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Neu Property Holdings Ltd

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Report and financial statements

31 December 2015

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NEU Property Holdings Limited

Report and financial statements for the year ended 31 December 2015

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NEU Property Holdings Limited

Board of Directors and other officers

Board of Directors

Michalis Louis
Dimitrios Strongylopoulos
Demetris Shacallis
Charalambos Hambakis
Spyridon Psychogios

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 2015.

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 2015 was €295.235 (2014: €2.821.671). On 31 December 2015 the total assets of the Company were €3.595.681 (2014:€3.595.681) and the net liabilities were €5.622.432 (2014: €5.327.197).

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

There were no changes in the Company's share capital in the year ended 31 December 2015.

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 2015 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2015 and up to the date of this report.

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, 1 September 2016

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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 parent company NEU Property Holdings Limited (the "Company"), which comprise the balance sheet as at 31 December 2015, 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

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company NEU Property Holdings Limited as at 31 December 2015, 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, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- 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.

George C. Kazamias
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 1 September 2016

NEU Property Holdings Limited

Statement of Comprehensive income for the year ended 31 December 2015

	Note	2015 €	2014 €
Impairment of investment in subsidiaries	8	-	(2.513.219)
Administrative expenses	5	(5.305)	(8.277)
Operating loss		(5.305)	(2.521.496)
Finance costs	6	(289.930)	(300.175)
Loss for the year		**(295.235)**	(2.821.671)
Other comprehensive income		-	-
Total comprehensive loss for the year		(295.235)	(2.821.671)

The notes on pages 10 to 20 are an integral part of these financial statements.

NEU Property Holdings Limited

Balance sheet
at 31 December 2015

	Note	2015 €	2014 €
Assets			
Non-current assets			
Investments in subsidiaries	8	**3.439.965**	3.439.965
Investment in associate	9	**4.335**	4.335
		3.444.300	3.444.300
Current assets			
Cash and cash equivalents	10	**151.381**	151.381
Total assets		**3.595.681**	3.595.681
Equity and liabilities			
Capital and reserves			
Share capital	11	**7.500.000**	7.500.000
Share premium	11	**70.500.000**	70.500.000
Accumulated losses		**(83.622.432)**	(83.327.197)
Total equity		**(5.622.432)**	(5.327.197)
Current liabilities			
Payables	13	**4.760**	9.520
Borrowings	10,12	**9.213.353**	8.913.358
Total liabilities		**9.218.113**	8.922.878
Total equity and liabilities		**3.595.681**	3.595.681

On 1 September 2016 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 20 are an integral part of these financial statements.

NEU Property Holdings Limited

Statement of changes in equity for the year ended 31 December 2015

	Ordinary Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2014	**7.500.000**	**70.500.000**	**(80.505.526)**	**(2.505.526)**
Comprehensive loss				
Loss for the year	-	-	(2.821.671)	(2.821.671)
Balance at 31 December 2014/ 1 January 2015	**7.500.000**	**70.500.000**	**(83.327.197)**	**(5.327.197)**
Comprehensive loss				
Loss for the year	-	-	(295.235)	(295.235)
Balance at 31 December 2015	**7.500.000**	**70.500.000**	**(83.622.432)**	**(5.622.432)**

The notes on pages 10 to 20 are an integral part of these financial statements.

NEU Property Holdings Limited

Statement of cash flows
for the year ended 31 December 2015

	Note	2015 €	2014 €
Cash flows from operating activities			
Loss before tax		**(295.235)**	(2.821.671)
Adjustments for:			
Impairment of investment in subsidiaries	8	**-**	2.513.219
Interest expense	6	**289.930**	300.175
Changes in working capital:			
(Decrease) Increase in payables		**(4.760)**	1.265
Net cash used in operating activities		**(10.065)**	(7.012)
Cash flows from investing activities			
Investments in associate	9	**-**	(4.000)
Net cash used in investing activities		**-**	(4.000)
Cash flows from financing activities			
Interest paid		**(289.930)**	(300.175)
Net cash used in financing activities		**(289.930)**	(300.175)
Net decrease in cash and cash equivalents		**(299.995)**	(311.187)
Cash and cash equivalents at beginning of year		**(8.761.977)**	(8.450.790)
Cash and cash equivalents at end of year	10	**(9.061.972)**	(8.761.977)

The notes on pages 10 to 20 are an integral part of these financial statements.

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 2015 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.

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 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.

2 Summary of significant accounting policies (continued)

Investments in subsidiaries

Subsidiaries are all entities, including structured entities, over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 in paragraph 4 of International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements" 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 Ergarsias 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.

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.

2 Summary of significant accounting policies (continued)

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.

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 2015, the Company maintained balances with Eurobank AD, Beograd.

- **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 2015, 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 €9.213 higher/lower (2014: €8.913 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.

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.

	2015	2014
	€	€
Borrowings – Bank overdraft	**9.213.353**	8.913.358
Payables	**4.760**	9.520
Total	**9.218.113**	8.922.878

(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 2015 and 31 December 2014 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.

4 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (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

	2015	2014
	€	€
Other certification fees	**530**	2.107
Auditors' remuneration – current year	**4.760**	4.760
Auditors' remuneration – prior year	**-**	1.290
Other expenses	**15**	120
Total administrative expenses	**5.305**	8.277

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

6 Finance costs

	2015	2014
	€	€
Interest expense on bank borrowings (Note 15)	**289.930**	300.175
Total finance costs	**289.930**	300.175

7 Income tax

	2015 €	2014 €
Income tax expense	-	-

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

	2015 €	2014 €
Loss before tax	(295.235)	(2.821.671)
Tax calculated at the applicable corporation tax rate of 12.5%	(36.904)	(352.709)
Tax effect of expenses and losses not deductible for tax purposes	-	314.152
Tax effect of tax losses	36.904	38.557
Income tax charge	-	-

As from 1 January 2013, the Company is subject to corporation tax on taxable profits at the rate of 12,5%. As at 31 December 2014 and 2013 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	2015 €	2014 €
NEU II Property Holding Ltd	Finance company	Cyprus	100,00	245.849	245.849
NEU 03 Property Holding Ltd	Finance company	Cyprus	100,00	407.335	407.335
NEU BG Central Office Ltd (former NEU III Property Holding Ltd)	Finance company	Cyprus	100,00	2.786.781	2.786.781
				3.439.965	3.439.965

2014: The Company estimated the recoverable amount of its investment in NEU BG Central Office Ltd and an impairment loss of €2.513.219 was recognised in the statement of comprehensive income. The recoverable amount was based on the net asset position of the subsidiary.

9 Investment in associate

	2015 €	2014 €
At beginning of the year	**4.335**	335
Additions	**-**	4.000
At end of the year	**4.335**	4.335

10 Cash and cash equivalents

	2015 €	2014 €
Cash at bank	**151.381**	151.381
Bank overdraft (Note 12)	**(9.213.353)**	(8.913.358)
	(9.061.972)	(8.761.977)

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. 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**
Authorised				
At 31 December 2015	**8.000**	**8.000**	**-**	**8.000**
At 31 December 2014	8.000	8.000	-	8.000
Issued				
At 31 December 2015	**7.500**	**7.500**	**70.500**	**78.000**
At 31 December 2014	7.500	7.500	70.500	78.000

There were no changes in the Company's share capital in the year ended 31 December 2015.

12 Borrowings

	2015 €	2014 €
Current		
Bank overdraft (Note 15)	**9.213.353**	8.913.358
Total borrowings	**9.213.353**	8.913.358

The bank overdraft carries interest at 3 months Euribor and is denominated in Euro. It is provided by Eurobank Cyprus Limited, a Group company.

The carrying amount of borrowings approximates their fair value.

13 Payables

	2015 €	2014 €
Other creditors	4.760	9.520
	4.760	9.520

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 2015 and 31 December 2014.

15 Related party transactions

The Company is controlled by NEU Property Holdings Limited, 100% subsidiary of Eurobank Ergasias S.A.Group., incorporated in Cyprus, which owns 100% of the Company's shares.

In November 2015, following the completion of the Eurobank Ergasias S.A. ('Eurobank') share capital increase, fully covered by investors, institutional and others the percentage of the Bank's ordinary shares with voting rights held by the HFSF decreased from 35.41% to 2.38%.

Despite the aforementioned significant decrease of its percentage, the HFSF is still considered to have significant influence over the Eurobank. In particular, in the context of the Law 3864/2010, as in force, HFSF exercises its voting rights in the Eurobank's General Assembly only for decisions concerning the amendment of the Eurobank's Articles of Association, including the increase or decrease of the Eurobank's capital or the granting of a corresponding authorization to the Bank's Board, decisions concerning the mergers, divisions, conversions, revivals, extension of duration or dissolution of the Eurobank, the transfer of assets (including the sale of subsidiaries), or any other issue requiring approval by an increased majority as provided for in Company Law 2190/1920. In addition, the Eurobank has entered into a new Relationship Framework Agreement (RFA) with the HFSF on 4 December 2015 replacing the previous one, signed on 26 August 2014, which regulates, among others, (a) the Eurobank's corporate governance, (b) the restructuring plan and its monitoring, (c) the monitoring of the implementation of the Eurobank's Non-Performing Loans (NPL) management framework and of the Eurobank's performance on NPL resolution, (d) the Material Obligations and the switch to full voting rights, (e) the monitoring of the Eurobank's actual risk profile against the approved Risk and Capital Strategy, (f) the HFSF's prior written consent for the Eurobank's Group Risk and Capital Strategy and for the Eurobank's Group Strategy, Policy and Governance regarding the management of its arrears and non-performing loans and (g) the duties, rights and obligations of HFSF's Representative in the Eurobank's Board.

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. In addition, as part of its normal course of business in investment banking activities, the Group at times may hold positions in debt and equity instruments of related parties.

15 Related party transactions (continued)

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

	With Eurobank Ergasias S.A. Group	With Eurobank Ergasias S.A. Group
	2015	2014
	€	€
Cash at bank (Note 10)	**151.381**	151.381
Bank overdraft (Note 12)	**9.213.353**	8.913.358
Interest expense (Note 6)	**289.930**	300.175

16 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.

Independent Auditor's Report on pages 4 to 5.