



Eurobank Properties REIC

CONDENSED CONSOLIDATED AND COMPANY
INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2014

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

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Consolidated and Company Balance Sheet

	Note	Group		Company	
		31/03/2014	31/12/2013	31/03/2014	31/12/2013
ASSETS					
Non-current assets					
Investment property	5	582.734	564.194	432.279	413.739
Property, plant and equipment		1.591	1.600	1.587	1.596
Goodwill and Intangible Assets		380	390	45	55
Investment in subsidiaries	7	-	-	105.092	105.092
Deferred tax asset		391	391	-	-
Other long term receivables	8	3.023	2.959	15.363	15.281
		588.119	569.534	554.366	535.763
Current assets					
Trade and other receivables	9	5.977	5.125	3.970	3.913
Cash and cash equivalents	10	320.432	190.695	310.910	176.945
		326.409	195.820	314.880	180.858
TOTAL ASSETS		914.528	765.354	869.246	716.621
SHAREHOLDERS' EQUITY AND LIABILITIES					
Capital and reserves					
Share Capital	11	215.684	129.930	215.684	129.930
Share premium	11	571.234	466.749	571.234	466.749
Own shares	11	(4.894)	(6.735)	(4.894)	(6.735)
Other reserves	11	10.781	10.779	10.021	10.021
Retained earnings		44.353	28.924	33.320	21.453
Total shareholders' equity		837.158	629.647	825.365	621.418
Non-current liabilities					
Borrowings, including finance leases	12	60.794	62.104	30.560	31.451
Tenant deposits		3.075	2.962	3.075	2.962
Other non-current liabilities		290	319	290	319
		64.159	65.385	33.925	34.732
Current liabilities					
Trade and other payables	13	2.923	4.541	2.158	2.606
Short term liabilities due to subsidiaries		-	-	-	50.000
Dividends payable		7	7	7	7
Current income tax liabilities		2.882	2.425	2.241	2.342
Borrowings, including finance leases	12	7.034	62.985	5.185	5.152
Tenant deposits		365	364	365	364
		13.211	70.322	9.956	60.471
Total liabilities		77.370	135.707	43.881	95.203
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		914.528	765.354	869.246	716.621

Consolidated and Company Income Statement

	Note	Group		Company	
		31/03/2014	31/03/2013	31/03/2014	31/03/2013
Revenue					
Rental income		10.529	9.523	7.236	7.857
		10.529	9.523	7.236	7.857
Net gain/(loss) from fair value adjustments on investment property		4.178	-	4.178	-
Technical service fees		(94)	(148)	(42)	(71)
Other direct property relating expenses		(234)	(325)	(149)	(264)
Employee benefit expense- BoD		(627)	(252)	(614)	(242)
Depreciation of assets		(20)	(23)	(20)	(23)
Other income		7	-	7	-
Other expenses		(369)	(240)	(283)	(208)
Operating profit/ (loss)		13.370	8.535	10.313	7.049
Interest income		2.296	2.057	2.443	2.096
Finance costs		(538)	(601)	(260)	(296)
Negative goodwill arising from subsidiary's acquisition	6	1.253	-	-	-
Profit/ (loss) before tax		16.381	9.991	12.496	8.849
Taxes	14	(963)	(781)	(640)	(567)
Profit/ (loss) for the period		15.418	9.210	11.856	8.282
Earnings/ (losses) per share (expressed in € per share)					
- Basic and Diluted	16	0,18	0,15		

Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Profit/ (loss) for the period	15.418	9.210	11.856	8.282
Other comprehensive income/ (loss) after taxes:				
Items that may be subsequently reclassified to profit or loss				
Exchange rate differences transferred to income/ (loss) after taxes	2	(21)	-	-
Total comprehensive income/ (loss)	2	(21)	-	-
Total comprehensive income/ (loss) after taxes for the period	15.420	9.189	11.856	8.282
Total comprehensive income/ (loss) attributable to:				
- Shareholders (Owners of the parent)	15.420	9.189	11.856	8.282
- Minority interest	-	-	-	-
Total comprehensive income/ (loss) after taxes for the period	15.420	9.189	11.856	8.282

The Condensed Consolidated and Company Interim Financial Statements for the period ended March 31, 2014 were approved by the Board of Directors on May 20, 2014 and are signed on its behalf by:

Nikolaos A. Bertzos

Georgios Chryssikos

Panagiotis - Aristeidis Varfis

Evangelos Tentis

Chairman of the BoD

Chief Executive Officer

Chief Financial Officer

Chief Accountant

Non-executive member of the BoD

Executive member of the BoD

Consolidated Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total Equity
Balance January 01, 2013		129.930	466.749	(6.719)	10.823	26.191	626.974
Profit/ (loss) for the period		-	-	-	-	9.210	9.210
Foreign exchange differences		-	-	-	(19)	(2)	(21)
Total comprehensive income/ (loss) for the period		-	-	-	(19)	9.208	9.189
Acquisition of own shares	11	-	-	(5)	-	-	(5)
Transfer to reserves		-	-	-	4	(4)	-
Balance March 31, 2013		129.930	466.749	(6.724)	10.808	35.395	636.158
Balance January 01, 2014		129.930	466.749	(6.735)	10.779	28.924	629.647
Profit/ (loss) for the period		-	-	-	-	15.418	15.418
Foreign exchange differences		-	-	-	2	-	2
Total comprehensive income/ (loss) for the period		-	-	-	2	15.418	15.420
Share capital increase	11	85.754	107.494	-	-	-	193.248
Share capital issue costs	11	-	(3.009)	-	-	11	(2.998)
Sale of pre-emption rights of own shares	11	-	-	1.841	-	-	1.841
Balance March 31, 2014		215.684	571.234	(4.894)	10.781	44.353	837.158

Company Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total Equity
Balance January 01, 2013		129.930	466.749	(6.719)	10.021	31.767	631.748
Profit/ (loss) for the period		-	-	-	-	8.282	8.282
Other comprehensive income/ (loss) after tax		-	-	-	-	-	-
Total comprehensive income/ (loss) for the period		-	-	-	-	8.282	8.282
Acquisition of own shares	11	-	-	(5)	-	-	(5)
Balance March 31, 2013		129.930	466.749	(6.724)	10.021	40.049	640.025
Balance January 01, 2014		129.930	466.749	(6.735)	10.021	21.453	621.418
Profit/ (loss) for the period		-	-	-	-	11.856	11.856
Other comprehensive income/ (loss) after tax		-	-	-	-	-	-
Total comprehensive income/ (loss) for the year		-	-	-	-	11.856	11.856
Share capital increase	11	85.754	107.494	-	-	-	193.248
Share capital issue costs	11	-	(3.009)	-	-	11	(2.998)
Sale of pre-emption rights of own shares	11	-	-	1.841	-	-	1.841
Balance March 31, 2014		215.684	571.234	(4.894)	10.021	33.320	825.365

Consolidated and Company Cash Flow Statement

	Note	Group		Company	
		01/01 - 31/03/2014	01/01 - 31/03/2013	01/01 - 31/03/2014	01/01 - 31/03/2013
Cash flows from operating activities					
Profit/ (loss) for the period		15.418	9.210	11.856	8.282
Other (gains)/ losses		(7)	-	(7)	-
Negative goodwill arising from subsidiary's acquisition	6	(1.253)	-	-	-
Provisions		(827)	-	(886)	-
Interest income		(2.296)	(2.057)	(2.443)	(2.096)
Finance costs		538	601	260	296
Taxes	14	963	781	640	567
(Increase)/ decrease of fair value of investment property	5	(4.178)	-	(4.178)	-
Depreciation of assets		20	23	20	23
Changes in working capital:					
Decrease/ (increase) in receivables		(1.250)	(201)	(459)	(325)
Increase / (decrease) in payables		822	(673)	328	137
Cash generated from operating activities		7.950	7.684	5.131	6.884
Interest paid		(532)	(602)	(263)	(306)
Taxes paid		(712)	(814)	(489)	(600)
Net cash generated from operating activities		6.706	6.268	4.379	5.978
Cash flows from investing activities					
Subsidiary's share capital increase	8			(50.000)	
Purchases of investment property	5	(14.362)	-	(14.362)	-
Purchases of property, plant and equipment		(1)	(15)	(1)	(15)
Loans due from subsidiaries		-	-	-	(8.070)
Repayments of loans due from subsidiaries abroad		-	-	-	900
Repayments of loans due from local subsidiaries		(55.983)			
Interest received		2.577	2.316	2.727	2.253
Net cash used in investing activities		(67.769)	2.301	(61.636)	(4.932)
Cash flows from financing activities					
Proceeds from share capital increase (incl. share capital issue costs)	11	190.239	-	190.239	-
Proceeds from sale of pre-emption rights of own shares	11	1.841	-	1.841	-
Purchase of treasury shares		-	(5)	-	(5)
Repayments of borrowings		(1.278)	(9.888)	(858)	(828)
Net cash used in financing activities		190.802	(9.893)	191.222	(833)
Net increase/ (decrease) in cash and cash equivalents for the period					
		129.739	(1.324)	133.965	213
Cash and cash equivalents at the beginning of the period	10	190.695	161.091	176.945	153.005
Exchange gains / (losses) on cash and cash equivalents		(2)	21	-	-
Cash and cash equivalents at the end of the period	10	320.432	159.788	310.910	153.218

Notes to the Financial Statements

1 General information

The present Condensed Consolidated and Company Interim Financial Statements include the Financial Statements of the Company Eurobank Properties Real Estate Investment Company (the “Company”) and the Consolidated Financial Statements of the Company and its subsidiaries (together the “Group”) for the period ended March 31, 2014.

The Company and the Group is a real estate fund with a major portfolio in Greece and in Southeastern Europe. Its business is leasing out investment property under operating leases and is classified as a real estate investment company under Greek Law 2778/1999 with effect from September 29, 2005.

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

The total number of employees of the Group as at the end of the period was 21 (31/03/2013: 19).

These Condensed Consolidated and Company Interim Financial Statements (the “Financial Statements”) have been approved for issue by the Board of Directors on May 20, 2014.

2 Summary of significant accounting policies

These Condensed Consolidated and Company Interim Financial Statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at December 31, 2013.

Comparatives

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

3 Accounting Policies

The accounting policies adopted in the preparation of the Condensed Consolidated and Company Interim Financial Statements for the three month period ended March 31, 2014 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended December 31, 2013.

Rental Income is not subject to seasonality.

New standards and interpretations adopted by the Group

The following new standards and amendments to standards, as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU), apply from January 01, 2014, do not have a material impact on the Group’s financial statements :

IAS 27 (Amendment) “Separate Financial Statements” The amendment is issued concurrently with IFRS 10 ‘Consolidated Financial Statements’ and together they supersede IAS 27 ‘Consolidated and Separate Financial Statements’. The amendment prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

IAS 28 (Amendment) “Investments in Associates and Joint Ventures” The amendment replaces IAS 28 ‘Investments in Associates’. The objective of the amendment is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the publication of IFRS 11. An exemption from applying the equity method is provided, when the investment in associate or joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including

Notes to the Financial Statements

investment –linked insurance funds. In this case, investments in those associates and joint ventures may be measured at fair value through profit or loss.

IAS 32 (Amendment) “Offsetting Financial Assets and Financial Liabilities” The amendment clarifies the requirements for offsetting financial assets and financial liabilities.

IAS 36 (Amendment) “Recoverable Amount Disclosures for Non-Financial Assets” The amendments restrict the requirement to disclose the recoverable amount of an asset or cash generating unit only to periods in which an impairment loss has been recognized or reverses. They also include detailed disclosure requirements applicable when an asset or cash generating unit’s recoverable amount has been determined on the basis of fair value less costs of disposal and an impairment loss has been recognized or reversed during the period.

IAS 39 (Amendment) “Novation of derivatives and continuation of hedge accounting” The amendment provides relief from discontinuing hedge accounting when, as a result of laws and regulations, a derivative designated as a hedging instrument is novated to effect clearing with a central counterparty and specific criteria are met.

IFRS 10 “Consolidated Financial Statements” IFRS 10 replaces the part of IAS 27 ‘Consolidated and Separate Financial Statements’ that deals with consolidated financial statements and SIC 12 ‘Consolidation-Special Purpose Entities’. Under IFRS 10, there is a new definition of control, providing a single basis for consolidation for all entities. This basis is built on the concept of power over the investee, variability of returns from the involvement with the investee and their linkage, replacing thus focus on legal control or exposure to risks and rewards, depending on the nature of the entity.

IFRS 11 “Joint Arrangements” IFRS 11 replaces IAS 31 ‘Interests in Joint Ventures’ and SIC-13 ‘Jointly Controlled Entities- Non – monetary Contributions by Ventures’ and establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. Under IFRS 11, there are only two types of joint arrangements, joint operations and joint ventures and their classification is based on the parties’ rights and obligations arising from the arrangement, rather than its legal form. The equity method of accounting is now mandatory for joint ventures. The option to use the proportionate consolidation method to account for joint ventures, which is not applied by the Group, is no longer allowed. In joint operations, each party that has joint control of the arrangement recognizes in its financial statements, in relation to its involvement in the joint operation, its assets, liabilities and transactions, including its share in those arising jointly.

IFRS 12 “Disclosure of Interests in Other Entities” IFRS 12 specifies the disclosures required in annual financial statements to enable users of financial statements to evaluate the nature of and risks associated with the reporting entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Accordingly, the Group will apply the aforementioned disclosures in the Consolidated Financial Statements for the year ending 31 December 2014.

IFRS 10, 11 and 12 (Amendments) “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance” The amendments clarify the transition guidance in IFRS 10 and provide additional transition relief in IFRS 10, 11 and 12, requiring adjusted comparative information to be limited only to the preceding comparative period. In addition, for disclosures related to unconsolidated structured entities, the requirement to present comparative information for periods before IFRS 12 is first applied, is removed.

IFRS 10, 12 and IAS 27 (Amendments) “Investment Entities” The amendments require that ‘investment entities’, as defined below, account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss. The only exception would be subsidiaries that are considered an extension of the investment entity’s investing activities. Under the amendments an ‘Investment entity’ is an entity that: (a) obtains funds from one or more investors for the purpose of providing those investors with investment management services; (b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (c) measures and evaluates the performance of substantially all of its investments on a fair value basis. The amendments also set out disclosure requirements for investment entities.

Notes to the Financial Statements

4 Segment analysis

a) Operating segments

For the period ended March 31, 2014:

	Offices	Logistics	Retail	Mixed use	Total
REVENUE					
Rental revenue	2.706	764	4.473	2.578	10.521
Income/ (expense) from service charges	11	-	5	(8)	8
Total	2.717	764	4.478	2.570	10.529
RESULTS					
Net gain/ (loss) from fair value adjustments on investment property	-	4.178	-	-	4.178
Other direct property relating expenses	(73)	(16)	(85)	(60)	(234)
Technical service fees	(45)	(4)	(23)	(22)	(94)
Finance costs	(504)	(8)	-	(26)	(538)
Profit/ (loss) relating to investment property	2.095	4.914	4.370	2.462	13.841
Reconciliation of net profit/ (loss) for the period:					
Profit/ (loss) relating to investment property					13.841
Interest income					2.296
Other expenses					(1.016)
Other income					7
Negative goodwill arising from subsidiary's acquisition					1.253
Taxes					(963)
Net profit/ (loss) for the period					15.418

Notes to the Financial Statements

For the period ended March 31, 2013:

	Offices	Logistics	Retail	Mixed use	Total
REVENUE					
Rental revenue	3.932	690	1.852	3.029	9.503
Income/ (expense) from service charges	26	-	6	(12)	20
Total	3.958	690	1.858	3.017	9.523
RESULTS					
Net gain/ (loss) from fair value adjustments on investment property	-	-	-	-	-
Other direct property relating expenses	(129)	(56)	(96)	(44)	(325)
Technical service fees	(78)	(15)	(38)	(17)	(148)
Finance costs	(525)	(10)	(40)	(26)	(601)
Profit/ (loss) relating to investment property	3.226	609	1.684	2.930	8.449
Reconciliation of net profit/ (loss) for the period:					
Profit/ (loss) relating to investment property					8.449
Interest income					2.057
Other expenses					(515)
Taxes					(781)
Net profit/ (loss) for the period					9.210

b) Geographical segments

For the period ended March 31, 2014:

	Revenue	Non-current assets
Greece	8.848	500.070
Romania	1.467	74.401
Serbia	214	13.257
	10.529	587.728

Notes to the Financial Statements

For the period ended March 31, 2013:

	Revenue	Non-current assets
Greece	7.857	458.894
Romania	1.442	75.908
Serbia	224	14.349
	9.523	549.151

5 Investment Property

	Group	
	31/03/2014	31/12/2013
Balance at the beginning of the period	564.194	547.100
Additions:		
Acquisition of investment property	14.362	-
Subsequent capital expenditure on investment property	-	83
Acquisition of subsidiary	-	63.181
Disposals	-	(3.019)
Net gain/(loss) from fair value adjustments on investment property	4.178	(43.151)
Balance at the end of the period	582.734	564.194

	Company	
	31/03/2014	31/12/2013
Balance at the beginning of the period	413.739	457.178
Additions:		
Acquisition of investment property	14.362	-
Subsequent capital expenditure on investment property	-	83
Disposals	-	(3.019)
Net gain/(loss) from fair value adjustments on investment property	4.178	(40.503)
Balance at the end of the period	432.279	413.739

On March 06, 2014, the Company completed the acquisition of a warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €5.880 (excluding legal expenses of €103). The fair value of the property as evaluated by independent valuers is €7.770. It is noted that the acquisition was financed through the existing funds of the Company, which originated from its 2007 Share Capital Increase.

Additionally, on March 20, 2014, the Company completed the acquisition of a second warehouse in the industrial area of Aspropyrgos, Attica. The acquisition price of the property was €8.320 (excluding legal expenses of €9). The fair value of the property as evaluated by independent valuers is €10.770. It is noted that the acquisition was financed through the existing funds of the Company which originated from its 2007 Share Capital Increase.

According to IFRS 40, the net carrying amount of investment property held under finance leases as at March 31, 2014 amounts to €18.721 (31/03/2013: €19.469).

In accordance with existing Greek REIC legislation, property valuations are supported by independent valuers performed twice per year on June 30 and December 31. Valuations are based on two methods according to the

Notes to the Financial Statements

appraising standards, and for this portfolio the discounted cash flow and the comparative method are used.

Lease liabilities and bank borrowings which are secured by investment property are analyzed in note 12.

As of March 31, 2014, the Company has invested in property a lower percentage of its total assets than the one required by (article 22, paragraph 1 a) of Law 2778/1999 as amended by Law 4141/2013 and Law 4209/2013. Taking into consideration, the acquisition of the portfolio of 14 assets from the Hellenic Republic Asset Development Fund (HRADF) on May 12, 2014, the Company meets the above mentioned regulatory requirement.

As of October, 21 2013 the Company was proclaimed preferred bidder by the Hellenic Republic Asset Development Fund for the acquisition of a portfolio consisting of 14 assets and the respective lease to the Hellenic Republic. The Company was informed on January 8th, 2014 by HRADF that the State Court of Auditors was temporarily blocking the signing of the above deeds. This decision was repealed on March 19, 2014. On May 12, 2014, the acquisition of the portfolio from HRADF and the respective lease to the Hellenic Republic for 20 years, was concluded.

The total surface of these properties is approximately 189.000 sqm, out of which 136.000 sqm above ground and the remaining 53.000 sqm of basement spaces. Most important assets of this portfolio are the Ministry of Education and Religious Affairs, the Ministry of Health, the Ministry of Justice, Transparency and Human Rights and the Athens Police Headquarters. This transaction significantly improves the diversification of the existing portfolio.

The acquisition price of this portfolio is €145,81m. and the annual rental income will be €14,05m.. The acquisition was financed for the amount of €58,7m. through the Company's remaining funds originated from its 2007 Share Capital Increase and for the amount of €87,11m. through the funds originated from the Share Capital Increase of 2014. It is noted that on December 06, 2013 the Company signed the heads terms of a five year bond loan for an amount of €60m. with HSBC Bank plc, London. The bond loan will finance part of the above mentioned investment.

6 Acquisition of subsidiary

Based on the framework agreement between Eurobank Properties REIC and its subsidiary Cloud Hellas Ktimatiki S.A. dated December 31, 2013, there was a contractual obligation for the Company to proceed with a Share Capital Increase of €50.000, through payment in cash.. It is noted that Cloud's share capital increase was financed through existing funds of the Company, which originated from its 2007 Share Capital increase and was successfully completed on February 27, 2014.

Thereafter, Cloud Hellas Ktimatiki S.A on February 28, 2014 prepaid in full the outstanding bond loan (€56m.) and became free of any liabilities by using the proceeds of this share capital increase and the remaining cash and cash equivalents.

Upon the finalization of the transaction, the conclusion of the shareholders agreement and the haircut of the bond loan of the subsidiary, the negative goodwill was finalized to a total amount of €13.303, out of which €1.253 was recorded in the current period.

Notes to the Financial Statements

7 Investment in subsidiaries

	Country of incorporation	Percentage of interest	31/03/2014	31/12/2013	Unaudited tax fiscal years
Reco Real Property A.D.	Serbia	100%	17.240	17.240	2008-2013
Eliade Tower S.A.	Romania	99,99%	11.805	11.805	2009-2013
Retail Development S.A.	Romania	99,99%	4.561	4.561	2009-2013
Seferco Development S.A.	Romania	99,99%	21.486	21.486	2009-2013
Cloud Hellas Ktimatiki S.A.	Greece	100%	50.000	50.000	2010,2013
			105.092	105.092	

8 Other long term receivables

Group's figure "Other long term receivables" for the period ended March 31, 2014, includes accrued rental receivable of €3.023 (31/12/2013: €2.959).

Company's figure "Other long term receivables" for the period ended March 31, 2014, includes shareholders loans of €4.315 (31/12/2013: €4.315) and €8.070 (31/12/2013: €8.070) payable by the foreign subsidiaries Eliade Tower S.A. and Retail Development S.A. respectively. Additionally, this figure includes accrued rental receivable of €2.978 (31/12/2013: €2.896).

9 Trade and other receivables

The analysis of trade and other receivables is as follows:

	Note	Group		Company	
		31/03/2014	31/12/2013	31/03/2014	31/12/2013
Trade receivables		2.017	857	1.281	554
Receivables from related parties	19	683	805	687	707
Other receivables		3.277	3.463	2.002	2.652
Trade and other receivables		5.977	5.125	3.970	3.913

Trade receivables of the Group as at March 31, 2014, include provisions for bad debts amounting to €2.136 recorded in the previous periods (31/12/2013: €2.136).

Trade receivables of the Company as at March 31, 2014, include provisions for bad debts amounting to €1.601 recorded in the previous periods (31/12/2013: €1.601).

Notes to the Financial Statements

The ageing analysis of trade receivables is as follows:

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Trade receivables				
Due within due date	1.704	477	1.211	368
Past due but not impaired:				
- 4 to 6 months	313	380	70	186
- over 6 months	-	-	-	-
Doubtful debts	2.136	2.136	1.601	1.601
Less: Provision for doubtful debts past due	(2.136)	(2.136)	(1.601)	(1.601)
	2.017	857	1.281	554

10 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Cash in hand	2	4	1	1
Cash at bank and short-term deposits	320.430	190.691	310.909	176.944
Cash and cash equivalents	320.432	190.695	310.910	176.945

11 Share Capital

The analysis of the movement of the Share Capital, share premium and own shares is as follows:

	shares (thousands)	Share capital	Share premium	Own shares	Total
Balance January 01, 2013	59.853	129.930	466.749	(6.719)	589.960
Acquisition of own shares	(1)	-	-	(5)	(5)
Balance March, 31 2013	59.852	129.930	466.749	(6.724)	589.955
Balance January 01, 2014	59.850	129.930	466.749	(6.735)	589.944
Share capital increase	40.260	85.754	107.494	-	193.248
Share capital issue costs	-	-	(3.009)	-	(3.009)
Sale of pre-emption rights of own shares	-	-	-	1.841	1.841
Balance March, 31 2014	100.110	215.684	571.234	(4.894)	782.024

As at November 08, 2013, the Extraordinary Shareholders Meeting decided the Share Capital Increase, through the payment in cash and by pre-emption right in favor of the existing shareholders, through the issuance of 40.260.000 new common registered shares, of a nominal value of (amount in €) €2,13 and issue price of (amount in €) €4,80 each.

The Share Capital Increase which started on January 14, 2014, was successfully completed and fully covered on January 31, 2014. As a consequence, Company's Share Capital was increased by €85.754 through the issuance of 40.260.000 new common shares and the resulting difference of €107.494 was credited to a special reserve "share premium account" as provided by law. The share capital issue costs amounted to €3.009.

Notes to the Financial Statements

The total authorised number of ordinary shares as at March 31, 2014, is 101.260.000 (December 31, 2013 – 61.000.000) with a par value of (amount in €) €2,13 per share. All shares are fully paid up amounting to €215.684. All shares are listed in the main market of Athens Stock Exchange. The Company shares are ordinary shares with voting rights.

Following the completion of the Company's Share Capital Increase and the listing for trading of the new shares in the Athens Stock Exchange on February 06, 2014, Company's shareholder structure with stakes over 5% as at March 31, 2014, is as follows:

- | | |
|--|--------|
| • Fairfax Financial Holdings Limited * | 41,50% |
| • Eurobank Ergasias A.E. | 33,95% |
| • Fidelity Management & Research LLC | 5,80% |

*Wentworth Insurance Company Limited (subsidiary of Fairfax Financial Holdings Limited) owns directly 5.278.797 common shares amounting to 5,21% of Company's Share Capital. Odyssey Reinsurance Company (subsidiary of Fairfax Financial Holdings Limited) owns directly 9.596.988 common shares amounting to 9,48% of Company's Share Capital

It is noted that the above percentages are in accordance with the TR1 disclosures notified by the above shareholders.

As at March 31, 2014 and also as at December 31, 2013, the Company owned 1.150.571 of own shares of a total cost of €6.735 with an average price of (amount in €) €5,85 per share.

The Company, based on the decision of the Extraordinary Shareholders Meeting dated on November 08, 2013, disposed the pre-emption rights of 1.150.571 own shares through Athens Stock Exchange. Specifically, on January 14, 2014 the Company disposed 994.320 pre-emption rights at a value of €1.591 and on January 15, 2014, the Company disposed 156.251 pre-emption rights at a value of €250.

On April 14, 2014, the Annual General Meeting of the Shareholders approved the purchase of own shares for an additional period of two years. As at March 31, 2014, the total amount of shares owned by the Company amounts to 1,1% of its Share Capital.

Other reserves

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

Notes to the Financial Statements

12 Borrowings including obligations under finance leases

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

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Non-current				
Bank borrowings	50.504	51.138	20.270	20.485
Finance lease liabilities	10.290	10.966	10.290	10.966
Non-current borrowings, including finance leases	60.794	62.104	30.560	31.451
Current				
Bank borrowings	4.402	60.383	2.553	2.550
Finance lease liabilities	2.632	2.602	2.632	2.602
Current borrowings, including finance leases	7.034	62.985	5.185	5.152
Total borrowings, including finance leases	67.828	125.089	35.745	36.603

The maturity of loans, including obligations under finance leases, is as follows:

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Up to 1 year	7.034	62.985	5.185	5.152
From 1 to 5 years	28.611	29.059	12.144	12.462
Over 5 years	32.183	33.045	18.416	18.989
	67.828	125.089	35.745	36.603

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

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

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

Lease liabilities and bank borrowings are secured by investment property.

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

A mortgage of €9.275 has been registered in favor of Bancpost S.A. over the property of its subsidiary Seferco Development S.A., located at Bucharest, Romania.

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

Finally, a mortgage of €9.900 has been registered in favor of Alpha Bank S.A. over the property of the parent Company located in Tauros, 25 Martiou & Thessalonikis and in Athens, 49 Stadiou.

Notes to the Financial Statements

13 Trade and other payables

The analysis of trade and other payables is as follows:

	Note	Group		Company	
		31/03/2014	31/12/2013	31/03/2014	31/12/2013
Trade payables		843	1.051	714	544
Other payables and accruals		1.567	2.433	1.001	1.052
Amounts due to related parties	19	513	1.057	443	1.010
Trade and other payables		2.923	4.541	2.158	2.606

14 Taxes

	Group		Company	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Current tax	342	381	240	289
Other taxes relating to investment property	621	204	400	82
Extraordinary property tax imposed according to Law 4021/3-10-2011	-	196	-	196
Taxes	963	781	640	567

The Company is exempted from corporate income tax under Greek REIC legislation and is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents at a tax rate of 10% of the aggregate European Central Bank reference rate plus 1% (the taxation formula is as follows: $10\% * (\text{ECB reference rate} + 1\%)$). This tax is final and relieves the Company and its shareholders of any further tax liabilities. The income tax for the Group and the Company for the period ended March 31, 2014 amounts to €63 and €640 respectively.

Company's taxes, for the period ended March 31, 2014, include a provision of current tax amounting to €240 and also a provision from the imposition of property tax according to Law N. 4223/2013 amounting to €400. For the period ended March 31, 2013, the figure of taxes for the Company included a provision for current tax of €289, a provision from the imposition of extraordinary property tax according to Law 4021/3-10-2011 amounting to €196 and finally a provision of property tax amounting to €82. It is noted that in 2014 the extraordinary property tax according to Law 4021/3-10-2011 and the property tax, were replaced by property tax according to Law N. 4223/2013.

Company's subsidiaries abroad are taxed on their taxable income based on a tax rates of 10% in Serbia and 16% in Romania. No significant foreign income tax expense was incurred for the period ended March 31, 2014.

15 Dividends per Share

Dividends are not recorded if they have not been approved by the Annual Shareholders Meeting.

On April 14, 2014, Company's shareholders approved the payment of dividends amounting to €18.277 from prior years' gains ([amount in €] €0,18 per share).

Notes to the Financial Statements

16 Earnings per share

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

	Group	
	31/03/2014	31/03/2013
Profit/ (loss) attributable to equity holders of the Company	15.418	9.210
Weighted average number of ordinary shares in issue (thousands)	83.558	59.851
Basic earnings/ (losses) per share (€ per share)	0,18	0,15

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

17 Contingent Liabilities

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

The tax authorities issued final tax assessments for the Company during November 2005 for additional income taxes, and penalties totalling €1.191 for the open tax years to December 31, 2004. Company's management, based on the advice of its legal advisors, disputes additional assessments of incomes taxes, and penalties totalling €1.191 on the grounds that it can challenge the tax authority in courts based on reasonable and prudent interpretations of existing tax legislation. The trial took place on April 01, 2014 and the decision is pending. Company's management believes that no provision for the later amounts that may be assessed by the tax authorities is necessary in these financial statements since no significant obligations will arise.

18 Capital expenditures

On March 31, 2014, Group's capital expenditure relating to improvements on investment property amounted to €697.

19 Related party Transactions

The Company is controlled by Eurobank Ergasias S.A. (incorporated in Athens and its shares are listed on the Athens Stock Exchange, Greece). Following the completion of the Company's Share Capital increase on January 31, 2014 and the listing of the new shares in Athens Stock Exchange on February 06, 2014, the participation of the Eurobank Ergasias S.A. in the Company's Share Capital is 33,95%.

Following the successful completion of the recapitalization of the Eurobank Ergasias S.A. from the European Financial Stability Facility (E.F.S.F.) and the introduction of its new shares on the Athens Stock Exchange on June 19, 2013, the E.F.S.F. acquired 3.789.317.358 ordinary shares with voting rights issued by Eurobank Ergasias SA, representing 98,56% of the ordinary voting shares. Following the issuance of 205.804.664 new ordinary shares on July, as resolved at the Annual General Meeting of the Shareholders on June 27, 2013, the percentage of the voting rights held in Eurobank by HFSF decreased to 93,55%. Following the share capital increase approved by the Extraordinary General Meeting of August 26, 2013, the percentage of the voting rights held by HFSF increased to 95,23%.

The BoG, following the assessment of Eurobank's capital needs, concluded on March 6, 2014 and notified Eurobank that its Core Tier I capital should increase by €2.945m. Eurobank Ergasias S.A. with its letter to BoG on March 24, 2014, submitted its capital enhancement plan whereby revised its capital actions providing for an additional positive impact on regulatory capital of €81m. and stated that it intends to cover the remaining capital

Notes to the Financial Statements

needs of €2.864m. through a Share Capital increase,

Following the completion of Bank's Share Capital increase and the commencement of trading of the new ordinary shares on the Athens Exchange on May 9, 2014, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 95,23% to 35,41%, which corresponds to 5.208.067.358 ordinary shares with voting rights issued by Bank out of total 14.707.876.542 ordinary shares with voting rights.

The following transactions were carried out with related parties:

a) Rental income and sale of services

	Group		Company	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Rental income				
Parent (Bank Eurobank Ergasias S.A.)	2.654	2.975	2.654	2.975
Other related parties	1.805	1.892	753	842
	4.459	4.867	3.407	3.817

Group's rental revenues from leases with Bank Eurobank Ergasias S.A. amount to 25% for the period ended March 31, 2014 (31/03/2013:31%).

b) Purchase of services

	Group		Company	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Technical service fees				
Subsidiary of parent company (Eurobank Property Services S.A.)	94	148	42	71
	94	148	42	71

c) Finance costs

	Group		Company	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Bank borrowings				
Parent (Bank Eurobank Ergasias S.A.)	85	88	9	10
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	174	162	-	-
Subsidiary of parent company (Eurobank A.D. Beograd)	10	10	-	-
Subsidiary of parent company (SC Bancpost S.A.)	2	-	-	-
Subsidiary of parent company (New Europe Funding B.V.)	17	16	-	-
Finance lease liabilities				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	66	75	66	75
	354	351	75	85

Notes to the Financial Statements

d) Interest income earned on cash and cash equivalents

	Group		Company	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Subsidiary (Eliade Tower S.A.)	-	-	65	65
Subsidiary (Retail Development S.A.)	-	-	121	37
Parent (Bank Eurobank Ergasias S.A.)	1.769	1.518	1.769	1.518
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	43	-	43	-
Subsidiary of parent company (Eurobank A.D. Beograd)	7	7	-	-
Subsidiary of parent company (SC Bancpost S.A.)	4	88	-	43
	1.823	1.613	1.998	1.663

e) Transfers under financing arrangements

	Group		Company	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Net cash transfers in/ (out) under financing arrangements				
Subsidiary (Retail Development S.A.)	-	-	-	(7.170)
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	(420)	(420)	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	(584)	(560)	(584)	(560)
	(1.004)	(980)	(584)	(7.730)

f) Key management compensation – Group and Company

	31/03/2014	31/03/2013
Salaries and other short-term employee benefits	221	108
	221	108

Notes to the Financial Statements

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

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Other long term receivables				
Subsidiary (Eliade Tower S.A.)	-	-	4.315	4.315
Subsidiary (Retail Development S.A.)	-	-	8.070	8.070
Parent (Bank Eurobank Ergasias S.A.)	1.390	1.591	1.390	1.591
Other related parties	44	45	-	-
	1.434	1.636	13.775	13.976
Trade and other receivables from related parties				
Subsidiary (Eliade Tower S.A.)	-	-	65	66
Subsidiary (Retail Development S.A.)	-	-	121	124
Parent (Bank Eurobank Ergasias S.A.)	288	298	288	297
Other related parties	395	507	213	220
	683	805	687	707
Trade payables to related parties				
Subsidiary (Cloud Hellas S.A.)	-	-	-	50.000
Parent (Bank Eurobank Ergasias S.A.)	96	764	96	764
Other related parties	417	293	347	246
	513	1.057	443	51.010
Long-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	1.764	1.769	1.764	1.769
Other related parties	489	489	489	489
	2.253	2.258	2.253	2.258
Other non-current liabilities				
Parent (Bank Eurobank Ergasias S.A.)	279	307	279	307
Other related parties	11	12	11	12
	290	319	290	319
Short-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	18	18	18	18
	18	18	18	18
Long-term borrowings, including finance leases				
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	27.253	27.673	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	9.007	9.620	9.007	9.620
Subsidiary of parent company (Eurobank A.D. Beograd)	400	400	-	-
Subsidiary of parent company (New Europe Funding B.V.)	2.580	2.580	-	-
	39.240	40.273	9.007	9.620
Short-term borrowings, including finance leases				
Parent (Bank Eurobank Ergasias S.A.)	1.700	1.700	1.700	1.700
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1.680	1.680	-	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	2.385	2.357	2.385	2.357
Subsidiary of parent company (Eurobank A.D. Beograd)	100	100	-	-
Subsidiary of parent company (New Europe Funding B.V.)	70	70	-	-
	5.935	5.907	4.085	4.057
Cash and cash equivalents				
Parent (Bank Eurobank Ergasias S.A.)	238.618	147.630	238.618	147.630
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1	1	1	1
Subsidiary of parent company (Eurobank A.D. Beograd)	2.563	2.386	-	-
Subsidiary of parent company (SC Bancpost S.A.)	1.425	1.482	1	1
	242.607	151.499	238.620	147.632

Notes to the Financial Statements

h) Commitments and contingent liabilities

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

20 Events after the balance sheet date

Until the date of approval of the financial statements no significant events have taken place that affect the financial position of the Company on March 31, 2014, apart from the above mentioned events (note 5, 15 and 19).