



**Cerved Property Services Single-Member S.A.**

**Financial Statements**

**for the year ended 31 December 2018**

**In accordance with the International Financial Reporting Standards as  
adopted by the European Union**

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GCR No. 2296701000

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**Independent Auditor's Report**  
**(Translated from the original in Greek)**

To the Shareholders of  
CERVED Property Services Single-Member S.A.

**Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying Financial Statements of Cerved Property Services Single Member S.A. (the "Company") which comprise the balance sheet as at 31 December 2018, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Cerved Property Services S.A. as at 31 December 2018 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Base of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the ethical requirements that are relevant to the audit of the financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Financial Statements of the Company for the prior year ended 31 December 2017 were audited by another Audit Firm who expressed an unmodified opinion on those Financial Statements on 29 June 2018.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Other Legal and Regulatory Requirements**

### **Board of Directors's Report**

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report, pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

- (a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 43a and 107A of L. 2190/1920 and its contents correspond with the accompanying Financial Statements for the year ended 31 December 2018.
- (b) Based on the knowledge acquired during our audit, relating to the Company and its environment, we have not identified any material misstatements in the Board of Directors' Report.

KPMG Certified Auditors S.A.  
AM SOEL 114

Anastasios Kyriacoulis, Certified Auditor Accountant  
AM SOEL 39291

**BOARD OF DIRECTORS' REPORT  
CERVED PROPERTY SERVICES SIGLE-MEMBER S.A.  
TO THE GENERAL ASSEMBLY  
FOR THE FINANCIAL YEAR 1/1-31/12/2018**

**Dear shareholders,**

This financial year is thirty-third on a corporate basis in turn and includes the period from January 1, 2018 to December 31, 2018.

During this financial year, the Company's activities were in compliance with the applicable legislation and the Company's purpose, as defined by its articles of association.

The financial statements of the aforementioned financial year, as submitted to the General Assembly, have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. Detailed information on the basic Accounting Principles followed is set out in the Explanatory Notes to the Financial Statements of December 31, 2018.

The financial statements have been approved by the Company's Board of Directors at the meeting held on July 19, 2019.

**Below, we provide to you the company's data regarding its business activity for the financial year 2018.**

**Income from Provision of Services:**

In the financial year 2018, the Company generated revenues from provision of service of **€ 7,924 thousand** compared to € 6,898 thousand in 2017 showing an increase of **15%**.

**Costs regarding the Services Provided:**

In the financial year 2018, the Company generated costs regarding the services provided of **€ 4,470 thousand** compared to € 3,934 thousand in 2017 showing an increase of **14%**.

**Operating Costs:**

The operating expenses of the Company, excluding amortizations (€ 152 thousand), amounted to **€ 2,861 thousand** compared to € 2,994 thousand in 2017 showing a decrease of **-4.5%**. Personnel fees and expenses amounted to **€ 2,016 thousand** compared to € 2,103 thousand in 2017 showing a decrease of **-4%**.

**Financial Revenues:**

The financial revenues of the Company for the financial year 2018 amounted to **€ 267 thousand** as in the note number 24.

**Profits Before Taxes:**

Profits before taxes for the financial year 2018 amounted to **€ 707 thousand** from losses of € 627 thousand in the financial year 2017, showing an improvement of **213%**.

On December 31, 2018, the Company's personnel consisted of 47 people (2017: 49 people).

## **Prospects**

The Company's strategy is to maintain its dominant position that holds today in the provision of integrated services in the field of real estate. Its detachment from the Banking Group, to which it belonged until recently, not only will not adversely affect its course but will further increase its turnover and, in general, its efficiency and profitability.

This will be achieved by the fact that besides the key customer, that is the Eurobank Group with which it has signed a guaranteed contract for the provision of integrated solutions in the entire range of real estate business, it will be able to enter into more collaborations with third customers as well.

In recent times, Greek Banks are increasingly looking to settle their properties, as well as those that have been acquired by them during the past year through electronic auctions, with the ultimate goal of refoulement them to the market for sale.

At the same time, the sale of red loans with properties under mortgage to specialized problem loan management companies has started at an intensive pace. This will create a great demand for provision of specialized work on properties for which our Company is able to undertake and carry out throughout the whole Territory.

## **Risks**

Due to its activities, the Company is exposed to various financial risks as described in note 3 of the Financial Statements. The Company's policy is to minimize these risks in order to keep the financial position of the Company unaffected.

For the rest, there are no other significant events or assets of the company other than those referred to in article 43a par. 3 subpar. b. of the CL 2190/20 which should be included in this report.

## **Protection of the Environment**

The Company is certified according to ISO 9001: 2015 and ISO 14001: 2015 and recognizes the environmental impact of its activities, setting specific goals and objectives for optimal use of natural resources, environmental protection, climate change mitigation, minimization of waste generation as well as the protection of biodiversity and ecosystems.

The Company commits itself to assess the impact of its activities on the environment, to set appropriate goals and objectives, to continuously monitor and improve its environmental performance and to take all measures, within the scope of controlling the activities relating to it, in order to prevent pollution and to mitigate its contribution to climate change, as well as to comply with local, national and international environmental laws and regulations.

## **Commitment to Personnel**

Employees of the Company are the most important asset for its success and development. The Company's objective is that the staffing process be the beginning of a long-lasting and mutually beneficial cooperation between the employee and the Company. On December 31, 2018, the Company

employed 47 employees. The distribution of human resources in terms of age and gender highlights the defense of equal opportunities that the Company advocates. In particular, 47% of its employees are under the age of 45 and the gender breakdown is shaped by the percentage of women at 68% compared to the proportion of men in 32% of all employees.

In order to ensure the equal and smooth management of human resources, the Company implements a variety of policies (policies of Remunerations, Staffing, Professional Development, Performance Evaluation, Education, Printed Communication, Relatives, Health and Safety etc.). In the Company, the respect for human rights, equal opportunities and diversity covers its customers, suppliers and employees. The goal is to recruit and maintain human resources, regardless of race, religion, age, gender, sexual preference or special abilities.

The Company has no real estate and no branches.

**Basic Ratios**

The ratios for the Company are as follows:

Ratios		31.12.2018	31.12.2017
Profitability Ratios	Operating Profits / (Losses) (before Taxes) / Sales	9%	-9%
	Net Profit / (Loss) before Taxes / Sales	9%	-9%
	Net Profit / (Loss) after Taxes / Sales	9%	-7%
Ratios of Economic Structure	Current Assets / Short Term Liabilities	3.7	3.0
	Total Liabilities / Equity	0.3	0.4
	Tangible Fixed Assets & Intangible Assets / Equity	14%	16%

Athens, August 28, 2019

The Chairman of the Board of Directors

The Chief Executive Officer

Gikas Manalis

Dimitrios Andritsos



## Balance Sheet

	Note	December 31	
		2018	2017
		€ '000	€ '000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Tangible fixed assets	5	655	605
Intangible fixed assets	6	104	154
Investments in subsidiaries and associates	8	441	556
Financial assets at fair value through other comprehensive income	7	20	20
Deferred tax asset	13	264	241
		<b>1,484</b>	<b>1,576</b>
<b>Current Assets</b>			
Customers and other receivables	9	4,664	3,768
Cash and cash equivalents	10	1,064	1,201
		<b>5,728</b>	<b>4,969</b>
<b>Total Assets</b>		<b>7,212</b>	<b>6,545</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	11	666	666
Other reserves	12	351	351
Retained earnings		4,501	3,782
<b>Total Equity</b>		<b>5,518</b>	<b>4,799</b>
<b>Long-term Liabilities</b>			
Provision for employee benefits of the company	15	128	104
		<b>128</b>	<b>104</b>
<b>Short-term Liabilities</b>			
Suppliers and other liabilities	14	1,566	1,642
		<b>1,566</b>	<b>1,642</b>
<b>Total Liabilities</b>		<b>1,694</b>	<b>1,746</b>
<b>Total of Equity and Liabilities</b>		<b>7,212</b>	<b>6,545</b>

## Comprehensive Income Statement

	Note	Financial year that expired on December 31	
		2018	2017
		€ '000	€ '000
<b>Revenues from Operating Activities</b>			
Revenues from services	16	7,924	6,898
Costs of services provided	17	(4,470)	(3,934)
<b>Other Operating Costs</b>			
Personnel wages and expenses	18	(2,016)	(2,244)
Other costs	19	(846)	(891)
Amortization	20	(152)	(461)
<b>Operating Profit / (Loss)</b>		<b>440</b>	<b>(632)</b>
Financial Income	21	267	5
<b>Profits / (Losses) Before Taxes</b>		<b>707</b>	<b>(627)</b>
Deferred Tax	22	20	152
<b>Net profits/(Loss) of the Year</b>		<b>727</b>	<b>(475)</b>
<b>Other Comprehensive Income</b>			
Amounts not to be reclassified in the Income Statement Profit/(Loss) after taxes that are recognized in Equity according to IAS19			
		(8)	(19)
<b>Total Comprehensive Income for the Year After Taxes</b>		<b>719</b>	<b>(494)</b>

## Statement of Cash Flows

	Note	Financial year that expired on	
		December 31	
		2018	2017
		€ '000	€ '000
<b>Profits / (Loss) before taxes</b>		<b>707</b>	<b>(627)</b>
<b>Adjustments for:</b>			
Interest Income	21	(3)	(5)
Amortization	20	152	461
Profit from disposal of associates	21	(121)	-
Dividend Income	21	(143)	-
Other revenues		-	(241)
Provisions		28	31
<b>Cash Flows from Operating Activities Before Changes in the Working Capital</b>		<b>620</b>	<b>(381)</b>
Decrease / (Increase) of receivables		(896)	(156)
Decrease/ (Increase) of liabilities		(107)	234
Tax receivables		-	110
<b>Net cash Inflows / (Outflows) from Operating Activities (a)</b>		<b>(383)</b>	<b>(193)</b>
<b>Cash Flows from Investment Activities</b>			
Purchases of tangible fixed assets	5	(143)	(208)
Purchases of intangible fixed assets	6	(8)	(141)
Purchase of shares in associates	8	(262)	-
Sale of shares of associates	8	515	-
Interest income	21	3	5
<b>Net Cash Flows from Investment Activities (b)</b>		<b>103</b>	<b>(344)</b>
<b>Cash Flows from Financing Activities</b>			
Dividend income		143	-
<b>Net Cash Flows from Financing Activities (c)</b>		<b>143</b>	<b>-</b>
<b>Net Increase/(Decrease) In Cash and Cash Equivalents of the Financial Year (a) + (b) + (c)</b>		<b>(137)</b>	<b>(537)</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	10	<b>1,201</b>	1,738
<b>Cash and Cash Equivalents at the end of the Financial Year</b>	10	<b>1,064</b>	1,201

## Statement of Changes in Equity

	Note	Share capital	Other reserves	Retained profits	Total Equity
		€ '000	€ '000	€ '000	€ '000
<b>Balance on 1/1/2017</b>		666	351	4,276	5,293
Net loss for the financial year		-	-	(475)	(475)
Other comprehensive income		-	-	(19)	(19)
<b>Balance on 31/12/2017</b>		666	351	3,782	4,799
<b>Balance on 1/1/2018</b>		<b>666</b>	<b>351</b>	<b>3,782</b>	<b>4,799</b>
Net profit of the financial year		-	-	727	<b>727</b>
Other comprehensive income		-	-	(8)	<b>(8)</b>
<b>Balance on 31/12/2018</b>		<b>666</b>	<b>351</b>	<b>4,501</b>	<b>5,518</b>

The present annual financial statements have been approved by the Board of Directors on August 28, 2019 and have been signed by on its behalf by the following:

**Gkikas Manalis**  
ID Card No. AK 137583  
  
Chairman of the Board of  
Directors

**Dimitrios Andritsos**  
ID Card No. N 127663  
  
Chief Executive Officer

**Panagiotis Kyriazis**  
ID Card No. AZ 114071  
Registration Number (AMA)  
5474 A' Class  
Chief Financial Officer

## 1. General Information

The Company Cerved Property Services Single-Member S.A. ("The Company") is a property services providing company, deals with the whole range of activities relating to properties (appraisals, brokerage, property management, etc.).

The Company has been established and is based in Athens, Greece. The address of the Company's headquarters is 7 Eslin & 20 Amaliados, 11 523, Athens, Greece (GCR 2296701000). On December 31, 2018, the Company's personnel consisted of 47 people (2017: 49 people).

The financial statements of the Company are fully consolidated in the parent company's Eurobank Ergasias SA financial statements and due to that, the company did not prepare consolidated financial statements.

The present financial statements were approved by the Board of Directors on July 19, 2019.

## 2. Summary of Significant Accounting Principles

The basic accounting principles that were applied during the preparation of these financial statements are described below. These principles have been consistently applied for all periods presented, unless otherwise stated.

### 2.1 Preparation Framework of Financial Information

The Financial Statements of December 31st 2018 present the financial position, the Income Statement and Cash Flows of the company on a going concern basis as the Board of Directors considered appropriate, assessing the following:

#### Macroeconomic environment

In 2018, Greece's actual economic growth rate is estimated at 2.1%, according to the Budget 2019, from 1.5% in 2017. Based on data from the Hellenic Statistical Authority (ELSTAT), the unemployment rate in October 2018 was 18.6% from 21.0% in the corresponding month of 2017. In the financial field, the primary surplus for 2018 is estimated at 4.0% of the GDP, according to the Budget of 2019 (2017: 3.9% of the GDP according to Hellenic Statistical Authority (ELSTAT) data). The objective for the primary surplus, according to the Third Economic Adjustment Program for the period 2018-2022, is set at 3.5% of GDP for each year.

The Third Economic Adjustment Program for Greece was successfully completed on August 20, 2018. According to the European Commission, Greece received approximately € 61.9 billion from € 86.0 billion of the loan agreement of the Third Economic Adjustment Program. The balance of € 24.1 billion was returned to the European Stability Mechanism (ESM) at the end of the program. About € 11.0 billion out of a total of € 61.9 billion were used to create a cash buffer in order to assist the country enter into the international markets in the post-program period. According to the Public Debt Management Agency (PDMA), the cash reserve amounted to € 26.5 billion at the end of September 2018, an amount sufficient to cover the country's debt obligations for 4 years after the end of the program, subject to the maintenance of Treasury bills of the Greek State at their current levels or for two years subject to the repayment of part of such Treasury bills.

For the period after August 2018, according to Eurogroup decisions on June 21st 2018, the Enhanced Surveillance Program (ESP) was set up with quarterly audits and a specific set of implementation of prerequisite reforms. The main objective of the enhanced surveillance after the end of the program is to ensure the stability of the financial sector and to continue the process of implementation of structural reforms which, in turn, aim at, inter alia, strengthening the domestic growth rate, creating jobs and modernizing of the public sector.

The main risks and uncertainty factors arising from the macroeconomic environment are related to: (a) adherence to the already institutionalized reforms and possible delays in the implementation of the reforms already agreed in order to achieve the objectives and milestones of the country's monitoring period after the end of the program, (b) the impact on the financial activity and the attraction of direct investments in financial measures and measures related to the social security, which were agreed in the context of the evaluations of the Third Economic Adjustment Program, (c) the possibility of attracting new direct investments in the country, (d) the successful reduction of the Non-Performing Exposures (NPE) inventory, (e) the implementation of the timetable until the full removal of restrictions on the financial activity, (f) the probable slow rate of deposit input and / or possible delays in the effective management of non-performing exposures as a result of the macroeconomic conditions in Greece and (g) the geopolitical conditions in the near or wider area and the external shocks from a slowdown in regional and / or global economy.

#### Company Position

The company has as main customer the Eurobank Group. The cash of the Company are entirely placed in accounts it holds in Eurobank Bank. The risks faced by Eurobank Bank are also reflected in the company since its dependence on it is important.

#### Estimate for the going concern

The Board of Directors, taking into account the factors related to the adequacy of the Eurobank Group's capital position, considers that the Company's financial statements can be prepared under the going concern principle.

The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the International Accounting Standards Board and have been adopted by the European Union (EU), and in particular the standards and interpretations that are in force or have been issued and applied prematurely at the date of preparation of the financial statements.

The principles presented below have been consistently applied in the financial years 2018 and 2017, except those listed below. Comparative figures, when deemed necessary, have been adjusted to conform with changes in the presentation adopted by the Company for the current financial year.

#### **Amendments to Standards Adopted by the Company**

The following amendments to standards, as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), are in force since January 1, 2018:

##### **IFRIC 22, Transactions in Foreign Currency and Advances**

IFRIC 22 provides requirements as to which exchange rate should be used to depict transactions in foreign currency that include advances. The interpretation clarifies that in this case the transaction date for determining the exchange rate to be used for the initial recognition of the relevant asset, expense or income is the date of the advance, that is the date when the financial entity initially recognized the non-

monetary assets (prepaid expense of the following financial years) or the non-monetary liabilities (income of the following financial years) resulting from the advance payment of the price. If there are multiple advances granted or received, the financial entity should specify one transaction date for each payment or collection.

The adoption of the amendment did not have any impact on the Company's financial statements.

#### **IFRS 2, Amendment - Share-Based Payments:**

The amendment relates to a) the measurement of share-based and cash-settled payment transactions, b) the accounting of amendments of share-based payment transactions, from cash-settled payment transactions to equity-settled payment transactions and c) the classification of share-based payment transactions which are settled free of tax deductions.

In particular, the amendment clarifies that a cash-settled and share-based payment transaction is measured using the same approach with the equity-settled share-based payment transactions. In addition, it specifies that the obligation related to a cash-settled share-based payment amended into an equity-settled share-based payment, is derecognised and the equity-settled share-based payment is recognized at the fair value of the equity instrument at the date of the amendment, while any difference is recognized directly in the Income Statement.

In addition, a share-based payment settled after deduction of the tax by the employee (net settlement) is classified as an equity-settled share-based payment in its entirety, provided that the payment would in any case have been classified in that way if it did not include the net settlement element.

The adoption of the amendment did not have any impact on the Company's financial statements.

#### **IAS 40, Amendment - Investments in Properties**

The amendment clarifies that the transfer of a property, including a property under construction or development, inside or outside of property investments, should only take place when a change in the use of the property occurs. This change in use occurs when the property meets or ceases to meet the definition of investment in properties and should be documented appropriately.

The adoption of the amendment did not have any impact on the Company's financial statements.

#### **Annual Improvements of IFRS 2014-2016**

The International Accounting Standards Board through the 2014-2016 cycle of annual improvements provides clarifications related to IAS 28 "Investments in Associates and Joint Ventures": It is clarified that venture capitals, mutual funds and similar companies may choose to measure their shares in associates or joint ventures at fair value through profit or loss accounts. This selection is made separately for each share in an affiliated company or joint venture.

The adoption of the amendment did not have any impact on the Company's financial statements.

#### **IFRS 15, Revenues from Contracts with Customers and IFRS 15, Amendment**

The IFRS 15 establishes a single, understandable revenue recognition model for determining the recognition time and amount of revenue and replaces its existing directives for its recognition, including IAS 18 "Revenues", IAS 11 "Construction Contracts" and Interpretation 13 "Customer loyalty programs".

The IFRS 15 applies to all contracts with customers except those that fall within the scope of other standards such as:

- financial instruments and other contractual rights or obligations within the scope of IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements", IFRS 11 "Common Agreements", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures»,
- leases within the scope of IAS 17 "Leases" (or IFRS 16 "Leases") and insurance contracts within the scope of IFRS 4 "Insurance Contracts"

The IFRS 15 specifies that the revenue should be recognized in the amount that corresponds to the consideration that the financial entity expects to receive in exchange for the transfer of goods and services. It introduces the concept of revenue recognition on the basis of performance obligations as they are met and the control of the good or service (ie the possibility of directing the use and obtaining the benefit from them) is acquired by the customer. Extensive disclosures are required in relation to the revenue recognized and the one that is expected to be recognized under existing contracts.

The IFRS 15 was amended in April 2016 in order to provide clarifications, including the one for identifying performance obligations within a contract.

The Company applies the new standard from 1.1.2018 without proceeding with a reformation of the comparative information for 2017. The Company's contracts that are most affected by the new standard relate to contracts for the provision of property valuation and management services. These contracts are of annual or shorter term, the service is provided over time and the revenue is recognized based on the stage of completion of the service to the customer.

The adoption of the standard does not have an impact on the Company's financial statements as the Company's existing accounting for the revenues from customer contracts is generally consistent with IFRS 15.

### **IFRS 9 Financial Instruments**

On January 1, 2018, the Company adopted IFRS 9 "Financial Instruments", which replaces IAS 39 "Financial Instruments: Recognition and Measurement". The adoption of IFRS 9 resulted in changes in the accounting policy in two main areas, classification and measurement of financial assets and financial liabilities and impairment of financial assets. The Company has chosen, as a policy option permitted by IFRS 9, to continue to apply hedge accounting in accordance with IAS 39.

Differences arising from the adoption of IFRS 9 have been recognized directly in the Income Statement on December 31, 2018 and are presented in note 9. The Company has not reformed comparative information for 2017 in respect of financials that fall within the scope of IFRS 9.

### **Changes in Classification and Measurement**

The IFRS 9 sets out a new approach for all financial assets according to which the classification and measurement of these assets is based on the business model used by the financial entity for their management and the characteristics of their contractual cash flows.

In determining the category of classification and measurement, IFRS 9 requires all financial assets, except for equity instruments and derivatives, to be evaluated on the basis of a combination of the financial entity's business model for the management of assets and the characteristics of their contractual cash flows. Reclassifications between categories only occur in rare cases.



For the purpose of transition to IFRS 9, the Company conducted an evaluation of the business model in the debt instrument portfolios in order to identify possible changes in their classification and measurement. The evaluation was conducted on the basis of the facts and circumstances prevailing at the date of initial application, that is on December 31, 2018 (see note 9).

Financial asset categories in accordance with IAS 39 (fair value through Income Statement available for sale, held to maturity and loans and receivables) have been replaced by:

- Debt instruments measured at the amortized cost
- Debt instruments measured at fair value through other comprehensive income directly in equity (FVOCI), with profits or losses being reclassified to the Income Statement upon derecognition.
- Equity Instruments at FVOCI, without reclassification of profits or losses to the Income Statement upon derecognition
- Financial assets measured at fair value through profit or loss accounts

The Company may, upon the initial recognition, identify a financial asset at fair value through Income Statement in order to eliminate or substantially reduce in this way the accounting inconsistency.

In addition, when an equity instrument held for non-trading purposes, is initially recognized, a financial entity may irrevocably decide to present subsequent changes in fair value through other comprehensive income directly to equity. This option is made per investment case on each equity instrument separately.

The IFRS 9 eligibility requirements for applying the option of measurement of financial liabilities at fair value through profit or loss are consistent with the requirements of IAS 39. However, for financial liabilities determined at fair value through profit or loss, the profits or losses arising from changes in the Group's credit risk are presented in the Income Statement directly to the equity and are not subsequently transferred to Income Statement, unless such a disclosure would create or broaden an accounting inconsistency.

Finally, according to IFRS 9, embedded derivatives are no longer separated from the main financial asset. On the contrary, financial assets are classified on the basis of the business model and their contractual terms. The accounting treatment of derivatives embedded in financial liabilities and in non-financial main contracts has not changed.

The quantitative impact due to the application of IFRS 9 on December 31, 2018 is presented in note 9.

### **Changes in Impairment Calculation**

The adoption of IFRS 9 has significantly altered the Group's accounting treatment for losses due to impairment on financial assets by replacing the approach of IAS 39 on realized credit losses of IAS 39 with the expected credit loss (ECL) approach, which requires the use of complex models and a major crisis for future economic conditions and credit behavior. Credit losses are recognized earlier in accordance with IFRS 9 as compared to IAS 39.

In accordance with the requirements of IFRS 9, the Company makes a provision for expected credit losses for all financial assets that are not measured at fair value through profit or loss, as well as the borrowing commitments and financial guarantee contracts that are off-balance sheet items. The provision is based on the calculation of the expected credit losses of the above based on the probability that the borrower will not be able to pay in the next twelve months, unless there has been a significant increase in the credit risk since the creation of the opening when the expected credit losses are calculated throughout their duration. If the financial asset meets the definition of a purchased or originated credit-impaired financial asset (POCI), the provision for impairment is based on changes of the expected credit losses throughout the duration of an asset.

**Hedge Accounting in accordance with IFRS 9**

IFRS 9 introduces a revised model of general hedge accounting, which links hedge accounting to risk management activities by the Administration. According to the new model, additional hedging strategies may meet the hedge accounting criteria, new requirements apply to the hedge effectiveness, while the discontinuation of hedge accounting will be permissible only under certain conditions. A separate project that is conducted by the International Accounting Standards Board for the hedge accounting at portfolio level (macro-hedging), is in progress. Until the completion of this project, as an accounting policy, entities may continue to apply the requirements of IAS 39 for hedge accounting.

**Subsequent Changes in Disclosures of IFRS 7 "Financial instruments: Disclosures")**

Due to the changes that have been brought about by the transition to IFRS 9, these financial statements include transition disclosures that provide detailed qualitative and quantitative information about the effects arising from the requirements of classification, measurement and expected credit losses. In addition, these financial statements include improved classification and measurement disclosures, disclosures regarding the impairment and hedge accounting as required by the relevant amendments to IFRS 7 "Financial Instruments: Disclosures".

**IAS 12, Amendment - "Recognition of Deferred Tax Receivables for Unrealized Losses**

The amendment clarifies that (a) the unrealized losses of debt instruments measured at fair value in the financial statements and at cost for tax purposes may result in deductible temporary differences, regardless of whether the company expects to recover the accounting value of the debt instrument through sale or use, (b) the estimates for future taxable profits exclude tax deductions arising from the reversal of deductible temporary differences, (c) the estimate of possible future taxable profits may include the recovery of an asset for an amount greater than its accounting value, if there is sufficient evidence that it is probable that it will be carried out by the company, and (d) a deferred tax asset is considered in conjunction with all other deferred tax assets, when the tax law does not limit the sources of taxable profits from which the temporary tax differences that are reversed are rendered deductible. Where there are limitations, deferred tax assets are considered in conjunction only with deferred tax assets in the same category.

The adoption of the amendment did not have any impact on the Company's financial statements.

**New Standards, Amendments of Standards and Interpretations that have not been adopted yet.**

A number of new standards, amendments to existing standards and interpretations will enter into force after 2018 as they have not yet been adopted by the European Union or the Company has not adopted them earlier than the date of their mandatory application. Those that may be related to the Company are as follows:

**IFRS 9, Amendment - Prepayment Features with Negative Compensation (in force from January 1st, 2019)**

The amendment changes the requirements of IFRS 9 in order to allow a financial asset to be measured at the amortized cost or at the fair value through other comprehensive income depending on the business model, even in the case of early repayment rights that could have as a result, the party that caused the advance termination to receive compensation from the other party (negative compensation). Consequently, the measurement of these financial assets will be made irrespective of the fact or circumstance that caused the advance termination of the contract and regardless of which part pays or receives the reasonable compensation for the advance termination. The application of IFRS 9 prior to the amendment would most likely result in the measurement of these financial assets at the fair value through profit or loss.

Furthermore, the amendment also confirms the accounting treatment of the amendment of financial liabilities in accordance with IFRS 9. In particular, when a financial liability that is measured at the amortized cost is amended without that leading to its derecognition, then the profit or loss calculated as the difference between the original contractual cash flows and the amended cash flows, discounted at the original effective interest rate, an Income Statement should be recognized.

The adoption of the amendment is not expected to have any impact on the Company's financial statements.

### **IFRIC 23, Uncertainty Over Income Tax Treatments (effective from January 1, 2019)**

The interpretation provides clarification on the application of the recognition and measurement requirements in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. In this case, the recognition and measurement of current or deferred tax assets or liabilities is based on the taxable profit (tax loss), on the tax base, on unused tax losses as well as on tax receivables and tax rates that are determined by applying the IFRIC 23

According to the interpretation, any uncertainty about tax treatment is considered separately or collectively as a group, depending on which approach best addresses the removal of uncertainty, and the financial entity should assume that a tax authority that has the right to examine tax treatments will examine them and have full knowledge of all relevant information.

If a financial entity concludes that it is probable that the tax authority will accept an uncertain tax treatment, it should determine the accounting treatment of income taxes under this tax treatment. If it turns out that it is unlikely that the treatment will be accepted, the result of uncertainty in the accounting treatment of the income tax will be reflected upon the period during which this determination took place, using the method that best provides for the removal of the uncertainty (that is the most probable amount or the expected value method).

Assumptions and estimates made for the recognition and measurement of uncertain tax treatments should be reviewed whenever circumstances change or new information emerges that influence these assumptions (eg, actions by the tax authority, evidence that it has made its mind in relation to a similar issue or the expiry of its right to examine a specific tax treatment).

The adoption of the amendment is not expected to have any impact on the Company's financial statements.

### **IFRS 16, Leases (effective from January 1, 2019)**

The IFRS 16, which replaces IAS 17 "Leases" and related interpretations, introduces a single accounting model, within the balance sheet for lessees, according to which the lease classification on the part of the lessee, as operating or finance leases is abolished and all leases are treated similarly to finance leases in accordance with IAS 17. The new standard provides for the recognition of the "right of use asset" and the "lease liability" at the commencement of the lease in the event of a contract or part of a contract which attributes to the lessee the right to use an asset for a period of time for a consideration.

The right of use asset, is initially measured at cost, which consists of the lease liability amount plus the rents paid to the lessor on or before the start date of the lease, minus any incentives to the lessee that were received, the original estimate of remediation costs and initially direct costs incurred by the lessee, and then it is measured at cost, minus accumulated amortizations and impairment. The lease liability is initially recognized at the present value of the rents during the lease term that have not yet been paid.

Consequently, the fixed method of recognizing the cost from operating leases in accordance with IAS 17 is replaced by the amortization of the "right of use asset" and the interest-cost of the "lease liability".

Recognition of assets and liabilities by lessees, as described above, is not required for certain short-term leases and leases of low value assets. In addition, the accounting treatment for the lessors is not materially affected by the requirements of IFRS 16.

The Company examines the impact that the adoption of this standard will have on the financial statements. The Company proceeded with the relevant exercise of evaluation of the impact that the application of the standard would have on the Financial Statements for the year 2019. Based on the information available, the Company estimates that it will recognize additional finance leases of € 1.263 thousand on January 1, 2019 and will record assets of equivalent value in respect of operating leases of buildings, cars and other equipment.

#### **IAS 28, Amendment - Long-term Interests in Associates and Joint Ventures (effective from January 1, 2019)**

The amendment clarifies that IFRS 9 "Financial Instruments", including impairment receivables, applies to long-term interests in associates and joint ventures that are part of the company's net investment in the associate or joint venture but are not accounted with the equity method.

According to the amendment, any adjustments in the accounting value of long-term interests in associates and joint ventures as a result of the application of IAS 28 should not be taken into account when applying the requirements of IFRS 9 that apply to those long-term interests before the application of the requirements for the breakdown of loss and impairment under IAS 28.

The adoption of the amendment is not expected to have any impact on the Company's financial statements.

#### **IAS 19, Amendment - Plan Amendment, Curtailment or Settlement Property (effective from January 1, 2019, not adopted by the EU)**

The amendment clarifies that when a change in a defined benefit plan, ie an amendment, curtailment or settlement takes place and remeasurement of the net liability or defined benefit receivable is required, revised actuarial assumptions from remeasurement should be used to determine the current service cost and the net interest for the rest of the period after the change in the plan. In addition, the amendment includes clarifications regarding the effect of a plan amendment, curtailment or settlement on the receivables for the asset ceiling.

The adoption of the amendment is not expected to have any impact on the Company's financial statements.

#### **Annual Improvements to IFRS 2015-2017 (effective from January 1, 2019, not adopted by the EU)**

The improvements introduce significant changes to different standards as:

With the amendments of the IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements", it was clarified how a financial entity recognizes the increase of its participating interest in a joint activity that meets the definition of the enterprise. In particular, when a financial entity acquires control of an enterprise that is considered to be a joint activity, then the transaction constitutes a business combination that is achieved in stages and the acquirer remeasures its entire participating interest previously held on the assets and liabilities of the joint activity at fair value. By contrast, if a party acquires jointly the control over an enterprise which is considered to be a joint activity, then the participating interest that it previously held is not remeasured.

The improvements to IAS 12 "Income Taxes" have clarified that any impact on income tax from dividends, including payments from financial instruments registered in equity, should be recognized in the Income Statement, in the statement of comprehensive income or in equity, depending on where the

original transaction or the fact that generated the distributed profits that led to the dividend, had been recognized.

The amendments of IAS 23 "Borrowing Costs" clarified that each borrowing originally collected to develop a qualifying asset, should be treated as part of general borrowing when substantially all the necessary preparation activities of the asset for the intended use or sale of it, have been completed.

**Amendments to References to the Conceptual Framework in IFRS Standards (effective from January 1, 2020, not adopted by the EU)**

In March 2018, the International Accounting Standards Board issued the revised Conceptual Framework. This framework replaces the previous version, which was issued in 2010. The revisions made by the International Accounting Standards Board introduced a new chapter regarding the measurement, updated definitions regarding the assets, the obligations and the derecognition criteria, as well as clarifications on other important areas. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

**Amendments of IFRS 3 "Business Combinations" (effective from January 1, 2020, not adopted by the EU)**

The International Accounting Standards Board has adopted amendments regarding the definition of an enterprise in "Business Combinations" of IFRS 3 in order to assist the financial entities to determine whether the total of the acquired activities and assets constitute an enterprise or not. They clarify the minimum requirements for enterprise definition, remove the evaluation about whether the market participants can replace missing assets, add guidance to help the financial entities to assess whether the processes that are acquired are considered important, restrict the definitions of the enterprise and its outflows and introduce an optional fair value concentration test.

The adoption of the amendment is not expected to have any impact on the Company's financial statements.

**Amendments of IAS 1 and IAS 8: Definition of Material (effective from January 1, 2020, not adopted by the EU)**

The amendments of IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" are intended to bring all standards into line with the definition of Material and to clarify specific aspects of that. The new definition states that "an information is considered material if its omission, inaccuracy or disguise is likely to affect the decisions taken by the main users of the financial statements of general use, based on which they provide financial information for a particular financial entity. The amendments clarify that the materiality will depend on the nature and amount of information.

Currently, the Company assesses the impact of adoption in its financial statements.

## **2.2 Foreign Currency**

### **(a) Functional and Presentation Currency**

Assets included in the Company's financial statements are valued in the currency of the primary economic environment in which the company operates (the "functional currency"). The annual financial statements are presented in Euros, which is the functional and presentation currency of the Company.

## **(b) Transactions and Balances**

Foreign currency transactions are converted in the functional currency based on the exchange rates prevailing at the date of each transaction. Exchange profits and losses resulting from the settlement of foreign currency transactions and from the conversion of monetary assets and liabilities to foreign currency based on the exchange rate at the end of the financial year, are registered in the Income Statement.

### **2.3 Investments in Subsidiaries and Associates**

Investments in subsidiaries and associates, including investments acquired through common control transactions, are accounted at cost less any impairment losses. Cost is the fair value of the consideration given being the amount of cash or shares issued, or if that cannot be determined reliably, the consideration received together with any directly attributable cost.

The Company for 2017 did not use the equity method because the following are cumulatively met:

- The Company constitutes a completely owned subsidiary of another financial entity,
- Shares are not negotiable on a public market,
- The Company has not filed, or is it in the process of filing, the Financial Statements to a supervisory authority or regulatory body for the purpose of issuing and offering any category of instruments in a public market,
- The parent Company publishes consolidated statements that are based on IFRSs.

A reference on investments in subsidiaries and associates is made in Note 8 of the financial statements.

### **2.4 Tangible Fixed Assets**

All tangible fixed assets are presented in the balance sheet at historical cost minus the accumulated amortizations. The historical cost includes also all the directly attributable expenses for the acquisition of assets.

Subsequent expenditures are registered to increase the accounting value of tangible fixed assets or as a separate fixed asset, only if it is likely that the future economic benefits to flow in the Company and their cost can be measured reliably. Repair and maintenance costs are recorded in Income Statement of the period during which they are realized.

Amortizations of the fixed assets are calculated using the straight-line method over their estimated useful lives as follows:

- Improvements on third-party property according to the duration of the contract or the useful life if less
- Other furniture and equipment 4 - 7 years

Residual values and useful lives of tangible fixed assets are subject to review and are adjusted accordingly, at least at the end of each financial year.

The accounting value of a fixed asset is reduced to its recoverable value when its accounting value exceeds its estimated recoverable value.

The profit or loss arising from the sale of an asset is determined as the difference between the consideration received upon the sale and the accounting value of the fixed asset and is registered in the Income Statement.

## 2.5 Intangible Fixed Assets

### Software programs

Expenses associated with the maintenance of current software programs are recognized as costs when they occur. Costs associated with the development of recognizable and unique software programs that are controlled by the Company and are expected to generate benefits greater than one year's cost are recognized as intangible fixed assets and are amortized using the straight-line method over their estimated useful lives 1 - 5 years.

## 2.6 Leases

Cases in which the Company is a lessee. Operation lease - leases where substantially the risks and the benefits of ownership are retained by the lessor, are classified as operating leases. Payments made for operating leases (net of any incentives offered by the lessor) are recognized in the Income Statement using the straight-line method, proportionally during the lease term. There were no significant operating leases for the periods during which the financial statements have been prepared.

## 2.7 Impairment of Financial Assets

The Company recognizes expected credit losses (ECL) that reflect the changes in credit quality from the initial recognition of financial assets that are measured at amortized cost, including receivables, loans, debt securities, financial guarantee contracts and loan commitments. No expected credit loss is recognized for equity instruments. Expected credit losses constitute a weighted, on a probability basis, average estimate of credit losses that reflects the time value of money. Upon the initial recognition of the financial instruments that are subject to the impairment policy, the Company creates an impairment provision equal to the expected credit losses over their lifetime, which arises from default events that are probable at the expected duration of the instrument. Therefore, the Company applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the loss allowance is always measured at an amount equal to the lifetime expected losses for customer receivables.

The impact of the application of IFRS 9 on receivables from financial institutions after taxes amounts to € 15 thousand, which was registered in the in the Income Statement.

## 2.8 Financial Assets

On January 1, 2018, the Company adopted IFRS 9 "Financial Instruments", which replaces IAS 39 "Financial Instruments: Recognition and Measurement". The adoption of IFRS 9 resulted in changes in the accounting policy in two main areas, classification and measurement of financial assets and financial liabilities and impairment of financial assets. The Company has not reformed comparative information for 2017 in respect of financial instruments that fall within the scope of IFRS 9.

### Financial assets - classification and measurement

The Company classifies all the financial assets based on the business model for the management of them and the characteristics of their contractual cash flows. Consequently, the financial assets are classified in the following two measurement categories: amortized cost and fair value through profit or loss.

Financial assets measured at amortized cost ("AC")

The Company classifies and measures a financial asset at amortized cost only if both of the following conditions are met: (a) The financial asset is held in the context of a business model the objective of which is the holding of financial assets in order for contractual cash flows to be collected ("hold-to-collect" business model) and (b) Under the contractual terms of the financial asset, cash flows that constitute solely payments of principal and interest (SPPI) on the outstanding principal are created at specific dates.

These financial assets are initially recognized at fair value plus direct and additional transaction costs and are subsequently measured at amortized cost using the effective interest rate method (EIR) after the provision for the expected credit losses (ECL). Interest income, the realized profits and losses due to derecognition and the changes in impairment losses of assets that have been classified as measured at the amortized cost, are included in the Income Statement.

Financial assets measured at fair value through profit or loss ("FVTPL")

These financial assets are initially recognized at fair value plus direct and additional transaction costs and are subsequently measured at amortized cost using the effective interest rate method (EIR) after the provision for the expected credit losses (ECL). Interest income, the realized profits and losses due to derecognition and the changes in impairment losses of assets that have been classified as measured at the amortized cost, are included in the Income Statement.

Purchases and sales of financial assets at fair value through profit or loss, are registered at the transaction date, that is the date on which the Company undertakes to purchase or sell the asset. Financial assets that are not presented at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets cease to be recognized when the rights to collect their cash flows expire or when the Company has effectively transferred the risks and remunerations that the ownership entails.

Dividends are recognized in the Income Statement when the right to collect a dividend is approved by the shareholders.

The fair value of investments that are being negotiated on active market, is determined by the current stock offer prices. The fair value of non-listed securities and other financial assets in those cases where the market is not active is determined by valuation techniques. These techniques include the use of recent transactions made on a purely commercial basis, the reference to the current price of comparable items traded, and the methods of discounted cash flows, of option right valuation, and other valuation methods commonly used in the market.

Interest income and expenses are recognized in the Income Statement on an accrual basis for all interest bearing instruments, using the effective interest method. The effective interest is the interest that discounts precisely the estimated future cash outflows or inflows over the expected life of the financial instrument.

## **2.9 Cash and Cash Equivalents**

Cash and cash equivalents include cash and deposits, and other short-term investments of high liquidity and low risk with expiration dates of three months or less.

## **2.10 Share Capital**

Ordinary shares are registered in equity. Expenses of capital increase are presented, net of taxes, deductively in equity as a reduction of the issue proceeds.



## **2.11 Bank Loans**

Loan liabilities are initially recognized at their fair value plus the transaction costs. Subsequently, loan liabilities are measured at amortized cost: any difference between the initially net amounts that were collected and the value at the end of the borrowing are registered in the Income Statement over the period of borrowing using the effective interest method. At the end of the closing financial year and the previous one the Company does not have any loan obligations.

## **2.12 Taxation**

The current income tax is calculated on the basis of the tax law that is in force and / or which is basically in force at the drafting date of the balance sheet.

As deferred tax is defined the tax that is expected to be payable or recoverable for differences between the accounting value of the assets and liabilities at the level of the financial statements and the corresponding tax bases used in the calculation of the taxable profit and is accounted for using the method of calculation based on the balance sheet. However, the above assets and liabilities are not recognized in case the temporary difference arises from the initial recognition (if it is not about a business combination) of other assets and liabilities in the event that the transaction does not affect the taxable or accounting profit.

Deferred income tax is determined using tax rates (and laws) that were in force or were materially enacted by the balance sheet date and are expected to be in force at the time the deferred tax assets become due and the liabilities payable.

Deferred tax assets are recognized to the extent that it is likely that taxable profits will be available in the future so that the assets or part of them can be recovered.

## **2.13 Employee Benefits**

Current service cost and interest expense are recognized directly in the Income Statement. Post-employment benefits include both defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is recorded as an expense in the period in question.

### **(i) Pension Liabilities**

The liability registered in the Balance Sheet for defined benefit plans is the present value of the defined benefit obligation minus the fair value of the assets of the plan and the changes arising from unrecognized actuarial profits and losses and the past service cost. The defined benefit obligation is calculated on an annual basis by an independent actuary using the projected unit credit method. The interest on long-term bonds of the Greek State is used for discounting.

Under Greek labor law, when employees remain in service until their normal retirement age, they are entitled to a lump sum compensation calculated on the basis of their years of service and their earnings at the retirement date. A provision has been made for the actuarial value of the lump sum compensation, using the projected unit credit method. According to this method, the cost of retirement compensations is recognized in the Income Statement during the employees' years of service, in accordance with actuarial valuations carried out each year. The retirement compensation liability is calculated as the present value of expected future cash outflows, using interest of government bonds, on expiration terms that are close to the terms of the related liability. In countries where there is no broad market for such bonds, interests of government bonds being used at the end of the financial year, are used. The currency and expiration of the used bonds are in accordance with the currency and the

estimated duration of the pension liabilities. Actuarial profits or losses arising from the calculation of the retirement compensation for the Company are recognized directly in Other Comprehensive Income for the financial year they are incurred and they are not transferred to the profit and loss accounts in subsequent periods.

#### **(ii) Programs for Participation in Profits and Benefits**

The Administration periodically rewards with bonus at its will employees with high efficiency. Bonus benefits through payroll, are recognized as accrued personnel costs. The distribution of earnings to employees is recognized as personnel cost in the financial year that is approved by the Shareholders of the Company.

#### **2.14 Provisions**

Provisions relating to the outcome of court cases are recognized when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when its value can be estimated reliably.

Where there are a number of similar obligations, the probability that an outflow of resources will be required to settle the obligation is determined taking into account all the obligations. A provision is recognized even if the probability of resources' outflow on any of the engagements included in the corresponding obligation category is low.

Provisions are valued, upon the balance sheet date, at the present value of the expenses that, according to the best estimate of the Administration, will be required to settle the present obligation. The discount rate used in determining the present value reflects the current market estimates for the time value of money and the risks associated with the specific obligation.

#### **2.15 Revenues Recognition**

Revenues include revenues from property management, provision of advisory services, appraisals, technical projects - controls and brokering.

Revenues from property management and service provision (estimates, brokering, etc.) are recognized in the period in which the services are provided. In that case, where the Company acts as an intermediary, the commission is treated as revenue.

#### **2.16 Dividends Distribution**

The distribution of ordinary share dividends is recognized as a deduction in the Company's equity when approved by the Company's shareholders.

#### **2.17 Interest Expense**

The loan interest expense is included in the "Financial Expenses" of the Income Statement with the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and dividing interest income or expenses over the relevant period. The effective interest is that interest that accurately discounts future cash payments or receipts for the duration of the estimated life of the financial instrument or, when required, for a shorter period, at the net accounting value of the financial asset or liability.

When calculating the effective interest, the financial entity will calculate the cash flows taking into account all the contractual terms of the financial instrument (for example, prepayments) but it will not take into account future credit losses. The calculation includes all remunerations and units paid or collected among the parties that constitute an integral part of the effective interest, the transaction costs and any increase or discount.

## **2.18 Settlement of Financial Instruments**

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, only when there is a legal right of offset of the amounts recognized and at the same time there is an intention that a settlement takes place on a net basis or the liquidation of the asset and the settlement of the obligation to be realized simultaneously.

## **3. Financial Risks' Management**

### **3.1 Financial Risk Management**

The Company is exposed to several financial risks such as market risk (price risk and cash flow risk due to changes in interests), credit risk and liquidity risk. Financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, suppliers and other liabilities and borrowing. The accounting policies for the above financial instruments are described in Note 2.

Risk management is takes place by the Company's Administration. Risk management focuses primarily on the recognition and assessment of financial risks such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial assets and the investment policy of surplus liquidity.

#### **a) Market Risk**

##### **(i) Currency Risk**

The Company operates in a single financial environment (Greece) and is not significantly exposed to foreign currency risks due to the limited value of foreign currency transactions.

##### **(ii) Price Risk**

The Company is not significantly exposed to price risk since the available for sale financial assets are not considered significant.

##### **(iii) Cash Flow Risk and Fair-Value Risk due to changes in interests**

The Company's exposure to the risk of interest rate fluctuations is limited because it comes from sight deposits and has no loans.

#### **b) Credit Risk**

The Company has significant credit risk concentrations in respect of sight deposits, from the provision of services to Eurobank Ergasias S.A. as well.

Receivables from third party customers amount to **€ 385 thousand** (2017: € 421 thousand) and there are no other overdue receivables.

### c) Liquidity Risk

Prudent liquidity risk management implies sufficient cash balances, the ability to raise capitals through a sufficient amount of committed credit facilities and the ability to close open market positions. Due to the dynamic nature of the business activity, the Company's Administration aims to maintain flexibility in raising capitals by maintaining a sufficient amount of committed credit facilities. The Administration believes that the company is not significantly exposed to liquidity risk since it expects the company to continue to generate significant inflows and the Company will be able to secure additional credit limits from its parent company, if necessary.

The Company's liquidity is monitored by the Administration at regular intervals.

Below is an analysis of the maturities of financial liabilities:

<b>Financial Liabilities</b>	<b>Year that ended on December 31</b>	
	<b>2018 € '000</b>	<b>2017 € '000</b>
<b>Short-term Liabilities</b>		
Suppliers and other liabilities (maturity within one year)	1,566	1,642
	<b>1,566</b>	<b>1,642</b>

### 3.2 Capital Risk Management

The purpose of the Company in managing capitals is to safeguard the Company's ability to continue its business activity in order to ensure the returns for the shareholders and the benefits of the other parties associated with the Company, to maintain an optimal capital structure.

In order to maintain or alter the capital structure, the Company may change the distributed dividend to shareholders, return capitals to shareholders, issue new shares, or proceed with the selling of assets.

### 3.3 Fair Value of Financial Assets and Liabilities

Fair value is the amount for which an asset could be exchanged or a liability to be paid among informed and willing parties in a purely commercial transaction. The purchase price, where there is an active market (such as a recognized stock market), is the best indication of the fair value of a financial instrument. Where no indicative purchase prices are available, the fair value of financial assets and liabilities is measured using the present value or other valuation methods where all significant variables are observable on the market.

The values that arise using these methods are significantly affected by assumptions about the amounts and timing of future cash flows and discount rates used. All financial assets measured at fair value are classified at the end of each financial year at one of the three fair value hierarchy levels, depending on whether their valuation is based on observable or unobservable market data.

**Level 1** - Stock prices on active markets for financial assets with the same characteristics. These prices must be immediately and regularly available from a stock market or active index/market and represent real and frequent transactions on a purely commercial basis. This level includes listed shares, debt securities and negotiable derivatives.

**Level 2** - Financial assets valued using valuation methods where all the most significant data are derived from observable prices. This level includes over-the-counter derivatives and composite financial assets and liabilities.

**Level 3** - Financial assets valued using valuation methods with significant data derived from non observable prices.

The Company has no significant exposure to fair value fluctuations and the accounting value of financial assets and liabilities is substantially the same as their fair values, unless otherwise stated.

#### **4. Significant Accounting Estimates and Assumptions**

The estimates and assumptions are continually evaluated and are based on historical experience and on other factors, including expected future events that are expected to occur under the current circumstances.

##### **4.1 Significant Accounting Estimates and Assumptions**

The Company makes estimates and assumptions about the evolution of future events. Estimates and assumptions that present a significant risk of causing material adjustments to the accounting values of assets and liabilities on the next financial period are as follows:

##### **Income tax**

Estimates are required to determine the income tax provision. The Company recognizes liabilities from expected tax audits based on estimates on whether additional taxes will arise. Where the final tax outcome of these matters differs from the amounts initially recognized, the differences will affect tax liabilities and deferred tax liabilities in the period in which such determination is made.

In addition, the Company recognizes deferred tax assets to the extent that it is probable that there will be sufficient tax losses against which the unused tax losses and the deductible temporary differences can be used. Therefore, the recognition of the above deferred tax assets includes the interpretation of estimates regarding the future financial performance of the Company in which the deferred tax asset is recognized. In particular, the identification of deferred tax assets that can be recognized, requires significant estimates of the time of achievement and the amount of the future taxable profits. In making these estimates, the Company takes into account all available information, including the Administration's provision for the future taxable revenues and the tax law.

On December 31, 2018, the Company reviewed its estimates of the amount of future taxable profits compared to which the unused tax losses and deductible temporary differences can be used and assessed the recoverability of recognized deferred tax assets based on its five-year Business Plan. On December 31, 2018, an amount of € 248 thousand has been recognized for deferred tax assets from unused tax losses, based on the Company's estimates and assumptions, to the best extent possible, as described above.

## Post-Employment Benefits

The present value of the post-employment benefit obligations depends on a number of factors which are determined on an actuarial basis using a significant number of assumptions. The assumptions used to determine the net cost (income) for post-employment benefits include the discount interest. Any changes in these assumptions would have an effect on the accounting value of post-employment benefit obligations.

The company determines the appropriate discount interest in each date of report. This is the interest to be used to determine the present value of the estimated future payments that are expected to be required to settle the benefit obligations. In determining the appropriate discount rate, the Company takes into account the high-quality corporate bond interests expressed in the currency in which the benefits will be paid and with expiry dates approximating the maturities of the relevant service obligations.

## 5. Tangible Fixed Assets

	<b>Plots, Buildings &amp; Improvements on Third Party Properties € '000</b>	<b>Furniture and other equipment € '000</b>	<b>Tota € '000</b>
<b>Cost</b>			
<b>Balance on January 1, 2017</b>	86	702	788
Additions	-	208	208
<b>Balance on December 31, 2017</b>	<u>86</u>	<u>910</u>	<u>996</u>
<b>Accumulated amortizations</b>			
<b>Balance on January 1, 2017</b>	(34)	(283)	(317)
Amortizations of the financial year	(8)	(63)	(74)
<b>Balance on December 31, 2017</b>	<u>(42)</u>	<u>(349)</u>	<u>(391)</u>
<b>Undepreciated value on December 31, 2017</b>	<u>44</u>	<u>561</u>	<u>605</u>
<b>Cost</b>			
<b>Balance on January 1, 2018</b>	<b>86</b>	<b>910</b>	<b>996</b>
Additions	-	143	<b>143</b>
<b>Balance on December 31, 2018</b>	<u><b>86</b></u>	<u><b>1,053</b></u>	<u><b>1,139</b></u>
<b>Accumulated amortizations</b>			
<b>Balance on January 1, 2018</b>	<b>(42)</b>	<b>(349)</b>	<b>(391)</b>
Amortizations of the financial year	(7)	(86)	<b>(93)</b>
<b>Balance on December 31, 2018</b>	<u><b>(49)</b></u>	<u><b>(435)</b></u>	<u><b>(484)</b></u>
<b>Undepreciated value on December 31, 2018</b>	<u><b>37</b></u>	<u><b>618</b></u>	<u><b>655</b></u>

## 6. Intangible Fixed Assets

	Software programs	Other Intangible Assets (Contracts with customers)	Total
	€ '000	€ '000	€ '000
<b>Cost</b>			
<b>Balance on January 1, 2017</b>	676	2,316	2,992
Additions	141	-	141
<b>Balance on December 31, 2017</b>	817	2,316	3,133
<b>Accumulated amortizations</b>			
<b>Balance on January 1, 2017</b>	(598)	(1,994)	(2,592)
Amortizations of the financial year	(65)	(322)	(387)
<b>Balance on December 31, 2017</b>	(663)	(2,316)	(2,979)
<b>Undepreciated value on December 31, 2017</b>	154	-	154
<b>Cost</b>			
<b>Balance on January 1, 2018</b>	817	2,316	3,133
Additions	8	-	8
<b>Balance on December 31, 2018</b>	825	2,316	3,141
<b>Accumulated amortizations</b>			
<b>Balance on January 1, 2018</b>	(663)	(2,316)	(2,979)
Amortizations of the financial year	(58)	-	(58)
<b>Balance on December 31, 2018</b>	(721)	(2,316)	(3,037)
<b>Undepreciated value on December 31, 2018</b>	104	-	104

Other intangible assets relate to service contracts related to properties that were acquired by the Company at the purchase of the sectors of estimates and brokerage by the Eurobank Properties REIC on December 1, 2004. In the previous financial year of 2017, these assets were fully amortized because the Company proceeded with the change the accounting estimate of the intangible fixed assets (contracts with customers).

## 7. Financial Assets at Fair Value through Profit and Loss directly in Equity

Financial assets available for sale include:

	December 31	
	2018	2017
	€ '000	€ '000
Unlisted securities (shares of companies in Greece):	20	20

## 8. Investments in Subsidiaries and Associates

	December 31	
	2018	2017
	€ '000	€ '000
ERB Property Services Sofia A.D. (Bulgaria)	-	377
ERB Property Services d.o.o (Serbia)	189	94
Property Services SA (Romania)	252	85
<b>Total</b>	<b>441</b>	<b>556</b>

The percentage (%) of the Company's participation in companies, Eurobank Property Services (Romania) and ERB Property Services d.o.o Beograd (Belgrade), on December 31, 2018 amounts to 100.00% each one respectively, after the acquisition of the companies' remaining equity for the amount of € 262 thousand. In January 2018, the disposal of the equity investment of ERB Property Services Sofia AD was completed for the amount of €515 thousand.

## 9. Customers and Other Receivables

	December 31	
	2018	2017
	€ '000	€ '000
Trade receivables	385	422
Receivables from affiliated parties (Note 26)	4,256	3,097
Other receivables	37	249
Impairment of receivables from customers and other receivables due to adoption of IFRS9	(15)	-
<b>Total</b>	<b>4,664</b>	<b>3,768</b>

The analysis of the maturity of the balances of Customers and Other Receivables is as follows:

	<u>December 31, 2018</u>			Total
	0-6 months	6-12 months	12 months and more	
	€ '000	€ '000	€ '000	
Trade receivables	308	27	50	385
Receivables from affiliated parties (Note 26)	3,505	423	328	4,256
Other receivables	16	-	22	38
Impairment of receivables from customers and other receivables due to adoption of IFRS9	(2)	(6)	(7)	(15)
<b>Total</b>	<b>3,827</b>	<b>444</b>	<b>393</b>	<b>4,664</b>

  

	<u>December 31, 2017</u>			Total
	0-6 months	6-12 months	12 months and more	
	€ '000	€ '000	€ '000	
Trade receivables	357	36	29	422
Receivables from affiliated parties (Note 26)	2,624	216	257	3,097
Other receivables	213	-	36	249
<b>Total</b>	<b>3,194</b>	<b>252</b>	<b>322</b>	<b>3,768</b>

The Company's administration considers that the accounting value of customers and other receivables approximates their fair value.



## 10. Cash and Cash Equivalents

	December 31	
	2018	2017
	€ '000	€ '000
Fund	-	1
Sight deposits of third party property managements	85	270
Sight Deposits - interest-bearing	979	930
<b>Total</b>	<b>1,064</b>	<b>1,201</b>

Bank balances are held in accounts in Eurobank Ergasias S.A.

## 11. Share Capital

	Number of shares	Ordinary Shares (value in € )	Total Share Capital in €
<b>Balance on December 31, 2017</b>	<b>20,000</b>	<b>665,800</b>	<b>665,800</b>
<b>Balance on December 31, 2018</b>	<b>20,000</b>	<b>665,800</b>	<b>665,800</b>

The total number of approved ordinary shares is twenty thousand (20,000), with a nominal value of € 33.29 (2016: € 33.29) per share. The share capital is fully paid up. The Company does not have a plan of share option right nor does any of its employees participate in the plan of share option right of the parent company.

## 12. Other Reserves

	Statutory Reserve	Reserve under tax laws	Total
	€ '000	€ '000	€ '000
<b>Balance on January 1<sup>st</sup> 2017</b>	<b>206</b>	<b>145</b>	<b>351</b>
Transfer to capital	-	-	-
<b>Balance on December 31, 2017</b>	<b>206</b>	<b>145</b>	<b>351</b>
Transfer from retained earnings	-	-	-
<b>Balance on December 31, 2018</b>	<b>206</b>	<b>145</b>	<b>351</b>

The Company is required under the Corporate Law to transfer 5% of the annual net profits to a statutory reserve until the accumulated reserves to be equal to 1/3 of the nominal (common) share capital. This reserve cannot be distributed to the shareholders of the company except in the case of liquidation.

Should these reserves be distributed to the shareholders of the company as dividends, the distributable profits would be taxed with the rates in force when the reserves were distributed. No provision has been recognized for contingent income tax liabilities in the event of a future distribution of such reserves to the company's shareholders, since such liabilities are recognized at the same time as the dividend obligation relating to such distributions.

### 13. Deferred Taxation

Deferred tax assets and liabilities are offset when there is a enforceable legal right for offset to take place and provided that deferred tax liabilities and receivables concern the same tax authority. Deferred tax liabilities and assets have been offset as they relate to the same tax authority. The offset amounts are as follows:

	December 31	
	2018	2017
	€ '000	€ '000
Deferred tax assets		
- deferred tax liabilities to be recovered after 12 months	280	259
	<b>280</b>	<b>259</b>
Deferred tax liabilities		
- deferred tax liabilities to be paid after 12 months	(16)	(18)
	<b>(16)</b>	<b>(18)</b>
<b>Net Deferred Tax Assets</b>	<b>264</b>	<b>241</b>

The overall change in deferred income tax is as follows:

	Financial year that expired on December 31	
	2018	2017
	€ '000	€ '000
Start of period	241	81
Credit /(Charge) on the profit and loss accounts' statement ( <b>Note 22</b> )	20	152
Credit / (Charge) in Equity in relation to IAS19	3	8
<b>End of period</b>	<b>264</b>	<b>241</b>

The aforementioned net deferred tax asset of **€ 264 thousand** is mainly due to the deferred tax asset of **€ 248 thousand**, which has been formed for transferable tax losses. Deferred tax assets are recognized to the extent that it is likely that taxable profits will be available in the future so that the assets or part of them can be recovered. The Company has not recognized a deferred tax asset in tax losses of **€ 1,001 thousand**.

### 14. Suppliers and Other Liabilities

	December 31	
	2018	2017
	€ '000	€ '000
Suppliers	762	706
Suppliers of property management	81	270
Other Liabilities	606	547
Liabilities to affiliated parties ( <b>Note 26</b> )	117	119
<b>Total Suppliers and Other Liabilities</b>	<b>1,566</b>	<b>1,642</b>

## 15. Provision for Employee Benefits

	December 31	
	2018	2017
	€ '000	€ '000
<b>Balance at 1 January</b>	104	66
Charge on the profit and loss accounts' statement	13	11
Recognition of actuarial (profit) / loss to other total revenues	11	27
<b>Balance at 31 December</b>	<b>128</b>	<b>104</b>

The following assumptions were used to form the provision of due to severance grant to the personnel: (a) discount rate: 1.86% (b) future salary increases 2019: 0.5%, 2020: 0.7%, 2021: 1.3% 2022: 1.7%, 2023: 2.7% and (c) inflation: 1.70%.

## Sensitivity Analysis of Results

The above results depend on the assumptions (economic and demographic) of the actuarial study. Thus, on the valuation date 31/12/2018:

- If we had used a discount rate of 0.5%, then the total amount of the liability would have been 9% lower.
- If we had used a discount rate of less than 0.5% then the total amount of the liability would be higher by 10%.
- If we had used an expected wage increase of more than 0.5% then the total amount of the liability would have been higher by 9%.
- If we had used an expected wage increase of less than 0.5%, then the total amount of the liability would have been lower by 8%.

## 16. Revenue from Services

	Financial year that expired on	
	December 31	
	2018	2017
	€ '000	€ '000
Revenues from estimates	4,722	3,251
Income from management of technical projects and audits	1,156	1,424
Revenues from brokerage	1,160	1,324
Revenue from property management	315	297
Revenues from advisory services	571	602
<b>Total Revenue from Services</b>	<b>7,924</b>	<b>6,898</b>

**17. Costs of Services Provided**

	Financial year that expired on December 31	
	2018	2017
	€ '000	€ '000
Cost of appraisers	(2,856)	(1,854)
Project management costs	(725)	(1,106)
Brokes' costs	(290)	(354)
Costs of advisory services	(568)	(571)
Costs of publications (brokerage)	(31)	(49)
<b>Total Costs of Services Provided</b>	<b>(4,470)</b>	<b>(3,934)</b>

**18. Personnel Wages and Expenses**

	Financial year that expired on December 31	
	2018	2017
	€ '000	€ '000
Salaries and Wages	(1,386)	(1,471)
Social security expenses	(392)	(412)
Other Employee Benefits	(225)	(209)
Due to voluntary severance grant of personnel	-	(141)
Provision for due to severance grant of personnel (Note 15)	(13)	(11)
<b>Total Personnel Wages and Expenses</b>	<b>(2,016)</b>	<b>(2,244)</b>

**19. Other Expenses**

	Financial year that expired on December 31	
	2018	2017
	€ '000	€ '000
Rents	(179)	(212)
Third party wages and expenses	(460)	(461)
Various expenses	(207)	(218)
<b>Total Other Expenses</b>	<b>(846)</b>	<b>(891)</b>

Other expenses include as well expense from impairment of receivables from customers due to adoption of IFRS 9 amounting to 15 thousand

**20. Amortizations**

	Financial year that expired on December 31	
	2018	2017
	€ '000	€ '000
Amortizaions of tangible fixed assets (Note 5)	(93)	(74)
Amortizaions of intangible fixed assets (Note 6)	(59)	(387)
<b>Total Amortizations</b>	<b>(152)</b>	<b>(461)</b>

## 21. Financial Revenues

	Financial year that expired on December 31	
	2018	2017
	€ '000	€ '000
Revenues from interests	3	5
Profit from disposal of shareholdings	121	-
Revenues from dividends	143	-
<b>Total Financial Revenues</b>	<b>267</b>	<b>5</b>

## 22. Income Tax

	Financial year that expired on December 31	
	2018	2017
	€ '000	€ '000
Deferred tax (Note 13)	20	152
<b>Total</b>	<b>20</b>	<b>152</b>

The income tax of the Company differs from the theoretical amount that would arise using the tax rate applied to the company's profits as follows: the Greek tax rate for the financial year 2018 is 29% (2017: 29%). Under the new tax law 4579/2019 in force, the rate of income tax is gradually reduced by 1% each year from 2019 to 2022. So the rates are set as follows: 2019: 28%, 2020: 27%, 2021: 26%, 2022: 25%

## Unaudited Financial Years

The Company has been audited by the tax authorities up to the financial year 2009.

In accordance with the Greek tax legislation and the corresponding Ministerial Decisions, the Tax Administration may, as a general rule, issue a deed of an administrative, estimated or corrective tax assessment within five years from the end of the year within which the filing deadline expires. Due to the passing of a five-year period on 31.12.2018 the financial years that expired until 31.12.2012 were deleted.

From the financial year that expired on December 31, 2011, and onwards, in accordance with Law 4174/2013 (Article 65A), as in force (and as provided for Article 82 of Law 2238/1994), the Greek limited liability companies and limited liability companies whose annual financial statements are compulsorily audited, were obliged until the beginning of the financial year before January 1, 2016 to receive an "Annual Tax Certificate", which is issued after the relevant tax audit is conducted, by the legal auditor or audit firm that audits and the annual financial statements as well. For financial years starting from January 1, 2016 and onwards, the "Annual Tax Certificate" is optional, but the Company receives it.

The Company has received a tax certificate without the formulation of a reservation for the financial years 2011-2017. For the financial year 2018, the tax audit under the tax certificate is in progress. Upon its completion, the Company's Administration does not expect significant tax liabilities to occur other than those that were already recorded and presented in the financial statements.

### 23. Dividends

The Board of Directors intends not to propose the distribution of a dividend to the Annual General Meeting.

### 24. Contingent Liabilities

At the end of the year, there were pending litigations against the Company and according to the Company's Administration and the legal advisors they are not expected to have a significant effect on the Company's Financial Statements.

### 25. Obligations from Operating Leases

Obligations from operating leases - where the Company is the lessee. The Company leases offices and vehicles with non-cancellable operating leases. The leases have various terms and rights of renewal.

Future rents payable under the leases are as follows:

	<b>December 31</b>	
	<b>2018</b>	<b>2017</b>
	<b>€ '000</b>	<b>€ '000</b>
Within one year	<b>210</b>	200
From one to five years	<b>113</b>	282
After five years	-	-
<b>Total</b>	<b>323</b>	<b>482</b>

### 26. Transactions with Related Parties

The Company on 31/12/2018 was under the control of Eurobank Ergasias S.A. (headquartered in Athens and listed on the Athens Stock Exchange), which held 100% of the Company's share capital.

From November 2015, the percentage of ordinary shares with voting right of the Bank held by the Financial Stability Fund (FSF) amounts to 2.38%.

The FSF is considered to have a material influence on the Bank. More specifically, within the framework of Law 3864/2010, as in force, the FSF exercises its voting rights at the General Assembly of the Bank only for decisions concerning the amendment of the Bank's Articles of Association, including the increase or decrease of the share capital of the Bank or the granting of a relative authorization to the Board of Directors of the Bank, decisions relating to the merger, division, conversion, revival, extension of duration or dissolution of the Bank, transfer of assets (including the sale of a subsidiaries), or for any other matter requiring increased majority in accordance with the provisions of Law 2190/1920. In addition, on December 4, 2015, the Bank signed a new framework agreement for cooperation with the FSF, which replaced the previous agreement signed on August 26, 2014, which regulates, inter alia, (a) the corporate governance of the Bank, (b) the Bank's restructuring plan and its monitoring, (c) the monitoring of the implementation of the non-performing loan and monitoring of the performance of the Bank in their management, (d) the specialization for the Bank of the essential obligations provided for in Law 3864/2010 and the cases of the conversion of the voting rights under restrictions of the FSF in full, (e) the monitoring of the actual risk profile of the Bank compared to the approved risk and capital strategy, (f) the consent of the FSF for the risk and capital strategy of the Bank's Group and the

strategy, the policy and the governance of the Bank's Group regarding the management of delayed and non-performing loans and (g) the duties, rights and obligations of the FSF's representative in the Bank's Board of Directors.

The Company carries out banking transactions with affiliated parties The Company carries out banking transactions with affiliated parties within the normal framework of works and on a purely commercial basis. The volume of transactions with affiliated parties and balances at the end of the year are shown below:

	Financial year that expired on December 31	
	2018	2017
	€ '000	€ '000
<b>a) Revenues</b>		
<b>Revenues from Services Provided</b>		
Bank	6,044	5,241
Subsidiary companies of Bank	716	686
<b>Total</b>	<b>6,760</b>	<b>5,927</b>
<b>b) Other Operating Costs</b>		
Bank	(673)	(677)
Subsidiary companies of Bank	(174)	(262)
<b>Total</b>	<b>(847)</b>	<b>(939)</b>
<b>c) Financial Revenues</b>		
Revenues from bank deposits - Bank	3	5
<b>d) Administration Fees and Benefits</b>		
Salaries and other short-term benefits	(305)	(291)

**f) Balances Arising from Transactions with Related Parties**

	<b>December 31</b>	
	<b>2018</b>	<b>2017</b>
	<b>€ '000</b>	<b>€ '000</b>
Trade receivables from related parties <b>(Note 9)</b>		
Bank	3,940	2,903
Other related parties	311	194
<b>Total</b>	<b>4,251</b>	<b>3,097</b>
Liabilities to related parties <b>(Note 14)</b>		
Bank	99	96
Other other parties	18	23
<b>Total</b>	<b>117</b>	<b>119</b>
Cash and cash equivalents <b>(Note 10)</b>		
Bank	1,064	1,201
<b>Total</b>	<b>1,064</b>	<b>1,201</b>

**g) Commitments and Contingent Liabilities**

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

**27. Subsequent Events**

In April 2019, the sale of the Company to Cerved Credit Management Group Srl, based in Milan, Italy was completed.