Eurobank Property Services S.A.

Financial Statements

for the year ended 31 December 2016

Eslin 7 & Amaliados 20, 115 23 Athens
www.eurobankpropertyservices.gr
Company Registration number 2296701000

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

Eurobank Property Services

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Independent Auditor's Report

To the Shareholder of Eurobank Property Services SA

Report on the Financial Statements

We have audited the accompanying financial statements of Eurobank Property Services S.A. which comprise the statement of financial position as of 31 December 2016 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of 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 which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eurobank Property Services S.A. as at December 31, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of matter

Without qualifying our opinion, we draw attention to the disclosures made in note 2.1 to the financial statements, which refer to the material uncertainties associated with the current economic conditions in Greece and the ongoing developments that could adversely affect the going concern assumption.

Report on Other Legal and Regulatory Requirements

Taking into consideration, that management is responsible for the preparation of the Board of Directors' report and Corporate Governance Statement that is included to this report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

a) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2016.

b) Based on the knowledge we obtained from our audit for the Company Eurobank Property Services S.A and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, July 18 2017

The Certified Auditor

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

Marios Psaltis
SOEL Reg. No. 38081

Eurobank Property Services

DIRECTORS REPORT
EUROBANK PROPERTY SERVICES S.A.
FOR THE PERIOD ENDED 1/1-31/12/2016

Dear Shareholders,

This fiscal year is the thirdyfirst and includes the period from January 1, 2016 up to December 31, 2016.

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

The financial statements of current year, as submitted to the Annual General Meeting, have been prepared in accordance with International Financial Reporting Standards. Detailed information on key accounting policies followed out in the explanatory notes to Financial Statements December 31, 2016.

The financial statements are approved by the Board of Directors meeting of July 17 2017.

Information regarding the company's activities during 2016:

Operating lossess: Company's operating loss amounted to **€ 1.000ths** compared to € 1.732ths in 2015, due to the decrease in valuations commission income.

Commission income: The Company's commission income during the year 2016 was **€ 5.144ths** compared to € 4.589ths in 2015, representing an increase of **6%,** due to the increase in agency income.

Commission related expenses: The Company's commission related expenses during the year 2016 were **€ 2.864ths** compared to €3.330ths in 2015, representing a decrease of **-14%,** which is mainly due to valuations commission related expenses.

Other operating expenses: The Company's other operating expenses, before depreciation and amortisation expenses, were **€ 3.096ths** compared to €3.099ths in 2015. Staff costs during the year 2016 were € **2.212ths** compared to €2.285 in 2015, representing a decrease of **-3%** due voluntary exit scheme in prior year.

Interest income: Interest income for the year 2016 were **€ 9ths**.

The Company's staff as of 31 December 2016 was 51 persons (2015: 54).

Prospects

Macroeconomic environment

In June 2016, Greece, after the completion of a number of key prior actions, has successfully concluded the first review of the Third Economic Adjustment Program (TEAP), which permitted the disbursement of € 10.3 bn from the second instalment of the European Stability Mechanism (ESM) loan in two sub-tranches.

The first sub-tranche of € 7.5 bn was disbursed in late June 2016.The second sub-tranche of € 2.8 bn was disbursed in late October 2016 after a series of prerequisites was implemented. Both sub-tranches allowed the country to cover its debt servicing needs and clear a part of the state's arrears to the private sector. Accordingly, the European Central Bank (ECB), acknowledging the commitment of the Greek government to implementing the macroeconomic adjustment program, decided to reinstate the waiver for the instruments issued by the Hellenic Republic and the improvement of the advance rates for providing Eurosystem financing with Pillar II guarantees as collateral. Furthermore, the conclusion of the first review led to a positive ESM decision regarding the implementation of the short-term debt relief measures from 20 January 2017 onwards. The latter measures aim to reduce the interest rate risk for Greece, and to ease the country's repayment burden.

The next key milestone for Greece is the timely and successful completion of the second review of the TEAP, currently in progress, which would help reinstating depositors' confidence and thus accelerate the return of deposits, it would facilitate the faster relaxation of capital controls and would allow for the participation in ECB's Quantitative Easing (QE) program, conditional on the decisions of the Institutions regarding the plan for the implementation of the medium-term debt relief measures. Moreover, the reduction of the short term uncertainty along with, the decisive implementation of the reforms agreed in the context of the ESM program and the mobilization of European Union (EU) funding to support domestic investment and job creation, would facilitate the restoration of confidence in the prospects of the Greek economy and the further stabilization of the domestic economic environment, which are necessary conditions for the return of the country to a sustainable growth path.

On May 22, 2017, a preliminary technical agreement was reached between Greece and the Institutions in the context of the second TEAP evaluation, which was officially launched in October 2016. Following the implementation of the pre-requisite actions, including legislation and countermeasures for the period after the end of the program, the Eurogroup of 15 June 2017 reached an overall agreement on the second evaluation. This agreement did not include sufficient quantification of medium-term debt alleviation measures. Therefore, although the IMF's participation in the program was secured in the program, the latter still considers that Greece's public debt is unsustainable. The further quantification of medium-term debt relief measures and then their implementation if necessary is expected to take place after the successful completion of the TEAP in August 2018. Under this agreement, most of the next installment of the TEAP loan to Greece (€ 7.7 billion) was disbursed in order to cover current financing needs and repay public debt to the private sector. These developments are expected to have a positive impact on the economic climate and the real economy. Given the above-mentioned the Greek government aims for the next period is the gradual restoration of market access before the end of the current program in August 2018 despite the maintenance of Greek government securities outside the Public Sector Purchase Program, The European Central Bank.

Eurobank Property Services

Liquidity risk

In accordance with the agreement with the European partners, the authorities are committed to preserving sufficient liquidity in the banking system, as long as Greece meets its obligations under the ESM program. The decisive implementation of the measures agreed in the context of the current ESM program permitted ECB to reinstate the waiver for the instruments issued by the Hellenic Republic and decrease the haircuts applied for Pillar II guarantees. These developments have enabled Greek banks to reduce their dependence on the expensive Emergency Liquidity Assistance (ELA) mechanism and increase their liquidity buffers. The stabilization of the macroeconomic environment and a recovery of the domestic economic sentiment would further facilitate the deposits inflows in the banking system and the re-access to the markets for liquidity

During 2016, the Bank has managed to reduce its dependence on Eurosystem funding amounting to € 13.9 bn at the end of December 2016 (2015: € 25.3 bn), mainly through the increase in repo transactions in the interbank market, the selective assets deleveraging, the deposit inflows and the utilization of a part of foreign subsidiaries' surplus liquidity. In the same context, following the positive developments mentioned above, the Bank also managed to significantly reduce its participation in the second stream of the Hellenic Republic's liquidity support plan (bonds guaranteed by the Greek Government) from a face value of € 13 bn on 31 December 2015 to a face value of € 2.5 bn on 31 December 2016. On 28 February 2017 the Bank's Eurosystem funding stood at € 14.1 bn, while the deposits of the Group decreased by € 0.3 bn to € 33.7 bn.

Solvency risk

Notwithstanding the direct and indirect exposure of the banking system to sovereign risk, the successful completion of the Bank's and other Greek systemic banks' recapitalization process in 2015 constituted a key milestone for rebuilding trust in the banking system and in the economy in general.
The Group, following the successful completion of its recapitalization in November 2015, exclusively from private sources, is focused on the organic strengthening of its capital position by the further expansion of pre-provision income while maintaining its robust risk management practices, and by proceeding to additional initiatives associated with the restructuring, transformation or optimization of operations, in Greece and abroad, that will generate or release further capital and/or reduce risk weighted assets. One of the key areas of focus is the active management of non-performing exposures at an accelerated pace, with the aim to substantially reduce their stock in accordance with the Bank's operational targets and taking advantage of the Group's internal infrastructure, the external partnerships and the important legislative changes that have taken or are expected to take place. The Group's Common Equity Tier 1 (CET1) ratio stood at 17.6% at 31 December 2016 and the net profit attributable to shareholders amounted to € 230 million for the year ended 31 December 2016, while the Bank's CET1 ratio stood at 18.8% and the net profit attributable to shareholders amounted to € 5 million, respectively.

Going concern assessment

The Board of Directors, taking into consideration the above factors relating to the adequacy of the Bank's capital position and its anticipated continued access to Eurosystem funding over the foreseeable future, and despite the existing uncertainties relating to the completion of the current economic program and the ongoing developments in Greece, have been satisfied that the financial statements of the Group and therefore the Companys', can be prepared on a going concern basis.

Risks

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

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

Key Ratios

The key ratios for the Company are as follows:

Ratios		31.12.2016	31.12.2015
Profitability ratios	Operating loss (before tax) / Revenue	**-19%**	-36%
	Net Loss before Tax / Revenue	**-19%**	-35%
	Net Loss after Tax / Revenue	**-18%**	-30%
Financial Ratios	Total Assets / Current Liabilities	**376%**	447%
	Total Liabilities / Equity	**0,3**	0,2
	Tangible Assets & Intangible Assets / Equity	**16%**	10%
	Current Assets / Current Liabilities	**3,8**	4,5

Athens, July 17, 2017

The President of BoD

Balance Sheet

	Note	31 December 2016	2015
		€'000	**€'000**
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	**471**	81
Intangible assets	6	**400**	534
Investments in associates	8	**556**	556
Available for sale financial assets	7	**20**	18
Deferred tax asset	13	**81**	102
		1.528	**1.291**
Current Assets			
Trade and other receivables	9	**3.371**	2.855
Income tax receivable	22	**110**	20
Cash and cash equivalents	10	**1.738**	3.543
		5.219	**6.418**
Total Assets		**6.747**	**7.709**
EQUITY & LIABILITIES			
EQUITY & RESERVES			
Share capital	11	**666**	666
Other reserves	12	**351**	351
Retained earnings		**4.276**	5.188
Total equity & reserves		**5.293**	**6.205**
Long-term Liabilities			
Retirement benefit obligation	15	**66**	67
		66	**67**
Current liabilities			
Trade payables and other liabilities	14	**1.388**	1.437
		1.388	**1.437**
Total Liabilities		**1.454**	**1.504**
Total Equity and Liabilities		**6.747**	**7.709**

Statement of Comprehensive Income

	Note	For the year ended 31 December	
		2016	2015
		€'000	€'000
Income from operating activities			
Commission income	16	**5.144**	4.859
Commission related expenses	17	**(2.864)**	(3.330)
Other operating expenses			
Staff costs	18	**(2.212)**	(2.285)
Other expenses	19	**(884)**	(814)
Depreciation & amortisation expense	20	**(184)**	(162)
Operating lossess		**(1.000)**	**(1.732)**
Interest income	21	**9**	9
Loss before tax		**(991)**	**(1.723)**
Income tax	22	**69**	243
Net Loss for the year		**(922)**	**(1.480)**
Other comprehensive income			
Gain recognised through Equity under IAS19	15	**10**	1
Loss attributable to shareholders		**(912)**	**(1.479)**

Notes on pages 13 to 37 form an integral part of these financial statements.

Statement of changes in equity

	Σημ.	Share Capital €΄000	Other Reserves €΄000	Retained Earnings €΄000	Totals €΄000
Balance 1/1/2015		**666**	**351**	**6.667**	**7.684**
Loss for the year		-	-	(1.480)	**(1.480)**
Other comprehensive income		-	-	1	**1**
Balance 31/12/2015		**666**	**351**	**5.188**	**6.205**
Balance 1/1/2016		**666**	**351**	**5.188**	**6.205**
Loss for the year		-	-	(922)	**(922)**
Other comprehensive income		-	-	10	**10**
Balance 31/12/2016		**666**	**351**	**4.276**	**5.293**

The Company's financial statements were approved by the Board of Directors on July 17, 2017 and are signed on its behalf by:

Dimosthenis Archontidis	Dimitrios Andritsos	Panagiotis Kyriazis
Chairman of the BoD	**Vice President & Chief Executive Officer**	**Chief Financial Officer**

Cash flow Statement

	Note	For the year ended 31 December 2016 €´000	2015 €´000
Loss before tax		**(991)**	**(1.723)**
***Adjustements for*:**			
Interest income	21	**(9)**	(9)
Depreciation and amortization expense	20	**184**	162
Other income		**-**	(48)
Provisions		**9**	21
Cash flows used in operating activities before changes in working capital		**(807)**	**(1.597)**
Decrease / (Increase) in trade and other receivables		**(516)**	3.420
Decrease in trade and other payables		**(49)**	(335)
Net cash from / (used in) operating activities (a)		**(1.372)**	**1.488**
Cash flows from investing activities			
Acquisition of tangible assets	5	**(423)**	(6)
Acquisition of intangible assets	6	**(17)**	(15)
Acquisition of shares in associate companies	8	**(2)**	(179)
Interest received		**9**	9
Net cash used in investing activities (b)		**(433)**	**(191)**
Cash flows from financing activities			
-		-	-
Net cash used in financing activities (c)		**-**	**-**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)		**(1.805)**	**1.297**
Cash and cash equivalents at beginning of year	10	**3.543**	**2.246**
Cash and cash equivalents at end of year	10	**1.738**	**3.543**

1. General information

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

The Company was established and is located in Athens, Greece. The address of its registered office is Eslin 7 & Amaliados 20 Street, Athens, Greece (Company Registration number 2296701000). The employees as of 31 December 2016 were 51 employees (2015: 54 employees).

These financial statements were approved by the Board of Directors as of July 17, 2017.

2. Principal accounting policies

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

2.1 Basis of preparation

The annual financial statements have been prepared on a going concern basis, as the Board of the Directors considered as appropriate, taking into consideration the following:

Macroeconomic environment and position of parent company "Eurobank Ergasias SA"

Macroeconomic environment

In June 2016, Greece, after the completion of a number of key prior actions, has successfully concluded the first review of the Third Economic Adjustment Program (TEAP), which permitted the disbursement of € 10.3 bn from the second instalment of the European Stability Mechanism (ESM) loan in two sub-tranches.

The first sub-tranche of € 7.5 bn was disbursed in late June 2016.The second sub-tranche of € 2.8 bn was disbursed in late October 2016 after a series of prerequisites was implemented. Both sub-tranches allowed the country to cover its debt servicing needs and clear a part of the state's arrears to the private sector. Accordingly, the European Central Bank (ECB), acknowledging the commitment of the Greek government to implementing the macroeconomic adjustment program, decided to reinstate the waiver for the instruments issued by the Hellenic Republic and the improvement of the advance rates for providing Eurosystem financing with Pillar II guarantees as collateral. Furthermore, the conclusion of the first review led to a positive ESM decision regarding the implementation of the short-term debt relief measures from 20 January 2017 onwards. The latter measures aim to reduce the interest rate risk for Greece, and to ease the country's repayment burden.

The next key milestone for Greece is the timely and successful completion of the second review of the TEAP, currently in progress, which would help reinstating depositors' confidence and thus accelerate the return of deposits, it would facilitate the faster relaxation of capital controls and would allow for the participation in ECB's Quantitative Easing (QE) program, conditional on the decisions of the Institutions regarding the plan for the implementation of the medium-term debt relief measures. Moreover, the reduction of the short term uncertainty along with, the decisive implementation of the reforms agreed in the context of the ESM program and the mobilization of European Union (EU)

funding to support domestic investment and job creation, would facilitate the restoration of confidence in the prospects of the Greek economy and the further stabilization of the domestic economic environment, which are necessary conditions for the return of the country to a sustainable growth path.

On May 22, 2017, a preliminary technical agreement was reached between Greece and the Institutions in the context of the second TEAP evaluation, which was officially launched in October 2016. Following the implementation of the pre-requisite actions, including legislation and countermeasures for the period after the end of the program, the Eurogroup of 15 June 2017 reached an overall agreement on the second evaluation. This agreement did not include sufficient quantification of medium-term debt alleviation measures. Therefore, although the IMF's participation in the program was secured in the program, the latter still considers that Greece's public debt is unsustainable. The further quantification of medium-term debt relief measures and then their implementation if necessary is expected to take place after the successful completion of the TEAP in August 2018. Under this agreement, most of the next installment of the TEAP loan to Greece (€ 7.7 billion) was disbursed in order to cover current financing needs and repay public debt to the private sector. These developments are expected to have a positive impact on the economic climate and the real economy. Given the above-mentioned the Greek government aims for the next period is the gradual restoration of market access before the end of the current program in August 2018 despite the maintenance of Greek government securities outside the Public Sector Purchase Program, The European Central Bank.

Liquidity risk

In accordance with the agreement with the European partners, the authorities are committed to preserving sufficient liquidity in the banking system, as long as Greece meets its obligations under the ESM program. The decisive implementation of the measures agreed in the context of the current ESM program permitted ECB to reinstate the waiver for the instruments issued by the Hellenic Republic and decrease the haircuts applied for Pillar II guarantees. These developments have enabled Greek banks to reduce their dependence on the expensive Emergency Liquidity Assistance (ELA) mechanism and increase their liquidity buffers. The stabilization of the macroeconomic environment and a recovery of the domestic economic sentiment would further facilitate the deposits inflows in the banking system and the re-access to the markets for liquidity

During 2016, the Bank has managed to reduce its dependence on Eurosystem funding amounting to € 13.9 bn at the end of December 2016 (2015: € 25.3 bn), mainly through the increase in repo transactions in the interbank market, the selective assets deleveraging, the deposit inflows and the utilization of a part of foreign subsidiaries' surplus liquidity. In the same context, following the positive developments mentioned above, the Bank also managed to significantly reduce its participation in the second stream of the Hellenic Republic's liquidity support plan (bonds guaranteed by the Greek Government) from a face value of € 13 bn on 31 December 2015 to a face value of € 2.5 bn on 31 December 2016. On 28 February 2017 the Bank's Eurosystem funding stood at € 14.1 bn, while the deposits of the Group decreased by € 0.3 bn to € 33.7 bn.

Solvency risk

Notwithstanding the direct and indirect exposure of the banking system to sovereign risk, the successful completion of the Bank's and other Greek systemic banks' recapitalization process in 2015 constituted a key milestone for rebuilding trust in the banking system and in the economy in general.
The Group, following the successful completion of its recapitalization in November 2015, exclusively from private sources, is focused on the organic strengthening of its capital position by the further

expansion of pre-provision income while maintaining its robust risk management practices, and by proceeding to additional initiatives associated with the restructuring, transformation or optimization of operations, in Greece and abroad, that will generate or release further capital and/or reduce risk weighted assets. One of the key areas of focus is the active management of non-performing exposures at an accelerated pace, with the aim to substantially reduce their stock in accordance with the Bank's operational targets and taking advantage of the Group's internal infrastructure, the external partnerships and the important legislative changes that have taken or are expected to take place. The Group's Common Equity Tier 1 (CET1) ratio stood at 17.6% at 31 December 2016 and the net profit attributable to shareholders amounted to € 230 million for the year ended 31 December 2016, while the Bank's CET1 ratio stood at 18.8% and the net profit attributable to shareholders amounted to € 5 million, respectively.

Company's position

The company's main customer the parent company Eurobank. Also cash & cash equivalents are placed entirely in the accounts maintained by the parent Company. Therefore the risks faced by the parent Company are reflected in the company since its dependence is important.

Going concern assessment

The Board of Directors, taking into consideration the above factors relating to the adequacy of the Bank's capital position and its anticipated continued access to Eurosystem funding over the foreseeable future, and despite the existing uncertainties relating to the completion of the second review of the current economic program and the ongoing developments in Greece, have been satisfied that the financial statements of the Group and therefore the Companys', can be prepared on a going concern basis.

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

The principles set out below have been applied consistently in years 2016 and 2015, excluding those listed below. Comparative figures, where necessary, have been adjusted to conform with changes in presentation adopted by the Company for the current year.

Amendments to standards and new interpretations adopted by the Company

The following amendments to standards and new interpretations, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IC) and endorsed by the European Union (EU), apply from 1 January 2016:

IAS 1, Amendment-Disclosure initiative
The amendment clarifies that an entity need not provide in the financial statements, including the notes, a specific disclosure required by an IFRS if the information resulting from that disclosure is not material and also clarifies that additional disclosures may be necessary if the information required by IFRSs is not sufficient for an understanding of the impact of particular transactions and events on the entity's financial position and performance.
The adoption of the amendment had no impact on the Company's financial statements.

IAS 16 and IAS 38, Amendments-Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify that the use of revenue-based methods to calculate the depreciation for property plant and equipment is not appropriate and they also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
The adoption of the amendment had no impact on the Company's financial statements.

IAS 19, Amendment-Defined Benefit Plans: Employee Contributions

The amendment clarifies the accounting for post-employment benefit plans where employees or third parties are required to make contributions which do not vary with the length of employee service, for example, employee contributions calculated according to a fixed percentage of salary. The amendment allows these contributions to be deducted from service cost in the year in which the related employee service is delivered, instead of attributing them to periods of employee service. Contributions which vary with the length of employee service, must be spread over the service period using the plan's contribution formula or on a straight line basis, consistent with the attribution method applied to the gross benefit in accordance with paragraph 70 of IAS 19.
The adoption of the amendment had no impact on the Company's financial statements.

IAS 27, Amendment-Equity Method in Separate Financial Statements

The amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. In particular, separate financial statements are those presented in addition to consolidated financial statements or in addition to the financial statements of an investor that does not have investments in subsidiaries but has investments in associates or joint ventures, which are required by IAS 28 'Investments in Associates and Joint Ventures' to be accounted for using the equity method.
The adoption of the amendment had no impact on the Company's financial statements.

IFRS 11, Amendment-Accounting for Acquisitions of Interests in Joint Operations

The amendment requires an investor to apply the principles of business combinations accounting in IFRS 3 'Business Combinations' and other IFRSs, which do not conflict with IFRS 11, when it acquires an interest in a joint operation that constitutes a 'business' as defined in IFRS 3. The amendments, which also apply when an existing business is contributed to the joint operation on its formation, require the disclosure of information specified in IFRS 3 and other IFRSs for business combinations. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation while the joint operator retains joint control. However, a previously held interest is not remeasured when the acquisition of an additional interest in the same joint operation results in retaining joint control.
The adoption of the amendment had no impact on the Company's financial statements.

IFRS 10, IFRS 12 and IAS 28, Amendments-Investment Entities: Applying the Consolidation Exception

The amendments clarify the application of the consolidation exception for the subsidiaries of investment entities.
The adoption of the amendment had no impact on the Company's financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

The amendments introduce key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The topics addressed by these amendments are set out below:

IFRS 2 'Share-based Payment': The terms 'performance condition' and 'service condition' are separately defined;

IFRS 3 'Business Combinations': It is clarified that contingent consideration in a business acquisition that is not classified as equity, whether or not it falls within the scope of IAS 39 (or IFRS 9 once adopted), is subsequently measured at fair value at each reporting date, with changes in fair value recognized in profit or loss;

IFRS 8 'Operating Segment': Disclosure of the judgments made by management in aggregating operating segments is required, including a description of the segments aggregated and the economic indicators assessed in determining that the aggregated segments share similar economic characteristics. Furthermore, a reconciliation of segment assets to the entity's total assets is required if the reconciliation is reported to the chief operating decision maker;

IFRS 13 'Fair Value Measurement': It is clarified that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial;

IAS 16 'Property, Plant and Equipment': It is clarified how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model;

IAS 24 'Related Party Disclosures': It is clarified that an entity that provides key management personnel services to the reporting entity or to its parent (the management entity) is a related party to the reporting entity and the amounts charged to it for services provided should be disclosed; and

IAS 38 'Intangible Assets': It is clarified how the gross carrying amount and the accumulated amortization are treated where an entity uses the revaluation model.
The adoption of the amendment had no impact on the Company's financial statements.

Annual Improvements to IFRSs 2012-2014 Cycle
The amendments introduce key changes to four IFRSs following the publication of the results of the IASB's 2012-14 cycle of the annual improvements project. The topics addressed by these amendments are set out below:
IFRS 5 'Non-current assets held for sale and discontinued operations': It is clarified that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. Therefore the asset (or disposal group) does not need to be reinstated in the financial statements, as if it had never been classified as 'held for sale' or 'held for distribution', simply because the manner of disposal has changed;

IFRS 7 'Financial instruments': Specific guidance is added to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. It is also clarified that the additional disclosure required by the amendments to IFRS 7, 'Disclosure-Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34 'Interim financial reporting';

IAS 19 'Employee benefits': When determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise; and

IAS 34 'Interim financial reporting': It is clarified that the reference in the standard to 'information disclosed elsewhere in the interim financial report' means some other statement (such as management commentary or risk report) that is available to users of the financial statements at the same time as the interim financial statements, requiring a cross-reference from the interim financial statements to the location of that information.
The adoption of the amendment had no impact on the Company's financial statements.

New standards, amendments to standards and interpretations not yet adopted by the Company

A number of new standards, amendments to existing standards and interpretations are effective after 2016, as they have not yet been endorsed by the European Union or have not been early applied by the Bank. Those that may be relevant to the Bank are set out below:

IAS 7, Amendment-Disclosure Initiative (effective 1 January 2017, not yet endorsed by EU)
The amendment requires disclosure of information enabling users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes. The disclosure requirements also apply to changes in financial assets, such as assets that hedge liabilities arising from financing activities, if cash flows from those financial assets were or future cash flows will be, included in cash flows from financing activities.
The adoption of the amendment had no impact on the Company's financial statements.

IAS 12, Amendment-Recognition of Deferred Tax Assets for Unrealized Losses (effective 1 January 2017, not yet endorsed by EU)
The amendment clarifies that (a) unrealized losses on debt instruments measured at fair value in the financial statements and at cost for tax purposes may give rise to a deductible temporary difference irrespective of whether the entity expects to recover the carrying amount of the debt instrument by sale or use (b) estimates for future taxable profits exclude tax deductions resulting from the reversal of those deductible temporary differences (c) the estimate of probable future taxable profits may include the recovery of an asset for more than its carrying amount, if there is sufficient evidence that it is probable that this will be realized by the entity, and (d) a deferred tax asset is assessed in combination with all of the other deferred tax assets where the tax law does not restrict the sources of taxable profits against which the entity may make deductions on the reversal of that deductible temporary difference. Where restrictions apply, deferred tax assets are assessed in combination only with other deferred tax assets of the same type.
The adoption of the amendment had no impact on the Company's financial statements.
IAS 40, Amendment-Transfers of Investment Property (effective 1 January 2018, not yet endorsed by EU)

The amendment clarifies that a transfer of property, including property under construction or development, into or out of investment property should be made only when there has been a change in use of the property. Such a change in use occurs when the property meets, or ceases to meet, the definition of investment property and should be supported by evidence.
The adoption of the amendment had no impact on the Company's financial statements.

IFRS 2, Amendment-Classification and Measurement of Share-based Payment Transactions (effective 1 January 2018, not yet endorsed by EU)
The amendment addresses (a) the measurement of cash-settled share-based payments, (b) the accounting for modifications of a share-based payment from cash-settled to equity-settled and (c) the classification of share-based payments settled net of tax withholdings.

Specifically, the amendment clarifies that a cash-settled share-based payment is measured using the same approach as for equity-settled share-based payments. It also clarifies that the liability of cash-settled share-based payment modified to equity-settled one is derecognized and the equity-settled share-based payment is recognized at the modification date fair value of the equity instrument granted and any difference is recognized in profit or loss immediately.

Furthermore, a share-based payment net by withholding tax on the employee's behalf (a net settlement feature) is classified as equity settled in its entirety, provided it would have been classified as equity-settled had it not included the net settlement feature.

The adoption of the amendment had no impact on the Company's financial statements.

IFRS 9, Financial Instruments (effective 1 January 2018)
In July 2014, the IASB published the final version of IFRS 9 'Financial Instruments' which replaces IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised requirements on the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. The new impairment model will apply to financial assets that are not measured at FVTPL, including loans, lease receivables, debt securities, financial guarantee contracts and loan commitments issued. No impairment loss will be recognized on equity investments.

IFRS 15, Revenue from Contracts with Customers (effective 1 January 2018) and IFRS 15 Amendments (effective 1 January 2018, not yet endorsed by EU)
IFRS 15 establishes a single, comprehensive revenue recognition model for determining when and how much revenue to recognize and replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programs'.
IFRS 15 applies to all contracts with customers, except those in the scope of other standards such as:

- Financial instruments and other contractual rights or obligations within the scope of IFRS 9 'Financial Instruments' or IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures';
- Lease contracts within the scope of IAS 17 'Leases' (or IFRS 16 'Leases'); and
- Insurance contracts within the scope of IFRS 4 'Insurance Contracts'.

Therefore, interest and fee income integral to financial instruments will continue to fall outside the scope of IFRS 15.
IFRS 15 specifies that revenue should be recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services. It introduces the concept of recognizing revenue for performance obligations as they are satisfied and the control of a good or service (i.e. the ability to direct the use of and obtain the benefits from them), is obtained by the customer.
Extensive disclosures will be required in relation to revenue recognized and expected from existing contracts.
IFRS 15 was amended in April 2016 to provide several clarifications, including that in relation to the identification of the performance obligations within a contract.
the company, is currently assessing the effect of IFRS 15, however the adoption of the standard is not expected to have a significant impact on the Company's financial statements.

IFRS 16, Leases (effective 1 January 2019, not yet endorsed by EU)
IFRS 16, which supersedes IAS 17 'Leases' and related interpretations, introduces a single, on-balance sheet lease accounting model for lessees, under which the classification of leases for a lessee, as either operating leases or finance leases, is eliminated and all leases are treated similarly to finance leases under IAS 17. The new standard provides for the recognition of a 'right-of-use-asset' and a 'lease liability' upon lease commencement in case that there is a contract, or part of a contract, that conveys to the lessee the right to use an asset for a period of time in exchange for a consideration.

The right-of-use-asset is, initially, measured at cost, consisting of the amount of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee and, subsequently, at cost less accumulated depreciation and impairment. The lease liability is initially

recognized at an amount equal to the present value of the lease payments during the lease term that are not yet paid.
Accordingly, the typical straight line operating lease expense of operating leases under IAS 17 is replaced by the depreciation charge of the 'right-of-use-asset' and the interest expense on the 'lease liability'. The recognition of assets and liabilities by lessees, as described above, is not required for certain short term leases and leases of low value assets. Additionally, the accounting treatment for lessors is not substantially affected by the requirements of IFRS 16.
The Company is currently assessing the impact of IFRS 16 on its financial statements, which is impracticable to quantify as at the date of the publication of these financial statements. Operating lease commitments currently in place are set out in note 25.

Annual Improvements to IFRSs 2014-2016 Cycle (effective 1 January 2017 and 1 January 2018, not yet endorsed by EU)
The amendments introduce key changes to two IFRSs following the publication of the results of the IASB's 2014-16 cycle of the annual improvements project. The topics addressed by these amendments are set out below:
IFRS 12 'Disclosure of Interests in Other Entities': It is clarified that the disclosure requirements in IFRS 12 apply to an entity's interest in a subsidiary, a joint venture or an associate classified as held for sale except for the requirement for summarized financial information. The amendment applies for annual periods beginning on or after 1 January 2017; and

IAS 28 'Investments in Associates and Joint Ventures': It is clarified that venture capital organizations, mutual funds, unit trusts and similar entities are allowed to elect measuring their investments in associates or joint ventures at fair value through profit or loss. The amendment applies for annual periods beginning on or after 1 January 2018.
The adoption of the amendments is not expected to impact the Company's financial statements.

IFRIC 22, Foreign Currency Transactions and Advance Consideration (effective 1 January 2018, not yet endorsed by EU)
IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions that involve an advance payment or receipt. The interpretation clarifies that in this case, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date of the advance consideration, i.e. when the entity initially recognized the non-monetary asset (prepayment asset) or non-monetary liability (deferred income liability) arising from the advance consideration. If there are multiple payments or receipts in advance, the entity must determine a date of transaction for each payment or receipt.
The adoption of the interpretation is not expected to impact the Company's financial statements.

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

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

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

2.2 Foreign currency translation

(a) Functional and presentational currency

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

(b) Transactions and balances

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

2.3 Investments in associate companies

Investments in associates are measured through the cost method. The Company does not uses the equity method because all of the following criteria apply:
- The Company is a fully owned subsidiary of another entity,
- The shares are not traded on a public market,
- The Company has not filed, nor is in a process that the financial statements will be used at a supervisory authority or regulatory body to issue and offer any class of instruments in a public market,
- The parent company publishes consolidated financial statements which are according to IFRS.

These consolidated financial statements of the parent company Eurobank Ergasias SA, are published online at www.eurobank.gr address. Report on investments in associated companies is provided in Note 8 of these financial statements.

2.4 Property, plant and equipment

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

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

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

- Leasehold improvements 25 years, according to the duration of the contract or the useful life if less.
- Furniture and equipment 1 – 10 years

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

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

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

2.5 Intangible assets

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

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

2.6 Leases

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

2.7 Impairment of non financial assets

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

2.8 Investments

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

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

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

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

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

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

2.9 Trade Receivables

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

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

2.10 Cash and cash equivalents

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

2.11 Share Capital

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

2.12 Bank Borrowings

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

2.13 Taxes

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

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

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

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

2.14 Employee benefits

The current service cost and interest expense recognized directly in profit. Benefits after retirement include both defined contribution and defined benefit plans. The accrued cost of defined contribution plans is recognized as an expense over the vesting period.

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

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

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

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

2.15 Provisions

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

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

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

2.16 Revenue Recognition

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

2.17 Dividend distribution

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

2.18 Interest Expense

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

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

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

2.19 Off-setting financial instruments

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

2.20 Comparative data

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

3. Financial risk management

3.1 Financial risk management

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

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

a) Market risk

(i) Foreign exchange risk

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

(ii) Price risk

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

(iii) Cash flow and fair value interest rate risk

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

b) Credit risk

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

Receivables from third party customers were **€103ths** (in 2015: €48ths.), for which no provision for Bad & doubtful debts is required.

c) Liquidity risk

Prudent liquidity risk management implies sufficient cash balances, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company's management aims to maintain

flexibility in funding by keeping adequate cash and committed credit lines available. The Management believes that the company is not exposed to significant liquidity risk, since the company expects will continue to make significant contributions, and the Company will be able to ensure, if necessary, additional lines of credit from its parent company.

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

	Year ended 31 December	
Financial liabilities	**2016**	**2015**
Current liabilities		
Trade and other payables (maturity within one year)	1.388	1.437
Current income tax liability (maturity within one year)	-	-
	1.388	**1.437**

3.2 Capital risk management

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

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

3.3 Fair value of financial assets and liabilities

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

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

Level 1 - quoted prices in active markets for financial assets with similar characteristics. These values should be readily and regularly available from an active stock or index / market and represent actual and regularly occurring market transactions on arm's length. This level includes quoted shares, debt securities and derivatives traded.
Level 2 - Financial instruments valued using valuation methods that all important data from observable prices. This level includes OTC derivatives and structured financial assets and liabilities.
Level 3 - Financial assets measured using valuation techniques with significant input from several unobservable prices.

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

4. Critical accounting estimates and assumptions

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

4.1 Critical accounting estimates and assumptions

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

Income Tax: Estimates are required in determining the provision for income tax. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available to enable assets or part of them to be recovered.
Intangible assets (customers contracts): The Company estimates that the useful life, of the contracts acquired for the sector of valuations and brokerage from Grivalia Properties, on December 1, 2004, is up to 15 (fifteen) years. The Company review's the useful live on an annual basis.

5. Property, plant & equipment

	Land and buildings, Leasehold improvements	Furniture and Equipment	Totals
Cost			
Balance 1 January 2015	86	273	**359**
Additions	-	6	**6**
Balance 31 December 2015	**86**	**279**	**365**
Accumulated depreciation			
Balance 1 January 2015	(20)	(253)	**(273)**
Depreciation charge	(7)	(4)	**(11)**
Balance 31 December 2015	**(27)**	**(257)**	**(284)**
Net Book Value 31 December 2015	**59**	**22**	**81**
Cost			
Balance 1 January 2016	**86**	**279**	**365**
Additions	-	423	**423**
Balance 31 December 2016	**86**	**702**	**788**
Accumulated depreciation			
Balance 1 January 2016	**(27)**	**(257)**	**(284)**
Depreciation charge	(7)	(26)	**(33)**
Balance 31 December 2016	**(34)**	**(283)**	**(317)**
Net Book Value 31 December 2016	**52**	**419**	**471**

6. Intangible Assets

	Computer Software	**Other intangible assets** (Customer Contracts)	**Totals**
Cost			
Balance 1 January 2015	644	2.316	**2.960**
Additions	15	-	**15**
Balance 31 December 2015	**659**	**2.316**	**2.975**
Accumualted amortisation			
Balance 1 January 2015	(512)	(1.778)	**(2.290)**
Amortisation charge	(43)	(108)	**(151)**
Balance 31 December 2015	**(555)**	**(1.886)**	**(2.441)**
Net Book Value 31 December 2015	**104**	**430**	**534**
Cost			
Balance 1 January 2016	**659**	**2.316**	**2.975**
Additions	17	-	**17**
Balance 31 December 2016	**676**	**2.316**	**2.992**
Accumualted amortization			
Balance 1 January 2016	**(555)**	**(1.886)**	**(2.441)**
Amortisation charge	(43)	(108)	**(151)**
Balance 31 December 2016	**(598)**	**(1.994)**	**(2.592)**
Net Book Value 31 December 2016	**78**	**322**	**400**

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

During the year 2014 the Company applied a change in accounting estimate of intangible assets (customer contracts), with a new estimated useful economic life to 15 years and an amortization charge in current year of **€108ths.**

The Company carried out an impairment test of the intangible asset (customer contracts for valuations and brokerage) and did not identify any additional impairment in the current year .

7. Available-for-sale investment securities

Available-for-sale investment securities consist of:

	31 December 2016	2015
Non-listed shares (Company shares in Greece):		
	20	**18**

8. Investments in associate companies

	31 December 2016	2015
ERB Property Services Sofia A.D. (Bulgaria)	377	377
ERB Property Services d.o.o (Serbia)	94	94
Property Services S.A. (Romania)	85	85
	556	**556**

The % participation in the above associate companies is 20,00% for each.

9. Trade and other receivables

	31 December 2016	2015
Trade receivables	103	48
Receivables from related parties **(Note 26)**	3.217	2.749
Other receivables	51	58
	3.371	**2.855**

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

	31 December 2016			
	0-6 months	**6-12 months**	**12 months and above**	**Totals**
Trade receivables	80	11	12	**103**
Receivables from related parties **(Note 26)**	2.831	85	301	**3.217**
Other receivables	51	-	-	**51**
	2.962	**96**	**313**	**3.317**

	31 December 2015			
	0-6 months	**6-12 months**	**12 months and above**	**Totals**
Trade receivables	30	9	9	**48**
Receivables from related parties **(Note 26)**	2.042	351	356	**2.749**
Other receivables	58	-	-	**58**
	2.130	**360**	**365**	**2.855**

The value of trade and other receivables represents their fair value.

10. Cash and cash equivalents

	31 December	
	2016	**2015**
Cash in hand	1	1
Cash at bank for property management at third party buildings	241	164
Cash at bank – sight account	1.496	3.378
	1.738	**3.543**

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

11. Share Capital

	Number of shares	Ordinary shares (value in €)	Totals in €
Balance 1 January and 31 December 2015	**20.000**	**665.800**	**665.800**
Balance 31 December 2016	**20.000**	**665.800**	**665.800**

The total authorized number of ordinary shares is 20.000 with nominal value of €33,29 (2015: €33,29) per share. The share capital is fully paid up. The Company has no stock option plan, nor any of their employees participate in the stock option plan of the parent company

12. Other Reserves

	Statutory reserve	Legal reserve	Totals
Balance 1st January 2015	**206**	**145**	**351**
Transfer from retained earnings	-	-	-
Balance 31 December 2015	**206**	**145**	**351**
Transfer from retained earnings	-	-	-
Balance 31 December 2016	**206**	**145**	**351**

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

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

13. Deferred Tax

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

	31 December	
	2016	**2015**
Deferred tax asset		
- deferred tax assets recovered after 12 months	190	325
	190	**325**
Deferred tax liabilities		
- deferred tax liabilities recovered after 12 months	(109)	(223)
	(109)	**(223)**
Net balance of deferred tax asset	**81**	**102**

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

	For the year ended 31 December	
	2016	**2015**
Beginning of period	102	(140)
Income statement credit /(debit) **(note 22)**	(21)	242
End of period	**81**	**102**

The above net deferred tax asset of **€81ths** is mainly the result of a deferred tax liability of **€94ths** in respect of service contracts (note 6) which have been fully amortized in the tax books and the deferred tax asset of **€165ths** which have been recognized for taxable losses. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available to enable assets or part of them to be recovered.

14. Trade and other payables

	31 December	
	2016	**2015**
Trade payables	533	567
Payables for property management at third party buildings	247	166
Other payables	470	493
Payables to related parties **(Note 26)**	138	211
	1.886	**1.437**

15. Retirement benefit obligation

	31 December	
	2016	2015
Liability for staff retirement obligation at 1 January	**67**	**59**
Expense recognised in income statement	9	9
Actuarial gain recognised in OCI	(10)	(1)
Liability for staff retirement obligation at 31 December	**66**	**67**

For the Retirement benefit obligation the following assumptions have been used: (a) discount rate: 1.76% (b) future salary increase: 1.00%-2.60% and (c) Inflation: 1.60%.

16. Commission Income

	For the year ended 31 December	
	2016	2015
Income from valuations	2.726	3.312
Income from technical audits	1.115	947
Income from brokerage	879	329
Income from property management on third party buildings	250	192
Income from advisory services	174	79
Total Commission Income	**5.144**	**4.859**

17. Commission related Expenses

	For the year ended 31 December	
	2016	2015
Valuations expenses	(1.561)	(2.103)
Property management expenses	(830)	(965)
Brokerage expenses	(180)	(152)
Advisory services	(259)	(67)
Advertising related expenses (brokerage)	(34)	(43)
Total commission related expenses	**(2.864)**	**(3.330)**

18. Staff Costs

	For the year ended 31 December	
	2016	**2015**
Wages and salaries	(1.589)	(1.622)
Social security costs	(444)	(460)
Other employment costs	(170)	(158)
Voluntary exit scheme cost	-	(36)
Provision for retirement benefit obligation **(Note.15)**	(9)	(9)
Total Staff Costs	**(2.212)**	**(2.285)**

19. Other Expenses

	For the year ended 31 December	
	2016	**2015**
Rent expense	(211)	(211)
Third party expenses	(479)	(425)
Other expenses	(194)	(178)
Total Other expenses	**(884)**	**(814)**

20. Deprecation, amortisation expenses

	For the year ended 31 December	
	2016	**2015**
Depreciation expense **(Note 5)**	(33)	(11)
Amortisation charge **(Note 6)**	(151)	(151)
Total depreciation, amortization expense	**(184)**	**(162)**

21. Interest Income

	For the year ended 31 December	
	2016	**2015**
Interest Income from time-deposits	9	9
Total Interest Income	**9**	**9**

22. Income Tax Expense

	For the year ended 31 December	
	2016	**2015**
Current Income tax expense	-	-
Effect from previous years	90	-
Deferred tax **(Note 13)**	(21)	(242)
Total	**69**	**(242)**

The current income tax rate for the year 2016 is 29% (2015: 29%).

Tax certificate and open tax years

For the year ended 31 December 2011 and onwards as the Law 4174/2013 (article 65A) currently stands (and as Law 2238/1994 previously provided in article 82), up to and including fiscal years starting before 1 January 2016, the Greek sociétés anonymes and limited liability companies whose annual financial statements are audited compulsorily, are required to obtain an 'Annual Tax Certificate', which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements.

According to the relevant Ministerial Decision 1159/2011, 18 months after the issuance of a tax unqualified certificate, provided that no tax issues have been identified from the tax authorities' potential re-audits, the tax audit is considered finalized. Further tax audits based on article 82 of Law 2238/1994 (as was in force for the years 2011 – 2013) may be effected only in cases of tax offences that have been identified by the Ministry of Finance audits (i.e. breaches of the money laundering legislation, forged or fictitious invoices, transactions with non-existent companies or breaches of transfer pricing rules).

The Company has been audited by tax authorities up to 2010 and has obtained by external auditors unqualified tax certificates for years 2011 – 2015, while the tax audit from external auditors is in progress for year 2016.

Therefore, in accordance with the aforementioned tax legislation, the Ministerial Decision 1159/2011 and considering related preconditions, tax audit for the years 2011 to 2013 for the Company is considered finalized as mentioned above. For fiscal years starting from 1 January 2014 onwards, according to a Ministerial Circular POL 1006/ 2016 issued by the Greek Ministry of Finance accepting a relevant opinion of the State's Legal Counsel (NSK 256/2015), additional taxes and penalties may be imposed within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the tax paying company.

23. Dividends

The Board of Directors will propose the non distribution of dividends at the Annual General Meeting.

24. Contigent Liabilities

Litigations:

According to the Company's management and legal advisors of the Company existing lawsuits are not expected to have a material impact on the financial statements.

25. Operating leases

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

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

	31 December	
	2016	**2015**
No later than one year	247	274
Later than one year and no later than five years	552	710
Later than 5 years	432	540
	1.231	**1.524**

26. Related party transactions

The Company is controlled by Eurobank Ergasias S.A. (headquartered in Athens and listed on the Athens Stock Exchange), which owns 100% of the share capital of the Company.

In November 2015, following the completion of the Bank's 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 Bank. In particular, in the context of the Law 3864/2010, as in force, HFSF exercises its voting rights in the Bank's General Assembly only for decisions concerning the amendment of the Bank's Articles of Association, including the increase or decrease of the Bank'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 Bank, 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 Bank 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 Bank's corporate governance, (b) the restructuring plan and its monitoring, (c) the monitoring of the implementation of the Bank's Non-Performing Loans (NPLs) management framework and of the Bank's performance on NPLs resolution, (d) the Material Obligations and the switch to full voting rights, (e) the monitoring of the Bank's actual risk profile against the approved Risk and Capital Strategy, (f) the HFSF's prior written consent for the Bank's Group Risk and Capital Strategy and for the Bank's Group Strategy, Policy and Governance regarding the management of its arrears and non-performing loans and any amendment, extension, revision or deviation thereof and (g) the duties, rights and obligations of HFSF's Representative in the Bank's Board.
The following transactions were carried out with related parties:

	For the year ended 31 December	
a) Income	**2016**	**2015**
Commission Income		
Parent	4.280	4.021
Subsidiaries of parent company	471	525
Totals	**4.751**	**4.546**

b) Other Operating Expenses	**2016**	**2015**
Parent	(817)	(850)
Subsidiaries of parent company	(246)	(212)
Totals	**(1.063)**	**(1.062)**

c) Interest Income	**2016**	**2015**
Bank sigh account deposits – Parent	9	9

d) Key management compensation	**2016**	**2015**
Salaries and other short-term employee benefits	(335)	(345)

e) Balances arising from transactions with related parties

	31 December	
	2016	**2015**
Trade and other receivables from related parties **(Note 9)**		
Parent	2.799	2.439
Other related parties	418	310
Totals	**3.217**	**2.749**
Trade payables to related parties **(Note 14)**		
Parent	112	180
Other related parties	26	31
Totals	**138**	**211**
Cash and cash equivalents **(Note 10)**		
Parent	1.737	3.542
Totals	**1.737**	**3.542**

f) Commitments and contingent liabilities

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

27. Post balance sheet events

There were no significant events after the balance sheet date.