Eurobank Property Services S.A.

Financial Statements

for the year ended 31 December 2013

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

Eurobank Property Services

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Independent Auditor's Report

To the Shareholders of Eurobank Property Services SA

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Reference on Other Legal Matters

We verified the comformity and consistency of the information given in the Board of Directors' report with the accompanying financial statements in accordance with the requirements of articles 43a and 37 of Codified Law 2190/1920.

Athens, 30 May 2014

The Certified Auditor-Accountant

PricewaterhouseCoopers
268 Kifissias Avenue
15 232 Halandri
SOEL Reg. No. 113

Kyriacos Riris
SOEL Reg. No. 12111

DIRECTORS REPORT
EUROBANK PROPERTY SERVICES S.A.
FOR THE PERIOD ENDED 1/1-31/12/2013

Dear Shareholders,

This fiscal year is the twenty eight and includes the period from January 1, 2013 up to December 31, 2013.

During the current period, the Company's activities were consistent with applicable law and the purpose of the Company, as defined by its article of association.

The financial statements of current year, as submitted to the Annual General Meeting, have been prepared in accordance with International Financial Reporting Standards. Detailed information on key accounting policies followed out in the explanatory notes to Financial Statements December 31, 2013. The financial statements are approved by the Board of Directors meeting of 29 May, 2014.

Information regarding the company's activities during 2013:

Operating profit: Company's operating profit amounted to **€ 296ths** compared to **€ 1.628ths** in 2012, representing a decrease of **-82%**. The increase is mainly due to the increase in appraisal valuations.

Commission income: The Company’s commission income during the year 2013 was **€ 10.313ths** compared to **€ 12.511th**s in 2012, representing a decrease of **-18%**. The increase in commission income was mainly due to the increase in appraisal valuations.

Other operating expenses: The Company’s commission related expenses during the year 2013 were **€ 6.104ths** compared to **€ 7.040ths** in 2012, representing a decrease of **-13%.** Other operating expenses amounted to **€ 3.913ths** compared to **€ 3.843ths** in 2012, representing an increase of **2%**.

Overall, the decrease in other operating expenses, excluding the programm of volumntary exit scheme **€ 224ths**, at the end of the current year was **-4%**, which reflects management policy for the reduction and stabilization of other operating expenses.

Interest income: Interest income for the year 2013 was **€ 73ths** compared to **€ 358ths** in 2012, representing a decrease of **-80%.**

The Company’s staff as of 31/12/2013 was 48 persons (2012: 53).

Prospects

Company's strategy is to maintain the dominant position held today in providing a full range of quality services in real estate. The Management aims to improve the quality of the services offered to the Bank and third parties, and promises to do the best to achieve this target.

Greece entered into a new funding and restructuring programme with the European Commission, the ECB and the eurozone member-states as agreed in the Eurogroup meeting of February 21st 2012. The programme aimed at bringing the country's public debt-to-GDP ratio below 120% by 2020.

The new funding and reform programme improved the country's financial position and outlook, via the reduction of public debt and its servicing costs from 2012 onwards.

On the back of these developments, and after the implementation/legislation of a long list of structural reforms and fiscal austerity measures for 2013-16 by the Greek Government, the Eurogroup reached on November 26th, 2012 an agreement on a set of new measures for the reduction of Greek public debt to 124.0% of GDP by 2020 and 110.0% of GDP in 2022. This debt path is consistent with the debt sustainability required by the IMF.

Related Parties

The EFG Group was the main shareholder of the Bank, holding 44.70% of the ordinary voting shares of the Bank until July 23, 2012. On May 2013 and after complete coverage of the Bank's re-capitalization € 5.839 million, the FSF became the controlling shareholder and related party of the Bank. On 19 June 2013, the FSF acquired 3,789,317,358 ordinary shares with voting rights, representing the 98.56% of the ordinary share capital. After the issuance of 205,804,664 new ordinary shares in July, as decided at the Annual General Meeting of 27 June 2013, the percentage of voting rights held by the FSF in Eurobank fell to 93.55%. After the capital increase approved by the Extraordinary General Meeting of August 26, 2013, the percentage of voting rights of the FSF increased to 95.23%.

On April 12, 2014, the Extraordinary General Meeting approved the increase the share capital of the Bank by € 2.864 million.

After the completion of the share capital increase of Eurobank Ergasias SA and admission of trading the new shares on the Athens Stock Exchange on May 9, 2014, the percentage of common voting shares held by the EFSF in Eurobank fell from 95.23% to 35.41%.

Risks

The Company due to its activities is exposed to various financial risks as mentioned in Note 3 of the Financial Statements. The Company's policy is to minimize those risks, in order to avoid any impact on its financial position.

There are no other significant events or any company's assets referred to in Article 43a p.3 b. of law 2190/20 which should be included in the current report.

Eurobank Property Services

Key Ratios

The key ratios for the Company are as follows:

Ratios		31.12.2013	31.12.2012
Profitability ratios	Net Profit before Tax / Revenue	3,60%	15,90%
	Net profit after Tax / Revenue	-0,50%	13,00%
Financial Ratios	Total Assets / Current Liabilities	956,00%	939,30%
	Total Liabilities / Equity	0,15	0,14
	Tangible Assets & Intangible Assets / Equity	21,20%	21,40%
	Current Assets / Current Liabilities	9,56	9,39

Nea Ionia, 29 May 2014

The Board of Directors

The President of BoD

Eurobank Property Services

Balance Sheet

	Notes	31 December 2013	31 December 2012
		€΄000	€΄000
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	215	253
Intangible assets	6	4.749	4.766
Available for sale financial assets	7	18	18
		4.982	**5.037**
Current Assets			
Trade and other receivables	8	5.764	5.291
Income tax receivable		1.125	1.293
Cash and cash equivalents	9	14.993	15.114
		21.882	**22.698**
Total Assets		**26.864**	**26.735**
EQUITY & LIABILITIES			
EQUITY & RESERVES			
Share capital	10	649	587
Other reserves	11	341	342
Retained earnings		22.423	22.539
Total equity & reserves		**23.413**	**23.468**
Long-term Liabilities			
Retirement benefit obligation	14	36	29
Deferred tax liabilities	12	1.126	928
		1.162	**957**
Current liabilities			
Trade payables and other liabilities	13	2.289	2.310
		2.289	**2.310**
Total Liabilities		**3.451**	**3.267**
Total Equity and Liabilities		**26.864**	**26.735**

Notes on pages 12 to 32 form an integral part of these financial statements.

Statement of Comprehensive Income

	Notes	For the year ended 31 December 2013	2012
		€΄000	€΄000
Income from operating activities			
Commission income	15	10.313	12.511
Commission expenses	16	(6.104)	(7.040)
Other operating expenses			
Staff costs	17	(2.760)	(2.672)
Other expenses	18	(944)	(949)
Depreciation expense	19	(209)	(222)
Operating profit		**296**	**1.628**
Interest income		73	358
Net interest Income	20	**73**	**358**
Profit before tax		**369**	**1.986**
Income tax expense	21	(414)	(364)
Net Profit/(Loss) for the year		**(45)**	**1.622**
Other comprehensive income			
Profit/(Loss) recognised through Equity under IAS19		(10)	(-)
Profit /(Loss) attributable to shareholders		**(55)**	**1.622**

The Company’s financial statements were approved by the Board of Directors on 29 May 2014 and are signed on its behalf by:

Christos Adam	Dimitrios Andritsos	Panagiotis Kyriazis
Chairman of the BoD	Chief Executive Officer	Chief Financial Officer

Notes on pages 12 to 32 form an integral part of these financial statements.

Statement of changes in equity

	Notes	Share Capital	Other Reserves	Retained Earnings	Totals
		€΄000	€΄000	€΄000	€΄000
Balance 1/1/2012		**587**	**342**	**20.917**	**21.846**
Profit for the year		-	-	1.622	**1.622**
Balance 31/12/2012		**587**	**342**	**22.539**	**23.468**
Balance 1/1/2013		**587**	**342**	**22.539**	**23.468**
Loss for the year		-	-	(45)	**(45)**
Other comprehensive income/(loss)		-	-	-	**(10)**
Reserves transfers	11	62	(1)	(61)	**-**
Balance 31/12/2013		**649**	**341**	**22.423**	**23.413**

Notes on pages 12 to 32 form an integral part of these financial statements.

Cash flow statement

	Notes	For the year ended 31 December 2013 €´000	2012 €´000
Profit before tax		**369**	**1.986**
Adjustements for:			
Interest income	20	(73)	(358)
Depreciation and amortization expense	19	209	222
Other income		(102)	(126)
Provisions	18	56	50
Cash flows from operating activities before changes in working capital		**459**	**1.774**
Decrease / (increase) in trade and other receivables		(472)	(2.127)
Increase / (decrease) in trade and other payables		(20)	215
Less:			
Taxes paid		(-)	(2.516)
Net cash from/(used in) operating activities (a)		**(33)**	**2.622**
Cash flows from investing activities			
Acquisition of tangible assets	5	(1)	(1)
Acquisition of intangible assets	6	(154)	(16)
Interest received		67	374
Net cash from/(used in) investing activities (b)		**(88)**	**357**
Cash flows from financing activities			
Loan repayment		-	-
Net cash from/(used in) financing activities (c)		**-**	**-**
Net increase (decrease) in cash and cash equivalents (a)+(b)+(c)		**(121)**	**(2.297)**
Cash and cash equivalents at beginning of year	9	**15.114**	**17.411**
Cash and cash equivalents at end of year	9	**14.993**	**15.114**

Notes on pages 12 to 32 form an integral part of these financial statements.

1 General information

The Company Eurobank EFG Property Services S.A. ("The Company"), offers real estate services (valuations, brokerage, property management, etc.) to Eurobank EFG Group and third parties.

The Company was established and is located in Nea Ionia, Greece. The address of its registered office is 6 Siniossoglou Street, Nea Ionia, Greece. The employees as of 31/12/2012 were 48 employees (31.12.2012: 53 employees).

These financial statements were approved by the Board of Directors as of 29 May, 2014.

2 Principal accounting policies

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

2.1 Basis of preparation

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

The principles set out below have been applied consistently in years 2013 and 2012, excluding those listed below. Comparative figures, where necessary, have been adjusted to conform with changes in presentation adopted by the Company for the current year.

(a) The following new standards and amendments to existing standards, as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU), apply from 1 January 2013:

IAS 1, Amendment - Presentation of Financial Statements

The amendment requires separate presentation of items of other income statement into two groups, depending on whether or not the subsequent reclassification to the results. The application of this amendment has no impact on the presentation of financial statements.

IAS 12, Amendment - Income Taxes

This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when investment property is measured using the fair value model in IAS 40 "Investment Property". The amendment has no impact on the financial statements.

IAS 19, Amendment - Employee Benefits

The amendment was not adopted by the Company retrospectively because of the insignificance of the effect of the amendment. The effect of the adoption of this amendment, the current year, of IAS 19 is described in note 14.

IFRS 7, Amendment - Financial Instruments: Disclosures

The amendment requires disclosure of the effect or potential effect they have agreements for settlement of financial instruments on the financial position of the Group. Specifically, it requires information about all recognized financial instruments offset in accordance with IAS 32 "Financial Instruments: Presentation", and information for those recognized financial instruments, although not offset in accordance with IAS 32 'Financial Instruments : Presentation ", subject to main netting agreements or other similar agreement. The amendment has no impact on the financial statements.

IFRS 13, Fair Value Measurement

IFRS 13 sets single framework for measuring fair value, provides a new definition of fair value and introduces more extensive disclosures about the measurement thereof. The disclosures of IFRS 13 does not include the obligation to provide comparative information for periods prior to the initial implementation (1 January 2013). There was no significant effect on the financial statements of the future adoption of the measurement requirements of IFRS 13.

Improvements to IFRSs contain amendments to a number of standards in order to clarify:

- The conditions for providing comparative information to IAS 1 "Presentation of Financial Statements"

- The conditions for classification of specific types of equipment as tangible assets in IAS 16 "Property, Plant and Equipment"

- Accounting treatment of the tax effect of distributions to holders of equity instruments in IAS 32 "Financial Instruments: Presentation" and

- Conditions regarding financial reporting per sector for all assets and liabilities in accordance with IAS 34 "Interim Financial Statements" .

The above improvements to IFRS had no significant impact on the financial statements.

(b) A number of new standards, amendments and interpretations to existing standards will come into force after 2013, as they have not yet been adopted for use in the European Union, the Company has not adopted earlier than the date of mandatory application. Those that may be relevant to the Company are as follows:

IAS 19, Amendment - Defined benefit plans: Contributions of employees (effective from 1 January 2015, not yet endorsed by EU)

IAS 27, Amendment - Separate Financial Statements (effective from 1 January 2014)

IAS 28, Amendment - Investments in Associates and Joint Ventures (effective from 1 January 2014)

IAS 32, Amendment - Offsetting financial assets and liabilities (effective from January 1, 2014)

IAS 36, Amendment - Disclosures recoverable value of non-financial assets (effective from 1 January 2014)

IAS 39, Amendment - Financial Instruments: Recognition and Measurement (effective from the 1 January 2014)

IFRS 9, Financial Instruments (date is expected to determine the future of the IASB)

IFRS 10, Consolidated Financial Statements (effective from 1 January 2014)

IFRS 11, Joint Arrangements (effective from 1 January 2014)

IFRS 12, Disclosure of Interests in Other Entities (effective from 1 January 2014)

IFRS 10, 11 and 12 (Amendment) Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition Guidelines (effective from January 1, 2014)

10,12 IFRS and IAS 27 Amendments - Investment Companies (effective from 1 January 2014)

Annual Improvements to IFRSs 2010-2012 (effective from 1 January 2015, not yet endorsed by EU)

Annual Improvements to IFRSs 2011-2013 (effective from 1 January 2015, not yet endorsed by EU)

IFRIC 21, Levies (effective from 1 January 2014, not yet endorsed by EU)

The above amendments do not affect the Company's financial statements.

The finanacial statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and of financial assets and financial liabilities (including derivatives instruments) at fair-value-through-profit-or-loss.

The preparation of financial statements in conformity with the IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contigent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The Company's presentation currency is the Euro (€).

2.2 Foreign currency translation

(a) Functional and presentational currency

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

(b) Transactions and balances

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

2.3 Property, plant and equipment

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

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

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

– Leasehold improvements	25 years, according to the duration of the contract or the useful life if less.
– Furniture and equipment	1 – 7 years

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

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

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

2.4 Intangible assets

(a) Software

Costs associated with maintenance of existing software programs are recognized as expenses when incurred. Costs directly attributable with the development of identifiable and unique software controlled by the Company and will generate probable future economic benefits are recognized as intangible assets and amortized on a straight-line method over the useful life of 1 - 5 years.

(β) Other intangible assets – Contracts with customers

Other intangible assets are intangibles that are separated or arise from contractual or other legal rights and are amortised on a straight line during the projected useful life (fifty years). Other intangible assets relate to contracts for services related to property (valuations, brokerage) purchased by the Company with the transfer of the valuations sector and brokerage sectors from Eurobank Properties REIC on 1 December 2004.

2.5 Leases

Where the Company is the lessee:

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

2.6 Impairment of non financial assets

Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

There were no assets with indefinite useful live, nor were there indications that an asset subject to amortization is impaired during the period covered by these financial statements.

2.7 Investments

The Company classifies its investments as available-for-sale. Available for sale financial assets are non derivative financial assets that are either classified in this category either can not be classified as financial assets at fair value through profit, as loans and receivables or investments held to maturity. They are included in non-current assets unless management intends to sell the investment within 12 months from the balance sheet date.

Purchases and sales of investments are recognised on trade date, ie the date on which the Company commits to purchase or sell the asset and are recognized initially at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows expire or when the Company has transferred substantially the risks and rewards of ownership.

Financial assets available for sale later presented at fair value. Unrealised gains and losses from changes in fair value of non-monetary items classified as available for sale are recognized in equity. When investments classified as available for sale are sold or impaired, the accumulated fair value adjustments are transferred to the income statement as gains and losses on investments.

The fair value of investments traded in active markets is determined by current stock prices offer. The fair value of unlisted securities and other financial assets where the market is not active, determined using valuation techniques. These techniques include using recent transactions were at arm's length, the reference to the current price of comparable items which are traded, and the discounted cash flows adjusted to reflect the specific circumstances of the issuer.

The Company, at each balance sheet date, considers whether there is objective evidence that a financial asset or group of financial assets is impaired. Where securities are classified as available for sale and there is significant or a decrease in fair value below cost, this is taken into account to determine if these investments are impaired.

If any such indication exists for financial assets available for sale, the cumulative loss, measured as the difference between the acquisition cost and current fair value, less any impairment loss, which has previously recognized in profit or loss is removed from equity and recognized in the income statement. The impairment loss in respect of equity instruments is recognized in the income statement and is not reversed.

2.8 Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, unless the effects of discounting are not material, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

2.9 Cash and cash equivalents

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

2.10 Share capital

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

2.11 Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption values are recognised in the income statement over the period of the borrowings using the effective interest rate method. At the end of the current year and the previous year the Company had no bank loans.

2.12 Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2.13 Employee benefits

The effects of the amended IAS 19 are described in Note 14. The current service cost and interest expense recognized directly in profit. Benefits after retirement include both defined contribution and defined benefit plans. The accrued cost of defined contribution plans is recognized as an expense over the vesting period.

(i) Staff retirement indemnity obligations

In accordance with the local labour legislation, the Company provides for staff retirement indemnity obligation for employees which are entitled to a lump sum payment based on the number of years of service and the level of remuneration at the date of retirement, if they remain in the employment of the Company until normal retirement age.

Provision has been made for the actuarial value of the lump sum payable on retirement using the projected unit credit method. Under this method the cost of providing retirement indemnities is charged to the income statement so as to spread the cost over the period of service of the employees, in accordance with the actuarial valuations which are performed every year. The obligation is calculated as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses that arise in calculating the Company's obligation in respect of the obligations are charged directly in the profit and loss for the year.

In addition, the Company has enhanced the above provision by taking into consideration potential separations before normal retirement based on the terms of previous voluntary separation schemes. The Company recognises separation indemnity when it is demonstrably committed to separations either according to detailed formal plans which are announced and cannot be withdrawn or as a result of mutually agreed termination terms. Benefits payable in more than 12 months from the balance sheet date are discounted to present value.

(ii) Performance based cash payments (based on employee's performance)

The Company's Management awards high performing employees with bonuses in cash. Cash payments requiring General Meeting approval as distribution of profits to staff are recognised as employee benefit expense in the accounting period that they are approved by the Company's shareholders.

2.14 Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

2.15 Revenue recognition

Revenue includes income from property management, advisory services, valuations and brokerage services. The income from property management and other services (valuations, brokerage etc.) are recognized in the period the services are rendered. In the case, where the Company acts as an intermediary, the commission and not the gross income is recognized.

2.16 Dividend distribution

The dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the General Meeting of Shareholders.

2.17 Interest expense

Interest expenses for borrowings are recognised within 'finance costs' in the income statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate to the net carrying amount of the financial asset or the financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts.

2.18 Off-setting financial instruments

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

2.19 Comparative data

Where required comparative figures have been adjusted to conform with the presentation of financial statements for the current year.

3 Financial risk management

3.1 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk and cash flow interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings. The accounting policy with respect to these financial instruments is described in Note 2.

(all amounts expressed in € thousands unless otherwise stated)

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

a) Market risk

(i) Foreign exchange risk

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

(ii) Price risk

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

(iii) Cash flow and fair value interest rate risk

The Company's exposure to risk from fluctuations in interest rates is limited because it comes from time-deposits.

b) Credit risk

The Company has significant concentrations of credit risk with respect to cash balances and deposits held with the parent company. However, no significant losses are anticipated, as since cash transactions are restricted to the parent company.

Receivables from third party customers were **€ 297ths** (in 2012: € 169ths.)**,** for which the provision for Bad & doubtful debts is **€ 44ths** (2012: € 146ths.)

c) Liquidity risk

Prudent liquidity risk management implies sufficient cash balances, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company's management aims to maintain flexibility in funding by keeping adequate cash and committed credit lines available. The Management believes that the company is not exposed to significant liquidity risk, since the company expects will continue to make significant contributions, and the Company will be able to ensure, if necessary, additional lines of credit from its parent company.

The Company's liquidity position is monitored on a regular basis by the management. A summary table is presented below with maturity of financial liabilities:

	Year ended 31 December	
Financial liabilities	**2013**	**2012**
Current liabilities		
Trade and other payables (maturity within one year)	2.289	2.310
	2.288	**2.310**

3.2 Capital risk management

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

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

3.3 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The purchase price, where an active market (such as a recognized stock exchange) is the best evidence of fair value of a financial instrument. Where no prices are market, the fair value of financial assets and liabilities calculated using present value or other valuation techniques where all significant variables are observable in the market. The values obtained using these methods, are significantly affected by assumptions concerning the amount and timing of future cash flows and discount rates used.

All financial assets at fair value are classified at the end of each year in one of the three level fair value hierarchy depending on whether the valuation based on observable or non observable market data.

Level 1 - quoted prices in active markets for financial assets with similar characteristics. These values should be readily and regularly available from an active stock or index / market and represent actual and regularly occurring market transactions on arm's length. This level includes quoted shares, debt securities and derivatives traded.

Level 2 - Financial instruments valued using valuation methods that all important data from observable prices. This level includes OTC derivatives and structured financial assets and liabilities.

Level 3 - Financial assets measured using valuation techniques with significant input from several unobservable prices.

The Company has no significant exposure to fluctuations in fair value and book value of financial assets and liabilities is substantially equivalent to their fair values, except where indicated otherwise.

4 Critical accounting estimates and assumptions

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

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Income tax: Estimates are required in determining the provision for income tax. The Company recognise provisions for expected tax audits based on estimates of whether additional taxes will arise.

(all amounts expressed in € thousands unless otherwise stated)

Where the final tax outcome differs from the amounts initially recognised, such differences will impact the income tax and deferred tax liabilities during the period in which such determination is made. The income tax expense includes the effect of deferred tax according with the IAS 12.

Contracts with Customers: The Company estimates that the useful life, of the contracts acquired for the sector of valuations and brokerage from Eurobank Properties REIC, on December 1, 2004, is up to 50 (fifty) years. The Company review's the useful live on an annual basis

5 Property, plant and equipment

	Land and buildings, Leasehold improvements	**Furniture and Equipment**	**Totals**
Cost			
Balance 1 January 2012	332	306	**638**
Additions	1	-	**1**
Balance 31 December 2012	**333**	**306**	**639**
Accumulated depreciation			
Balance 1 January 2012	101	228	**329**
Depreciation charge	29	28	57
Balance 31 December 2012	**130**	**256**	**386**
Net Book Value 31 December 2012	**203**	**50**	**253**
Cost			
Balance 1 January 2013	333	306	**639**
Additions	-	-	**-**
Balance 31 December 2013	**333**	**306**	**639**
Accumulated depreciation			
Balance 1 January 2013	130	256	**386**
Depreciation charge	13	25	**38**
Balance 31 December 2013	**143**	**281**	**424**
Net Book Value 31 December 2013	**190**	**25**	**215**

(all amounts expressed in € thousands unless otherwise stated)

6 Intangible assets

	Computer software	Other intangible assets (Customer Contracts)	Totals
Cost			
Balance 1 January 2012	456	5.587	**6.043**
Additions	16	-	**16**
Balance 31 December 2012	**472**	**5.587**	**6.059**
Accumulated amortisation			
Balance 1 January 2012	336	793	1.129
Amortisation charge	53	111	164
Balance 31 December 2012	**389**	**904**	**1.293**
Net Book Value 31 December 2012	**83**	**4.683**	**4.766**
Cost			
Balance 1 January 2013	472	5.587	**6.059**
Additions	154	-	**154**
Balance 31 December 2013	**626**	**5.587**	**6.213**
Accumulated amortisation			
Balance 1 January 2013	389	904	1.293
Amortisation charge	59	112	171
Balance 31 December 2013	**448**	**1.016**	**1.464**
Net Book Value 31 December 2013	**178**	**4.571**	**4.749**

Other intangible assets (customer contracts) relate to contracts acquired, for the sector of appraisals and brokerage services, by the Company from Eurobank Properties REIC, on 1 December 2004. Contracts with customers are amortised on a straight-line method over their estimated useful life (fifty years).

Based on the audit of the Company did not identify any impairment of these assets at 31 December 2013.

7 Available-for-sale investment securities

Available-for-sale investment securities consist of:

	31 December	
	2013	**2012**
Non-listed shares:		
Company shares in Greece:		
PROPINDEX A.E.	**18**	**18**

The Company has impaired 100% the participation “Apollonies Aktes SA" in the year 2010.

(all amounts expressed in € thousands unless otherwise stated)

8 Trade and other receivables

	31 December	
	2013	**2012**
Trade receivables	253	23
Receivables from related parties **(Note 25)**	5.097	4.567
Prepaid expenses	96	-
Receivables from property management at third party buildings	222	481
Other receivables	96	220
	5.764	**5.291**

The aging analysis of the trade and other receivables is as follows:

	31 December 2013			
	0-6 mths	**6-12 mths**	**12 mths and above**	**TOTALS**
Trade receivables	204	2	47	**253**
Receivables from related parties **(Note 25)**	3.779	446	872	**5.097**
Receivables from property management at third party buildings	222	-	-	**222**
Prepaid expenses	96	-	-	**96**
Other receivables	96	-	-	**96**
	4.397	**447**	**920**	**5.764**

The company's management believes that the value of trade and other receivables represents their fair value. The company has increased credit risk resulting from the major customer (Eurobank Group), which corresponds to more than 10% of income. However, no major credit losses are expected.

9 Cash and cash equivalents

	31 December	
	2013	**2012**
Cash in hand	1	1
Cash at bank for property management at third party buildings	132	161
Cash at bank – sight account	14.860	14.952
	14.993	**15.114**

Bank balances are held on accounts within the parent company Eurobank Ergasias SA.

(all amounts expressed in € thousands unless otherwise stated)

10 Share capital

	Number of shares)	Ordinary shares (value in €)	Total
Balance την 1 January και 31 December 2012	**20.000**	**587.000**	**587.000**
Share Capital increase	**-**	**61.600**	**61.600**
Balance την 31 December 2013	**20.000**	**648.600**	**648.600**

The total authorized number of ordinary shares is 20.000 (31 December 2010 - 20.000) with nominal value of € 29,35 per share. All shares are fully paid up.

The total authorized number of ordinary shares is twenty thousand (20,000), with a nominal value of € 32.43 (2012: € 29,35) per share. The share capital is fully paid up. Based on the decision of the Extraordinary General Meeting on 27.12.2013, the share capital was increased by an amount of sixty one thousand and six hundred (61,600 euros), by increasing the nominal value of the share at 3.08 euros (ie from 29.35 to 32 43 euros). This increase occurred by capitalizing part the untaxed reserves and retained earnings. The Company has no stock option plan, nor any of their employees participate in the stock option plan of the parent company.

11 Other reserves

	Statutory reserve	Legal reserve	Total
Balance at 1η January 2012	**196**	**146**	**342**
Transfer from retained earnings	-	-	-
Balance at 31 December 2012	**196**	**146**	**342**
Transfer to share capital	-	(1)	**(1)**
Balance at 31 December 2013	**196**	**145**	**341**

The Company is required in accordance with Greek Law 2190/1920 to transfer 5% of annual net profit to statutory reserve until the accumulated reserves are equal to the 1/3 of the nominal (common) share capital. This reserve can not be distributed to shareholders except in the event of liquidation.

The Company has established tax-free reserves in accordance with various Greek tax laws over the years in order to obtain tax relief, either a) postponing the settlement of tax obligations until these reserves are distributed to shareholders, or b) by tax relief of any future income tax payments using these reserves to issue shares to shareholders.

In case that these reserves will be distributed to shareholders as dividends, the distributable profits will be taxed at the tax rate when were in force on the distribution of reserves. There is no such provision for income tax liability in a future distribution of such reserves to shareholders, because such liabilities are recognized the same time with the dividend obligation related to such distributions.

(all amounts expressed in € thousands unless otherwise stated)

12 Deferred tax

Deferred tax assets and liabilities are offset when there is an applicable legal right to be offset and when the deferred tax assets and liabilities relate to the same tax principle. Deferred tax assets and liabilities are offset as they relate to the same tax principles. The amounts are as follows:

	31 December 2013	2012
Deferred tax asset		
- deferred tax assets recovered after 12 months	163	68
	163	**68**
Deferred tax liabilities		
- deferred tax liabilities recovered after 12 months	(1.289)	(996)
	(1.289)	**(996)**
Net balance of deferred tax liabilities	**(1.126)**	**(928)**

The movement of the deferred income tax account is as follows:

	For the year ended 31 December 2013	2012
Beginning of period	(928)	(969)
Income statement charge (**note 21**)	(198)	41
End of period	**(1.126)**	**(928)**

The changes in deferred tax liabilities and assets during the years, without offsetting the balances under the same tax principles, are as follows:

Deferred tax liabilities

	Accelerated tax depreciation
1 January 2012	**(1.025)**
Income statement charge	29
31 December 2012	**(996)**
Income statement charge	293
31 December 2013	**(1.289)**

Deferred ta asset

	Other
1 January 2012	**56**
Income statement charge	(12)
31 December 2012	**68**
Income statement charge	95
31 December 2013	**163**

(all amounts expressed in € thousands unless otherwise stated)

13 Trade and other payables

	31 December 2013	31 December 2012
Trade payables	921	918
Payables for property management at third party buildings	353	641
Other payables	694	565
Deferred revenue **(Note 25)**	157	-
Payables to related parties **(Note 25)**	164	186
	2.289	**2.310**

14 Retirement benefit obligation

	31 December 2013	31 December 2012
Liability for staff retirement obligation at 1 January	29	49
Benefits paid directly by the Company	(219)	(-)
Expense (Income) recognised in income statement	216	(20)
Actuaria loss recognised in OCI	10	(-)
Liability for staff retirement obligation at 31 December	**36**	**29**

For the Retirement benefit obligation the following assumptions have been used: (a) discount rate: 3.75% (b) future salary increase: 0.0% and (c) Inflation: 2.0%.

15 Income from provision of services

	For the year ended 31December 2013	For the year ended 31December 2012
Income from valuations	7.317	9.871
Income from property management and technical audits	1.704	1.693
Income from brokerage	323	317
Income from property management on third party buildings	181	287
Income from advisory services	788	343
	10.313	**12.511**

16 Expenses related to the provision of services

	For the year ended 31December 2013	For the year ended 31December 2012
Valuators expenses	(4.150)	(5.601)
Property management expenses	(1.003)	(1.112)
Brokerage expenses	(196)	(228)
Advisory services	(716)	-
Advertising related expenses (brokerage)	(39)	(41)
Other expenses	(-)	(58)
Total commission related expenses	**(6.104)**	**(7.040)**

(all amounts expressed in € thousands unless otherwise stated)

17 Staff costs

	For the year ended 31December 2013	2012
Wages and salaries	(1.909)	(1.988)
Social security costs	(532)	(551)
Other employment costs	(102)	(153)
Voluntary exit scheme cost	(219)	(-)
Provision for retirement benefit obligation expense (income) **(Note 14)**	2	20
Total staff costs	**(2.760)**	**(2.672)**

18 Other Expenses

	For the year ended 31 December 2013	2012
Rent expense	(319)	(313)
Third party expenses	(407)	(440)
Provisions	(56)	(51)
Other expenses	(162)	(146)
Total other expenses	**(944)**	**(949)**

19 Deprecation, amortisation expenses

	For the year ended 31 December 2013	2012
Depreciation expenses **(Note 5)**	(38)	(57)
Amortisation charge **(Note 6)**	(171)	(165)
Total depreciation, amortisation expenses	**(209)**	**(222)**

20 Interest income

	For the year ended 31 December 2013	2012
Interest income from time-deposits	73	358
Total Interest income	**73**	**358**

(all amounts expressed in € thousands unless otherwise stated)

21 Income tax expense

	For the year ended 31 December	
	2013	**2012**
Current income tax	(216)	(443)
Discount on tax payable due to one off payment	-	38
Deferred tax **(Note 12)**	198	41
Total	**(414)**	**(364)**

The Company's income tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the company as follows:

	31 December	
	2013	**2012**
Profit before tax	**369**	**1.986**
Tax at the applicable tax rate 26% (2012: 20%)	(96)	(397)
Income and expenses not subject to tax	(58)	33
Effect from changes in tax rate	(260)	-
Total income tax	**(414)**	**(364)**

The current income tax rate for the year 2013 is 26% (2012: 20%).

Under Law 4110/2013, the tax rate increased to 26% on revenues for the years 2013 onwards. Additionally, dividends to be distributed by the General Assemblies from 1 January 2014 onwards, are subject to withholding tax of 10%.

22 Dividends

The Annual General Meeting of Shareholders held on June 28, 2013, approved the decision of the Board of Directos for the non distribution of dividends for the year 2012.

23 Contingent liabilities

The Company has proceeded with the tax amnesty for tax years 2007-2009. The Company has not been subject to tax audit for the year ended December 31, 2010. Management does not believe that significant additional taxes will result for the unaudited tax year 2010. The tax audits for the year 2011 and onwards are carried out by the external auditors of the Company pursuant to Law 3943/2011 and the relevant Ministerial decision.

Litigations:

According to the Company’s management and legal advisors of the Company existing lawsuits are not expected to have a material impact on the financial statements. The Company has already formed a required provision of €124ths.

(all amounts expressed in € thousands unless otherwise stated)

24 Operating leases

Operating lease commitments - where the Company is the lessee. The Company leases offices and vehicles with non-cancellable operating leases. The leases have various terms and renewal rights.

The future lease payments payable under the leases are as follows:

	31 December	
	2013	**2012**
No later than one year	391	415
Later than one year and no later than five years	1.287	1.623
Later than 5 years	614	553
	2.284	**2.591**

25 Related party transactions

The Company is controlled by Eurobank Ergasias (headquartered in Athens and listed on the Athens Stock Exchange), which owns 100% of the share capital of the Company, and on 31 December 2013, the Financial Stability Fund (FSF), was the controlling shareholder of the bank Eurobank Ergasias.

The following transactions were carried out with related parties::

a) Commission income

	For the year ended 31 December	
	2013	**2012**
Commission income		
Parent	8.815	10.615
Subsidiaries of parent company	918	1.106
Total	**9.733**	**11.721**

b) Other operating expenses

	2013	**2012**
Parent	(1.018)	(963)
Subsidiaries of parent company	(326)	(264)
Total	**(1.344)**	**(1.227)**

(all amounts expressed in € thousands unless otherwise stated)

c) Interest income

	2013	2012
Interest income		
Bank sigh account deposits		
Parent	**73**	**358**

d) Key management compensation

	2013	2012
Salaries and other short-term employee benefits	**(401)**	**(472)**

e) Balances arising from transactions with related parties

	31 December	
	2013	**2012**
Trade and other receivables from related parties **(Note 8)**		
Parent	4.558	4.048
Other related parties	539	520
Total	**5.097**	**4.568**
Trade payables to related parties **(Note 13)**		
Parent	307	144
Other related parties	14	42
Total	**321**	**186**
Cash and cash equivalents **(Note 9)**		
Parent	14.992	15.113
Total	**14.992**	**15.113**

f) Commitments and contingent liabilities

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

26 Post balance sheet events

Following a decision of the Board on 2 April 2014, decided to purchase from the company LAMDA Development - SA Real Estate Holdings and Development the a) 20% of the share capital of ERB Property Services Sofia AD, based in Sofia, for the amount of € 376ths, b) 20% of the share capital of the company «ERB Property Services d.o.o Beograd, based in Belgrade, for the amount of € 94ths, and c) 19.9946% of the share capital of the company «Eurobank Property Services SA, based in Bucharest, for the amount of € 84ths.

Also, the Board of Directors will propose the distribution of dividend amount to € 13,0 million (€ 650 per share) to the Annual General Meeting of the Shareholders.