

NEU Property Holdings Limited

Report and financial statements for the year ended 31 December 2012

Contents

	Page
Board of Directors and other officers	1
Report of the Board of Directors	2 – 3
Independent Auditor's Report	4 – 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 – 22

NEU Property Holdings Limited

Board of Directors and other officers

Board of Directors

Elli Anastasia Giannopoulou (resigned on 30 November 2012)
Michalis Louis
Dimitrios Strongylopoulos (appointed on 30 November 2012)
Dimitrios Politis (resigned on 15 July 2013)
Demetris Shacallis
Charalambos Hambakis
Spyridon Psychogios (appointed on 15 July 2013)

Company Secretary

Demetris Shacallis

Registered office

41 Arch. Makariou III Avenue
P.O.Box 1643
Nicosia
Cyprus

NEU Property Holdings Limited

Report of the Board of Directors

The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2012.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the holding of investments.

Review of developments, position and performance of the Company's business

The loss of the Company for the year ended 31 December 2012 was €46.916.752 (2011: €8.994.957). On 31 December 2012 the total assets of the Company were €25.020.033 (2011: €4.742.654) and the net assets were €21.894.578 (2011: net liabilities €3.098.670). The financial position and performance of the Company as presented in these financial statements are considered satisfactory, given the current economic conditions.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in Note 3 of the financial statements.

Future developments of the Company

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Results

The Company's results for the year are set out on page 6. The loss for the year is carried forward.

Share capital

At the Extraordinary General Meeting of the shareholders held on 12 October 2012, the authorized share capital of the Company was increased from €5.000.000 to €8.000.000 by the creation of 3.000.000 new ordinary shares of nominal value of €1 each. On the same date, the Company issued 4.500.000 new ordinary shares of nominal value €1 each and issuance price of €16 per share, resulting in an increase in share capital of €4.500.000 and share premium €67.500.000.

NEU Property Holdings Limited

Report of the Board of Directors (continued)

Board of Directors

The members of the Board of Directors of the Company as at 31 December 2012 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2012 and up to the date of this report, except from Mr Dimitrios Politis who resigned from Director on 15 July 2013, Mr Spyridon Psychogios who was appointed as Director on the same date, Mr. Dimitrios Strongylopoulos who was appointed as member of the Board on 30 November 2012 and Mrs. Elli Anastasia Giannopoulou who resigned on 30 November 2012.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements, other than those disclosed in Note 16 of the financial statements.

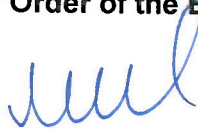
Branches

The Company did not operate through any branches during the year.

Independent Auditors

The Independent Auditors, PricewaterhouseCoopers Limited have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



Michalis Louis
Director

Nicosia, 24 June 2014



Independent auditor's report

To the Members of NEU Property Holdings Limited

Report on the financial statements

We have audited the accompanying financial statements of NEU Property Holdings Limited (the "Company"), which comprise the balance sheet as at 31 December 2012, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of 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 of financial statements that give a true and fair view 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 the Board of Directors, 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.

PricewaterhouseCoopers Ltd, Julia House, 3 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus
P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 - 22 555 000, F: +357 - 22 555 001, www.pwc.com.cy

PricewaterhouseCoopers Ltd is a member firm of PricewaterhouseCoopers International Ltd, each member firm of which is a separate legal entity. PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No. 143594). A list of the company's directors including for individuals the present name and surname, as well as any previous names and for legal entities the corporate name, is kept by the Secretary of the company at its registered office at 3 Themistocles Dervis Street, 1066 Nicosia and appears on the company's web site. Offices in Nicosia, Limassol, Larnaca and Paphos



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of NEU Property Holdings Limited as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account, so far as appears from our examination of these books.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

A handwritten signature in blue ink, appearing to read 'A. Pittas', is written over a faint, illegible stamp.

Androulla S Pittas
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 24 June 2014

NEU Property Holdings Limited

Statement of Comprehensive income for the year ended 31 December 2012

	Note	2012 €	2011 €
Impairment of investment in subsidiaries	8	(46.763.157)	(8.837.700)
Administrative expenses	5	(27.094)	(30.551)
Operating loss		<u>(46.790.251)</u>	<u>(8.868.251)</u>
Finance costs	6	(121.607)	(126.706)
Foreign exchange loss		(4.894)	-
Loss for the year		<u>(46.916.752)</u>	<u>(8.994.957)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(46.916.752)</u>	<u>(8.994.957)</u>

The notes on pages 10 to 22 are an integral part of these financial statements.

NEU Property Holdings Limited

Balance sheet at 31 December 2012

	Note	2012 €	2011 €
Assets			
Non-current assets			
Investments in subsidiaries	8	24.868.317	4.591.273
Investment in associate	9	<u>335</u>	<u>-</u>
		24.868.652	4.591.273
Current assets			
Cash and cash equivalents	10	151.381	151.381
		25.020.033	4.742.654
Total assets			
Equity and liabilities			
Capital and reserves			
Share capital	11	7.500.000	3.000.000
Share premium	11	70.500.000	3.000.000
Accumulated losses		<u>(56.015.422)</u>	<u>(9.098.670)</u>
Total equity		<u>21.984.578</u>	<u>(3.098.670)</u>
Current liabilities			
Payables	13	6.379	4.600
Borrowings	10,12	<u>3.029.076</u>	<u>7.836.724</u>
Total liabilities		<u>3.035.455</u>	<u>7.841.324</u>
Total equity and liabilities		<u>25.020.033</u>	<u>4.742.654</u>

On 24 June 2014 the Board of Directors of NEU Property Holdings Limited authorised these financial statements for issue.

Michalis Louis, Director

Demetris Shacallis, Director

The notes on pages 10 to 22 are an integral part of these financial statements.

NEU Property Holdings Limited

Statement of changes in equity for the year ended 31 December 2012

	Note	Ordinary Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2011		2.000.000	-	(103.713)	1.896.287
Comprehensive loss					
Loss for the year		-	-	(8.994.957)	(8.994.957)
Transactions with owners					
Issue of shares	11	1.000.000	3.000.000	-	4.000.000
Balance at 31 December 2011/ 1 January 2012		3.000.000	3.000.000	(9.098.670)	(3.098.670)
Comprehensive loss					
Loss for the year		-	-	(46.916.752)	(46.916.752)
Transactions with owners					
Issue of shares	11	4.500.000	67.500.000	-	72.000.000
Balance at 31 December 2012		7.500.000	70.500.000	(56.015.422)	21.984.578

The notes on pages 10 to 22 are an integral part of these financial statements.

NEU Property Holdings Limited

Statement of cash flows for the year ended 31 December 2012

	Note	2012 €	2011 €
Cash flows from operating activities			
Loss before tax		(46.916.752)	(8.994.957)
Adjustments for:			
Impairment of investment in subsidiaries		46.763.157	8.837.700
Interest expense		121.607	126.706
Changes in working capital:			
Increase / (decrease) in payables		<u>1.779</u>	<u>(15.502)</u>
Net cash used in operating activities		<u>(30.209)</u>	<u>(46.053)</u>
Cash flows from investing activities			
Investment in associate		(335)	-
Investments in subsidiaries		<u>(67.040.201)</u>	<u>(4.768.322)</u>
Net cash used in investing activities		<u>(67.040.536)</u>	<u>(4.768.322)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary share capital		4.500.000	1.000.000
Proceeds from issue of share premium		<u>67.500.000</u>	<u>3.000.000</u>
Interest paid		<u>(121.607)</u>	<u>(126.706)</u>
Net cash from financing activities		<u>71.878.393</u>	<u>3.873.294</u>
Net increase/(decrease) in cash and cash equivalents		<u>4.807.648</u>	<u>(941.081)</u>
Cash and cash equivalents at beginning of year		<u>(7.685.343)</u>	<u>(6.744.262)</u>
Cash and cash equivalents at end of year	10	<u>(2.877.695)</u>	<u>(7.685.343)</u>

The notes on pages 10 to 22 are an integral part of these financial statements.

NEU Property Holdings Limited

Notes to the financial statements

1 General information

Country of incorporation

The Company was incorporated in Cyprus on 31 August 2009 as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 41 Arch. Makariou III Avenue, P.O. Box 1643, Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the holding of investments.

2 Summary of significant accounting policies

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

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2012 have been adopted by the EU through the endorsement procedure established by the European Commission.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for the current accounting period. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a material effect on the financial statements of the Company.

NEU Property Holdings Limited

2 Summary of significant accounting policies (continued)

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

(i) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements 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.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 profit or loss.

Current income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the

NEU Property Holdings Limited

2 Summary of significant accounting policies (continued)

Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

Investments in subsidiaries

Subsidiaries are all entities, including special purpose entities, over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The Company carries the investments in subsidiaries at cost less any impairment in its separate financial statements.

Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for at cost less any impairment.

Consolidated financial statements

The Company is a wholly owned subsidiary of Eurobank Ergasias S.A., a listed entity in Greece, and has used the exemption offered by IAS27 "Consolidated and Separate Financial Statements" paragraph 10 and did not prepare consolidated financial statements. Preparation of consolidated financial statements was not required due to the availability of the consolidated financial statements of Eurobank Ergasias S.A. into which the results and financial position of the Company are consolidated. This is also in compliance with the Cyprus Companies Law Cap.113.

Impairment of non-financial assets

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

Share capital

Ordinary shares are classified as equity.

NEU Property Holdings Limited

2 Summary of significant accounting policies (continued)

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium is the amount by which the fair value of the consideration received exceeds the nominal value of the shares issued.

Provisions

Provisions 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. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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 (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds.

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

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in the presentation for the current year.

NEU Property Holdings Limited

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and interest rate risk) and liquidity risk.

The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company's to financial risks such as foreign exchange risk, interest rate risk, credit risk and liquidity risk is monitored as part of its daily management of the business.

- **Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

During the year ended 31 December 2012, the Company maintained balances with Eurobank Group related banks.

- **Market risk**

 - **Foreign exchange risk**

Foreign exchange risk arises when future transactions on recognised assets and liabilities are denominated in a currency that is not the Company's functional currency.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

- **Interest rate risk**

The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected adverse movements arise.

At 31 December 2012, if interest rates on Euro-denominated borrowings had been 0,1% higher/lower with all other variables held constant, post-tax loss for the year would have been €3.029 lower/higher (2011: €7.837 lower/higher), mainly as a result of higher/lower interest expense on floating rate borrowings.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

NEU Property Holdings Limited

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	2012	Gross nominal outflow 2012	2011
	€	€	€
Borrowings	3.029.076	3.029.076	7.836.724
Payables	6.379	6.379	4.600
At 31 December	3.035.455	3.035.455	7.841.324

(ii) 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 to reduce the cost of capital.

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

The capital as defined by management at 31 December 2012 and 31 December 2011 consists of equity as shown on the face of the balance sheet.

(iii) Fair value estimation

The carrying value of payables and short term borrowings are assumed to approximate their fair value.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

NEU Property Holdings Limited

4 Critical accounting estimates and judgements (continued)

• Impairment of investments in subsidiaries

The Company follows the guidance of IAS 36 in determining whether an investment in subsidiary is impaired. This determination requires significant judgment. The Company assesses at the end of each reporting period whether there is an indication of impairment. If such an indication exists the Company estimates the recoverable amount of the investment.

• Income taxes

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

5 Administrative expenses

	2012	2011
	€	€
Other certification fees	18.786	18.930
Auditors' remuneration – current year	4.720	4.600
Auditors' remuneration – prior year	978	5.750
Legal fees	439	95
Other expenses	<u>2.171</u>	<u>1.176</u>
Total administrative expenses	<u>27.094</u>	<u>30.551</u>

There were no other assurance or non-assurance services changed by the Company's statutory audit firm.

6 Finance costs

	2012	2011
	€	€
Interest expense on bank borrowings	<u>121.607</u>	<u>126.706</u>
Total finance costs	<u>121.607</u>	<u>126.706</u>

7 Income tax

	2012	2011
	€	€
Income tax expense	-	-

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2012	2011
	€	€
Loss before tax	<u>46.916.752</u>	<u>8.994.957</u>
Tax calculated at the applicable corporation tax rate of 10%	(4.691.675)	(899.496)
Tax effect of expenses not deductible for tax purposes	-	-
Tax effect of tax losses	<u>4.691.675</u>	<u>899.496</u>
Income tax charge		

NEU Property Holdings Limited

7 Income tax (continued)

The Company is subject to corporation tax on taxable profits at the rate of 10% (1 January 2013 onwards increased to 12,5%). As at 31 December 2012 and 2011 the Company was not subject to corporation tax as it incurred taxable losses.

Up to 31 December 2008, under certain conditions interest may be subject to defense contribution at the rate of 10%. In such cases 50% of the same interest will be exempt from corporation tax thus having an effective tax rate burden of approximately 15%.

In certain cases dividends received from abroad may be subject to special contribution for defense at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% from 1 January 2012 to 31 December 2013. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defense.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

8 Investments in subsidiaries

The Company's investments in subsidiaries, all of which are unlisted, were as follows:

Name	Principal activity	Country of incorporation	% holding	Cost 2012	Cost 2011
IMO Property Investments Bucuresti SA (formerly Bancpost Fond de Pensii S.A.)	Real estate services	Romania	99,99	17.916.237	1.545.719
IMO Property Investments A.D. Beograd (formerly EFG Retail Services a.d. Beograd)	Real estate services	Serbia	100,00	781.183	2.185.338
IMO Property Investments Sofia EAD (formerly Business Services Bulgaria E.A.D.)	Real estate services	Bulgaria	100,00	3.954.392	-
EFG New Europe Funding III Ltd	Finance company	Cyprus	100,00	20.000	20.000
IMO II Property Investments SA	Real estate services	Romania	100,00	1.650.656	240.216
NEU II Property Holding Ltd	Finance company	Cyprus	100,00	245.849	300.000
NEU III Property Holding Ltd	Finance company	Cyprus	100,00	300.000	300.000
				<u>24.868.317</u>	<u>4.591.273</u>

(1) On 28 December 2011 the Company increased its investment in IMO Property Investments A.D. Beograd by investing in 2 850 additional shares of nominal value RSD143.157 each, amounting to a total of RSD407.997.450 (equivalent to €3.928.106). The Company estimated the recoverable amount of its investment in IMO Property Investments A.D. Beograd and an impairment loss of €2.112.929 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

(2) On 15 November 2011 the Company invested in IMO II Property Investments S.A. by acquiring the following: i) 36 shares at an agreed price of RON 205,92 (€49,54) from Eurobank EFG Equities Investment Firm SA ii) 36 shares at an agreed price of RON 205,92 (€49,54) from Eurobank EFG Asset Investment Firm SA, iii) 36 shares at an agreed price of RON 205,92 (€49,54) from Eurobank EFG Mutual Fund Management Firm SA, iv) 20 412 shares at an agreed price of RON 116.846 (€27,037) from S.C. Bancpost S.A., v) 69 999 shares at an agreed price of RON 400.394,28 (€92.647,4) from EFG New Europe Holding B.V and vi) 87.480 shares at an agreed price of RON500.386 (€120.383). The total investment made equals to €240.216.

NEU Property Holdings Limited

8 Investments in subsidiaries (continued)

(3) The Company estimated the recoverable amount of its investment in IMO Property Investments Bucuresti SA (formerly Bancpost Fond de Pensii S.A.) and an impairment loss of €5.596.861 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

(4) The Company estimated the recoverable amount of its investment in IMO Property Investments Sofia EAD (formerly Business Services Bulgaria E.A.D.) and an impairment loss of €1.127.910 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

(5) On 31 March 2011 the Company invested in NEU II Property Holdings Limited by investing in 300 000 newly issued shares with a nominal value of €1 each.

(6) On 31 March 2011 the Company invested in NEU III Property Holdings Limited by investing in 300 000 newly issued shares with a nominal value of €1 each.

On 29 November 2012 the Company invested in IMO Property Investments Bucuresti SA funds for the share capital increase in the amount of €32.043.168.

On 29 November 2012 the Company invested in IMO Property Investments Sofia EAD funds for the share capital increase in the amount of €28.999.964.

On 29 November 2012 the Company invested in IMO II Property investments SA funds for the share capital increase in the amount of €3.997.069.

(7) The Company estimated the recoverable amount of its investment in IMO Property Investments Bucuresti SA (formerly Bancpost Fond de Pensii S.A.) and an impairment loss of €15.672.650 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

(8) The Company estimated the recoverable amount of its investment in IMO Property Investments A.D. Beograd (formerly EFG Retail Services a.d. Beograd) and an impairment loss of €1.404.155 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

(9) The Company estimated the recoverable amount of its investment in IMO Property Investments Sofia EAD (formerly Business Services Bulgaria E.A.D.) and an impairment loss of €25.045.572 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

(10) The Company estimated the recoverable amount of its investment in IMO II Property Investments SA and an impairment loss of €2.586.629 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

(11) The Company estimated the recoverable amount of its investment in NEU II Property Holding Ltd and an impairment loss of €2.054.151 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

NEU Property Holdings Limited

9 Investment in associate

	2012 €	2011 €
At beginning of the year	-	-
Acquisition of shares in Rosequeens Properties Ltd	335	-
At end of the year	<u><u>335</u></u>	<u><u>-</u></u>

In September 2012, the Company acquired 335 shares of €1 each in Rosequeens Properties Ltd.

10 Cash and cash equivalents

	2012 €	2011 €
Cash at bank	151.381	151.381
Bank overdraft (Note 11)	<u>(3.029.076)</u>	<u>(7.836.724)</u>
	<u><u>(2.877.695)</u></u>	<u><u>(7.685.343)</u></u>

For the purpose of the cash flow statement, the cash and cash equivalents comprise the above amount.

Cash and cash equivalents are denominated in Euro.

The cash at bank is held with a Group company and carries no interest.

The credit rating of the financial institution where the Company maintains cash balances is Caa2 (Moody's) (2011: Ca (Moody's)). The rating used is as of 31 December 2012 and is given for the top level entity of the group in which the financial institution belongs.

Cash at bank is categorised as "loans and receivables" and the bank overdraft is categorised as "borrowings".

11 Share capital

	No. of shares	Ordinary shares €'000	Share premium €'000	Total €'000
<i>Authorised</i>				
At 31 December 2012	8.000	8.000	-	8.000
At 31 December 2011	5.000	5.000	-	5.000
<i>Issued</i>				
At 1 January	3.000	3.000	3.000	6.000
New share issues	4.500	4.500	67.500	72.000
At 31 December 2012	7.500	7.500	70.500	78.000
At 31 December 2011	3.000	3.000	3.000	6.000

NEU Property Holdings Limited

11 Share capital (continued)

At the Extraordinary General Meeting of the shareholders held on 12 October 2012, the authorized share capital of the Company was increased from €5.000.000 to €8.000.000 by the creation of 3.000.000 new ordinary shares of nominal value of €1 each. The total of issued share capital and share premium was increased from €6.000.000 to €78.000.000 by the creation of 4.500.000 new ordinary shares of nominal value €1 each and issuance price of €16 per share, amounting to a total share capital increase of €4.500.000 and a share premium increase of €67.500.000.

12 Borrowings

	2012 €	2011 €
Current		
Bank overdraft (Note 15)	<u>3.029.076</u>	<u>7.836.724</u>
Total borrowings	<u>3.029.076</u>	<u>7.836.724</u>

The bank overdraft carries interest at 3 months Euribor +0,325% and is denominated in Euro. It is provided by Eurobank Cyprus Limited, a Group company, and is secured by lien agreements from Eurobank Ergasias S.A.

The carrying amount of borrowings approximates their fair value.

13 Payables

	2012 €	2011 €
Amount payable to related party (Note 15)	335	-
Other creditors	<u>6.044</u>	<u>4.600</u>
	<u>6.379</u>	<u>4.600</u>

The fair value of payables which are due within one year approximates their carrying amount at the balance sheet date.

Payables are categorised as "other financial liabilities at amortised cost".

14 Contingencies and commitments

There are no contingencies or capital commitments as at 31 December 2012 and 31 December 2011.

15 Related party transactions

The Company is controlled by Eurobank Ergasias S.A, incorporated in Greece and listed in the Athens Stock Exchange, which owns 100% of the Company's shares.

Until 23 July 2012, Eurobank Ergasias S.A. ("Eurobank") was a member of the EFG Group, the operating parent company of which is "European Financial Group EFG (Luxembourg) S.A.". On 23 July 2012, 43.55% out of the 44.7% held by the EFG Group was transferred to ten independent legal entities, each of which acquired 4.4%. As a result, from 23 July 2012 onwards, Eurobank has ceased to belong to the EFG Group, is not included in its consolidated financial statements and operates as an independent company, not controlled by any (one or more) individuals or legal entities.

NEU Property Holdings Limited

15 Related party transactions (continued)

On 30 April 2013, the Extraordinary General Meeting approved the increase of the share capital of the Eurobank Ergasias S.A., in accordance with the provisions of Law 3864/2010 and Act of Cabinet 38/9.11.2012, in order to raise € 5,839 million by issuing 3,789,317,358 new ordinary shares, covered entirely by the HFSF with the contribution of bonds issued by the EFSF and owned by the HFSF. The capital increase was certified on 31 May and the listing of the new shares was completed on 19 June 2013 after obtaining the relevant approvals from Greek regulatory authorities.

In May 2013, following its full subscription in the parent company's recapitalisation of € 5,839 million, the HFSF became the controlling shareholder and a related party of the company. On 19 June 2013, HFSF acquired 3,789,317,358 parent company's ordinary shares with voting rights, representing 98.56% of its ordinary share capital. Following the issuance of 205,804,664 new ordinary shares in July, as resolved at the Annual General Meeting of the Shareholders on 27 June 2013, the percentage of the voting rights held in Eurobank by HFSF decreased to 93.55%. Following the share capital increase approved by the Extraordinary General Meeting of 26 August 2013, the controlling percentage of HFSF increases to 95.23%.

On 28 March 2013, the BoG issued an Executive Committee Act (13/28.03.2013) bringing the limit for the Core Tier I capital to 9% of Risk Weighted Assets and for Equity Core Tier I to 6%, effective from 31 March 2013. According to the new definition of Core Tier I capital, AFS reserve is fully recognised, while deferred tax asset's recognition is limited to 20% of Core Tier I capital. On 23 December 2013, the BoG issued an Executive Committee Act (36/23.12.2013) lifting the aforementioned limitation related to the deferred tax asset's recognition, effective from 31 December 2013. As at 31 December 2013, the Core Tier I ratio stood at 10.4% and proforma with the completion of transaction with Fairfax Financial Holdings Limited (increase of Fairfax's participation in Eurobank Properties S.A. through share capital increase) and the implementation of Basel II IRB credit risk methodology to New Hellenic Postbank's mortgage portfolio at 11,3%.

On 14 November 2013, Eurobank Ergasias S.A. announced the initiation of the process to raise approximately € 2 bn through a capital increase. On 14 January 2014, Eurobank Ergasias S.A. and HFSF announced that the transaction timetable will be adjusted to allow for the finalization of the assessment of forward looking capital needs of the Greek banking sector and the new recapitalization framework. The BoG, following the assessment of Eurobank's capital needs, concluded on 6 March 2014 and notified Eurobank that its Core Tier I capital should increase by € 2,945 million. Eurobank Ergasias S.A. with its letter to BoG on 24 March 2014, submitted its capital enhancement plan whereby revised its capital actions providing for an additional positive impact on regulatory capital of € 81 million and stated that it intends to cover the remaining capital needs of € 2,864 million through a share capital increase, which constitutes a step towards further strengthening Eurobank's capital position and enhances Eurobank's ability to support the Greek economy. The proposed capital increase will be effected through a marketed equity offering.

On 12 April 2014, the Extraordinary General Meeting approved the share capital increase of Eurobank Ergasias S.A., by €2,864m. The new shares are to be offered through an international private placement.

NEU Property Holdings Limited

15 Related party transactions (continued)

On 15 April 2014, Eurobank Ergasias S.A. announced that, following the approval by Hellenic Financial Stability Fund, has signed an agreement with a group of international Investors in relation to its capital increase; under the terms of such agreement, the specific Investors agreed to commit to subscribe for newly issued ordinary shares of Eurobank at a price of Euro 0.30 per newly issued ordinary share. The aggregated commitments of the said Investors amount to approximately €1,332 million (representing approximately 46.5% of the share capital Increase).

On 29 April 2014, Eurobank completed successfully its combined equity offer of €2,864m, as both public offering and international offering were oversubscribed. The new shares were listed on the main market of the Athens Exchange and their trading commenced on May 9, 2014.

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%.

Related party transactions carried out during the year and outstanding balances with related parties as at 31 December 2012 are as follows:

	With Eurobank Ergasias S.A. Group 2012 €	With Eurobank Ergasias S.A. Group 2011 €
Cash at bank (Note 10)	151.381	151.381
Bank overdraft (Note 12)	3.029.076	7.836.724
Interest expense (Note 6)	<u>121.607</u>	<u>126.706</u>
	Other related party 2012 €	Other related party 2011 €
Amount payable to Rosequeens Properties Ltd (associate) (Note 10)	<u>335</u>	<u>-</u>

16 Events after the balance sheet date

On 7 August 2013 NEU III Property Holdings Ltd, a wholly owned subsidiary of the Company, approved the issue of 2 500 000 new shares of a nominal value of €1 each and issuance price €2 per share, to be allotted to NEU Property Holdings.

Details regarding the recapitalization process of the parent bank and developments during 2014 are disclosed in Note 15 of the financial Statements.

There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements.

Independent Auditor's Report on pages 4 to 5.

