

Report of the Board of Directors

on the increase of the share capital of EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY by cash payment, pre-emption right for existing shareholders and the issuance of new common registered shares, according to paragraphs 1 and 2 of Article 9, paragraphs 1 and 2 of Law 3016/2002 and paragraphs 4.1.4.1.1 and 4.1.4.1.2 of the Regulation of the Athens Stock Exchange.

To the Extraordinary General Meeting of 8/11/2013, or any subsequent General Meeting after an adjournment or recess thereof,

Dear Shareholders,

1. Share Capital Increase - Conditions of Increase

The Board of Directors of EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY (hereinafter: the "Company"), according to its decision of 16/10/2013, proposes to the General Meeting of the Shareholders an increase of the share capital by cash payment and pre-emption right for existing common shareholders, by issuing 40.260.000 new common registered shares, each with a nominal value of € 2.13, and a suggested price of € 4.80 per new share, namely a ratio of 0.66 new shares for each existing share, in order to raise a total of € 193.248.000 in capital (hereinafter the "Increase"). The resulting difference between the offer price and the total nominal value of the new shares, that amounts to € 85.753.800, i.e. the sum of € 107.494.200, will be credited to a special reserve "share premium account" as provided for by law.

Regarding the disposal of the new shares, the Board of Directors proposes the following:

(A) To grant a pre-emption right to:

- i. all holders of existing common shares of the Company, who shall be registered in the Company register of shareholders, kept by "Hellenic Exchanges SA Holding, Clearing, Settlement & Registry" (hereinafter "HEHCSR"), on the second business day following the date of the annulment of the preemptive right, to be determined and announced by the Board, and
- ii. those who shall acquire pre-emption rights during their trading on the Athens Stock Exchange (ASE)

(B) If after the exercise of pre-emption rights as mentioned above there remain unsubscribed new shares, these will be allocated by the Board in accordance with Article 13 § 8 section (6) of Codified Law 2190/1920.

In case the total sum of the Increase is not reached, the share capital will be increased only by the amount of the actual increase. Fractional rights will not be issued.

[The Board of Directors of the Company also proposes to be given the authorization to determine the date of annulment of the pre-emption right, the negotiation period of the pre-emption right, the deadline for payment and in general to take all necessary actions to implement the above Increase and the listing of the new shares in the ASE, including the right of sub-delegation to any members or employees of the Company.]

2. Report content according to the provisions of Articles 4.1.4.1.1 and 4.1.4.1.2 of the Athens Stock Exchange

2A. Report on the use of funds raised from the previous increase of the share capital of the Company

The previous increase of the share capital of the Bank, from which a total of 329.4 million euros was raised, was carried out following the decision by the Extraordinary General Meeting of the shareholders held on 3.9.2007, and was certified by the 13.12.2007 decision of the Board of Directors of the Company.

The funds raised according to the above were invested until 30.6.2013 as follows:

EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY
 General Commercial Registry No. 00029101000
 EXCHANGE COMMISSION DECISION NUMBER 11/952/21.9.2005
 HEADQUARTERS AND ADDRESS: 117 Kifissias Avenue, Maroussi, Zip code 15124

It is notified that, according to the 20.12.2007 decision of the Athens Stock Exchange, the increase in the share capital of the Company by cash payment to existing shareholders of the Company at a ratio of three new shares for every two shares held, which was based on the decision of the Extraordinary General Meetings held on 03.09.2007 and 15.10.2007, respectively, raised a total of € 322,745 thousand (total amount € 329,400 thousand less issue costs of € 6,655 thousand). From the increase in share capital 36,600,000 common shares were issued at an issue price of € 9 each, which were listed on the Main Market of the Athens Stock Exchange on 24.12.2007. The share capital increase was certified by the Company's BoD on 13.12.2007. The funds raised were allocated in accordance with the provisions of the Newsletter until 30.06.2013 as follows:

TIMETABLE OF USE OF REVENUE FROM SHARE CAPITAL INCREASE

Amounts in thousand €	RAISED FUNDS FOR DISPOSAL	ALLOCATED FUNDS						1st Semester of 2013	Total Allocated 30/6/2013	Balance to be Invested
		2007	2008	2009	2010	2011	2012			
Investing in Commercial Real Estate or Real Estate with commercial or industrial Purpose	2nd Semester of 2007	52.312	45.208	50.647	1.214	6.675	-	-	156.056	
Refund from the final calculation of the value of "Taurus Model Development SA"	322.745	-	-	-425	-	-	-	-	-425	123.115
Payment from the final calculation of the value of subsidiaries					434				434	
Loan repayment		30.000	13.565	-	-	-	-	-	43.565	
Total	322.745	82.312	58.773	50.222	1.648	6.675	-	-	199.630	123.115

Notes:

- The final amount of the net proceeds of the issue amounted to € 322,745 thousand. This amount exceeds the amount that appears in the Newsletter by € 646 thousand due to reduced issuance costs, which amounted to € 6,655 thousand.
- On December 29th, 2007, the Company signed a preliminary agreement to acquire a commercial property investment in Kiev for a total sum of € 5,503 thousand. Under the preliminary agreement, the Company paid an advance of € 662 thousand in 2007. On March 15th, 2008, the Company signed a definitive contract and paid an amount of € 5,069 thousand (including notaries and lawyers fees of € 245 thousand), payment funded by the raised share capital that was still uncommitted. On January 18th, 2008, the Company purchased two properties with commercial purpose on Kifissias Avenue from Pasal Development SA, for a total amount of € 16,272 thousand, including notaries and lawyers fees of € 257 thousand (amount funded by the uncommitted funds raised). On April 15th, 2008, the Company purchased a commercial property in Titkala, for a total sum of € 3,203 thousand (including lawyers and notaries fees of € 53 thousand), funded by the uncommitted funds raised.
- On January 8th, 2008, the Company acquired 100% of the share capital of a real estate management and development company under the name "Kalambokis Tours & Cargo SA", owner of a property in the municipality Shimatari of Boeotia Prefecture, for a sum of € 5,360 thousand. The Company paid the sum of € 3,917 thousand, consisting of the agreed price minus liabilities and debt (amount funded from the share capital raised). On June 4th, 2008, the Company acquired 99.99% of the share capital of Romanian company "Retail Development SA", owner of a property in Iasi, Romania, for the sum of € 14,500 thousand. The Company paid the sum of € 4,152 thousand, consisting of the agreed price less liabilities and debt (amount funded from the share capital raised). Also on August 8th, 2007, the Company signed a preliminary agreement to acquire 99.99% of the share capital of a Romanian company, which will acquire an office building in Bucharest. The company on February the 25th, 2008 paid an advance of € 2,263 thousand, funded from the share capital raised. An amount of € 116 thousand in acquisition costs (lawyers, notaries, etc.) concerns property acquired by the Company with funds raised during the financial year 2007. Finally, on March the 27th, 2008, the Company made a repayment of a lease for a property acquisition and paid the sum of € 13,565 thousand, which was funded from the share capital raised. The transfer of the property was completed on July 1, 2008.
- On May the 7th, 2008, the Company signed a preliminary agreement to acquire 100% of the shares of "Taurus Model Development SA" from Dimand AE. It was agreed in the preliminary agreement to acquire the shares of "Taurus Model Development SA" that an advance of € 10,000 thousand be paid, which was paid on July 1, 2008. The total price (including the advance) has been agreed at € 50,350 thousand in case the company under acquisition will not have debts and other liabilities to third parties.
- On February 2nd, 2009, the Company entered into a contract with ICAP Group SA - Business Information, Management Consulting and Business Services to purchase an office building located in the City of Athens at 7, Papadiamantopoulou Street. The building consists of office space of a total surface of 1,261.5 sq. m. and auxiliary spaces of a total surface of 238.03 m². The total price for the purchase of the property amounted to € 4,000 thousand, whereas the appraised value as determined in the relevant report of Certified Valuers amounted to approximately € 4,034 thousand.
- On September the 29th, 2009, the Company completed the acquisition of three hardware and domestic equipment stores, leased to Praktiker Hellas subsidiary of German multinational chain Praktiker AG. The price for the acquisition of the three properties amounted to € 46,647 thousand and was funded by the funds raised from the share capital increase (including notaries and lawyers fees of € 647 thousand).
- On December the 29th, 2009, the Company completed the acquisition of 100% of the shares of "Taurus Model Development SA", owner of a property. The price for the acquisition of the shares of "Taurus Model Development SA" amounted to € 9.6 million. The net liabilities of the company amounted to € 27.4 million. According to a valuation conducted by the Greek Body of Sworn-In Valuers (SOE), the value of the property amounts to € 39.1 million. The sum of € 425 thousand was returned to the Company from the final calculation of the value of "Taurus Model Development SA".
- On April 30th, 2010, the Company completed the acquisition of part of the property located at 7, Papadiamantopoulou Street in Athens. In particular, the Company acquired the ground floor with its auxiliary spaces totaling 385 square meters and 36 parking spaces on three underground levels. The purchase price amounted to 1,214 million euros (including notaries and lawyers fees amounting to € 14 thousand). According to a valuation conducted by the Greek Body of Sworn-In Valuers (SOE) the value of the property amounts to 1,300 million euros.
- On September 27th, 2010, the sum of € 250 thousand concerning construction works for Company "Reco Real Property AD" was paid by the buyer and, based on the agreement, it was added to the final price for the purchase of the company and increased the cost of participation. On December 10th, 2010, the amount of € 184 thousand which had reduced the original acquisition price for the Company "Taurus Model Development SA" for any future costs was returned to the selling company.
- On May 13th, 2011, the company completed the acquisition of part of the properties located at 8 and 10, Othonos street, in Syntagma Square. In particular, the Company acquired a total of 1,314 sq. m. of office spaces on the 2nd and 3rd floor and 451.5 sq. m. of auxiliary spaces in the above properties. The office spaces are leased by EFG Eurobank Ergasias SA and the auxiliary spaces by Lamda Estate Development. The purchase price amounted to € 6,675 million (including notaries and lawyers fees amounting to € 102 thousand).
- According to the Newsletter on the Share Capital Increase of November 15th, 2007, most of the funds raised were destined for use within 24 months of the final cover of the increase. Since then, the amount of 123,115 thousand has not been used yet due to the lack of suitable investment opportunities.
- The available surplus of € 123,115 thousand has been temporarily placed in short-term investments (time deposits) as is described in the Interim Consolidated and Company Financial Statements for the period ending on June 30th, 2013.

Maroussi, July 30th, 2013

THE CHAIRMAN

THE GENERAL MANAGER

THE FINANCIAL SERVICES DIRECTOR

NIKOLAOS A. BERTSOS
ID Card No. AH 023829

GEORGIOS CHRISIKOS
ID Card No. N 161578

Stylianios Promponas
ID Card No. S 722634

Report of Findings on the execution of Pre-agreed Procedures on the "Raised Funds Distribution Report"
 To the Board of Directors of "EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY"

According to the order we have received from the BoD of "EUROBANK PROPERTIES REAL ESTATE INVESTMENT COMPANY" (hereinafter the Company), we conducted the following pre-agreed procedures within the regulatory framework of the Athens Stock Exchange, as well as the legislative framework of the Capital Market, with regard to the Company's Raised Funds Distribution Report which concerns the share capital increase by cash payment effected on 2007. Responsibility for the preparation of the aforementioned Report lies with the Company's Management. We undertook this project in accordance with the International Standard on Related Services 4400, which applies to "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information". Our responsibility is to perform the following agreed-upon procedures and report our findings to you:

Procedures:

- We compared the amounts indicated as disbursements in the attached "Distribution Report of Funds Raised from the Share Capital Increase by Cash Payment", to the respective amounts recognized in the Company's books and records for the period to which they refer.
- We have checked the Report for completeness and consistency of its contents with the contents of the Newsletter that has been issued by the Company to that respect, as well as with the respective decisions and announcements of the Company's competent bodies.

Findings:

a) the amounts of disbursements, by category of use / investment, that appear in the attached "Distribution Report of Funds Raised from the share capital increase by cash payment," are derived from the books and records of the Company in the period to which they refer.

The Report contains the minimum information required for that purpose under the regulatory framework of the Athens Stock Exchange and the respective legislative framework of the Capital Market and it is consistent with the information in the Newsletter and the respective decisions and announcements of the Company's competent bodies, taking into account note 11 of the attached Distribution Report of Funds Raised.

Given that the study conducted does not constitute an audit or a review, pursuant to the International Auditing Standards or the International Standards on Review Works' Assignment, we do not provide any assurances other than as aforementioned. Had we performed additional procedures or had we performed an audit or review, other issues beyond those mentioned in the previous paragraph might have come to our attention.

This present report is addressed solely to the Board of Directors as part of their responsibilities to comply with the regulatory framework of the Athens Stock Exchange and the legal framework of the capital market. Hence, this Report may not be used for any other purposes since it is confined only to the aforementioned data and is not extended to the financial statements drawn up by the company for the period from January the 1st, 2013, to June the 30th, 2013, for which we issued a separate Review Report on July the 31st, 2013.

Athens, July 31, 2013
 THE CERTIFIED AUDITOR-ACCOUNTANT

PRICEWATERHOUSECOOPERS
 Auditing Company SA
 268, Kifissias Ave, Halandri, Athens 15232
 SOEL Reg No. 113

Kynakos Rinis
 (SOEL Reg. No. 12111)



2B. Investment Program - Timetable for the realization of the investment program - Destination of funds to be raised

In relation to the net capital resulting from the proposed Increase, the Company intends to invest in accordance both with the provisions of Law 2778/1999, as applicable, and with its investment policy and strategy.

The fundamental investment objective of the Company, concerning the Increase as well as in general terms, is to create long-term value for its shareholders through its main business activity, namely investing in commercial real estate mainly, such as office buildings, stores, warehouses and industrial areas, Tourist Real Estate etc. in prime locations, wherever favorable conditions are in place, both in terms of the real estate market and the capital market.

Furthermore, based on the recent amendment to the Law concerning Real Estate Investment Companies, the Company intends to exploit all the opportunities presented in order to expand its business, examining investment opportunities across the entire spectrum of real estate such as, among others, tourist real estate, either directly or by concession, as well as project development through the participation in joint ventures.

The economic conjecture of the last four years in Greece led to the purchase of all properties at rational prices, recently presenting interesting opportunities in commercial real estate, at attractive values and with the prospect of future gains, which the Company intends to examine and utilize.

Such an economic environment, combined with the prospect of high liquidity, gives the company a unique competitive advantage for investment in high profile and high-standards property, on main highways and in the city center, whose prices in previous years was prohibitively high. The actual individual investments to be undertaken by the Company have not yet been fully determined, it is therefore not possible to set them out in detail in this report. The Company is, however, committed to providing the information as stipulated in paragraph 4.1.4.1.2 (2) of the Regulation of the Athens Stock Exchange at the time of undertaking said investments, as well as to complying with all regulatory obligations arising from the legislation in force.

2C. Announcements of Major Shareholders participating simultaneously in the Board or the Company's management

According to the announcement dated June 19, 2013 of major shareholder Bank Eurobank Ergasias SA («Eurobank»), on its agreement with Canadian company Fairfax Financial Holdings Limited ("Fairfax") concerning the latter's participation in the Company, the parties have agreed and were granted necessary approvals from authorities for the conclusion of the agreement.

According to the agreement, Fairfax will acquire the Pre-emption Rights of Eurobank for a total sum of approximately € 20 million in cash. Following that, it will exercise its own Pre-emption Rights as well as those purchased from Eurobank. As a result and under the condition of the full covering of the share capital increase, Fairfax will increase its participation in the Company to approximately 41.2% (from around 19% today) and Eurobank will hold approximately 33.5% of the Company (from about 55.56% today) and Eurobank and Fairfax will cooperate so that until June 30th, 2020, Eurobank will maintain control of the management of the Company, therefore fully consolidating it, while Fairfax will be represented in the Board of Directors of the Company and it will enjoy veto rights on certain issues, as is usual for this type of transaction.

This agreement shall be in force for as long as Eurobank's participation in the Company is maintained over 20%, while afterwards the control of the management will automatically pass to Fairfax and Eurobank will maintain veto rights associated with its level of participation in the Company.

Eurobank Ergasias SA, which is the main shareholder of the Company holding today a participation of 55.56% of its share capital, hereby declares to the B.o.D. of the Company that it is contractually bound to give to the company named Fairfax Financial Holdings Limited, holding 19.12% of the shares of the Company, the total of its pre-emption rights, amounting to 33,888,849 pre-emption rights, therefore it will not participate in the proposed share capital increase of the Company, reserving its right as regards

its intention to further maintain its participation in the share capital of the Company for a period of six (6) months following listing of the new shares.

2D. Issue Price

The Board of Directors of the Company proposes setting the price of the new shares at € 4.80 per new share, i.e. at a price higher than the face value of each share of the Company which is € 2.13. The Board of Directors proposes to the General Meeting that the as per the above issue price of new shares be allowed to be higher than the market price during the annulment of the pre-emption right or at any other relevant point in time according to applicable legislation.

THE BOARD OF DIRECTORS
17.10.2013