NBG PANGAEA

NBG PANGAEA R.E.I.C.

Group and Company
ANNUAL FINANCIAL REPORT
for the year from 1 January to 31 December 2013
In accordance with International Financial Reporting Standards

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.

March 2014

Certification by members of the Board of Directors pursuant to article 4 of Law 3556/2007

We, the members of the Board of Directors of the company NBG PANGAEA R.E.I.C. certify that to the best of our knowledge:

(1) The financial statements for the annual period ended 31 December 2013 have been prepared in accordance with the applicable accounting standards and present a true and fair view of the assets, liabilities, equity and results of operations of the Company and of the companies included in the consolidation.

(2) The Board of Directors annual report fairly presents the evolution, the performance and the position of the Company and of the companies included in the consolidation, including the description of the main risks and uncertainties they face.

Athens, 17 March 2014

The Chairman of the BoD	The Chief Executive Officer	The Executive member of the BoD
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari

Board of Directors' Annual Report
on the consolidated and company financial statements
of "NBG Pangaea R.E.I.C." for the financial year 2013

In accordance with the law and the articles of association of the Company, we present below the Board of Directors' annual report on thee consolidated and company financial statements for the year from 1 January 2013 to 31 December 2013.

This report contains the information required from Law 3556/2007 (paragraph 7 and 8 of article 4) and Law 3873/2010 (paragraph 2 of article 2) as well as the Decision no. 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission. Moreover, this report contains the Consolidated and Company Financial Statements for the year 2013 based on IFRS, and the Independent Auditor's report.

SIGNIFICANT EVENTS DURING 2013

A. CORPORATE EVENTS

1. The Extraordinary General Meeting of the Company's shareholders dated 5 December 2013 approved the increase of the Company's share capital up to the amount of €145,712, with the issuance of 36,428 thousand ordinary shares with a par value and an issue price of four (4) Euros each.

   In the context of the abovementioned share capital increase, National Bank of Greece ("NBG"), which held 100% of the share capital of the Company, contributed eight properties and Invel Real Estate (Netherlands) II B.V. ("Invel") contributed 100% of the quotas issued by the, established and operating in accordance with the Italian law, limited liability company under the corporate name "Nash S.r.L." ("Corporate Contributions in Kind"). The value of these "Corporate Contributions in Kind" as determined by independent valuers amounted to €145,711 and in particular the value of the contributed properties owned by the NBG was determined at €72,205 and the net asset value of the company contributed by Invel was determined at €73,506. In addition, the parent NBG contributed cash of €1.

   Following the completion of the share capital increase of the Company, NBG held 90.01% and Invel held 9.99% of the share capital of the Company.

   On 30 December 2013, NBG, following receipt of the necessary regulatory approvals, sold and transferred to Invel 56.01% of its stake in the Company. Upon completion of the transaction, the Company's shareholding structure is as follows:

   - National Bank of Greece S.A.: 34%
   - Invel Real Estate (Netherlands) II B.V.: 66%

NBG, by agreement, appoints the majority of the members of the Board of Directors and the Investment Committee and brings additional contractual rights, a result of which is to continue having the control of the Company.

2. In the context of the above mentioned share capital increase, NBG contributed eight commercial properties with a total area of 36 thousand sq.m., of which 5 properties are located in Athens, 2 properties in Thessaloniki and 1 property in Siros. As mentioned above, the fair value of the 8 properties, as determined by independent valuers, amounted to €72,205.

   In addition, Invel contributed Nash S.r.L., owner of a land with an area of 1,856 thousand sq.m. and buildings of total area of 4 thousand sq.m. located in Torvaianica in the Administrative District of Pomezia (Rome) in Italy. The fair value of the property, as determined by independent valuers, amount to €67,800. The property has significant development potential and the Group is in the process of determining the optimal exploitation scenario by exploring various alternative land uses. The Group is already in cooperation with local authorities and local experts in order to determine the parameters under which the Group will proceed with the development of the property.

B. ACQUISITIONS

1. On 15 February 2013, the Company acquired 100% of the share capital of KARELA S.A., owner of a building with a total area of 62 thousand sq.m. (out of which c. 30 thousand sq.m. is above ground area and c. 32 thousand sq.m. are below ground) on a land plot of an area of 36 thousand sq.m., located in Paiania, Attica, Greece. At the acquisition date the building was leased to Cosmote. The fair value of the property at the date of the acquisition amounted to €122,137. This acquisition had a positive impact on the Group's results amounting to €921, which represents negative goodwill. The acquisition was part of the investment policy of the Company to strengthen its position in the real estate market.

2. On 23 July 2013 the Company won a bid for the acquisition by the Hellenic Real Estate Development Fund ("HDRAF") of a commercial property, of a total area of c. 1 thousand sq.m., located at 19 Ermou street, Athens, Greece for a consideration of €5,900. The acquisition process was finalised on 3 February 2014.

3. On 18 October 2013 the Company was announced by HDRAF as the successful bidder for the acquisition of one of the two portfolios in the framework of the sale and leaseback transaction. The portfolio consists of 14 assets (11 properties are located in Attica, 2 properties in Thessaloniki and 1 property in Evros). The properties will be leased by the Hellenic Republic for 20 years. The total area of the properties amounts to c. 200 thousand sq.m., out of which c. 134 thousand sq.m. is above ground area and c. 66 thousand sq.m. is basement. The consideration for the acquisition of the portfolio amounts to €115,500.

   In order for the transaction to be concluded the approval of the Court of Audit is required. According to act no. 275/2013 of the Court of Audit (F' Deparment) the signing of the above contracts is blocked. However, the HDRAF filed an appeal against the relevant act of the Court of Audit which was discussed on 7 February 2014 and the final decision of the Court of Audit is expected to be released by 7 March 2014. We note that our Company also filed an appeal as entitled by law.

FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

The downward trend in the real estate market continued in 2013, but at a slower rate than in previous years. In particular, during the second half of 2013 significant transactions took place in the Greek real estate market by foreign institutional investors, who assess the prospects of the Greek economy positively.

The majority of the Group's properties are leased by NBG. With a view to align rents paid by NBG with the trends in the real estate market, the Company and NBG concluded an agreement to bring rents into line with current market levels, taking also into account the underlying trend of market stabilization and growth prospects of the Greek economy. The decrease in the fair value of the Group's investment property by €101,988 in 2013 was mainly a result of this agreement.

In addition, in 2013 there have been significant developments in the legal framework governing REICs (Law 2778/1999), enabling the expansion of their investment activities. More specifically, REICs may now invest in residential properties and proceed with the development of properties, while the range of indirect real estate investments has been broadened.

As at December 31, 2012 the Group's portfolio consisted of 252 (31.12.2012: 242) commercial properties (mainly bank branches and offices) of a total area of 456 thousand sq.m. located in prime areas throughout Greece. The Group also owns a property in Italy.

The fair value of investment property at 31 December 2013, in accordance with a relevant valuation by the regular independent valuer, amounted to €930,879 (31 December 2012: €770,609).

Revenue: Total revenue for the year ended 31 December 2013 amounted to €79,166, which relates to rental income, compared to €70,024 in 2012, representing an increase of 13.1%. The increase of €9,142 relates to rental income from new acquisitions of €7,823, i.e. Karela S.A., (representing 85.6% on the increase in rental income) and increase due to indexation of current leases of €1,319.

Net loss from the fair value adjustment of investment property: During the current year, the fair value of investment properties decreased by €101,988 (compared to €50,416 of the previous year). With a view to align rents paid by NBG with the trends in the real estate market, the Company and NBG concluded an agreement to bring rents into line with current market levels, taking also into account the underlying trend of market stabilization and growth prospects of the Greek economy. The decrease in the fair value of the Group's investment property by €101,988 in 2013 was mainly a result of this agreement.

Operating expenses: Total operating expenses for the year ended 31 December 2013 amounted to €2,598, compared to €3,598 of the previous year, representing a decrease of 27.8%. It is noted that operating expenses include negative goodwill of €921 that arose from the acquisition of Karela S.A.

Operating profits / (losses): As a result of the above, operating losses of the Group for the year 2013 amounted to €(25,420) compared to operating profits of €16,010 of the previous year. Operating profits of the Group, not including the net loss from the fair value adjustment of investment property, amounted to €76,568 compared to €66,426 of the previous year (an increase of 15.3%).

Interest income: The Group's total interest income for the year 2013 amounted to €5,510 compared to €5,522 of the previous year (a decrease of 0.2%).

Finance costs: Group's finance costs for the year 2013 amounted to €4,032 (2012: €0). The increase in finance costs resulted from the acquisition of Karela S.A., which has a bond loan with a balance as at 31 December 2013 of €53,657.

Tax: As a Real Estate Investment Company, and in accordance with article 31, par. 3 of law 2778/1999, as in force, the Company is exempted from corporate income tax and is subject to an annual tax based on its investments and cash and cash equivalents. More specifically, the tax is determined by reference to the average fair value of its investment properties and cash and cash equivalents (as depicted on the Company's biannual investment schedules) at the tax rate of 10% of the aggregate European Central Bank ("ECB") reference rate plus 1% (the taxation formula is as follows: 10% * (ECB reference rate + 1%)). The Company's subsidiary in Greece has the same tax treatment.

This tax for the year ended 31 December 2013 amounted to €1,666 compared to €1,747 for the previous year. The 4.6% decrease is mainly due to the fact that ECB decreased in 2013 the reference rate compared to 2012.

Net profit / (loss): Net loss for the year 2013 amounted to €(25,608) compared to net profit of €19,785 of the previous year. As mentioned above, this decrease is mainly due to the increase in net loss of fair value adjustment of investment property.

BASIC RATIOS

	31.12.2013	**31.12.2012**
Current ratio (Current assets / Current liabilities)	12.93x	30.06x
Gearing ratio (Borrowings / Total assets)	4.8%	0.0%

Net Asset Value (NAV)	**31.12.2013**	**31.12.2012**
NAV	**1,035,899**	**939,312**
No. of shares (in thousands)	183,928	147,500
NAV (per share)	**5.63**	**6.37**

	From 01.01.2013 To 31.12.2013	**From 01.01.2012 To 31.12.2012**	**Change %**
Net profit / (loss) for the year	(25,608)	19,785	
Plus: Depreciation of property, plant and equipment	14	12	
Plus: Amortisation of intangible assets	29	29	
Less: Interest Income – net	(1,478)	(5,522)	
Plus: Tax	1,666	1,747	
EBITDA	**(25,377)**	**16,051**	
Less: Net non recurring gains	(917)	-	
Plus: Net loss of fair value adjustment of investment properties	101,988	50,416	
Adjusted EBITDA	**75,694**	**66,467**	**13.9%**

All amounts expressed in € thousand, unless otherwise stated

Funds from Operations (FFO)	From 01.01.2013 To 31.12.2013	From 01.01.2012 To 31.12.2012	Change %
Net profit / (loss) for the year	(25,608)	19,785	
Plus: Depreciation of property, plant and equipment	14	12	
Plus: Amortisation of intangible assets	29	29	
Less: Net non recurring gains	(917)	-	
Plus: Net loss of fair value adjustment of investment properties	101,988	50,416	
FFO	**75,506**	**70,242**	**7.5%**

EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

There were no other significant events after the date of the financial statements, except for the conclusion of the transaction relating to the acquisition of the property located at 19 Ermou str, Athens, Greece, from HDRAF, for a consideration of €5,900 on 3 February 2014 (the transaction is described in Chapter "Significant Events During 2013 – B. Acquisitions").

SIGNIFICANT RISKS

Fluctuations in property values (price risk)

The Group is exposed to risk from changes in property values and rents which can originate from a) the developments in the real estate market in which the Group operates, b) the characteristics of properties owned by the Group and c) events concerning existing tenants of the Group. The Group minimizes its exposure to this risk, as the majority of the Group's leases consist of long-term operating leases with creditworthy tenants for a period of at least 25 years, in which the annual rental adjustment is associated with the Consumer Price Index plus a spread of at least 1%.

The Company is governed by an institutional framework (Law 2778/1999) under which a) periodic valuation of properties by an independent valuer is required, b) a valuation of properties prior to an acquisition or a sale by an independent valuer is required, c) development or repair of properties is permitted if the cost of works does not exceed 40% of the final commercial value after the completion of works and d) the value of each property must not exceed 25% of the value of the property portfolio. This framework contributes significantly to prevent or / and timely manage related risks.

Non-performance of tenants (credit risk)

Credit risk relates to cases of default of counterparties to meet their transactional obligations.

The Group has significant concentrations of credit risk with respect to cash and cash equivalents and rental income received from tenants under property operating lease contracts.

No material losses are anticipated, as rental contracts are entered into with customers with an appropriate credit history. Group's concentration of credit risk arises from transactions with related parties, since the majority of the Group's portfolio is leased to NBG (89.49% of total rental income, which represents more than 10% of Group's rental income).

All amounts expressed in € thousand, unless otherwise stated

Inflation risk

The uncertainty over the real value of the Group's investments resulting from a potential increase of inflation in the future.

The Group minimizes its exposure to inflation risk as the majority of the Group's leases consist of long-term operating leases with tenants for a minimum period of 25 years, in which the annual rental adjustment is linked to the Consumer Price Index plus a spread of up to 2%.

Cash flow risk and fair value interest rate risk

The current or future risk resulting from the fluctuations in the prevailing levels of market interest rates, which affect the Group's financial position and cash flows.

The Group has significant interest bearing assets, which include demand deposits and short-term deposits. Moreover, the Group has bank borrowings.

However, the Group is not exposed to cash flow risk and fair value interest rate risk, since short-term deposits have a maximum duration of 3 months (hence their interest rate is adjusted on a quarterly basis). Moreover, with respect to borrowings, the Group has established interest rate swaps for hedging the exposure to fluctuations in variables interest rates. As a result, the Group is not exposed to fluctuations in interest rates prevailing in the market.

Liquidity risk

The current or future risk for earnings and capital arising from the inability of the Group to collect outstanding receivables without suffering significant losses.

The Group ensures the required liquidity in time to timely meet its obligations through regular monitoring of liquidity needs and collection of amounts due from tenants and prudent cash management.

The maturity analysis of financial liabilities at 31 December 2013 is as follows:

	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	More than 5 years	Total
Liabilities							
Borrowings	-	1,278	4,140	4,183	56,039	-	65,640
Other long-term liabilities	-	-	-	6,691	-	2,492	9,183
Derivative financial liabilities	-	273	819	1,042	2,006	-	4,140
Trade and other payables	2,623	-	-	-	-	-	2,623
Total	**2,623**	**1,551**	**4,959**	**11,916**	**58,045**	**2,492**	**81,586**

The amounts disclosed in the above table are the contractual undiscounted cash flows. Given that the amount of contractual undiscounted cash flows relate to bond loans is based on variable rather than fixed interest rates, the amount disclosed is determined by reference to the conditions existing at reporting date – that is, the actual spot interest rates effective as of 31 December 2013 are used for determining the related undiscounted cash flows.

All amounts expressed in € thousand, unless otherwise stated

As at 31 December 2012, the Group's financial liabilities amounted to €643 and were payable within twelve months.

There is no significant risk due to the low balance of the above mentioned Group's liabilities compared to cash and cash equivalents and receivables from operating leases.

Capital risk management

The Group's objective when managing capital is to safeguard the its 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.

There is no capital risk for the Group due to the large amount of funds and minimum obligations. For the acquisition of new properties, the Group may finance these acquisitions by issuing new shares or borrowing within the framework set by Law 2778/1999, as in force.

Consistent with others in the industry, the Group monitors capital on the basis of the debt or gearing ratio. This ratio is calculated as total borrowings divided by total assets, as presented in the statement of financial position. The regulatory regime governing REICs in Greece permit Greek REICs to borrow up to 50% of total assets, for acquisitions and improvements on properties.

The Company's goal is to optimise its capital structure through effective use of debt financing.

The table below presents the gearing ratio (debt ratio) at December 31, 2013. The Group at 31 December 2012 did not have any borrowings, as a result, the gearing ratio is 0%.

	Group		**Company**	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Borrowings	53,657	-	-	-
Total assets	1,110,546	**-**	**-**	**-**
Gearing ratio	**4.8%**	**0%**	**0%**	**0%**

External factors and international investments

The Group has invested in a property (land) in Italy, through its subsidiary, Nash S.rL.. External factors that may affect the relevant investment is the political and economic instability and changes in the tax framework for investment property in Italy.

RELATED PARTY TRANSACTIONS

All transactions with related parties are carried out on the basis of the principle of equidistance (under normal market conditions for similar transactions with third parties). The significant transactions with related parties as defined by IAS 24, Aare described in detail in note 27 of the Annual Consolidated and Company Financial Statements for the year ended 31 December 2013.

OUTLOOK FOR THE YEAR 2014

In 2013, the crisis in the Greek market continued to have an impact, as the previous, on the demand and supply both for different property types and markets (prime areas and secondary markets) with an immediate effect on sale prices, rental income and yields. However, it is worth mentioning that in 2013 the downward trend continued, however at a slower rate than in previous years, and signs of stabilization are expected since late 2014.

Foreign institutional investors, who assess the trends of the stabilization of the Greek real estate as well as the prospects of the Greek economy positively, have already proceeded during the second half of 2013 with significant transactions in the Greek real estate market.

Within 2014 significant investment opportunities are expected to arise both in Greece and abroad. The investment opportunities which are expected to emerge as well as recent developments in the institutional framework governing REITs, which broadened the range of investment activities of the Company, will help achieve the objectives of the Company, which include the ability to increase the existing high-quality portfolio both in Greece and abroad (e.g. Italy), the expansion of its customer base and maximization of return on investment properties.

CORPORATE GOVERNANCE REPORT

1. Corporate Governance Code

The Company, in compliance with the requirements of Law 3873/2010, has enacted a Corporate Governance Code which is posted on the Company website www.nbgpangaea.gr.

2. Description of the internal control and risk management system with regard to the preparation of the Consolidated and Company Financial Statements

Internal Control System

The Board of Directors adopts appropriate policies to ensure that the exercise of the Company's internal audit is effective. The Audit Committee oversees the internal financial controls of the Company and monitors the effectiveness of internal control and risk management systems of the Company.

The internal audit department has the following responsibilities:

i. Monitors the implementation and ongoing compliance with the internal regulation and the articles of association of the Company, as well as the general legislation concerning the Company.
ii. Reports to the Board of Directors cases of conflict of interests of board members or directors of the Company with the Company's interests, observed when exercising its duties,
iii. Internal auditors must inform in writing at least once every quarter to the Board of Directors for the audit conducted by them and to be present at the general meeting of shareholders,
iv. The internal auditors, upon approval by the Company's Board of Directors, shall provide any information requested in writing by supervising authorities, shall work with them and assist them in any way possible during the work of monitoring, control and surveillance that they carry.

Code of Business Conduct
The Company maintains a Code of Business Conduct and Ethics which is applied by all employees.

Information Systems
The Company operates IT systems to support its corporate objectives, in accordance with the policy of the Group.

Monitoring
The Audit Committee oversees the financial reporting process. The Company follows accounting procedures to ensure the credibility of its financial statements.

Risk Management
The Company follows procedures to identify, assess and manage the risks that may arise during the preparation of the financial statements.

3. Additional information pursuant to sections (c), (d), (f), (h) and (i) of article 10, paragraph 1 of the 2004/25/EC Directive

- **Information pursuant to section (c) of paragraph 1, article 10 of the 2004/25/EC Directive**
  See section 6.3 of this Annual Report.

- **Information pursuant to section (d) of paragraph 1, article 10 of the 2004/25/EC Directive**
  See section 6.4 of this Annual Report.

- **Information pursuant to section (f) of paragraph 1, article 10 of the 2004/25/EC Directive** See sections 6.5 and 6.6 of this Annual Report.

- **Information pursuant to section (h) of paragraph 1, article 10 of the 2004/25/EC Directive**
  See section 6.7 of this Annual Report.

- **Information pursuant to section (i) of paragraph 1, article 10 of the 2004/25/EC Directive**
  See section 6.8 of this Annual Report.

4. Information about the General Meeting of Shareholders

Authorities
The General Meeting of Shareholders is the supreme body of the Company, conveyed by the BoD and authorized to decide on all matters concerning the Company.

Operation of the General Meeting of Shareholders - Rights of the Shareholders
The BoD ensures that the preparation and the conduct of the General Meeting of Shareholders facilitate the effective exercise of the rights of the shareholders, by informing the shareholders of all the issues relating to their attendance to the General Meeting, including the agenda as well as the the rights they have during the course of the General Meeting of Shareholders.

The BoD facilitates, within the framework of the relevant statutory provisions, the participation of shareholders in the General Meeting, and especially minority shareholders, foreign shareholders and any of those staying in remote areas and exploit the general meeting of shareholders as a means for the meaningful and open dialogue with the Company.

The BoD convenes and conducts the General Meeting of Shareholders in accordance with applicable legislation and the Company's articles of association.

The Chairman of the BoD, the CEO and the regular auditor (the latter in the case of the ordinary general meeting of the Company) are present at the general meeting of shareholders, to provide information and update on matters within their competence, put up for discussion, and on questions or clarifications requested by shareholders. The Chairman of the General Assembly should have ample time for questions from shareholders.

During the assemblies of the General Meeting, the Chairman of the BoD shall preside on an interim basis. One or two of the present shareholders or representatives of shareholders shall be appointed by the Chairman to serve as interim secretaries.

Following validation of the list of shareholders with voting rights, the General Assembly shall immediately elect its final officers, consisting of a Chairman and one or two secretaries who shall also serve as vote-counters.

The decisions by the general meeting are taken in accordance with the provisions of law and as provided in the Company's Articles of Association.

Shareholders have rights to information offered by the current legislation.

5. Information about the Board of Directors and its Committees

The Company shall be managed by its BoD, consisting of nine (9) members, who are elected by the General Meeting, which also determines the duration of their term. A legal entity may be elected as a member of the BoD.

The duration of the current BoD is three years and ends at the General Meeting of Shareholders that will take place during the first semester of 2017.

The BoD is consisted by the following:

1. Christos I. Protopapas,
2. Paula N. Hadjisotitiou,
3. Christophoros N. Papachristophorou,
4. Aristotelis D. Karytinos,
5. Thiresia G. Messari,
6. Nikolaos – Leon I. Papapolitis,
7. David J. Netser,
8. Spyridos G. Makrydakis,
9. Prodromos G. Vlamis.

The BoD shall elect from its membership a Chairman, up to two Vice-Chairmen and a Managing Director (CEO).

If one Vice-Chairman has been elected, when the Chairman is absent indisposed or non-existent, his functions (as defined by the provisions of law or of the Articles of Association) are undertaken by the Vice-Chairman. If two Vice-Chairmen have been elected, when the Chairman is absent indisposed or non-existent, his functions (as defined by the provisions of law or of the Articles of Association) are undertaken by the first Vice-Chairman. In the absence or incapacity of the first Vice-Chairman, the role of acting Chairman are undertaken by the second Vice-Chairman, or an officer designated by the BoD.

The BoD must consist in its majority by non-executive members (including at least two (2) independent non-executive members) and by at least two (2) executive members.

The independent non-executive members shall be free of conflicts of interest with the Company, and close ties with management, controlling shareholders or the Company, in accordance with Law 3016/2002.

6. ADDITIONAL INFORMATION ACCORDING TO ARTILE 4, PARAGRAPH 7 OF LAW 3556/2007 AND ARTICLE 2 OF THE DECISTION 7/448/11.10.2007 OF THE CAPITAL MARKET COMMITTEE – EXPLANATORY REPORT

6.1 Structure of the share capital of the Company

The Share Capital of the Company as at 31 December 2013 amounted to €735,712, divided into 183,928 thousand ordinary nominal shares, with voting rights, of nominal value of (amount in €) €4.00 each.

6.2 Limits of transfer of Company's shares

There are no restrictions as regards to the transfer of shares other than those imposed by Law 2778/1999, as in force, relating to the acquisition of shares. Also, please refer to point 6.6 below.

6.3 Significant direct or indirect shares within the meaning of the provisions of articles 9 and 11 of Law 3556/2007

On 31 December 2013, the National Bank of Greece S.A. held 34.00% of the share capital of the Company and Invel Real Estate (Netherlands) II B.V. held 66.00%.

6.4 Shares conferring special control rights

No Company shares exist that confer special control rights.

6.5 Limitations on voting rights

The Company's Articles of Association do not provide for any limitations on voting rights.

6.6 Agreements among Company shareholders entailing limitations on the transfer of shares or limitations on voting rights.

There are no agreement between the Company's shareholders that entail limitations on voting rights

In accordance with the Shareholders Agreement dated 30.12.2013 concluded between the shareholders, National Bank of Greece S.A. and Invel Real Estate (Netherlands) II B.V. (hereinafter the "Shareholders") the following limitations on the transfer of Company's shares exist:

*In a*ccordance with article 3.2 of the abovementioned Shareholders Agreement, *"no Shareholder, without the prior consent of the other Shareholder, will be authorized to proceed to any Transfer to third parties of its Shareholding or voting rights and/or any convertible bonds in the Company before the IPO (the "Lock-up period"). After the IPO, the Shareholders will negotiate in good faith in order to agree any reasonable restrictions on Transfer, in addition to those provided under Article 3.3. (Right of first offer) and Article 5 (Adherence to this Agreement) of this Agreement. The Shareholders agree that such restrictions will be included in this Agreement by virtue of an amednemnt to it."*

Article 3.3. of the abovementioned Shareholders Agreement provides, inter alia:
"After the Lock-up period, each Shareholder shall not, directly or indirectly together with its Affiliates, dispose of, in part or in whole, its Shareholding to any third party (hereinafter the "Third Party") by means of a block trade or an over-the-counter transaction, after which transaction the Third party shall be, to the best of the relevant Shareholder's knowledge, the owner either directly or indirectly together with its Affiliates of 5% or more of the shares of the Company, unless the Shareholder who intends to dispose of all or part of its Shareholding in the Company (the "Selling Party"), prior to offering such Shareholding to the Third Party, offers to the other Shareholder ("the Beneficiary") a right to acquire such shares (the "Right of First Offer") …" Furthermore, the Company, which is also a party in the abovementioned Shareholders Agreement, is obliged not to give effect to any share transfer (i.e. to annotate any share certificates or provide the shareholders' book for signature in pursuant to article 8b of the Codified Law 2190/1920) which is note in accordance with this Agreement regarding the right of first offer.

In accordance with Article 5 of the abovementioned Shareholders Agreement, Invel Real Estate (Netherlands) II B.V. expressly undertakes for five years from the date of acquisition of the Company's shares Closing to not transfer any shares of the Company to a third party unless such third party becomes a party to this Agreement.

6.7 Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors do not differ from those envisaged in Codified Law 2190/20.

Resolution on the amendment of the Company's Articles of Association require a quorum of 75.5% for the initial General Meeting, 75% for the first repeat General Meeting and 74% for the second repeat General Meeting.

6.8 Authority of the Board of Directors or certain of its members to issue new shares or to purchase treasury shares

The Board of Directors does not have any authority to issue new shares or to purchase treasury shares.

6.9 Significant agreements entered in force, amended or terminated in the event of a change in the control of the Company, following a public tender offer

The Company's shares are not listed in a regulated market, therefore the provisions relating to public tender offers do not apply.

6.10 Significant agreements with members of the Board of Directors or employees of the Company, which provide for the payment of compensation in the case of resignation or dismissal without good reason or termination of their term of office or employment as a result of a public tender offer

The Company has no agreements with members of the Board of Directors or its employees providing for the payment of compensation in the case of resignation or dismissal without good reason or termination of their term of office or employment as a result of a public tender offer.

Athens, 17 March 2014

The Chief Executive Officer

Aristotelis Karytinos

Deloitte.

[Translation from the original text in Greek]

Independent Auditor's Report

To the shareholders of
"NBG PANGAEA REAL ESTATE INVESTMENT COMPANY"

Report on the Stand-Alone and Consolidated Financial Statements

We have audited the accompanying stand-alone and consolidated financial statements of the Company "NBG PANGAEA REAL ESTATE INVESTMENT COMPANY" which comprise the stand-alone and consolidated statement of financial position as of 31 December 2013, the stand-alone and consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Stand-Alone and Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these stand-alone and consolidated 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 whether the stand-alone and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone and consolidated 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 stand-alone and consolidated 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 stand-alone and consolidated 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 accompanying stand-alone and consolidated financial statements present fairly, in all material respects, the financial position of the Company "NBG PANGAEA REAL ESTATE INVESTMENT COMPANY" and its subsidiaries as at 31 December 2013, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We have agreed and confirmed the content and consistency of the Board of Directors' Report to the accompanying stand-alone and consolidated financial statements according to the provisions of the articles 43a, 108 and 37 of Codified Company Law 2190/1920.

Athens, 17 March 2014

The Certified Public Accountant

Alexandra B. Kostara
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All amounts expressed in € thousand, unless otherwise stated

		Group		Company	
	Note	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
ASSETS					
Non-current assets					
Investment property	6	930,879	770,609	739,758	770,609
Investment in subsidiaries	9	-	-	129,672	-
Property, plant and equipment	7	1,433	1,385	1,433	1,385
Intangible assets	8	245	274	245	274
		932,557	**772,268**	**871,108**	**772,268**
Current assets					
Trade and other receivables	10	19,698	7,550	9,446	7,550
Cash and cash equivalents	11	158,291	165,408	156,371	165,408
		177,989	172,958	165,817	172,958
Total assets		**1,110,546**	**945,226**	**1,036,925**	**945,226**
SHAREHOLDERS' EQUITY					
Share capital	12	735,712	590,000	735,712	590,000
Reserves	13	326,973	325,984	326,973	325,984
Retained earnings / (losses)		(26,502)	23,467	(32,135)	23,467
Total shareholders' equity		**1,036,183**	**939,451**	**1,030,550**	**939,451**
LIABILITIES					
Long-term liabilities					
Borrowings	14	51,390	-	-	-
Retirement benefit obligations	15	26	22	26	22
Other long-term liabilities	16	9,183	-	-	-
		60,599	**22**	**26**	**22**
Short-term liabilities					
Trade and other payables	18	7,932	4,918	5,661	4,918
Borrowings	14	2,267	-	-	-
Derivative financial instruments	17	2,783	-	-	-
Current tax liabilities		782	835	688	835
		13,764	**5,753**	**6,349**	**5,753**
Total liabilities		**74,363**	**5,775**	**6,375**	**5,775**
Total shareholders' equity and liabilities		**1,110,546**	**945,226**	**1,036,925**	**945,226**

Athens, 17 March 2014

The Chairman of the BoD	The Chief Executive Office	The Chief Financial Officer	The Accountant
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

	Note	Group 12 month period ended 31.12.2013	Group 12 month period ended 31.12.2012	Company 12 month period ended 31.12.2013	Company 12 month period ended 31.12.2012
Revenue					
Rental income	19	79,166	70,024	71,343	70,024
		79,166	**70,024**	**71,343**	**70,024**
Net loss from the fair value adjustment of investment properties	6	(101,988)	(50,416)	(103,173)	(50,416)
Direct property related expenses	20	(2,850)	(2,654)	(2,478)	(2,654)
Personnel expenses	21	(484)	(510)	(484)	(510)
Depreciation of property, plant and equipment	7	(14)	(12)	(13)	(12)
Amortisation of intangible assets	8	(29)	(29)	(29)	(29)
Net change in fair value of financial instruments at fair value through profit or loss	17	293	-	-	-
Other income	25	921	-	-	-
Other expenses	22	(435)	(393)	(403)	(393)
Operating profit / (loss)		**(25,420)**	**16,010**	**(35,237)**	**16,010**
Interest income		5,510	5,522	5,496	5,522
Finance costs		(4,032)	-	(7)	-
Interest income - net		**1,478**	**5,522**	**5,489**	**5,522**
Profit / (loss) before tax		**(23,942)**	**21,532**	**(29,748)**	**21,532**
Tax		(1,666)	(1,747)	(1,493)	(1,747)
Profit / (loss) for the period		**(25,608)**	**19,785**	**(31,241)**	**19,785**
Total comprehensive income / (loss) after tax		**(25,608)**	**19,785**	**(31,241)**	**19,785**
Earnings per share (expressed in € per share)					
Basic and diluted	24	(0.173)	0.134		

Athens, 17 March 2014

The Chairman of the BoD	The Chief Executive Office	The Chief Financial Officer	The Accountant
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

	Note	Share capital	Reserves	Retained earnings	Total equity
Balance 1 January 2012		**590,000**	**325,790**	**3,876**	**919,666**
Net Profit for the period		-	-	19,785	19,785
Total comprehensive income after tax		-	-	19,785	19,785
Transfer to reserves	13	-	194	(194)	-
Balance 31 December 2012		**590,000**	**325,984**	**23,467**	**939,451**
Balance 1 January 2013		**590,000**	**325,984**	**23,467**	**939,451**
Net loss for the period		-	-	(25,608)	(25,608)
Total comprehensive loss after tax		-	-	(25,608)	(25,608)
Share capital increase	12	145,712	-	-	145,712
Expenses related to the share capital increase		-	-	(938)	(938)
Transfer to reserves	13	-	989	(989)	-
Dividends relating to 2012	23	-	-	(22,434)	(22,434)
Balance 31 December 2013		**735,712**	**326,973**	**(26,502)**	**1,036,183**

All amounts expressed in € thousand, unless otherwise stated

	Note	Share capital	Reserves	Retained earnings	Total equity
Balance 1 January 2012		**590,000**	**325,790**	**3,876**	**919,666**
Net Profit for the period		-	-	19,785	19,785
Total comprehensive income after tax		-	-	19,785	19,785
Transfer to reserves	13	-	194	(194)	-
Balance 31 December 2012		**590,000**	**325,984**	**23,467**	**939,451**
Balance 1 January 2013		**590,000**	**325,984**	**23,467**	**939,451**
Net loss for the period		-	-	(31,241)	(31,241)
Total comprehensive loss after tax		-	-	(31,241)	(31,241)
Share capital increase	12	145,712	-	-	145,712
Expenses related to the share capital increase	12	-	-	(938)	(938)
Transfer to reserves	13	-	989	(989)	-
Dividends relating to 2012	23	-	-	(22,434)	(22,434)
Balance 31 December 2013		**735,712**	**326,973**	**(32,135)**	**1,030,550**

All amounts expressed in € thousand, unless otherwise stated

	Note	12 month period ended 31.12.2013	31.12.2012
Cash flows from operating activities			
Loss before tax		(23,942)	21,532
Adjustments for:			
Provisions for employee benefits		4	5
Other (gains) / losses		(917)	-
Depreciation of property, plant and equipment	7	14	12
Amortization of intangible assets	8	29	29
Net loss from the fair value adjustment of investment properties	6	101,988	50,416
Interest income		(5,510)	(5,522)
Finance cost		4,032	-
Net change in fair value of financial instruments at fair value through profit or loss	17	(293)	-
Changes in working capital:			
Increase in receivables		(3,597)	(280)
Increase in payables		2,108	26
Cash flows from operating activities		73,916	66,218
Interest paid		(4,190)	-
Tax paid		(1,719)	(2,051)
Net cash flows from operating activities		**68,007**	**64,167**
Cash flows from investing activities			
Subsequent capital expenditure on investment properties	6	(23)	(35)
Purchases of property, plant and equipment	7	(155)	(75)
Acquisitions of subsidiaries (net of cash acquired)	25	(55,330)	-
Interest received		5,510	5,522
Net cash flows from investing activities		**(49,998)**	**5,412**
Cash flows from financing activities			
Proceeds from share capital increase	12	1	-
Expenses related to the share capital increase		(938)	-
Repayment of borrowings (bond loans)		(1,755)	-
Dividends paid	23	(22,434)	-
Net cash flows used in financing activities		**(25,126)**	**-**
Net increase / (decrease) in cash and cash equivalents for the period		**(7,117)**	**69,579**
Cash and cash equivalents at the beginning of the period		165,408	95,829
Cash and cash equivalents at the end of the period		**158,291**	**165,408**

All amounts expressed in € thousand, unless otherwise stated

	Note	12 month period ended 31.12.2013	31.12.2012
Cash flows from operating activities			
Loss before tax		(29,748)	21,532
Adjustments for:			
Provisions for employee benefits		4	5
Depreciation of property, plant and equipment	7	13	12
Amortization of intangible assets	8	29	29
Net loss from the fair value adjustment of investment properties	6	103,173	50,416
Interest income		(5,496)	(5,522)
Finance cost		7	-
Changes in working capital:			
Increase in receivables		(1,896)	(280)
Increase in payables		743	26
Cash flows from operating activities		66,829	66,218
Interest paid		(7)	-
Tax paid		(1,640)	(2,051)
Net cash flows from operating activities		**65,182**	**64,167**
Cash flows from investing activities			
Subsequent capital expenditure on investment properties	6	(23)	(35)
Purchases of property, plant and equipment	7	(155)	(75)
Acquisitions of subsidiaries	25	(56,166)	-
Interest received		5,496	5,522
Net cash flows from investing activities		**(50,848)**	**5,412**
Cash flows from financing activities			
Proceeds from share capital increase	12	1	-
Expenses related to the share capital increase		(938)	-
Dividends paid	23	(22,434)	-
Net cash flows used in financing activities		**(23,371)**	**-**
Net increase / (decrease) in cash and cash equivalents for the period		**(9,037)**	**69,579**
Cash and cash equivalents at the beginning of the period		165,408	95,829
Cash and cash equivalents at the end of the period		**156,371**	**165,408**

1. General information

NBG Pangaea Real Estate Investment Company (the "Company") together with its subsidiaries (the "Group") is an investment property group. The Company's objective, in accordance with article 3 of its Articles of Association, is solely the acquisition of investments pursuant to Article 22 of Law 2778/1999 as in force.

The Company was incorporated at 30 March 2010 with the No. 5941/30.03.2010 decision of the Athens Prefecture (General Commercial Registry no.: 009313201000) and as a Real Estate Investment Company (R.E.I.C.), is supervised by the Hellenic Capital Market Commission which granted its operating license no. 9/544/18.3.2010.

The address of the Company's registered office is 6, Karageorgi Servias street, Syntagma, Athens, Greece.

It is noted that in accordance with the provisions of Law 2778/1999, as in force, the Company must list its shares in a regulated market, within the meaning of paragraph 10 of article 2 of Law 3606/2007, which operates legally in Greece until October 2015.

The Extraordinary General Meeting of the Company's shareholders dated 5 December 2013 approved the increase of the Company's share capital up to the amount of €145,712, with the issuance of 36.428 thousand ordinary shares with a par value and an issue price of four (4) Euros each. In the context of the abovementioned share capital increase, National Bank of Greece ("NBG") contributed eight properties and Invel Real Estate (Netherlands) II B.V. ("Invel") contributed 100% of the quotas issued by the, established and operating in accordance with the Italian law, limited liability company under the corporate name "Nash S.r.L." ("Corporate Contributions in Kind"). The value of these "Corporate Contributions in Kind" as determined by independent valuers amounted to €145,711 and in particular the value of the contributed properties owned by the NBG was determined at €72,205 and the net asset value of the company contributed by Invel was determined at €73.506. In addition, the parent NBG contributed cash of €1 (Note 6 and 12).

Following the completion of the share capital increase of the Company, NBG held 90.01% and Invel held 9.99% of the share capital of the Company.

On 30 December 2013, NBG, after obtaining the necessary approvals, sold and transferred to Invel 56.01% of its stake in the Company. Upon completion of the transaction, the Company's shareholding structure is as follows:

- National Bank of Greece S.A.: 34%
- Invel Real Estate (Netherlands) II B.V.: 66%

NBG, by agreement, appoints the majority of the members of the Board of Directors and the Investment Committee and brings additional contractual rights, a result of which is to continue having the control of the Company (Note 27).

The current Board of Directors that has a term of three years and expires at the annual General Meeting of Shareholders of 2016, within 2017, was elected by the Annual General Meetings of Shareholders held on 30 December 2013 and was constituted as a body in its 30 December 2013 meeting. The current Board has the following composition:

- Christos I. Protopapas, Chairman (Non Executive Member),
- Paula N. Hadjisotiriou, Vice-Chairman A' (Non Executive Member)
- Christophoros N. Papachristophorou, Vice-Chairman B' (Executive Member)
- Aristotelis D. Karytinos, CEO (Executive Member),
- Thiresia G. Messari, Executive Member
- Nikolaos – Leon I. Papapolitis, Non Executive Member
- David J. Netser, Non Executive Member
- Prodromos G. Valmis, Independent - Non Executive Member,
- Spyridon G. Makrydakis, Independent - Non Executive Member.

These financial statements have been approved for issue by the Company's Board of Directors at 17 March 2014 and are subject to approval by the Company's Annual Shareholders Meeting.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1. Basis of preparation

The above financial statements for the year ended 31 December 2013 (the «financial statements») have been prepared in accordance with International Financial Reporting Standards ("IFRSs») as endorsed by the European Union (the "EU"). EU endorsed IFRSs may differ from IFRSs as issued by the International Accounting Standards Board (the "IASB"), if, at any point in time, new or amended IFRSs have not been endorsed by the EU. At 31 December 2013, there were no unendorsed standards effective for the year ended 31 December 2013, which affect these financial statements and hence there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to the Company. Accordingly, the Company's financial statements for the year ended 31 December 2013 are prepared in accordance with IFRSs as issued by the IASB.

The amounts are expressed in € thousand (unless otherwise stated).

The financial statements have been prepared in accordance with the going concern principle, under the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Use of available information and application of judgment are inherent in the formation of estimates in the following areas: estimation of the fair value of investment properties and derivative financial instruments, estimation of retirement benefit obligations, liabilities from unaudited tax years and contingencies from litigations. Actual results in the future may differ from those reported.

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.

2.2. Adoption of International Financial Reporting Standards (IFRS)

2.2.1. New standards, amendments and interpretations to existing standards applied from 1 January 2013

- **Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income" (effective for annual periods beginning on or after 1 July 2012).** The amendments to IAS 1 change the grouping of the items presented in OCI. Items that would be reclassified (or recycled) to profit or loss in the future are presented separately from those in which subsequent reclassification is not allowed. The amendment has no impact on the financial statements of the Group and the Company.

- **IAS 19 (revised) "Employee Benefits" ("IAS 19R")** (effective for annual periods beginning on or after 1 January 2013)**.** The amendments:

    - eliminate the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach). As revised, amounts recorded in profit or loss are limited to service cost (current and past service costs (including curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset). The defined benefit obligation net of plan assets is recorded on the statement of financial position, with changes resulting from remeasurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest)) are recognized immediately in OCI, with no subsequent recycling to profit or loss.
    - modify the accounting for termination benefits including distinguishing benefits provided in exchange for service and benefits provided in exchange for termination of employment and affect the recognition and measurement of termination benefits.

  The amendments have no material impact on the financial statements of the Group and the Company.

- **IFRS 13 "Fair Value Measurement"** (effective for annual periods beginning on or after 1 January 2013) IFRS 13:

    - defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. exit price);
    - sets out in a single IFRS a framework for measuring fair value; and
    - requires disclosures about fair value measurements.

    IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value disclosures about those measurements), except in specified circumstances. IFRS 13 does not change when fair value is used, but rather describes how to measure fair value when fair value is required or permitted by IFRS.

    The adoption of the above standard resulted in additional disclosures which are presented in Note 3.3 and 6.

- **Amendments to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities"** (Effective for annual periods beginning on or after 1 January 2013). Amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosures to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The above disclosures did not have impact on the financial statements of the Group and the Company.

- **Annual Improvements to IFRSs 2009-2011 Cycle** (effective for annual periods beginning on or after 1 January 2013), which clarified:

    - the requirements for comparative information in IAS 1 and IAS 34;
    - the classification of certain types of equipment as property, plant and equipment in IAS 16;
    - the accounting for the tax effect of distributions to holders of equity instruments in IAS 32; and
    - the requirements in IAS 34 on segment information for total assets and liabilities

    The Group has applied these amendments, but they did not have an impact on the financial statements of the Group and the Company.

2.2.2. New standards, amendments and interpretations to existing standards effective after 2013

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements"** (Amendment)**, IAS 28 "Investments in Associates and Joint Ventures"** (Amendment) (effective for annual periods beginning on or after 1 January 2013, as issued by the IASB or after 1 January 2014 as endorsed by the EU).

  IFRS 10 provides a single consolidation model and builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. IFRS 10 replaces the consolidation requirements in IAS 27 "Consolidated and Separate Financial Statements" which now only deals with the requirements for separate financial statements and SIC-12 "Consolidation—Special Purpose Entities".

  IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities—Non-monetary Contributions by Venturers". It requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. Joint arrangements are either joint operations or joint ventures. Unlike IAS 31, the use of "proportionate consolidation" to account for joint ventures is not permitted.

  IAS 28 "Investments in Associates and Joint Ventures" (2011) supersedes IAS 28 "Investments in Associates" and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

  IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

  The Group will adopt the above standards on 1 January 2014 in accordance with the EU Regulation 1254/11.12.2012. The Management anticipate that the application of these five standards will not have a significant impact on amounts reported in the consolidated financial statements.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities"** (Amendment), (effective for annual periods beginning on or after 1 January 2013, as issued by the IASB or after 1 January 2014 as endorsed by the EU).

  The amendments clarify the transition guidance in IFRS 10. The amendments also provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Group will apply these amendments simultaneously with the adoption of IFRS 10, IFRS 11 and IFRS 12.

The Management anticipate that the application of the amendments will not have a significant impact on amounts reported in the consolidated financial statements.

- **IAS 32 "Financial Instruments: Presentation"** (Amendment) (effective for annual periods beginning on or after 1 January 2014). The amendment provides clarifications on the application of the offsetting rules.

  The Group has not applied this amendment, but it is not expected to have a material impact on the Consolidated and Company financial statements.

- **IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements"** (Amendment), (effective for annual periods beginning on or after 1 January 2014).

  These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

  The Group has not applied these amendments, but they are not expected to have an impact on the Consolidated and Company financial statements.

- **IFRS 9 "Financial Instruments"** (No stated effective date).

  IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended (a) in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and (b) in November 2013 and introduces a new chapter to IFRS 9 on hedge accounting. Key requirements of IFRS 9:

  - all recognised financial assets that are within the scope of IAS 39 to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

  - with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- Put in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

The Group has not applied these amendments, but they are not expected to have an impact on the Consolidated and Company financial statements.

- **IFRIC "Interpretation 21 Levies" (IFRIC 21)** (effective for annual periods beginning on or after 1 January 2014).

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

The Group and the Company does not expect that IFRIC 21 will have material financial impact on the Consolidated and stand alone financial statements.

- **IAS 36 (Amendments) Recoverable Amount Disclosures for Non-Financial Assets** (Applicable to annual periods beginning on or after 1 January 2014).

Amends IAS 36 "Impairment of Assets" to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

The Group and the Company have not applied this amendment, but it is not expected to have a material impact on the Consolidated and Company financial statements.

- **IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"** (Amendment), (effective for annual periods beginning on or after 1 January 2014).

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria.

The Group and the Company have not applied this amendment, but it is not expected to have an impact on the Consolidated and Company financial statements.

- **Annual Improvements to IFRSs 2010-2012 Cycle** (effective for annual periods beginning on or after 1 July 2014). Makes amendments to the following standards:

- IFRS 2 - Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'
- IFRS 3 — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
- IFRS 8 — Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly
- IFRS 13 — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
- IAS 16 and IAS 38 — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
- IAS 24 — Clarify how payments to entities providing management services are to be disclosed

The Group and the Company have not applied these amendments, but they are not expected to have a material impact on the Consolidated and Company financial statements.

- **Annual Improvements to IFRSs 2011-2013 Cycle** (effective for annual periods beginning on or after 1 July 2014). Makes amendments to the following standards:

- IFRS 1 — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only)
- IFRS 3 — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
- IFRS 13 — Clarify the scope of the portfolio exception in paragraph 52
- IAS 40 — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

The Group and the Company have not applied these amendments, but they are not expected to have a material impact on the Consolidated and Company financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Consolidated and Company financial statements.

2.3. Consolidation

2.3.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (including special purpose entities), which are entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are de-consolidated from the date on which control ceases.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income, respectively, from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit for the period and total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.3.2. Investments in subsidiaries in individual financial statements

In the Company's financial statements subsidiaries are measured at cost less impairment.

2.4. Business Combinations

2.4.1. Acquisition method

Acquisitions of businesses within the scope of IFRS 3 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the income statement as incurred.

2.4.2. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement.

2.4.3. Provisional accounting

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.5. Foreign currency translation

Items included in the financial statements of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated financial statements of the Group are presented in thousand of Euro (€), which is the functional currency of the Company and its subsidiaries.

Foreign currency transactions are translated into the functional currency at 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 of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.6. Investment property

Investment property comprises land and buildings, owned by the Group (or held through a finance leasing agreement) with the intention of earning rental or capital appreciation or both.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are appraised as at June 30 and December 31 each year by an independent professional valuer in accordance with the guidance issued by the International Valuation Standards Committee.

Investment property further qualified for continued use as investment property, or for which the market has become less active, continues to be valued at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows (including rental payments and other outflows) that could be expected in respect of the property. Some of those outflows are reflected as a liability; whereas others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount 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.

Changes in fair values are recorded in the income statement. Investment property is derecognised when disposed or when use of investment property is ended and there is no future economic benefit expected from the disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer, is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement to the extent that this gain reverses a previous impairment loss. Any remaining profit is recognized in OCI by increasing the asset revaluation reserve in equity.

Property that is being developed for future use as investment property is classified as property, plant and equipment and stated at cost until the development is complete, so it is reclassified and subsequently accounted for as investment property.

Investment property held for sale without redevelopment is classified within non-current assets held for sale under IFRS 5. A property's deemed cost for subsequent accounting is its fair value at the date of change in use.

2.7. Property, plant and equipment

Property, plant and equipment include land, buildings and equipment held by the Group for use in the supply of services or for administrative purposes. Property, plant and equipment are initially recorded at cost, which includes all costs that are required to bring an asset into operating condition.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset, which is classified as property, plant and equipment, are capitalized only when it is probable that they will result in future economic benefits to the Group beyond those originally anticipated from the asset, otherwise they are expensed as incurred.

Depreciation of an item of property, plant and equipment begins when it is available for use and ceases only when the asset is derecognised. Therefore, the depreciation of an item of property, plant and equipment that is retired from active use does not cease unless it is fully depreciated. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, which can be reassessed. Estimated useful lives of property, plant and equipment per category is as follows:

Land: No depreciation
Buildings: 40 years
Furniture and other equipment: 3 – 5 years

At each reporting date, the Group assesses whether there is an indication that an item of property, plant and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit / (loss) before tax.

2.8. Intangible assets

Intangible assets relate to software acquisition costs.

Software includes costs that are directly associated with identifiable and unique software products controlled by the Group that are anticipated to generate future economic benefits exceeding costs beyond one year. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital movement and added to the original cost of the software

Intangible assets are amortised using the straight-line method over their useful life, not exceeding 12 years.

Expenditure on starting up an operation, training personnel, advertising and promotion and relocating or reorganising part or the entire Company is recognised as an expense when it is incurred.

At each reporting date, management reviews intangible assets and assesses whether there is any indication of impairment. If any such indications exist, an analysis is performed to assess whether the carrying amount of intangible assets is fully recoverable. A write-down is made if the carrying amount exceeds its recoverable amount.

2.9. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. It requires an assessment of whether: a) fulfillment of an arrangement is dependent on the use of a specific asset or assets and b) the arrangement conveys a right to use the asset.

2.9.1. The Group as the Lessor

Operating Leases: The Group leases out owned properties under operating leases and are included in the statement of financial position as investment property (Note 7). Rental income (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term. Rental guarantees received at the inception of the lease contract are recognized as liabilities and carried at cost.

Finance Leases: The Group does not currently lease out properties under finance leases.

2.9.2. The Group as the Lessee

Operating Leases: Leases where a significant portion of the risks and rewards of ownership of the asset are retained by the lessor are classified as operating leases. The total payments 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. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. There were no material operating leases for the periods covered by the financial statements.

Finance Leases: The Group currently does not engage, as a lessee, in finance leases.

2.10. Impairment of non financial assets

The Group assesses at each reporting date whether there is objective evidence that a non financial assets is impaired and if such objective evidence exists the non financial asset is tested for impairment.

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. The carrying amount of the asset is reduced through the use of an impairment account. The amount of the loss is recognized in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, at that amount which the carrying amount does not exceed the amortised cost of the asset at the date of the reversal. Any future reversal of the impairment loss is recognised in the income statement.

2.11. Trade and other receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method (if these are payable after one year), 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 Group 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 and recognised as an expense in the income statement.

2.12. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances of accounts "cash in hand" and "demand deposits". Cash equivalents comprise short-term time deposits. Cash and cash equivalents are used by the Group to serve the short-term liabilities and the risk of change in fair value is immaterial.

2.13. 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. Expenditure on starting up an operation is recognised as an expense when it is incurred.

2.14. Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured using the effective interest rate method .

2.15. 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. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the income statement under finance cost in the period in which they are incurred.

2.17. Derivative financial instruments

Derivative financial instruments are classified as financial instruments at fair value though profit or loss (held for trading). Derivatives are presented in assets when favourable to the Group and in liabilities when unfavourable to the Group.

Derivative financial instruments of the Group comprise interest rate swaps and these derivative instruments transacted as effective economic hedges under the Group’s risk management positions, do not qualify for hedge accounting under the specific rules of IAS 39.

Recognition of the derivative financial instruments takes place at the entering into the contracts. They are measured initially and subsequently at the fair value; transaction costs are included directly in finance costs. Unrealised gains or losses on derivatives are recognized in the income statement (net change in fair value of financial instruments at fair value though profit or loss).

2.18. Current tax

As a Real Estate Investment Company, and in accordance with law 2778/1999, the Company is exempted from corporate income tax and is subject to an annual tax based on its investments and cash and cash equivalents. More specifically, the tax is determined by reference to the average fair value of its investment properties and cash and cash equivalents (as depicted on the Company's biannual investment schedules) at the tax rate of 10% of the aggregate European Central Bank ("E.C.B.") reference rate plus 1% (the taxation formula is as follows: 10% * (ECB reference rate + 1%)). Current tax liabilities include short-term liabilities to the tax authorities related to the above payable tax. The aforementioned framework also applies to the subsidiary of the Company domiciled in Greece.

As the Company's tax liability is calculated on the basis of its investments and cash and cash equivalents rather than on its profits, no temporary differences arise and therefore no deferred tax liabilities and / or assets arise.

2.19. Employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions, if the entity does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior period. Company contributions to defined contribution plans are charged to the income statement in the year to which they relate and are included in "personnel expenses".

A defined benefit plan is a post-employment benefit plan under that defines an amount of benefit to be provided, usually as a function of one or more factors such as age, year of service or compensation. The difference with defined contribution plans is that the Company is liable for the payment of the agreed benefits to the employee. The only existing defined benefit plan for the Company relates to the payment of a compensation of L.2112/1920. This program is not self-funded.

The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis using the projected unit credit method. The present value of the defined obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or estimates of rates which take into account the risk and maturity of the related liabilities where a deep market in such bonds does not exist. Service cost (current and past service costs (including curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset) are charged to the income statement and are included in personnel expenses. The defined benefit obligation net of plan assets is recorded on the statement of financial position, with changes resulting from remeasurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest)) are recognized immediately in OCI, with no subsequent recycling to profit or loss.

2.20. Provisions

Provisions for legal claims are recognised when the Group 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.

2.21. Revenue recognition

Rental income from operating leases is recognised in income statement on a straight-line basis over the lease term. When the Group provides incentives to its customers, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction from rental income.

Revenue from sale of properties is recognised with the actual sale.

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

2.22. Interest income and finance costs

Interest income relating to interest on demand deposits and time deposits is recognised in the income statement using the effective interest method.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest expenses for borrowings are recognised within “finance costs” in the income statement using the effective interest rate method. Exempt are borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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.

2.23. Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the General Assembly of Shareholders.

2.24. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Company has determined that its chief operating decision-maker is the Investment Committee of the Company.

2.25. Related party transactions

Related parties include the parent company, NBG, as well as entities which the Bank has the ability to exercise influence in making financial and operating decisions. Related parties include directors, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating cycles. All transactions with related parties are made on substantially the same terms as those applicable to similar transactions with unrelated parties, including interest rates and collateral, and do not involve a risk greater than normal.

2.26. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, there is a legally enforceable right to offset the recognised amounts and there is an intention to realize the asset and settle the liability simultaneously or on an net basis.

2.27. Earnings per share

A basic earnings per share (EPS) ratio is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company or held as treasury shares.

The ratio of "diluted" earnings per share is calculated using the same method as the basic earnings per share ratio, however the profits and the number of shares are adjusted in order to reflect any reduction in earnings per share, which could result in the conversion of any convertible debentures or the exercise of options, warrants or other contracts, into common shares.

3. Financial risk management

3.1. Financial risk management

The Group's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade and other 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. The risk management policy, followed by the Group, focuses on minimizing the impact of unexpected market changes.

a) Market risk

i) Foreign exchange risk

The Group operates in countries where the functional currency is the Euro, so it is not exposed to significant risks from foreign currency.

ii) Price risk

The Group is exposed to risk from changes in property values and rents which can originate from a) the developments in the real estate market in which the Group operates, b) the characteristics of properties owned by the Group and c) events concerning existing tenants of the Group. The Group minimizes its exposure to this risk, as the majority of the Group's leases consist of long-term operating leases with creditworthy tenants, for a minimum period of 25 years, in which the annual rental adjustment is associated with the Consumer Price Index plus a spread of at least 1%. The Group has no significant exposure to price risk relating to financial instruments as it does not hold any equity securities or commodities.

The Group is governed by an institutional framework under which a) periodic valuation of properties by an independent professional valuer is required, b) a valuation of properties prior to an acquisition or a sale by an independent professional valuer is required, c) development or repair of properties is permitted if the cost of works does not exceed 40% of the final commercial value after the completion of works and d) the value of each property must not exceed 25% of the value of the property portfolio. This framework contributes significantly to prevent or / and timely manage related risks.

iii) Cash flow and fair value interest rate risk

The Group has significant interest bearing assets comprising demand deposits and short term deposits (Note 11). Additionally, the Group has borrowings (Note 14). However, the Group is not exposed to cash flow risk and fair value interest rate risk, since short-term deposits have a maximum duration of 3 months (hence their interest rate is adjusted on a quarterly basis). Moreover, in respect to borrowings, the Group has entered into interest rate swaps in order to hedge the exposure to change in variable interest rates. As a result, the Group is not exposed to fluctuation in interest rates prevailing in the market (Note 14 and 17).

b) Credit risk

The Group has concentration of credit risk with respect to cash and cash equivalents and lease receivables from operating leases. Credit risk relates to cases of default of counterparties to meet their transactional obligations. No losses are anticipated as lease agreements are conducted with customers - tenants of sufficient creditworthiness. The Group's maximum exposure results from related party transactions, since the majority of the Group's property portfolio is leased to NBG (89.49% of total rental income) (Note 5 and 27).

All amounts expressed in € thousand, unless otherwise stated

c) Liquidity risk

The current or future risk for earnings and capital arising from the inability of the Group to collect outstanding financial obligations without suffering significant losses.
The Group ensures to timely have the required liquidity in order to timely meet the obligations, through regular monitoring of liquidity needs and collection of amounts due from tenants as well as prudent cash management.

The maturity analysis of financial liabilities at 31 December 2013 is as follows:

	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	Later than 5 years	Total
Liabilities							
Borrowings	-	1,278	4,140	4,183	56,039	-	65,640
Other long term liabilities	-	-	-	6,691	-	2,492	9,183
Derivative financial instruments	-	273	819	1,042	2,006	-	4,140
Trade and other payables	2,623	-	-	-	-	-	2,623
Total	**2,623**	**1,551**	**4,959**	**11,916**	**58,045**	**2,492**	**81,586**

The amounts presented in the above table are the contractual undiscounted cash flows. As the amount of contractual undiscounted cash flows related to bond loans is based on variable rather than fixed interest rates, the amount disclosed is determined by reference to the conditions existing at the reporting date – that is, the actual spot interest rates effective as of 31 December 2013 and are used for determining the related undiscounted cash flows.

The financial liabilities of the Company as at December 31 2012 amounted to €643 are payable within twelve months.

There is no significant risk due to the low balance of the Group's obligations above compared to cash and cash equivalents and receivables from operating leases.

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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.

There is no capital risk for the Group due to the large amount of funds and minimum obligations. For the financing of acquisitions of new properties, the Group may issue new shares or borrow within the framework set by L.2778/1999, as in force.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio (debt ratio). This ratio is calculated as total borrowings divided by total assets, as shown in the statement of financial position. The regulatory regime governing REICs in Greece permit Greek REICs to borrow up to 50% of the value of total assets, for acquisitions and improvements on properties.

All amounts expressed in € thousand, unless otherwise stated

The goal of the Group's Management is to optimise the Group's capital structure through effective use of debt financing.

The table below presents the gearing ratio as at 31 December 2013. The Group at 31 December 2012 did not have any borrowings, including finance leases. As a result, the gearing ratio is 0%.

	Group		Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Borrowings	53,657	-	-	-
Total assets	1,110,546	**-**	**-**	**-**
Gearing ratio	**4.8%**	**0%**	**0%**	**0%**

3.3. Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method as at 31 December 2013. The different levels are defined as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Liabilities	**Level 1**	**Level 2**	**Level 3**
Derivative financial instruments	-	2,783	-

There were no transfers between levels 1 and 2, nor any transfers in and out of level 3 during the year.

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused that transfer.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The derivative financial instruments presented above relate to interest rate swaps. The fair value of interest rate swaps is calculated, using Bloomberg, as the present value of the estimated future cash flows based on observable yield curves. As a result, the derivative financial instruments are included in level 2.

4. Critical accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense in the financial statements. The Group's management believes that the judgments, estimates and assumptions used in the preparation of the financial statements are appropriate given the factual circumstances as of 31 December 2013 and 2012.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may, under current circumstances, be undertaken.

4.1. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the outcome of future events. 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 as follows:

a) Fair value of derivative financial instruments.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis, through Bloomberg, for interest rate swaps that are not traded in active markets. When calculating the fair value, the models take into consideration the impact of credit risk if material. This impact is estimated by calculating a separate credit value adjustment ("CVA") for each counterparty to which the Group has exposure.

b) Estimate of fair value of the Group's investment property.

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. Under current legislation REIC, estimates of investment property should be supported by appraisals performed by independent professional valuers on 30 June and 31 December each year. The valuations are based primarily on discounted cash flows due to the absence of sufficient current prices in an active market. In making its judgment, the Group considers information from various sources, including:

(i) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
(ii) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contacts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

c) Principal assumptions for Management's estimation of fair value of investment property.

If information on current or recent prices of assumptions underlying the discounted cash flow approach is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; vacant periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market. The future rental rates are estimated on the basis of current rents for similar properties on the same location and quality.

All amounts expressed in € thousand, unless otherwise stated

5. Segment reporting

The Group manages its business though the following business segments, depending on the origin of the revenues per type of properties:

- Retail,
- Offices,
- Other (which include storage space, archives, parking spaces and a land in Italy)

Breakdown by business segment

From 1.1. to 31.12.2013	**Retail**	**Offices**	**Other**	**Total**
Rental income	46,160	32,464	542	79,166
Total segment revenue	**46,160**	**32,464**	**542**	**79,166**
Net loss from the fair value adjustment of investment properties	(68,260)	(33,606)	(122)	(101,988)
Direct property related expenses	(1,363)	(1,461)	(26)	(2,850)
Provision for impairment	-	(14)	-	(14)
Total segment expenses	**(69,623)**	**(35,081)**	**(148)**	**(104,852)**
Unallocated operating income				**1,214**
Unallocated operating expenses				**(948)**
Operating profit / (loss)				**(104,586)**
Unallocated interest income				**5,510**
Finance costs	(4)	(4,028)	**-**	**(4,032)**
Profit / (loss) before tax				**(23,942)**
Tax	(894)	(689)	(83)	(1,666)
Net profit / (loss) for the period				**(25,608)**
Segment assets as at 31 December 2013				
Segment assets	473,706	380,810	78,877	933,393
Unallocated assets				177,153
Total				**1,110,546**
Segment liabilities as at 31 December 2013				
Segment liabilities	1,641	65,973	5,817	73,431
Unallocated liabilities				932
Total liabilities				**74,363**
Non-current assets additions	26,531	40,762	72,735	**140,028**

The non-current assets additions include eight properties contributed by NBG under the Company's share capital increase as approved by the Extraordinary General Meeting of Shareholders, dated 5 December 2013, as well as a property owned by Nash S.r.L. a company contributed by Invel under the abovementioned share capital increase (Note 6 and 12).

All amounts expressed in € thousand, unless otherwise stated

Breakdown by business segment

From 1.1. to 31.12.2012	Retail	Offices	Other	Total
Rental income	45,552	23,954	518	70,024
Total segment revenue	**45,552**	**23,954**	**518**	**70,024**
Net loss from the fair value adjustment of investment properties	(35,697)	(14,014)	(705)	(50,416)
Direct property related expenses	(1,663)	(973)	(18)	(2,654)
Total segment expenses	**(37,360)**	**(14,987)**	**(723)**	**(53,070)**
Unallocated operating expenses				**(944)**
Operating profit / (loss)				**16,010**
Unallocated interest income				**5,522**
Profit / (loss) before tax				**21,532**
Tax	(1,168)	(565)	(14)	(1,747)
Net profit / (loss) for the period				**19,785**
Segment assets as at 31 December 2012				
Segment assets	515,443	249,504	6,212	771,159
Unallocated assets				174,067
Total				**945,226**
Segment liabilities as at 31 December 2012				
Segment liabilities	3,155	1,619	37	4,811
Unallocated liabilities				964
Total liabilities				**5,775**
Non-current assets additions	10	25	-	**35**

In relation to the above segment analysis we state that:

(a) There are no transactions between business segments.
(b) Segment assets include investment properties and trade receivables.
(c) Unallocated assets include property, plant and equipment, intangible assets, cash and cash equivalents and other receivables.

Geographic distribution

From 1.1. to 31.12.2013	Revenue	Non-current assets
Greece	79,166	864,757
Italy	-	67,800
Total	**79,166**	**932,557**

Until December 2013, the Group operated only in the Greek market, therefore for the 12 month period from 1 January to 31 December 2013 no secondary segments' analysis exists.

All amounts expressed in € thousand, unless otherwise stated

Concentration of customers

NBG, a lease of the Group, represents more than 10% of the Group's rental income. Rental income for the year ended 31 December 2013 from NBG amounted to €70,844, i.e. 89.49% (2012: €69,347, i.e. 99.03%).

6. Investment property

	Group		Company	
Year ended 31 December	**2013**	**2012**	**2013**	**2012**
Balance at the beginning of the period	770,609	820,990	770,609	820,990
Additions:				
Acquisitions though business combinations	122,136	-	-	-
Acquisitions through subsidiaries other than through business combinations	67,800	-	-	-
Contribution of investment property	72,205	-	72,205	-
Subsequent capital expenditure on investment property	14	35	14	35
Transfer from property, plant and equipment	103	-	103	-
Net loss from the fair value adjustment of investment property	(101,988)	(50,416)	(103,173)	(50,416)
Balance at the end of the period	**930,879**	**770,609**	**739,758**	**770,609**

The Extraordinary General Meeting of the Company's Shareholders at 5 December 2013 approved the share capital increase of the Company up to an amount of €145,712, partly in cash and partly in contribution in kind. In the context of the abovementioned share capital increase, NBG contributed eight properties, with a fair value, as determined by independent valuers, of €72,205. In addition, Invel contributed 100% of the quotas issued by the, established and operating in accordance with the Italian law, limited liability company under the corporate name "Nash S.r.L.", owner of a land with an area of 1,856 thousand sq.m. and buildings of total area of 4 thousand sq.m. located in Torvaianica in the Administrative District of Pomezia (Rome) in Italy. The fair value of the property, as determined y independent valuers, amount to €67,800. The Group has accounted for the aforementioned acquisition of Nash SrL, as an acquisition of group net assets, rather than business, as defined in IFRS 3, "Business Combinations" (Note 12 and 25).

On 15 February 2013 , the Company acquired 100% of the shares of KARELA S.A., owner of property with a total area of 62 thousand sq.m. (out of which 30 thousand sq.m. are above ground area and 32 thousand sq.m. are basement) on a land plot of a total area of 36 thousand sq.m., located in Paiania, Attica. The acquisition was part of the investment policy of the Company to strengthen its position in the real estate market . The total consideration for the acquisition of the company amounted to €56,166 (taking into account the assets and liabilities of the company). According to a valuation performed by an independent valuer, the fair value of the property at the date of acquisition amounted to €122,136 and therefore the Group recognized a gain on from the fair value adjustment investment property of €1.185 in the income statement (Note 25).

All amounts expressed in € thousand, unless otherwise stated

The Group's investment property is measured at fair value. The table below presents the Group's investment property per business segment and geographical area:

Country **Segment**	**Greece** **Retail**	**Greece** **Offices**	**Greece** **Other**[1]	**Italy** **Other**[2]	**2013** **Total**	**2012** **Total**
Fair value hierarchy	3	3	3	3		
Fair value at 1 January	**515,352**	**249,076**	**6,181**	**-**	**770,609**	**820,990**
Additions:						
Acquisitions through business combinations	-	122,136	-	-	**122,136**	**-**
Acquisitions through subsidiaries other than though business combinations	**-**	**-**	**-**	67,800	**67,800**	**-**
Contribution of investment property	26,519	40,751	4,935	**-**	**72,205**	**-**
Subsequent capital expenditure on investment property	12	2	-	**-**	**14**	**35**
Transfer from property, plant and equipment	-	103	-	**-**	**103**	**-**
Net loss from the fair value adjustment of investment property	(68,260)	(33,606)	(122)	**-**	**(101,988)**	**(50,416)**
Fair value at 31 December	**473,623**	**378,462**	**10,994**	**67,800**	**930,879**	**770,609**

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During 2013, there were no transfers into and out of level 3.

Borrowings which are secured on investment property are included in note 14.

[1] The segment «Other» in Greece includes storage space, archives and parking spaces
[2] The segment «Other» in Italy relates to land

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurements of investment property per business segment and geographical area:

Greece	Segment	Fair value	Valuation technique	Monthly rental income	Discount rate (%)
Greece	Retail	473,623	80% discounted cash flows and 20% sales comparison	2,794	8.75% - 12.00%
Greece	Office	378,462	80% discounted cash flows and 20% sales comparison	2,289	9.00% - 11.75%
Greece	Other[3]	10,994	80% discounted cash flows and 20% sales comparison	34	11.00%-13.25%
Italy	Other[4]	67,800	80% residual method and 20% depreciated replacement cost method	-	-

In accordance with existing Greek REIC legislation, property valuations are supported by appraisals performed by independent professionally qualified valuers. for June 30 and December 31 each year. The investment property valuation for the consideration of the fair value is performed taking into consideration the high and best use of each property given the legal status, technical characteristics and the allowed uses for each property.

In accordance with existing Greek REIC legislation, valuations are based on at least two methods. For the Group's portfolio in Greece the comparative method and the discounted cash flow (DCF) method are used. For the property in Italy, the residual method and depreciated replacement cost method are used.

The last valuation of the Groups's properties was performed at 31 December 2013, based on the independent valuer's valuations dated 31 December 2013, as stipulated by the relevant provisions of L.2778/1999. The abovementioned valuation had as a result a net decrease from fair value adjustment of investment property of €101,988 (2012: 50,416).

Were the length of vacant periods as at 31 December 2013, to increase or decrease in the discounted cash flow analysis by +/-10% from Management's estimates, the carrying amount of investment property valued would be estimated €1,034 lower or higher, respectively.

Were the discount rate as at 31 December 2013, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €44,889 lower or €49,2013 higher, respectively.

Were the sales price as at 31 December 2013, used in the valuation to determine the fair value of the property in Italy to increase or decrease by +/-10% from Management's estimates, the carrying amount of investment property would be an estimated €41,252 lower or €41,260 higher, respectively.

[3] The segment "Other" includes storage space, archives and parking spaces
[4] The segment «Other» in Italy relates to land

All amounts expressed in € thousand, unless otherwise stated

7. Property, plant and equipment

Group and Company

	Land and buildings	Fixtures and equipment	Property under development	Total
Cost				
At 1 January 2012	**1,328**	**2**	**19**	**1,349**
Additions	-	-	75	**75**
At 31 December 2012	**1,328**	**2**	**94**	**1,424**
Accumulated depreciation				
At 1 January 2012	(26)	(1)	-	(27)
Depreciation charge	(12)	-	-	(12)
At 31 December 2012	**(38)**	**(1)**	**-**	**(39)**
Net book value 31 December 2012	**1.290**	**1**	**94**	**1.385**
Cost				
At 1 January 2013	**1,328**	**2**	**94**	**1,424**
Additions	-	-	164	**164**
Transfer to investment property	-	-	(103)	**(103)**
At 31 December 2013	**1,328**	**2**	**155**	**1,485**
Accumulated depreciation				
At 1 January 2013	(38)	(1)	-	(39)
Depreciation charge	(12)	(1)	-	(13)
At 31 December 2013	**(50)**	**(2)**	**-**	**(52)**
Net book value 31 December 2013	**1,278**	**-**	**155**	**1,433**

There was no impairment loss of property, plant and equipment for the years 2012 and 2013.

All amounts expressed in € thousand, unless otherwise stated

8. Intangible assets

Group and Company	Software
Cost	
At 1 January 2012	346
At 31 December 2012	**346**
Accumulated amortisation	
At 1 January 2012	(43)
Amortisation charge	(29)
At 31 December 2012	**(72)**
Net book value 31 December 2012	**274**
Cost	
At 1 January 2013	346
At 31 December 2013	**346**
Accumulated amortisation	
At 1 January 2013	(72)
Amortisation charge	(29)
At 31 December 2013	**(101)**
Net book value 31 December 2013	**245**

9. Investment in subsidiaries

Corporate name	Country of incorporation	Percentage of interest	Investment in subsidiaries 31.12.2013	Investment in subsidiaries 31.12.2012	Unaudited tax years
Karela S.A. (Note 25)	Greece	100%	56,166	-	2010 – 2013
Nash S.r.L. (Note 25)	Italy	100%	73,506	-	2009 – 2013
			129,672	**-**	

All amounts expressed in € thousand, unless otherwise stated

10. Trade and other receivables

The analysis of trade and other receivables is as follows:

	Group		Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Trade receivables	2,281	458	486	458
Trade receivables from related parties (Note 27)	239	101	239	101
Receivables from Greek State	5,904	5,904	5,904	5,904
Prepaid expenses	1,138	1,057	1,055	1,057
Other receivables	8,546	30	172	30
Other receivables from related parties (Note 27)	1,590	-	1,590	-
Total	**19,698**	**7,550**	**9,446**	**7,550**

The fair value of the Group's receivables is estimated to approximate their carrying value, as the recovery is expected to take place over a period such that the effect of the time value of money is considered immaterial.

Trade receivables of the Company as at 31 December 2013 include provisions for bad debts amounting to €14 recorded in the current year (2012: €0) and are included in "other expenses" in the statement of comprehensive income.

Receivables from Greek state mainly relate to capital accumulation tax paid by the Company at 14 April 2010. Upon payment of this tax, the Company expressed its reservation on the obligation to pay the tax and at the same time it requested the refund of this amount (incl. relevant interest) as a result of paragraph 1, article 31 of Law 2778/1999 , which states that "the shares issued by a REIC and the transfer of properties to a REIC are exempt of any tax, fee, stamp duty, levies, duties or any other charge in favour of the State, public entities and third parties in general." Because of the lack of response of the relevant authority after a three months period, the Company filed an appeal and the Company's Management, based on the advice of its legal advisors, believes that the reimbursement of the amount is in essence certain.

Prepaid expenses at 31 December 2013 and 2012 mainly relate to legal and valuation expenses for the preparation of the listing of the Company's shares in a stock exchange.

Other receivables of the Group as at 31 December 2013 include receivables from Italian state, of €5,700, which relate to VAT receivable mainly deriving from the acquisition of the property of the subsidiary Nash S.r.L., as well as pledged deposit accounts, with a balance of €2,671, which are held in accordance with the provisions of the program for the issuance of a common bond loan (Note 14).

11. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Cash at hand	2	-	2	-
Demand deposits	2,289	408	369	408
Short term deposits	156,000	165,000	156,000	165,000
Total	**158,291**	**165,408**	**156,371**	**165,408**

The fair value of the Company's cash and cash equivalents is estimated to approximate their carrying value.

12. Share capital

	No. of shares (thousands)	Share capital
Balance at 1 January 2012 and 31 December 2012	**147,500**	**590,000**
Share capital increase	36,428	145,712
Balance at 31 December 2013	**183,928**	**735,712**

The total authorized number of ordinary shares at 31 December 2013 amounted to 183,928,000 (31.12.2012: 147.500.000) with a par value of €4.00 per share. The share capital is fully paid up. The Company shares are ordinary shares with voting right.

The Extraordinary General Meeting of the Company's shareholders dated 5 December 2013 approved the increase of the Company's share capital up to the amount of €145,712, partly in cash and partly in contribution in kind and in particular contribution of properties as well as quotas of a limited liability company, in accordance with the provisions of article 22 of law 2778/1999, with the issuance of 36.428 thousand ordinary shares with a par value and an issue price of four (4) Euros each (Note 1).

The Company does not hold own shares.

13. Reserves

Reserves are analysed as follows:

	Statutory Reserve	Special Reserve	Total
Balance 01.01.2012	**1,803**	**323,987**	**325,790**
Transfer to statutory reserve	194	-	**194**
Balance 31.12.2012	**1,997**	**323,987**	**325,984**
Balance 01.01.2013	**1,997**	**323,987**	**325,984**
Transfer to statutory reserve	989	-	**989**
Balance 31.12.2013	**2,986**	**323,987**	**326,973**

All amounts expressed in € thousand, unless otherwise stated

14. Borrowings

The Group has entered into a variable rate Bond Loan Program (the "Program"). However, the Group is not exposed to fluctuations in interest rates prevailing in the market and has established with Program's counterparties interest rate swaps for hedging the exposure to variations in variable rate in accordance with the Program (Note 17).

	Group		**Company**	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Long term				
Bond loan	51,390	-	-	-
Short term				
Bond loan	2,267	-	-	-
Total	**53,657**	**-**	**-**	**-**

The borrowings are secured on investment property. More specifically, on the property owned by the 100% subsidiary of the Company, KARELA S.A. a prenotation of mortgage was established in favor of the bondholders for an amount of €106,000. Moreover, the entire share capital of KARELA SA is collateral in favor of the bondholders, for all amounts due under the Program. In addition, all rights of KARELA S.A. arising from the lease with Cosmote have been assigned in a favor of the bondholders.

The fair value of borrowings approximated their carrying value at the date of the statement of financial position, as the impact of discounting is not significant.

Borrowings mature in 2017 and bear average coupons (incl. interest rate swaps) of 7.25%, whereas if interest rate swaps are excluded, average coupons amount to 5.32%.

The contractual repricing dates are limited to a maximum period of 3 months.

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

15. Retirement benefit obligations

According to Greek labour law (L.2112/1920, as amended by L.4093/2012), each employee is entitled to a lump sum in the event of termination of the employment contract by the employer or in case of retirement. Such lump sum is based on years of service and final salary. If the employee remains with the Company until his normal retirement, he is entitled to a lump sum equal to 40% of the compensation he would take if dismissed on the same day. The C.L.2190/1920, provides that companies should form a provision relating to all employees of a minimum of which amounts to the liability created on retirement (40% of total liability).

The retirement benefit obligations were determined by an actuarial study based on IAS 19.

All amounts expressed in € thousand, unless otherwise stated

The movement of the liability is analysed as follows:

	31.12.2013	31.12.2012
Net liability at the beginning of the period	22	17
Total expense recognised in the statement of comprehensive income	4	5
Net liability recognised in the statement of financial position	**26**	**22**

16. Other long-term liabilities

	Όμιλος		Εταιρεία	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Long-term deposits	2,492	-	-	-
Lease advances	6,691	-	-	-
Total	**9,183**	**-**	**-**	**-**

Note that the advance on leases amounting €6,691 will be offset by rents from 1 September 2015.

17. Derivative financial instruments

	Group		Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Derivative liabilities	2,783	-	-	-
Total	**2,783**	**-**	**-**	**-**

Derivative financial instruments comprise interest rate swaps and these derivative instruments transacted as effective economic hedges under the Group's risk management positions and do not qualify for hedge accounting under the specific rules of IAS 39.

The notional principal amounts of the outstanding interest rate swaps at 31 December 2013 were €51,468 (2012: €0). The fair value gains on derivative financial instruments amounts to €293 (2012: €0).

These derivative liabilities relate to gross amount and have not been offset by derivative assets, however they are subject to major or similar netting agreements, which while not meeting the criteria established by the applicable accounting standard for offset in the statement of financial position, they provide the right to offset the relevant amounts in the event of default of the agreed terms of one of the counterparties (whether due to bankruptcy, default or handling).

All amounts expressed in € thousand, unless otherwise stated

18. Trade and other payables

The analysis of trade and other payables is as follows:

	Group		Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Trade payables	222	54	171	54
Amounts due to related parties (Note 27)	112	28	88	28
Taxes – levies	5,309	4,275	5,194	4,275
Other payables	2,289	561	208	561
Total	**7,932**	**4,918**	**5,661**	**4,918**

Trade and other payables are short term and do not bare interest.

Taxes – levies at 31 December 2013 include lease stamp duties of €2,568 (31 December 2012: €2,520) and a provision for the special tax on electrically powered properties (E.E.T.A.) of L. 4152/2013 (pr. E.E.T.H.D.E. of L. 4021/2011), of €1,406 (31 December 2012: €1,717).

Other liabilities of the Group at 31 December 2013 include an amount of € 2.057, which refers to the net amount that the subsidiary KARELA S.A. should reimburse the previous shareholder. More specifically, the subsidiary KARELA SA chose to apply the VAT status for the existing commercial lease under the provisions of article 17 of L.4110/23.1.2013. In accordance with the above provisions, the company has applied for the deduction of input VAT which had burdened the construction of the property, totaling €7,711. KARELA S.A. has the obligation to return to the previous shareholder the individual amounts of refundable VAT or VAT offset on construction works as above.

19. Revenue

	Group		Company	
	2013	**2012**	**2013**	**2012**
Rental income	79,166	70,024	71,343	70,024
Total	**79,166**	**70,024**	**71,343**	**70,024**

The period of leases whereby the Group leases out its investment property under operating leases is, in most cases, for a minimum 25 years term. Lease rentals are revised annually in accordance with the lease terms by reference to the consumer price index plus a spread of at lease 1%.

There were no contingent rental arrangements under the existing operating leases. Rental income is not subject to seasonality.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group		Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
No later than 1 year	77,829	-	68,813	-
Later than 1 year and no later than 5 years	295,686	-	261,024	-

All amounts expressed in € thousand, unless otherwise stated

Later than 5 years	825,205	-	782,597	-
Total	**1,198,720**	**-**	**1,112,434**	**-**

20. Direct property related expenses

Direct property related expenses include the following:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Property taxes - levies	2,377	2,204	2,059	2,204
Valuation expenses	288	320	288	320
Lawyers, notaries, land registrar and technical advisors fees	77	30	75	30
Insurance expenses	84	25	32	25
Service charges	23	63	23	63
Other expenses	1	9	1	9
Repair and maintenance expenses	-	3	-	3
Total	**2,850**	**2,654**	**2,478**	**2,654**

Property taxes – levies in 2013 and 2012 include Real Estate Tax (FAP). FAP is calculated on the value of the properties owned by the taxpayer at 01.01 each year. FAP of REICs is calculated at 0.1% of the tax value of the properties.

Moreover, property taxes - levies in 2013 include E.E.T.A. of L. 4152/2013 amounting to €1.557. Respectively, in 2012 property taxes – levies include E.E.T.H.D.E. of L. 4021/2011 amounting to €1,723.

Direct property related expenses incurred in leased and vacant properties were as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Leased properties	2,749	2,514	2,377	2,514
Vacant properties	101	140	101	140
Total	**2,850**	**2,654**	**2,478**	**2,654**

21. Personnel expenses

	Group and Company	
	2013	**2012**
Wages	373	406
Social security costs	99	92
Retirement benefit obligations expenses	4	5
Other expenses	8	7
Total	**484**	**510**

The total number of employees of the Company as at 31 December 2013 was 9 (31 December 2012: 9). The subsidiaries of the Company do not employ any personnel.

22. Other expenses

	Group		Company	
	2013	**2012**	**2013**	**2012**
BoD remuneration	86	32	86	32
Third party fees	113	117	88	117
Expenses relating to advertising and publication, etc.	39	71	38	71
Other	197	173	191	173
Total	**435**	**393**	**403**	**393**

On 30.06.2013, the Ordinary General Meeting of Shareholders approved the distribution of BoD's fees for the period from 01.01.2012 to 31.12.2012 amounting to €43. These fees are recognized in the income statement in 2013, i.e. the period in which they were approved by the General Meeting of Shareholders. The above Annual General Meeting approved for the period from 01.01.2013 to 31.12.2013 the board members to be paid on a monthly basis, resulting the relevant fees to be included in the income statement of 2013.

23. Dividend per share

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

On 30.06.2013, the Company's annual shareholders meeting approved, after a proposal by the Company's Board of Directors, the payment of dividend for the third year (01.01.2012 – 31.12.2012) of €22.434.

24. Earnings / (losses) per share

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

	Group	
Year ended 31 December	**2013**	**2012**
Net profit / (loss) attributable to equity holders	(25,608)	19,785
Weighted average number of ordinary shares in issue (thousands)	147,999	147,500
Basic earnings per share (€ per share)	**(0.173)**	**0.134**

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

All amounts expressed in € thousand, unless otherwise stated

25. Acquisitions of subsidiaries (business combinations and asset acquisitions)

(a) Business combinations

On 15 February 2013, the Company acquired 100% of the share capital of KARELA S.A., owner of a building with a total area of 62 thousand sq.m. (out of which 30 thousand sq.m. are above ground and 32 thousand sq.m. is basement) on a land plot of an area of 36 thousand sq.m, located in Paiania, Attica. At the acquisition date the building was leased to Cosmote Mobile Telecommunications S.A. The acquisition was part of the investment policy of the Company to strengthen its position in the real estate market.

The following table summarizes the fair value of assets and liabilities of the company KARELA SA as of the date of acquisition, which is 15 February 2013:

	15.02.2013
Investment property (Note 6)	122,137
Property, plant and equipment	3
Cash and cash equivalents	827
Other assets	2,851
Borrowings	(55,412)
Other long-term liabilities	(9,183)
Derivative financial instruments	(3,209)
Trade and other payables	(927)
Fair value of acquired interest in net assets of subsidiary	**57,087**
Negative goodwill	(921)
Total purchase consideration	**56,166**

The purchase consideration is lower than the fair value of the net assets acquired and the gain of €921 was included in the income statement (“Other income”). Expenses relating to the acquisition of €87 are included in the income statement in “other direct property related expenses” for the period ended 31 December 2013.

At the date of acquisition, KARELA S.A. was actively engaged in managing real estate. Management determined that the acquired entity should be accounted for as a business in accordance with IFRS 3, “Business combinations”.

All amounts expressed in € thousand, unless otherwise stated

(b) Asset acquisitions

The Extraordinary General Meeting of the Company's shareholders dated 5 December 20113 approved the increase of the Company's share capital up to the amount of €145,712, partly in cash and partly in contribution in kind and in particular with contribution of properties and quotas of a limited liability company, in accordance with the provisions of article 22 of law 2778/1999, with the issuance of 36.428 thousand ordinary shares with a par value and an issue price of four (4) Euros each.

In the context of the abovementioned share capital increase, Invel contributed 100% of the quotas issued by the, established and operating in accordance with the Italian law, limited liability company under the corporate name "Nash S.r.L.", owner of a land with total area of 1,856 thousand sq.m. and buildings of a total area of 4 thousand sq.m. in Torvaianica area in the Administrative District of Pomezia (Rome) in Italy. The net asset value of Nash S.r.L. was determined by independent valuers at €73.506. (Note 6 and 12).

Management considers that at acquisition, Nash SrL constituted group of net assets, rather than business as defined in IFRS 3, "Business combinations", as prior to acquisition the subsidiary was holding the property in a passive fashion with a view to sale, with no operations.

The property has significant development potential and the Group is in the process of determining the optimal exploitation scenario by exploring various alternative land uses. The Group is already in cooperation with local authorities and local experts in order to determine the parameters under which the Group will proceed with the development of the property. As the specific way of development is not yet determined, Management classified the property as an investment property at initial recognition.

The assets and liabilities recognized in the consolidated statement of financial positions on the date of the acquisition were:

	23.12.2013
Investment property (Note 6)	67,800
Cash and cash equivalents	9
Other receivables	5,700
Trade and other payables	(8)
Fair value of acquired net assets	**73,501**
Goodwill	4
Total consideration (contribution in kind)	**73,505**

The value by which Nash's contribution was made was lower than the fair value of assets acquired and the amount of €4 was recognized directly in the income statement in "other expenses".

26. Contingent Liabilities and Commitments

The Company has not been subject to tax audit for the year ended 31 December 2010. The years 2011 and 2012 have been audited by the Company's certified auditors, Deloitte, according to article 82, L.2238/1994, and a tax certificate was issued at 19 July 2012 and 30 September 2013, respectively. The years 2011 and 2012 will be considered as tax-settled after 18 months, a period during which the tax authorities can perform a review pursuant to article 6 of POL 1159/22.7.2011. The year 2013 is audited by the Company's certified auditors and the audit will be concluded by 1 July 2014. Management does not believe that any significant additional taxes will be finally assessed by the tax authorities for the open tax years.

On 18 October 2013 the Company has been declared as successful bidder for the acquisition by the Hellenic Real Estate Development Fund ("HDRAF), one of the two portfolios in the framework of the sale and leaseback transaction organized by HDRAF. The portfolio consists of 14 assets geographical distributed in Greece (11 properties are located in Attica, 2 properties in Thessaloniki and 1 property in Evros). The properties will be leased by the Helelnic Republic for 20 years. The total area of the properties amounts to c. 200 thousand sq.m., out of which c. 134 thousand sq.m. is above ground area and c. 66 thousand sq.m. is basement. The consideration for the acquisition of the portfolio amounts to €115,500.

There are no pending lawsuits against the Group, nor other contingent liabilities resulting from commitments at 31 December 2013, which would affect the Group's financial position.

27. Related party transactions

The Company is controlled by National Bank of Greece S.A. (parent company), which holds 34% of the share capital of the Company (Note 12).

The nature of the significant transactions entered into by the Company with related parties during the year ended 31 December 2013 and 2012 and the significant balances outstanding at 31 December 2013 and 2012 are presented below.

All transactions with related parties are objective and carried out, based on the principle of equidistance, on normal commercial terms for similar transactions with third parties.

All amounts expressed in € thousand, unless otherwise stated

i. Balances arising from transactions with related parties

	Group		Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Trade receivables from related parties				
Parent company	239	101	239	101
	239	**101**	**239**	**101**
Other receivables from related parties				
Parent company	1,590	-	1,590	-
	1,590	**-**	**1,590**	**-**
Cash and cash equivalents				
Parent company	156,369	165,408	156,369	165,408
	156,369	**165,408**	**156,369**	**165,408**
Amounts due to related parties				
Parent company	45	11	45	11
Hellenic National Insurance Company, a company of NBG Group	66	17	42	17
Ethnodata, a company of NBG Group	1	-	1	-
	112	**28**	**88**	**28**
Borrowings				
Parent company	9,920	-	-	-
	9,920	**-**	**-**	**-**
Derivative financial instruments – Liabilities				
Parent company	477	-	-	-
	477	**-**	**-**	**-**

ii. Rental income

	Group		Company	
	2013	**2012**	**2013**	**2012**
Parent company	70.844	69.374	70.844	69.374
Other companies of NBG Group [5]	282	275	282	275
Total	**71.126**	**69.649**	**71.126**	**69.649**

[5] Ethniki Factors, Ethniki Kefalaiou, Ethniki Leasing, National Insurance Brokers, Ethnodata (only for 2012), National Securities (only for 2012), EKTENEPOL (only for 2012).

All amounts expressed in € thousand, unless otherwise stated

iii. Insurance expenses

	Group		Company	
	2013	**2012**	**2013**	**2012**
Hellenic National Insurance Company, a company of NBG Group	51	25	28	25
Total	**51**	**25**	**28**	**25**

iv. Technical inspections expenses (energy performance certificates)

	Group		Company	
	2013	**2012**	**2013**	**2012**
Parent company	-	9	-	9
Total	**-**	**9**	**-**	**9**

v. Net change in fair value of financial instruments at fair value through profit or loss

	Group		Company	
	2013	**2012**	**2013**	**2012**
Parent company	50	-	-	-
Total	**50**	**-**	**-**	**-**

vi. Other expenses

	Group		Company	
	2013	**2012**	**2013**	**2012**
Parent company	-	4	-	4
Ethnodata, a company of NBG Group	2	-	2	-
Ethniki Leasing, a company of NBG Group	11	12	11	12
Total	**13**	**16**	**13**	**16**

vii. Interest income

	Group		Company	
	2013	**2012**	**2013**	**2012**
Parent company	5,496	5,522	5,496	5,522
Total	**5,496**	**5,522**	**5,496**	**5,522**

viii. Finance costs

	Group		Company	
	2013	**2012**	**2013**	**2012**
Parent company	719	-	7	-
Total	**719**	**-**	**7**	**-**

All amounts expressed in € thousand, unless otherwise stated

ix. Key management compensation

	Group		Company	
	2013	**2012**	**2013**	**2012**
BoD compensation	86	32	86	32
Total	**86**	**32**	**86**	**32**

x. Commitment and contingent liabilities

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

28. Independent auditor's fees

Deloitte Hadjipavlou, Sofianos & Cambanis S.A. has served our principal independent public accountant for the years ended 31 December 2013 and 2012. The following table presents the aggregate fees for professional audit services and other services rendered by the Group's principal accounting firm Deloitte Hadjipavlou, Sofianos & Cambanis S.A., which is a member firm of Deloitte Touche Tohmatsu Limited.

	Group		Company	
	2013	**2012**	**2013**	**2012**
Audit fees	29	21	22	21
Tax fees	16	9	9	9
Audit related fees	20	20	20	20
All other fees	11	-	11	-
Total	**76**	**50**	**62**	**50**

29. Events after the balance sheet date

On 23 July 2013 the Company won a bid for the acquisition by HDRAF of a commercial property, of a total area of c 1 thousand sq.m., located at 19 Ermou street, Athens for a consideration of €5,900. The acquisition process was concluded on 3 February 2014.

No other significant events have taken place until the date of approval of financial statements that affect the financial position of the Group on 31 December 2013.