**Registered office:** 117 Kiffissias Avenue, Maroussi, 15124  
**Business:** Real Estate Investment Company  
**Capital Market Commission Decision Number:** 11/352/21.9.2005  
**General Commercial Registry :** 000239101000  
**Date of approval of the financial statements (from which summary data were compiled):** 13/2/2014  
**Certified Auditor Accountant:** Kyriacos Riris  
**Audit Firm:** PricewaterhouseCoopers S.A.  
**Audit Opinion:** Unqualified  
**Company's website:** <http://www.eurobankproperties.gr>

**Board of Directors:** Nikolaos A. Bertzos, Petros Katsoulas, Wade Sebastian Burton, Georgios Chryssikos, Platonas Monokrousos, Georgios Bersis, Georgios Katsimbris, Georgios Papazoglou, Ignace Charles Rotman, Takis Kanellopoulos, Dimitris Papadopoulos  
 Chairman, Non Executive Member  
 Vice-President A', Non Executive Member  
 Vice-President B', Non Executive Member  
 CEO, Executive Member  
 Non Executive Member  
 Non Executive Member  
 Independent Non Executive Member  
 Independent Non Executive Member  
 Independent Non Executive Member  
 Independent Non Executive Member

Company		Group	
31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>ASSETS</b>			
413.739	457.178	564.194	547.100
1.596	1.638	1.600	1.638
-	-	-	-
105.092	55.092	-	-
55	100	390	435
-	-	391	391
15.281	6.988	2.959	1.773
<b>535.763</b>	<b>520.996</b>	<b>569.534</b>	<b>551.337</b>
554	1.195	857	1.765
3.359	3.798	4.268	4.546
176.945	153.005	190.695	161.091
<b>180.858</b>	<b>157.998</b>	<b>195.820</b>	<b>167.402</b>
<b>716.621</b>	<b>678.994</b>	<b>765.354</b>	<b>718.739</b>

Company		Group	
31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>SHAREHOLDERS' EQUITY</b>			
129.930	129.930	129.930	129.930
466.749	466.749	466.749	466.749
(6.735)	(6.719)	(6.735)	(6.719)
10.021	10.021	10.779	10.823
21.453	31.767	28.924	26.191
<b>621.418</b>	<b>631.748</b>	<b>629.647</b>	<b>626.974</b>

Company		Group	
31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>LIABILITIES</b>			
31.451	34.902	62.104	67.405
2.962	3.097	2.962	3.097
319	-	319	-
<b>34.732</b>	<b>37.999</b>	<b>65.385</b>	<b>70.502</b>
2.606	1.005	4.541	2.389
50.000	-	-	-
7	8	7	8
364	213	364	213
2.342	2.988	2.425	3.130
5.152	5.033	62.985	15.523
<b>60.471</b>	<b>9.247</b>	<b>70.322</b>	<b>21.263</b>
<b>95.203</b>	<b>47.246</b>	<b>135.707</b>	<b>91.765</b>
<b>716.621</b>	<b>678.994</b>	<b>765.354</b>	<b>718.739</b>

Company		Group	
31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>STATEMENT OF CHANGES IN EQUITY</b>			
631.748	677.147	626.974	680.434
(10.314)	(20.122)	2.689	(28.183)
(16)	(877)	(16)	(877)
-	-	-	-
-	-	-	-
-	(24.400)	-	(24.400)
<b>621.418</b>	<b>631.748</b>	<b>629.647</b>	<b>626.974</b>

Company		Group	
1.1-31.12.2013	1.1-31.12.2012	1.1-31.12.2013	1.1-31.12.2012
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
30.063	32.346	36.775	38.870
(40.503)	(54.375)	(43.151)	(65.687)
150	-	150	-
(2.116)	(1.886)	(2.652)	(2.291)
<b>(12.406)</b>	<b>(23.915)</b>	<b>(8.878)</b>	<b>(29.108)</b>
<b>(15.050)</b>	<b>(25.914)</b>	<b>(11.695)</b>	<b>(31.471)</b>
<b>(8.392)</b>	<b>(18.714)</b>	<b>5.461</b>	<b>(25.890)</b>
<b>(10.314)</b>	<b>(20.122)</b>	<b>2.736</b>	<b>(28.060)</b>
(10.314)	(20.122)	2.736	(28.060)
-	-	-	-
(10.314)	(20.122)	(47)	(123)
(10.314)	(20.122)	2.689	(28.183)
(10.314)	(20.122)	2.689	(28.183)
(0,1723)	(0,3357)	0,0457	(0,4702)
<b>(14.961)</b>	<b>(25.824)</b>	<b>(11.605)</b>	<b>(31.381)</b>

Company		Group	
1.1-31.12.2013	1.1-31.12.2012	1.1-31.12.2013	1.1-31.12.2012
<b>CASH FLOW STATEMENT</b>			
(8.392)	(18.714)	5.461	(25.890)
-	-	-	-
(100)	(126)	(100)	(126)
89	90	90	90
40.503	54.375	43.151	65.687
(150)	-	(150)	-
-	-	47	123
-	-	(12.050)	-
(7.745)	(8.693)	(7.286)	(8.676)
1.087	1.493	2.180	3.095
(1.486)	279	(217)	(146)
746	(778)	(1.273)	(560)
(1.083)	(1.474)	(2.208)	(2.959)
(1.508)	(1.921)	(2.306)	(2.682)
<b>21.961</b>	<b>24.531</b>	<b>25.339</b>	<b>27.956</b>
<b>Investing activities</b>			
-	-	5.983	-
(86)	(738)	(86)	(738)
-	-	-	-
(2)	(28)	(7)	(28)
3.300	-	3.300	-
(8.070)	(4.315)	-	-
900	2.238	-	-
9.285	7.081	8.913	6.871
<b>5.327</b>	<b>4.238</b>	<b>18.103</b>	<b>6.105</b>
<b>Financing activities</b>			
(16)	(877)	(16)	(877)
(2.497)	(2.335)	(2.497)	(2.335)
(835)	(830)	(11.325)	(2.840)
-	(24.400)	-	(24.400)
<b>(3.348)</b>	<b>(28.442)</b>	<b>(13.838)</b>	<b>(30.452)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the year</b>			
<b>23.940</b>	<b>327</b>	<b>29.604</b>	<b>3.609</b>
153.005	152.678	161.091	157.482
<b>176.945</b>	<b>153.005</b>	<b>190.695</b>	<b>161.091</b>

**Additional data and information (amounts in Euro thousand):**

- The Company has not been subject to tax audit for the years ended December 31, 2008, 2009 and 2010. The Company has been audited by a certified auditor according to law 2238/1994 article 82 par. 5 and has received a tax certificate for the years 2011 and 2012, while it is expected to receive a tax certificate for the year 2013. For further information, refer to note 23 on the Annual Consolidated and Company Financial Statements for the year ended December 31, 2013.
- Company's Financial Statements are included in the Consolidated Financial Statements of Eurobank Ergasias S.A. (registered offices in Greece), which owns 55,56% of the Company's ordinary shares, by the full consolidation method.
- The fixed assets of the Company are free of charges and encumbrances. A rate mortgage of € 4.660 has been registered in favour of Eurobank A.D. Beograd over a property of the subsidiary Reco Real Property A.D. located at 7-9 Terazije Street, Belgrade, Serbia. A mortgage of € 9.500 has been registered in favour of NGB Bank Malta Limited, member of the National Bank of Greece Group, over a property of the subsidiary Retail Development S.A., located in Iasi, Romania. A mortgage of € 29.275 has been registered in favour of Bancpost S.A. over the property of the subsidiary Seferco Development S.A., located at Dimitrie Pompeiu Bd, Bucharest, Romania. A mortgage of € 12.00 has been registered in favor of Eurobank Ergasias S.A. over the property of the subsidiary Eliade Tower S.A., located at Bucharest, Romania. A mortgage of € 29.900 has been registered in favour of Alpha Bank over the property of Parent Company located in Tauros, 25 Martiou & Thessalonikis and in Athens, Stadiou 49 (note 15). Finally, concerning the securities granted by the subsidiary Cloud Hellas Ktimatiki S.A. please refer to note 8.
- Tax authorities have issued final tax assessments for the Company during November 2005 for additional income taxes and penalties totalling €1.191 for the open tax year December 31, 2004. Company's management, based on the advice of its legal advisors, disputes additional assessments of incomes taxes and penalties totalling €1.191 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing tax legislation. The first hearing has been set on 01.04.2014. Company's management believes that no provision for the later amounts that may be assessed by the tax authorities is necessary in these financial statements since no significant obligations will arise (note 23).
- Group's full time employees at year end counted 20 (2012: 19).
- As of December 31, 2013, the Group has accounted for a cumulative provision of: a) difference under dispute €0, b) unaudited tax years €0 and c) other provisions €2.136
- The related party transactions of the Group are as follows: a) Revenues €23.881, b) Expenses €1.881, c) Receivables €153.940 and d) Payables €49.832. The related party transactions of the Company are as follows: a) Revenues €20.143, b) Expenses €541, c) Receivables €162.315 and d) Payables €67.282. Key management compensation, both for the Group and the Company, is the following: a) Salaries and other short-term employee benefits €92, b) Receivables €0 and c) Payables €0.
- Total comprehensive loss for the year ended amounts to €47 and relates to exchange rate differences.
- As of December 31, 2013 the Company has acquired 1.150.571 own shares, at a total value of € 6.735 and at an average price of (amount in €) €5,85 per share (note 14).

Maroussi, February 13, 2014

The Chairman of the BoD

The Chief Executive Officer

The Chief Financial Officer

The Chief Accountant

Nikolaos A. Bertzos  
I.D. No AH 023829

Georgios Chryssikos  
ID No. N 161578

Panagiotis - Aristeidis Varfis  
ID No. N 163166

Evangelos Tentis  
Perm. No 064953

**EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY**  
 General Commercial Registry 000239101000  
 HELLENIC CAPITAL MARKET COMMITTEE DECISION 11/352/21.9.2005  
 REGISTERED OFFICES: 117 KIFISSIAS AVENUE, MAROUSSI, ATHENS, 15124

It is hereby notified, in accordance with decision as of 20.12.2007 of the Athens Stock Exchange, that from the Company's Share Capital Increase by cash to existing shareholders, at a ratio of three new shares for every two shares, which took place on the basis of decisions of the Company's Extraordinary General Assemblies on 03.09.2007 and 15.10.2007, respectively, raised a net capital of €322.745 thousand (total amount of €329.400 thousand less issuing costs of €6.655 thousand). From this share capital increase 36.600.000 new common shares have been issued at an issue price of €9 per share, which were listed for trading on the Athens Exchange on 24.12.2007. Company's share capital increase was certified by the Board of Directors of the Company on 13.12.2007. The proceeds from the share capital increase were distributed, in accordance with the Offering Memorandum, until 31.12.2013 as follows:

Amounts in € thousand	TIMESCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE								Total Invested 31/12/2013	Remaining balance to be invested
	SHARE CAPITAL INCREASE PROCEEDS		Investments							
	2nd Semester 2007	2007	2008	2009	2010	2011	2012	2013		
Investment in Real Estate Property providing income used as Offices or other Professional or Industrial Purposes	322.745	52.312	45.208	50.647	1.214	6.675	-	-	156.056	123.115
Refund from final price calculation of "Tavros Protayi Anaptixi S.A."	-	-	-	(425)	-	-	-	-	(425)	
Payment from final price calculation of Subsidiaries acquisition	-	-	-	-	434	-	-	-	434	
Repayment of Loans	-	30.000	13.565	-	-	-	-	-	43.565	
<b>Total</b>	<b>322.745</b>	<b>82.312</b>	<b>58.773</b>	<b>50.222</b>	<b>1.648</b>	<b>6.675</b>	<b>-</b>	<b>-</b>	<b>199.630</b>	<b>123.115</b>

- Notes:**
- The final amount of net proceeds from the share capital increase amounted to €322.745 thousand. This amount is greater than the amount reported in the Offering Memorandum by €646 thousand, due to reduced share issue costs. The final share issue costs amounted to €6.655 thousand.
  - As at December 24, 2007, the Company completed the acquisition of nine investment properties, comprising retail and office spaces located in Athens, Larissa and Heraklion, from its parent company, for a total consideration of €51,630 thousand, which was partially funded from the proceeds of the share capital increase. Furthermore, on December 24, 2007, the Company used €30,000 thousand of the proceeds from the share capital increase to repay outstanding borrowings.
  - As at December 28, 2007, the Company entered into a preliminary agreement with third parties to acquire a commercial investment property located in Kiev, Ukraine, for a total purchase consideration of €5,503 thousand. In accordance with the agreement, the Company has paid an advance of €682 thousand.
  - As at January 8, 2008, the Company acquired 100% of the shares of "Kalampokis Tours & Cargo S.A.", owner of a property located in Schimatari municipality, prefecture of Viotia for a price of €5,350 thousand. The company paid an amount of €3,917 thousand, which was the agreed price less liabilities and debt, the amount has been funded from the share capital increase proceeds.
  - As at January 18, 2008, the Company acquired two retail properties located in Kifissias Avenue from "Pasal Development S.A.". The company paid an amount of €16,272 thousand (including lawyers and notaries fees of €257 thousand), which was funded from the share capital increase proceeds.
  - As at March 15, 2008 the Company signed the final agreement and paid an amount of €5,069 thousand (including lawyers and notary fees of €245 thousand), which was funded from the share capital increase proceeds.
  - As at March 27, 2008, the Company paid a finance lease for the acquisition of property and paid an amount of €13,565 thousand and property related transfer expenses of €216 thousand, that all were funded from the share capital increase proceeds.
  - As at April 15, 2008, the Company acquired a commercial property located in Trikala. The company paid an amount of €3,203 thousand (including lawyers and notaries fees of €53 thousand), which were funded from the Share Capital Increase proceeds.
  - As at May 7, 2008, the Company signed a promissory contract for the purchase of 100% of the shares of the company "Tavros Protayi Anaptixi S.A." from "Demand S.A.". According to the promissory contract, a down payment payment for the acquisition of "Tavros Protayi Anaptixi S.A." shares has been agreed at €10.000 thousand which were paid on July 1st 2008. The total acquisition price (including the down payment) has been agreed at €50,350 thousand on a liability and debt-free basis.
  - As at June 4, 2008, the Company acquired 99,99% of the shares of the Romanian Company "Retail Development S.A." owner of a property in Iasi, Romania, for a total consideration of €14,500 thousand. The Company paid an amount of €4,152 thousand, which was the agreed price less liabilities and debt, the amount has been funded from the share capital increase proceeds.
  - As at August 8, 2007, the Company entered into a preliminary agreement for the acquisition of 99,99% of the share capital of a Romanian Company "Seferco Development S.A.", owner of an office property in Bucharest.
  - As at July 31, 2008, the final agreement was signed and the Company paid an amount of €2,263 thousand (part of the total purchase consideration), which was funded from the share capital increase proceeds.
  - Amount of €116 thousand relates to property acquisition costs (lawyers, notaries etc) that the company acquired in 2007, which was funded from the share capital increase proceeds.
  - As at February 2, 2009, the Company signed a contract for the acquisition of an office use building in a central location of Athens from "ICAP GROUP S.A.". The property is located in the municipality of Athens, at 7 Papadiamantopoulou street and it consists 1.281,5 sqm. of office spaces and 238,03 sqm. supporting use spaces. The acquisition price for the property was €4,000 thousand and the fair value as estimated by the Sworn-In Valuers of Greece (SOE) was €4,034 thousand approximately.
  - As at September 29, 2009, the Company completed the acquisition of three retail boxes leased to "Praktiker Hellas S.A.", affiliate of the German multinational Company "Praktiker AG". The acquisition price for the three properties was €46.647 thousand and was funded from the proceeds of the company share capital increase of December 2007 (including notaries and lawyers fees of €647 thousand).
  - As at December 29, 2009, the Company completed the acquisition of 100% of the share capital of the company "Tavros Protayi Anaptixi S.A.", owner of a property. Due to the company's net debt amounting to €27.400 thousand the price to be paid amounted to €9.600 thousand. According to the relevant valuation performed by Sworn-In Valuers of Greece (SOE), the fair value of the investment property was €39.100 thousand. Amount of €425 thousand was refunded to the Company upon completion of the agreement.
  - As at April 30, 2010, the Company completed the acquisition of part of the property located in 7 Papadiamantopoulou Street, Athens. Specifically, the Company has acquired the ground floor along with its auxiliary spaces totaling 385 sqm. and 36 parking spaces that take up the three basement levels. The acquisition price of the property was €1.214 thousand (including lawyers and notary fees of amount €14 thousand). The fair value of the property as evaluated by Sworn-In Valuers of Greece (SOE) was €1.300 thousand.
  - As at September 27, 2010, amount €250 thousand relating to outstanding issues was paid to the seller of the company "Reco Real Property A.D." and according to the agreement, that amount was incorporated in the acquisition price respectively increasing the participation cost.
  - As at December 10, 2010, amount of €184 thousand initially provided for in the initial price consideration for the acquisition of the subsidiary "Tavros Protayi Anaptixi S.A." on the basis of contingent liabilities was refunded to the seller.
  - As at May 13, 2011, the Company completed the acquisition of part of the properties located in 8 and 10 Othonos Street, Syntagma Square. Specifically, the Company acquired 1.314 sqm of offices spaces in the 2nd and 3rd floor and 451,5 sqm of auxiliary spaces in the abovementioned properties. The office spaces are leased by EFG Eurobank Ergasias and auxiliary spaces by Lamda Estate Development. The acquisition price was €6,675 thousand (including notaries and lawyers fees of €102 thousand).
  - According to the Public Offering Memorandum dated November 15th 2007, the greatest part of the proceeds was intended to be used within 24 months of the offering. Amount of €123.115 thousand has not yet been used due to lack of attractive investment opportunities.
  - The remaining balance to be invested of €123.115 thousand has been temporarily invested in short term investment (time deposits) as reported in the Consolidated and Company Interim Financial Statements for period ended December 31, 2013.

Maroussi, February 13, 2014

THE CHAIRMAN OF THE BOD

THE CHIEF EXECUTIVE OFFICER

THE CHIEF FINANCIAL OFFICER

NIKOLAOS A. BERTSOS  
I.D. Number AH 023829

GEORGIOS CHRYSIKOS  
I.D. Number N 161578

PANAGIOTIS - ARISTEIDIS VARFIS  
I.D. Number Ξ 163166

[Translation from the original text in Greek]

**Report of factual findings in connection with the 'Report on Usage of Funds'**

To the Board of Directors of Eurobank Properties REIC

We have performed the procedures prescribed and agreed with the Board of Directors of the Eurobank Properties REIC (the Company) and enumerated below with respect to the 'Report on the usage of funds of Eurobank Properties REIC' which relates to the share capital increase paid in cash, during 2007. Company's Board of Directors is responsible for preparing the aforementioned Report. Our engagement was undertaken in accordance with: the regulatory framework of the Athens Stock Exchange; the relevant legal framework of the Hellenic Capital Markets Committee; and the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements. Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

Procedures:

- We compared the amounts referred to as disbursements in the accompanied 'Report on Usage of Funds from Share Capital Increase paid in cash' with the relevant amounts recorded in the company's books and records in the respective timeframe.
- We examined the completeness of the Report and the consistency of its content with what is referred to in the relevant Prospectus issued by the company for this purpose and the relevant Company's decisions and announcements.

We report our findings below:

- The amounts which appear, per usage or investment type, as disbursements in the accompanied 'Report on Usage of Funds from Share Capital Increase paid in cash and/or bond loan issuance' are derived from the company's books and records in the relevant timeframe.
- The content of the Report includes the information which is at minimum required for this purpose from the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee and is consistent with what is referred to in the respective Prospectus and the relevant Company's decisions and announcements, taking into consideration what is disclosed in note 20 of the Report on the usage of funds.

Because 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 on the report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial statements prepared by the Company for the period from January 1, 2013 to December 31, 2013, for which we have issued a separate audit report.

PricewaterhouseCoopers  
268 Kifissias Ave.  
15232 Athens, Greece.  
AM SOEL 113

Athens, February 14th, 2014  
Kyriacos Riris  
AM SOEL 12111

Category	Title	Date of publication
Transaction Disclosure and Other Announcements	Announcement of acquisition of own shares	4/1/2013
Annual Financial Statements 2012	Investment Schedule 31.12.2012	31/1/2013
Corporate Events Calendar	Date of announcement of the financial results for the year ended December 31st 2012	6/2/2013
Annual Financial Statements 2012	Consolidated and Company Financial Statements for the year ended December 31 2012	12/2/2013
Corporate Announcements and Press Releases	The decrease in property prices led to losses for Eurobank Properties for 2012.	12/2/2013
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights	27/2/2013
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights	26/3/2013
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights	27/3/2013
Corporate Announcements and Press Releases	Reply to the Hellenic Capital Market Commission letter	27/3/2013
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights	29/3/2013
Corporate Announcements and Press Releases	Changes in management structure	4/4/2013
Transaction Disclosure and Other Announcements	Announcement of acquisition of own shares	9/4/2013
Corporate Announcements and Press Releases	Date of Announcement of the First Quarter 2013 Results	22/5/2013
First Quarter 2013	Summary Financial Data and Information 31.03.2013	30/5/2013
First Quarter 2013	Three month period condensed consolidated and company Financial Statements	30/5/2013
Corporate Announcements and Press Releases	Net profit of €9.21m for the first quarter of 2013 for Eurobank Properties REIC.	30/5/2013
Presentations	Company Presentation at the Road Show in New York	4/6/2013
Corporate Announcements and Press Releases	Invitation to the Annual General Meeting of the Shareholders on 27.06.2013	6/6/2013
Corporate Announcements and Press Releases	Information Pack for the Annual General Meeting of the Shareholders 27.06.2013	6/6/2013
Corporate Announcements and Press Releases	Proxy for the participation in the Ordinary General Meeting of the Shareholders on 27.06.2013	7/6/2013
Corporate Announcements and Press Releases	Resignation of BoD and Investment Committee Member	20/6/2013
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights	26/6/2013
Corporate Announcements and Press Releases	AGM Resolutions Announcement 27.06.2013	28/6/2013
Half Year 2013	Investment Schedule 30.06.2013	1/8/2013
Half Year 2013	Financial Report for the six month period ended 30.06.2013	1/8/2013
Corporate Announcements and Press Releases	The reduction in losses from fair value adjustments led to limited losses.	1/8/2013
Presentations	Company Presentation 30.06.2013	7/8/2013
Offering Memoranda	Annual Report 2012	28/6/2013
Corporate Announcements and Press Releases	Changes in management structure	27/8/2013
Corporate Announcements and Press Releases	New Head of Investors Relations Department & Corporate Communications	2/9/2013
Presentations	Company Presentation at the Road Show in London 09.2013	5/9/2013
Corporate Announcements and Press Releases	Invitation to the Extraordinary General Meeting of the Shareholders on 08.11.2013	18/10/2013
Corporate Announcements and Press Releases	Information Pack for the Extraordinary General Meeting of the Shareholders 08.11.2013	18/10/2013
Corporate Announcements and Press Releases	Proxy for the participation in the Extraordinary General Meeting of the Shareholders on 08.11.2013	18/10/2013
Corporate Announcements and Press Releases	Report of the Board of Directors 17.10.2013	18/10/2013
Corporate Announcements and Press Releases	Eurobank Properties preferred bidder for HRADF portfolio	21/10/2013
Corporate Announcements and Press Releases	Updated report of the BoD pursuant to articles 9 of L.3016/2002 & 4.1.4.1.2. of the ATHEX regulation	21/10/2013
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights (L.3556/2007)	21/10/2013
Corporate Announcements and Press Releases	Updated report of the BoD pursuant to articles 9 of L.3016/2002 & 4.1.4.1.2. of the ATHEX regulation	24/10/2013
Corporate Announcements and Press Releases	Changes in management structure	31/10/2013
Corporate Announcements and Press Releases	Information Pack for the Extraordinary General Meeting of the Shareholders 08.11.2013	31/10/2013

<u>Category</u>	<u>Title</u>	<u>Date of publication</u>
Transaction Disclosure and Other Announcements	Announcement of regulated information according to the law 3556/2007	31/10/2013
Corporate Announcements and Press Releases	Announcement- corrective version of the updated report of the BoD as at 21/10/2013	6/11/2013
Corporate Announcements and Press Releases	Corrective version of the updated report of the BoD as at 24/10/2013	6/11/2013
Corporate Announcements and Press Releases	Approval of Share Capital Increase by the Extraordinary General Shareholders Meeting	8/11/2013
Third Quarter 2013	Nine month period condensed consolidated and company Financial Statements	11/11/2013
Third Quarter 2013	Summary Financial Data and Information 30.09.2013	11/11/2013
Corporate Announcements and Press Releases	Net operating profit after tax of €25.6m for the nine month period for Eurobank Properties	11/11/2013
Corporate Announcements and Press Releases	Formation into body of the BoD which was elected by the Extraordinary General Shareholders Meeting	11/11/2013
Corporate Announcements and Press Releases	Resolutions of Eurobank Properties REIC's Extraordinary General Shareholders Meeting	11/11/2013
Transaction Disclosure and Other Announcements	Notification concerning changes in voting rights (L.3556/2007)	14/11/2013
Corporate Announcements and Press Releases	Announcement of the reasoned opinion of BoD	5/12/2013
Corporate Announcements and Press Releases	Reasoned opinion of BoD	5/12/2013
Corporate Announcements and Press Releases	Eurobank Properties signed Head of Terms for a bilateral term loan with HSBC Bank plc, London.	6/12/2013
Corporate Announcements and Press Releases	Framework agreement for the acquisition of 4 commercial properties in Athens and Thessaloniki	10/12/2013
Corporate Announcements and Press Releases	Framework agreement for the acquisition of portfolio of 3 modern logistic facilities in Ασπροπύργος	23/12/2013
Corporate Announcements and Press Releases	Agreement for disposal of property in Ukraine at a price of €3.300.000	24/12/2013