NBG PANGAEA

NBG PANGAEA R.E.I.C.

INTERIM FINANCIAL REPORT

for the period from January 1 to June 30, 2017

This interim 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.

September 2017

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Certification by Members of the Board of Directors pursuant to article 5 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 interim condensed financial information for the six-month period ended June 30, 2017 have been prepared in accordance with IAS 34 and IFRS as adopted by the European Union and present a true and fair view of the items in the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement of the Company and of the companies included in the consolidation.

(2) The Board of Directors report for the six-month period ended June 30, 2017 truly and fairly presents all information required by Article 5, Para 6 of Law 3556/2007.

Athens, September 29, 2017

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

Semi-annual Board of Directors Report
of "NBG Pangaea Real Estate Investment Company"
on the Interim Condensed Financial Information
for the six-month period ended 30.06.2017

In accordance with the provisions of L.3556/2007 and the Decisions no. 1/434/3.7.2007, 7/448/11.10.2007 and 8/754/14.4.2016 of the Hellenic Capital Market Commission, we present below the Board of Directors Report of the Company (hereinafter Board of Directors or BoD) on the Interim Condensed Financial Information for the period from January 1, 2017 to June 30, 2017 (all amounts are expressed in € thousand, unless otherwise stated).

GENERAL OVERVIEW

The legislation and the implementation of a new set of fiscal and structural policies and a list of related prior actions led in late May and early June 2017 to a positive assessment by the Institutions of the progress in completing the second review of the third financial support program for Greece (hereinafter the "Program"), which has been confirmed by the Eurogroup of June 15, 2017 (Source: Eurogroup Statement, June 15, 2017). In this context, on June 23, 2017, Moody's rating agency upgraded Greece's sovereign bond rating to "Caa2" and changed the outlook to positive. Moreover, on August 18, 2017, Fitch rating agency updated the Greece's sovereign rating by two notches to 'B-' and revised outlook to positive, while on July 21, 2017, the Standard & Poor's ("S&P") rating agency also revised the outlook to positive. The key drivers for the rating agencies decisions were declining uncertainty, recovering economy and improving fiscal credibility, alongside improving prospects for the provision of further official debt relief.

All the above were significant steps for the activation of investors' interest in commercial real estate properties with investment characteristics similar to those of our Group's portfolio (investment grade properties). Based on the above events the commercial real estate sector in which our Group operates presented stabilizing trends, with prime assets holding a more advantageous position, which are reflected in the valuation of the Group's investment properties as of June 30, 2017 (refer below to "Net gain / (loss) from the fair value adjustment of investment property").

Regarding the sector of REICs, it shall be noted that the amendment in their tax framework led to a significant increase in both tax on investments and cash and cash equivalents and the supplementary Unified Property Tax (ENFIA).

However, it shall be noted that despite the adverse tax environment, the Group increased its profitability while at the same time, it continued the implementation of the corporate responsibility program adopted during the second semester of 2016.

FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

During the first semester of 2017, the Group proceeded with investments in real estate of €71,000 thousand, as presented below in "SIGNIFICANT EVENTS DURING THE FIRST SEMESTER OF 2017", continuing its increased investment activity during the last four years (approximately €700 million). These investments are fully attached to the Company's strategy for the development of its portfolio through selected placement to properties with remarkable investment characteristics.

As of June 30, 2017, the Group's real estate portfolio consisted of 338 (December 31, 2016: 333) commercial properties (mainly retail and offices), of a total leasable area of 986 thousand sq.m.. Three hundred and twenty one (321) of those properties are located in prime areas throughout Greece, fourteen (14) properties are located in Italy, two (2) properties in Romania and one (1) property in Cyprus. As of June 30, 2017 the fair value of the Group's investment property, according to a valuation performed by the independent statutory valuers, amounted to €1,569,814 thousand (December 31, 2016: €1,490,000 thousand).

Revenue: Total revenue relates to rental income and amounted to €57,907 thousand for the period ended June 30, 2017, compared to €57,247 thousand for the respective period of 2016, representing an increase of 1.2%. The increase on rental income mainly relates to rental income from new properties acquired by the Group during the second semester of 2016 and during the current period.

Net gain / (loss) from the fair value adjustment of investment property: During the first semester of 2017, the fair value of investment properties increased by €6,918 thousand (compared to net loss of €16,668 thousand of the previous period).

Operating Profits / (Losses): Operating profits of the Group for the first semester of 2017 amounted to €57,345 thousand (compared to operating profits of €32,784 thousand of the previous period). Excluding the net gain/ (loss) from the fair value adjustment of investment property (six-month period ended June 30, 2017: net gain of €6,918 thousand, six-month period ended June 30, 2016: net loss of €16,668 thousand), the expenses regarding the merger through absorption of the company NBG Pangaea REIC by its subsidiary MIG Real Estate REIC (six-month period ended June 30, 2017: Nil, six-month period ended June 30, 2016: €362 thousand) and the expenses regarding the merger through absorption of KARELA S.A. by the Company (six-month period ended June 30, 2017: Nil, six-month period ended June 30, 2016: €8 thousand), Group's operating profits for the six-month period ended June 30, 2017 amounted to €50,427 thousand compared to €49,822 thousand of the previous period (an increase of 1.2%). The increase is mainly related to the increase of the Group's revenue, as stated above.

Interest income: The Group's total interest income for the six-month period ended June 30, 2017 amounted to €23 thousand compared to €115 thousand of the previous period. The decrease by 80.0% is mainly due to the decrease of interest rates on bank deposits as well as the decrease in cash and cash equivalents because of the new investments in real estate that the Group proceeded during the first semester of 2017 and the second semester of 2016.

Finance costs: The Group's finance costs for the six-month period ended June 30, 2017 amounted to €10,586 thousand (six-month period ended June 30, 2016: €10,541 thousand).

Taxes: As a Real Estate Investment Company ("REIC"), in accordance with article 31, par. 3 of L.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 investments and cash and cash equivalents at current prices at the tax rate of 10% of the aggregate European Central Bank ("ECB") reference rate plus 1%. According to the recent amendment introduced by the article 46, par. 2 of L.4389/2016 to article 31, par. 3 of L.2778/1999, the tax for each semester cannot be lower than 0.375% on its average investments plus cash and cash equivalents, at current prices. KAROLOU S.A., Company's subsidiary in Greece, has the same tax treatment.

The Company's foreign subsidiaries, Nash S.r.L., Egnatia Properties S.A. and Quadratix Ltd. are taxed on their income, based on a tax rate equal to 27.9% in Italy, 16.0% in Romania and 12.5% in Cyprus, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the six - month period ended June 30, 2017.

At Group level taxes for the six-month period ended June 30, 2017 amounted to €5,540 thousand compared to €1,477 thousand of the previous period, presenting an increase by 275.1% which is mainly due to the aforementioned amendment of the tax legal framework for REIC companies under which the tax cannot be lower than 0.75% on an annual basis.

Profit / (Loss) for the period: The Group's profit for the six-month period ended June 30, 2017 amounted to €41,242 thousand compared to profit for the period of €20,881 thousand of the previous period. Excluding the net gain / (loss) from the fair value adjustment of investment property (six-month period ended June 30, 2017: net gain of €6,918 thousand, six-month period ended June 30, 2016: net loss of €16,668 thousand), Group's profit for the period amounted to €34,324 thousand for the first semester of 2017, compared to profit for the period of €37,549 thousand of the previous period. The decrease mainly relates to the amendment in the taxation of REICs as mentioned above.

CORPORATE RESPONSIBILITY PROGRAM “STRUCTURES OF RESPONSIBILITY”

During 2016 the Company adopted the corporate responsibility program entitled “Structures of Responsibility”, a program which is being implemented in collaboration with internationally recognized and local organizations. The improvement of infrastructure and the operational upgrade of important social structures have been selected as the program’s field of action and basic element, using the experience and expertise of the Company’s executives and aiming at the substantial social contribution and the address of key social problems. The Company has selected and committed to actions which have been completed or are in progress amounting to €470 thousand (out of which an amount of €153 thousand and an amount of €41 thousand was disbursed within 2016 and within the first semester of 2017 respectively).

BASIC RATIOS

The Company’s Management measures and monitors the Group’s performance on a regular basis based on the following ratios, which are widely used in the sector in which the Group operates.

	30.06.2017	31.12.2016
Current ratio[1] (Current assets / Current liabilities)	0.70x	1.41x
Gearing ratio (Borrowings / Total assets)	26.9%	24.9%
LTV (Borrowings / Fair value of properties)	28.5%	27.1%
Net LTV [Net Borrowings (Borrowings less Cash and Cash equivalents) / Fair value of properties]	25.4%	23.4%

[1] The decrease of current ratio is mainly due to the increase of Company’s short term borrowings, due to the acquisition of new properties financed by the Company’s bridge loan. It is noted that the Company has secured the refinancing of the borrowings with a repayment date up to 31.12.2017 (95.4% of the total short-term borrowings) from systemic financial institutions in Greece.

The Company’s Management defines as Net Asset Value (NAV) the total shareholders’ equity taking into account the difference between the fair value and the net book value of the owneroccupied property at each reporting date (30.06.2017: €(222) thousand, 31.12.2016: €(175) thousand).

Net Asset Value (NAV)	**30.06.2017**	**31.12.2016**
NAV	**1,184,961**	**1,194,766**
No. of shares at year end (in thousands)	255,495	255,495
NAV (per share)	**4.64**	**4.68**

	From 01.01. to 30.06.2017	**From 01.01. to 30.06.2016**	**% Change**
Profit for the period	41,242	20,881	
Plus: Depreciation of property and equipment	12	12	
Plus: Amortization of intangible assets	14	14	
Plus / (Less): Net Finance costs / (Interest Income)	10,563	10,426	
Plus: Taxes	5,540	1,477	
EBITDA	**57,371**	**32,810**	
Plus: Net non-recurring expenses[2]	-	370	
Plus / (Less): Net change in fair value of financial instruments at fair value through profit or loss	(628)	(451)	
(Less) / Plus : Net (gain) / loss of fair value adjustment of investment properties	(6,918)	16,668	
Adjusted EBITDA	**49,825**	**49,397**	**0.9%**

All amounts expressed in € thousand, unless otherwise stated

[2] Net non-recurring expenses of the comparative period include expenses regarding the merger through absorption of the company NBG Pangaea REIC by its subsidiary MIG Real Estate REIC (30.06.2017: Nil, 30.06.2016: €362 thousand) and expenses regarding the merger through absorption of KARELA S.A. by the Company (30.06.2017: Nil, 30.06.2016: €8 thousand).

Funds from Operations (FFO)	**From 01.01. to**		
	30.06.2017	**30.06.2016**	**% Change**
Profit for the period	41,242	20,881	
Plus: Depreciation of property and equipment	12	12	
Plus: Amortization of intangible assets	14	14	
Plus: Net non-recurring expenses	-	370	
Less: Net change in fair value of financial instruments at fair value through profit or loss	(628)	(451)	
(Less) / Plus : Net (gain) / loss of fair value adjustment of investment properties	(6,918)	16,668	
FFO	**33,722**	**37,494**	**(10.1)%**

SIGNIFICANT EVENTS DURING THE FIRST SEMESTER OF 2017

A. CORPORATE EVENTS

1. On May 9, 2017 the Annual General Meeting of the Company's shareholders, approved the distribution of a total amount of €51,099 thousand (i.e. 0.20 per share – amount in €) as dividend to its shareholders for the year 2016. Due to the distribution of interim dividend of a total amount of €17,118 thousand (i.e. €0.067 per share – amount in €), following the relevant decision of the Board of Directors dated November 14, 2016, the remaining dividend to be distributed amounted to €33,981 thousand (i.e. €0.133 per share – amount in €).

B. INVESTMENTS

During the first semester of 2017, the Group proceeded in total investments in real estate of €71,000 thousand, which contributed to the dispersion of the Group's real estate portfolio, as presented below:

- On June 15, 2017, the Company acquired from a company of foreign institutional investors' interests four commercial properties (hypermarkets) of a total area of approximately 75,154 thousand sq.m. for a total consideration of €47,000 thousand (not including acquisition expenses of approximately €829 thousand). The properties are located at Marathonos Avenue (Gerakas), Athinon Avenue (Athens), Petrou Ralli (Agios Ioannis Renti) and Patra. The properties are leased to the company "SKLAVENITIS HELLENIC HYPERMARKETS S.A." with the distinctive name "SKLAVENITIS" with a 25-year duration. According to a valuation performed by the independent statutory valuers, the total value of the four properties at the date of the acquisition amounted to €52,711 thousand.

- On April 6, 2017, the Group concluded on the acquisition of a commercial property (hypermarket and offices), of a total area of approximately 12,437 sq.m., which is located in Limassol Cyprus, for a total consideration of €24,000 thousand (not including acquisition expenses of €1,002 thousand). The property is leased to Chris Cash & Carry Ltd., a company of Sklavenitis Group, with a 25-year duration. According to a valuation performed by the independent statutory valuers, the value of the property at the date of the acquisition amounted to €24,113 thousand.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to the date of the interim financial statements relating to the Group or the Company for which disclosure is required by International Financial Reporting Standards (hereinafter IFRSs).

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 between 20 and 25 years, while for the majority of the leases the annual rental adjustment is associated with the Consumer Price Index plus a spread of 1.0% and in the event of deflation, there is no negative impact on rents.

The Group is governed by an institutional framework (Law 2778/1999, as in force) 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.

Non-performance of tenants (credit risk)

Credit risk relates to cases of default of counterparties to meet their transactional obligations. The Group has 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 lease agreements are conducted with customers - tenants of sufficient creditworthiness. The Group's maximum exposure mainly results from related party transactions, since the majority of the Group's property portfolio is leased to NBG (30.06.2017: 58.7%, 30.06.2016: 59.3% of the total revenue).

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 period between 20 and 25 years, while for the majority of the leases the annual rental adjustment is associated with the Consumer Price Index plus a spread of 1.0% and in the event of deflation, there is no negative impact on rents.

Cash flow risk and fair value interest rate risk

The Group has significant interest bearing assets comprising demand deposits and short term bank deposits. Furthermore, the Group's liabilities include borrowings.

All amounts expressed in € thousand, unless otherwise stated

The Group is exposed to fluctuations in interest rates prevailing in the market and on its financial position and cash flows. Borrowing costs may increase as a result of such changes and create losses or borrowing costs may be reduced by the occurrence of unexpected events. To reduce the Group's exposure to fluctuations in interest rates of long-term borrowings, the re-pricing dates are limited by contract to a maximum period of six months.

Liquidity risk

The current or prospective risk to earnings and capital arising from the Group’s inability to collect outstanding receivables without incurring significant losses. The Group ensures timely the required liquidity in order to meet its liabilities through the regular monitoring of liquidity needs and collection of amounts due from tenants and through the prudent cash management.

Capital risk management

The Group’s objective when managing capital is to safeguard 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.

According to the common industry practice in Greece, the Group monitors capital on the basis of the gearing ratio (or debt ratio). This ratio is calculated as total borrowings divided by total assets, as depicted in the statement of financial position. The regulatory regime governing Real Estate Investment Companies (hereinafter REICs) in Greece permits Greek REICs to borrow up to 75% of the value of total assets, for acquisitions and improvements on properties.

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

The table below presents the gearing ratio (or debt ratio) as at June 30, 2017 and December 31, 2016.

	Group		**Company**	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Borrowings	447,339	404,073	334,187	290,004
Total assets	1,662,468	1,625,497	1,556,221	1,509,001
Gearing ratio	**26.9%**	**24.9%**	**21.5%**	**19.2%**

External factors and international investments

The Group has investments in Italy, in Romania and in Cyprus. External factors which may affect the financial position and the results of the Group are the economic conditions prevailing in the above-mentioned countries, as well as any changes in the tax framework related to investment property.

RELATED PARTY TRANSACTIONS

All transactions with related parties have been carried out on the basis of the “arm’s length” principle (under normal market conditions for similar transactions with third parties). The significant transactions with related parties as defined by International Accounting Standard 24 “Related Party Disclosures” (IAS 24) are thoroughly described in Note 20 of the Interim Condensed Financial Statements for the six-month period ended June 30, 2017.

PROSPECTS

The declining uncertainty, the recovering economy and the improving fiscal credibility resulted from the successful completion of the second review of the Program during the first semester of 2017, led to the activation of investors' interest in relation to the Greek real estate market and especially for commercial properties with remarkable investment characteristics, which is expected to continue during the second semester of 2017.

The Group's revenue for 2017, is expected to present a further increase mainly due to the new investments of the Group in real estate property carried out both in 2016 and 2017.

Finally, it is noted that the Company considers the possibility of raising funds from the equity market, as soon as the market conditions permit it, in order: a) to further develop its portfolio and to achieve its goals, which include the possibility of enlarging the existing, high quality, portfolio, mainly in Greece, with the ultimate aim to further create value for its shareholders, and b) to enhance the dispersion of the Company's shareholder base (free float) and the shares' trading in the large-cap category of Athens Stock Exchange in order to attract institutional investors and investment funds to Greece and boost the Greek capital market.

Athens, September 29, 2017

The Chief Executive Officer

Aristotelis Karytinos

[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of "NBG Pangaea Real Estate Investment Company"

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of "NBG Pangaea Real Estate Investment Company" as of 30 June 2017 and the related condensed company and consolidated statements of income and total comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 29 September 2017
The Certified Auditor

PricewaterhouseCoopers S.A.
268 Kifissias Avenue,
Halandri 152 32
SOEL Reg. No. 113

Marios Psaltis
SOEL Reg. No. 38081

All amounts expressed in € thousand, unless otherwise stated

		Group		Company	
	Note	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
ASSETS					
Non-current assets					
Investment property	5	1,569,814	1,490,000	1,300,015	1,235,590
Investment in subsidiaries	6	-	-	180,841	155,742
Property and equipment		2,261	2,265	2,419	2,424
Intangible assets		144	159	144	159
Deferred tax assets		-	1	-	-
Other long-term receivables	7	24	17,325	24	17,325
		1,572,243	**1,509,750**	**1,483,443**	**1,411,240**
Current assets					
Trade and other receivables	8	42,476	61,015	38,767	57,137
Derivative financial instruments	14	2	-	-	-
Cash and cash equivalents	9	47,747	54,732	34,011	40,624
		90,225	**115,747**	**72,778**	**97,761**
Total assets		**1,662,468**	**1,625,497**	**1,556,221**	**1,509,001**
SHAREHOLDERS' EQUITY					
Share capital	10	766,484	766,484	766,484	766,484
Share premium	10	15,890	15,890	15,970	15,970
Reserves	11	338,938	336,119	338,902	336,182
Retained Earnings		63,871	76,448	77,024	80,241
Total equity		**1,185,183**	**1,194,941**	**1,198,380**	**1,198,877**
LIABILITIES					
Long-term liabilities					
Borrowings	12	344,746	344,843	234,152	233,339
Retirement benefit obligations		183	174	183	174
Deferred tax liability		200	198	-	-
Other long-term liabilities	13	3,347	3,329	3,171	3,153
		348,476	**348,544**	**237,506**	**236,666**
Short-term liabilities					
Trade and other payables	15	19,494	15,521	14,194	10,217
Borrowings	12	102,593	59,230	100,035	56,665
Derivative financial instruments	14	1,187	1,897	620	1,236
Current tax liabilities		5,535	5,364	5,486	5,340
		128,809	**82,012**	**120,335**	**73,458**
Total liabilities		**477,285**	**430,556**	**357,841**	**310,124**
Total shareholders' equity and liabilities		**1,662,468**	**1,625,497**	**1,556,221**	**1,509,001**

Athens, September29, 2017

The Chairman of the BoD	The CEO	The CFO / COO	The Deputy CFO
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

		Group		Company	
		From 01.01. to		From 01.01. to	
	Note	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**
Revenue		57,907	57,247	50,760	50,891
		57,907	**57,247**	**50,760**	**50,891**
Net gain / (loss) from the fair value adjustment of investment property	5	6,918	(16,668)	16,531	(10,314)
Direct property related expenses		(5,985)	(5,873)	(4,796)	(4,712)
Personnel expenses		(1,202)	(1,099)	(1,202)	(1,099)
Depreciation of property and equipment		(12)	(12)	(12)	(13)
Amortisation of intangible assets		(14)	(14)	(14)	(14)
Net change in fair value of financial instruments at fair value through profit or loss	14	628	451	615	451
Other income		352	166	3,736	894
Other expenses		(1,206)	(1,414)	(906)	(1,121)
Corporate Responsibility		(41)	-	(41)	-
Operating Profit		**57,345**	**32,784**	**64,671**	**34,963**
Interest income		23	115	21	100
Finance costs		(10,586)	(10,541)	(8,604)	(8,739)
Profit before tax		**46,782**	**22,358**	**56,088**	**26,324**
Taxes	17	(5,540)	(1,477)	(5,486)	(1,517)
Profit for the period		**41,242**	**20,881**	**50,602**	**24,807**
Attributable to:					
Non-controlling interests		-	-	-	-
Company's equity shareholders		**41,242**	**20,881**	**50,602**	**24,807**
Earnings per share (expressed in € per share) - Basic and diluted	18	0.16	0.08	0.20	0.10

Athens, September 29, 2017

The Chairman of the BoD	The CEO	The CFO / COO	The Deputy CFO
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	**30.06.2016**	**30.06.2017**	**30.06.2016**
Profit for the period	**41,242**	**20,881**	**50,602**	**24,807**
Other comprehensive income / (expense):				
Items that may not be reclassified subsequently to profit or loss:				
Revaluation reserve	-	30	-	30
Total of items that may not be reclassified subsequently to profit or loss	**-**	**30**	**-**	**30**
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	16	(7)	-	-
Cash flow hedges	83	538	-	-
Total of items that may be reclassified subsequently to profit or loss	**99**	**531**	**-**	**-**
Other comprehensive income for the period	**99**	**561**	**-**	**30**
Total comprehensive income for the period	**41,341**	**21,442**	**50,602**	**24,837**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**41,341**	**21,442**	**50,602**	**24,837**

Athens, September 29, 2017

The Chairman of the BoD	The CEO	The CFO / COO	The Deputy CFO
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

	Group From 01.04. to		Company From 01.04. to	
	30.06.2017	**30.06.2016**	**30.06.2017**	**30.06.2016**
Revenue	29,198	28,603	25,354	27,975
	29,198	**28,603**	**25,354**	**27,975**
Net gain / (loss) from the fair value adjustment of investment property	6,918	(16,215)	16,531	(9,922)
Direct property related expenses	(2,895)	(3,316)	(2,248)	(2,801)
Personnel expenses	(660)	(533)	(660)	(533)
Depreciation of property and equipment	(6)	(5)	(6)	(5)
Amortisation of intangible assets	(7)	(7)	(7)	(7)
Net change in fair value of financial instruments at fair value through profit or loss	263	239	313	451
Other income	273	83	200	-
Other expenses	(711)	(638)	(566)	(483)
Corporate Responsibility	(14)	-	(14)	-
Operating Profit	**32,359**	**8,211**	**38,897**	**14,675**
Interest income	17	49	16	34
Finance costs	(5,388)	(5,289)	(4,437)	(5,341)
Profit before tax	**26,988**	**2,971**	**34,476**	**9,368**
Taxes	(2,819)	(1,087)	(2,778)	(1,167)
Profit for the period	**24,169**	**1,884**	**31,698**	**8,201**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**24,169**	**1,884**	**31,698**	**8,201**
Earnings per share (expressed in € per share) - Basic and diluted	0.09	0.01	0.12	0.03

Athens, September 29, 2017

The Chairman of the BoD	The CEO	The CFO / COO	The Deputy CFO
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.04. to		From 01.04. to	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit for the period	**24,169**	**1,884**	**31,698**	**8,201**
Other comprehensive income / (expense):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	3	70	-	-
Cash flow hedges	42	867	-	-
Total of items that may be reclassified subsequently to profit or loss	**45**	**937**	**-**	**-**
Other comprehensive income for the period	**45**	**937**	**-**	**-**
Total comprehensive income for the period	**24,214**	**2,821**	**31,698**	**8,201**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**24,214**	**2,821**	**31,698**	**8,201**

Athens, September 29, 2017

The Chairman of the BoD	The CEO	The CFO / COO	The Deputy CFO
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		Attributable to Company's shareholders				
	Note	**Share capital**	**Share premium**	**Reserves**	**Retained Earnings / (Losses)**	**Total**
Balance January 1, 2016		**766,484**	**15,890**	**333,615**	**77,719**	**1,193,708**
Other comprehensive income for the period		-	-	561	-	**561**
Profit for the period		-	-	-	20,881	**20,881**
Total comprehensive income after tax		**-**	**-**	**561**	**20,881**	**21,442**
Transfer to reserves		-	-	2,741	(2,741)	-
Dividends relating to 2015	16	-	-	-	(51,993)	**(51,993)**
Balance June 30, 2016		**766,484**	**15,890**	**336,917**	**43,866**	**1,163,157**
Movements to December 31, 2016		-	-	(798)	32,582	**31,784**
Balance December 31, 2016		**766,484**	**15,890**	**336,119**	**76,448**	**1,194,941**
Balance January 1, 2017		**766,484**	**15,890**	**336,119**	**76,448**	**1,194,941**
Other comprehensive income for the period		-	-	99	-	**99**
Profit for the period		-	-	-	41,242	**41,242**
Total comprehensive income after tax		**-**	**-**	**99**	**41,242**	**41,341**
Transfer to reserves		-	-	2,720	(2,720)	-
Dividends relating to 2016	16	-	-	-	(51,099)	**(51,099)**
Balance June 30, 2017		**766,484**	**15,890**	**338,938**	**63,871**	**1,185,183**

Athens, September 29, 2017

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All amounts expressed in € thousand, unless otherwise stated

	Note	Share capital	Share premium	Reserves	Retained Earnings / (Losses)	Total
Balance January 1, 2016		**766,484**	**15,970**	**333,435**	**62,830**	**1,178,719**
Other comprehensive income for the period		-	-	30	-	**30**
Profit for the period		-	-	-	24,807	**24,807**
Total comprehensive income after tax		**-**	**-**	**30**	**24,807**	**24,837**
Transfer to reserves		-	-	2,741	(2,741)	**-**
Dividends relating to 2015	16	-	-	-	(51,993)	**(51,993)**
Effect from merger through absorption of KARELA S.A.		-	-	-	16,642	**16.642**
Balance June 30, 2016		**766,484**	**15,970**	**336,206**	**49,545**	**1,168,205**
Movements to December 31, 2016		-	-	(24)	30,696	**30,672**
Balance December 31, 2016		**766,484**	**15,970**	**336,182**	**80,241**	**1,198,877**
Balance January 1, 2017		**766,484**	**15,970**	**336,182**	**80,241**	**1,198,877**
Profit for the period		-	-	-	50,602	**50,602**
Total comprehensive income after tax		**-**	**-**	**-**	**50,602**	**50,602**
Transfer to reserves		-	-	2,720	(2,720)	**-**
Dividends relating to 2016	16	-	-	-	(51,099)	**(51,099)**
Balance June 30, 2017		**766,484**	**15,970**	**338,902**	**77,024**	**1,198,380**

Athens, September 29, 2017

The Chairman of the BoD	The CEO	The CFO / COO	The Deputy CFO
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

	From 01.01. to	
	30.06.2017	**30.06.2016**
Cash flows from operating activities		
Profit before tax	46,782	22,358
Adjustments for:		
- Provisions for employee benefits	9	6
- Depreciation of property and equipment	12	12
- Amortization of intangible assets	14	14
- Net (gain) / loss from the fair value adjustment of investment property	(6,918)	16,668
- Interest income	(23)	(115)
- Finance cost	10,586	10,541
- Net change in fair value of financial instruments at fair value through profit or loss	(628)	(451)
Changes in working capital:		
- (Increase) / Decrease in receivables	18,706	(4,167)
- Increase / (Decrease) in payables	3,991	(85)
Cash flows from operating activities	72,531	44,781
Interest paid	(9,177)	(9,573)
Tax paid	(5,368)	(760)
Net cash flows from operating activities	**57,986**	**34,448**
Cash flows from investing activities		
Acquisition of investment property	(72,831)	(6,110)
Subsequent capital expenditure on investment property	(65)	(115)
Returns of prepayments for the acquisition of property	-	300
Purchases of property and equipment	(7)	(19)
Expenses related to future acquisition of investment property	(1)	-
Interest received	23	115
Net cash flows used in investing activities	**(72,881)**	**(5,829)**
Cash flows from financing activities		
Proceeds from the issuance of bond loans and other borrowed funds	47,430	-
Repayment of borrowings	(5,538)	(1,691)
Dividends paid	(33,981)	(51,990)
Net cash flows from / (used in) financing activities	**7,911**	**(53,681)**
Net decrease in cash and cash equivalents	**(6,984)**	**(25,062)**
Cash and cash equivalents at the beginning of the period	54,732	90,433
Effect of foreign exchange currency changes on cash and cash equivalents	(1)	(2)
Cash and cash equivalents at the end of the period	**47,747**	**65,369**

Athens, September 29, 2017

The Chairman of the BoD	The CEO	The CFO / COO	The Deputy CFO
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All amounts expressed in € thousand, unless otherwise stated

	From 01.01. to	
	30.06.2017	**30.06.2016**
Cash flows from operating activities		
Profit before tax	56,088	26,324
Adjustments for:		
- Provisions for employee benefits	9	6
- Depreciation of property and equipment	12	13
- Amortization of intangible assets	14	14
- Net (gain) / loss from the fair value adjustment of investment properties	(16,531)	10,314
- Interest income	(21)	(100)
- Finance costs	8,604	8,739
- Net change in fair value of financial instruments at fair value through profit or loss	(615)	(451)
Changes in working capital:		
- (Increase) / Decrease in receivables	7,841	(8,849)
- Increase / (Decrease) in payables	3,995	(268)
Cash flows from operating activities	59,396	35,742
Interest paid	(7,489)	(7,999)
Tax paid	(5,340)	(756)
Net cash flows from operating activities	**46,567**	**26,987**
Cash flows from investing activities		
Acquisition of investment property	(47,829)	(6,110)
Subsequent capital expenditure on investment property	(65)	(19)
Returns of prepayments for the acquisition of property	-	300
Purchases of property and equipment	(7)	(19)
Participation in subsidiaries' capital increase	(14,400)	-
Expenses related to future acquisition of investment property	(1)	-
Interest received	21	100
Net cash flows used in investing activities	**(62,281)**	**(5,748)**
Cash flows from financing activities		
Proceeds from the issuance of bond loans and other borrowed funds	47,430	-
Repayment of borrowings	(4,348)	(600)
Dividends paid	(33,981)	(51,990)
Net cash flows from / (used in) financing activities	**9,101**	**(52,590)**
Net decrease in cash and cash equivalents	**(6,613)**	**(31,351)**
Cash and cash equivalents at the beginning of the period	40,624	61,885
Effect from merger through absorption of KARELA S.A.	-	6,433
Cash and cash equivalents at the end of the period	**34,011**	**36,967**

Athens, September 29, 2017

The Chairman of the BoD	The CEO	The CFO / COO	The Deputy CFO
Christos Protopapas	Aristotelis Karytinos	Thiresia Messari	Anna Chalkiadaki

All amounts expressed in € thousand, unless otherwise stated

NOTE 1: General Information

"NBG PANGAEA REAL ESTATE INVESTMENT COMPANY" (former "MIG REAL ESTATE INVESTMENT COMPANY") operates in real estate investment market under the provisions of Article 22 of L. 2778/1999, as in force. As Real Estate Investment Company (REIC), the company is supervised by the Hellenic Capital Market Commission. It is also noted that the Company is licensed as an alternative investment fund manager according to Law 4209/2013.

The headquarters are located at 6, Karageorgi Servias str., Athens, Greece. The Company is registered with the No. 3546201000 in the General Commercial Companies Registry (G.E.MI.) and its duration expires on December 31, 2110.

The Company together with its subsidiaries (hereinafter the "Group") operates in real estate investments both in Greece and abroad, such as Italy, Romania and Cyprus.

Following the resolution of the Boards of Directors of the Company (the "Absorbing Company") and its subsidiary "KARELA S.A." (the "Absorbed Company") held on December 28, 2015, on the commencement of the preparatory works of the merger by absorption of the latter by the first, on May 19, 2016 the Boards of Directors of the merging companies approved the draft merger agreement which was signed on May 20, 2016. The Company owned 100% of the share capital and voting rights of the Absorbed Company. The envisaged merger took place through the consolidation of assets and liabilities of the two companies, with the combined application of the provisions of articles 68 et seq., and particularly of article 78, par. 2 of the C.L. 2190/1920 and those of Greek law No. 2166/1993, as in force. December 31, 2015 has been set as the transformation date. On July 28, 2016, the merger by absorption of the company KARELA S.A. by its parent entity NBG PANGAEA REIC was completed in accordance with the decision protocol No. 80578/28.07.2016 of the Ministry of Economy, Development and Tourism (currently Ministry of Economy and Development) which was registered on the same day with the General Commercial Register of the abovementioned Ministry.

As of June 30, 2017, the Group's and the Company's number of employees was 27 (December 31, 2016: 25 employees for the Group and the Company, June 30, 2016: 26 employees for the Group and the Company).

The current Board of Directors has a term of three years which expires upon the election of the new Board of Directors by the Annual General Meeting of Shareholders, which will take place within 2019. The Board of Directors was elected by the Extraordinary General Meeting of Shareholders held on September 25, 2015 and was constituted as a body in its same day meeting. On February 24, 2017, the Board of Directors was reconstituted as a body and currently has the following composition:

Christos I. Protopapas	Chairman, Economist – Banker	Non Executive Member
Ioannis P. Kyriakopoulos	Vice-Chairman A', NBG Group CFO	Non Executive Member
Christophoros N. Papachristophorou	Vice-Chairman B', Businessman	Executive Member
Aristotelis D. Karytinos	CEO	Executive Member
Thiresia G. Messari	CFO / COO	Executive Member
Nikolaos M. Iatrou	Business Executive	Non Executive Member
Athanasios D. Karagiannis	Investment Advisor	Non-Executive Member
Prodromos G. Vlamis	Associate at the University of Cambridge & Visiting Professor at Athens University of Economics and Business	Independent - Non Executive Member
Spyridon G. Makridakis	Professor at the INSEAD Business School	Independent - Non Executive Member

These Interim Consolidated and Separate Financial Statements have been approved by the Company's Board of Directors on September 29, 2017 and are available on the website address http://www.nbgpangaea.gr.

NOTE 2: Summary of Significant Accounting Policies

2.1 Basis of Preparation

The interim condensed financial information of the Group and the Company for the six-month period ended June 30, 2017 (the "Interim Financial Statements") have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

These Interim Financial Statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the Interim Financial Statements should be read in conjunction with the annual consolidated and separate Financial Statements of NBG Pangaea REIC as at and for the year ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The amounts are stated in Euro, rounded to the nearest thousand (unless otherwise stated) for ease of presentation.

It is mentioned that where necessary, comparative figures have been adjusted to conform to changes in the current period's presentation. The adjustments made is considered that they do not have material impact in the presentation of financial information.

The Interim Financial Statements have been prepared based on the going concern principle, applying the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value.

2.2 Adoption of International Financial Reporting Standards (IFRS)

New standards, amendments and interpretations to existing standards applied from 1 January 2017:

- **IAS 12 (Amendment) "Recognition of Deferred Tax Assets for Unrealised Losses**" (effective for annual periods beginning on or after January 1, 2017, as issued by the IASB). This amendment clarifies the following aspects: Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. The carrying amount of an asset does not limit the estimation of probable future taxable profits. Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type. There was no impact from the amendment of IAS 12 in the Interim Financial Statements of the Group and the Company.

- **IAS 7 (Amendment) "Disclosure Initiative"** (effective for annual periods beginning on or after January 1, 2017). The amendment requires that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. There was no impact from the amendment of IAS 7 in the Interim Financial Statements of the Group and the Company.

Annual Improvements to IFRS Standards 2014–2016 Cycle. The amendments impact the following standard:

- **IFRS 12 "Disclosure of Interests in Other Entities"**. Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (effective for annual periods beginning on or after January 1, 2017, as issued by the IASB).

There was no impact from these amendments in the Interim Financial Statements of the Group and the Company.

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after January 1, 2018).

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was initially amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and subsequently in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 which supersedes all previous versions, mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments. Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 *"Financial Instruments: Recognition and Measurement"* are required 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 (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), 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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI, unless the asset is designated at "fair value through profit or loss" (FVTPL) under the fair value option. 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 is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Expected credit losses are required to be measured through a loss allowance at an amount equal to:
  - the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
  - full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).
- A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with IFRS 15.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group intends to apply the IFRS 9 for the annual period beginning on January 1, 2018. The Group expects that IFRS 9 will have an impact on the Group's and Company's financial assets, however it is not practicable to provide a reasonable estimation of its impact.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after January 1, 2018).
IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently evaluating the impact of IFRS 15 on the Financial Statements of the Group and the Company. However, it is not expected to have a significant impact on the consolidated and separate Financial Statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after January 1, 2019).
IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently evaluating the impact of IFRS 16 on the consolidated and separate Financial Statements and the timing of its adoption. However, given the fact that the Group companies mainly operate as lessors, is not expected to have a significant impact on the consolidated and separate Financial Statements

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after January 1, 2018).
The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The Group and the Company have not applied these amendments but it is not expected to have a material impact on the Financial Statements

2.3 Critical Accounting Estimates and Judgments

In preparing these Interim Financial Statements, the significant estimates, judgments and assumptions made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the consolidated and separate Financial Statements for the year ended December 31, 2016.

NOTE 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 risk management policy, followed by the Group, focuses on minimizing the impact of unexpected market changes.

The Interim Financial Statements do not include all information regarding the financial risk management and the relevant disclosures required in the annual financial statements and should be read in conjunction with the published consolidated and separate Financial Statements for the year ended December 31, 2016.

3.2 Fair Value Estimation of Financial Assets and Liabilities

The Group measures the fair value of financial instruments based on a framework for measuring fair value that categorises financial instruments based on three-level hierarchy in accordance with the hierarchy of the inputs used to the valuation technique, as described below:

All amounts expressed in € thousand, unless otherwise stated

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. More specifically, 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.

Level 3: Inputs for the asset or liability that are not based on observable market data. More specifically if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

- _Financial instruments carried at fair value_

The table below analyses financial assets and liabilities of the Group carried at fair value, by valuation method, as at June 30, 2017 and December 31, 2016, respectively.

June 30, 2017		**Valuation hierarchy**		
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Derivative financial instruments	-	2	-	**2**
Liabilities				
Derivative financial instruments	-	1,187	-	**1,187**

December 31, 2016		**Valuation hierarchy**		
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Derivative financial instruments	-	1,897	-	**1,897**

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.

There were no transfers between Levels 1 and 2, nor any transfers in and out of Level 3 during the period.

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 instrument not carried at fair value_

The tables below analyse financial assets and liabilities of the Group not carried at fair value as at June 30, 2017 and December 31, 2016, respectively:

June 30, 2017		**Valuation hierarchy**		
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Borrowings	-	-	447,339	**447,339**

December 31, 2016		**Valuation hierarchy**		
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Borrowings	-	-	404,073	**404,073**

The liabilities included in the tables above are carried at amortized cost and their carrying value approximates their fair value.

As at June 30, 2017 and December 31, 2016, the carrying value of cash and cash equivalents, trade and other receivables as well as trade and other payables approximate their fair value.

NOTE 4: Segment Reporting

The Group has recognized the following business segments, depending on the origin of the revenues per geography (country) and type of properties:

- Greece – Retail,
- Greece – Offices,
- Greece – Other (include city hotels, storage space, archives, petrol stations and parking spaces),
- Italy – Offices,
- Italy – Retail,
- Italy – Other (relates to a land plot and storage space),
- Romania – Retail,
- Romania – Offices,
- Cyprus – Retail,
- Cyprus – Offices.

All amounts expressed in € thousand, unless otherwise stated

From 01.01. to 30.06.2017

Country	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Italy**	**Romania**	**Romania**	**Cyprus**	**Cyprus**	
Segment	**Retail**	**Offices**	**Other**	**Offices**	**Retail**	**Other**	**Retail**	**Offices**	**Retail**	**Offices**	**Total**
Revenue	25,683	24,521	736	5,837	444	18	69	231	345	23	57,907
Total segment revenue	**25,683**	**24,521**	**736**	**5,837**	**444**	**18**	**69**	**231**	**345**	**23**	**57,907**
Net gain / (loss) from the fair value adjustment of investment properties	11,240	4,980	598	3,491	(251)	(12,282)	(211)	141	(922)	134	**6,918**
Direct property related expenses	(1,887)	(2,734)	(182)	(915)	(54)	(160)	(7)	(35)	(10)	(1)	**(5,985)**
Total segment operating profit / (loss)	**35,036**	**26,767**	**1,152**	**8,413**	**139**	**(12,424)**	**(149)**	**337**	**(587)**	**156**	**58,840**
Unallocated operating income											**352**
Unallocated operating expenses											**(1,847)**
Operating Profit											**57,345**
Unallocated interest income											**23**
Unallocated finance costs											**(8,643)**
Allocated finance costs	-	(1,943)	-	-	-	-	-	-	-	-	**(1,943)**
Profit before tax											**46,782**
Taxes											**(5,540)**
Profit for the period											**41,242**
Segment assets as at June 30, 2017											
Segment assets	692,028	620,006	18,081	181,953	14,405	41,953	1,229	5,188	22,595	1,746	**1,599,184**
Unallocated assets											**63,284**
Total assets											**1,662,468**
Segment liabilities as at June 30, 2017											
Segment liabilities	5,424	58,515	436	2,426	178	2,058	10	42	29	2	**69,120**
Unallocated liabilities											**408,165**
Total liabilities											**477,285**
Non-current assets additions as at June 30, 2017	47,837	57	-	-	-		-	-	23,398	1,604	**72,896**

All amounts expressed in € thousand, unless otherwise stated

From 01.01. to 30.06.2016

Country	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Italy**	**Romania**	**Romania**	
Segment	**Retail**	**Offices**	**Other**	**Offices**	**Retail**	**Other**	**Retail**	**Offices**	**Total**
Revenue	25,469	24,870	552	5,953	110	-	67	226	57,247
Total segment revenue	**25,469**	**24,870**	**552**	**5,953**	**110**	**-**	**67**	**226**	**57,247**
Net gain / (loss) from the fair value adjustment of investment properties	(12,202)	2,712	(824)	(8,878)	(152)	3,004	185	(513)	**(16,668)**
Direct property related expenses	(1,840)	(2,639)	(232)	(875)	(5)	(232)	(6)	(44)	**(5,873)**
Total segment operating profit / (loss)	**11,427**	**24,943**	**(504)**	**(3,800)**	**(47)**	**2,772**	**246**	**(331)**	**34,706**
Unallocated operating income									**166**
Unallocated operating expenses									**(2,088)**
Operating Profit									**32,784**
Unallocated interest income									**115**
Unallocated finance costs									**(8,469)**
Allocated finance costs	(14)	(2,058)	-	-	-	-	-	-	**(2,072)**
Profit before tax									**22,358**
Taxes									**(1,477)**
Profit for the period									**20,881**
Segment assets as at December 31, 2016									
Segment assets	653,093	612,970	17,308	178,979	14,523	54,335	1,434	5,015	**1,537,657**
Unallocated assets									**87,840**
Total assets									**1,625,497**
Segment liabilities as at December 31, 2016									
Segment liabilities	3,345	58,184	480	2,485	141	1,999	11	43	**66,688**
Unallocated liabilities									**363,868**
Total liabilities									**430,556**
Non-current assets additions as at December 31, 2016	7,977	3,294	3,716	10,177	11,453	682	-	-	**37,299**

All amounts expressed in € thousand, unless otherwise stated

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 and equipment, intangible assets, cash and cash equivalents, deferred tax assets, derivative financial instruments and other receivables.

Group's and Company's rental income is not subject to seasonal fluctuations.

Concentration of customers

NBG and the Hellenic Republic, lessees of the Group, represent, each one individually, more than 10% of Group's revenue. Rental income from NBG for the six-month period ended June 30, 2017 amounted to €33,992 thousand, i.e. 58.7% (six-month period ended June 30, 2016: €33,934 thousand, i.e. 59.3%) and rental income from the Hellenic Republic for the aforementioned period amounted to €5,792 thousand, i.e. 10.0%, (six-month period ended June 30, 2016: €5,770 thousand, i.e. 10.1%).

NOTE 5: Investment Property

	Group		Company	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Balance at the beginning of the period	**1,490,000**	**1,470,079**	**1,235,590**	**1,111,067**
Additions:				
- Direct acquisition of investment property	72,831	33,215	47,829	10,999
- Acquisitions through business combinations	-	3,716	-	-
- Subsequent capital expenditure on investment property	65	368	65	272
- Transfer from property and equipment	-	1,789	-	1,789
- Transfer to property and equipment	-	(947)	-	(947)
- Effect from merger	-	-	-	125,136
Net gain / (loss) from the fair value adjustment of investment property	6,918	(18,220)	16,531	(12,726)
Balance at the end of the period	**1,569,814**	**1,490,000**	**1,300,015**	**1,235,590**

Due to the merger by absorption of the company NBG PANGAEA REIC ("Absorbed Company) by its subsidiary MIG Real Estate REIC ("Absorbing Company") and the resulting quasi-universal succession, in accordance with the provisions of article 75 par.1, subpar. a' of C.L. 2190/1920, the Company has automatically substituted the Absorbed Company vis-à-vis all of its rights and obligations, among others over all properties of the latter. Therefore, Investment Property of the Company includes the properties of both the Absorbing Company and the Absorbed Company. The Company is in the process of registering the transfer of the Absorbed Company's properties with the relevant land registries or cadastral offices. Four (4) properties of the Absorbed Company in Athens and one (1) property in Paros of a total fair value of €15,568 thousand as of June 30, 2017 (December 31, 2016: €15,463 thousand) will be subject to a transfer in rem, once the necessary legal and technical procedures are concluded.

Additionally, due to merger through absorption of the company KARELA S.A. by the Company and the resulting quasi-universal succession, in accordance with the provisions of article 75 par.1, subpar. a' of C.L. 2190/1920, the Company has automatically substituted the company KARELA S.A. vis-à-vis all of its rights and obligations, among others over the property of the latter. Therefore, Investment Property of the Company also includes the property of KARELA S.A., the legal transfer of which in the relevant cadastral office took place on August 2, 2016.

On June 15, 2017, the Company acquired from a company of foreign institutional investors' interests four commercial properties (hypermarkets) of a total area of approximately 75,154 sq.m. for a total consideration of €47,000 thousand (not including acquisition expenses of approximately €829 thousand). The properties are located at Marathonos Avenue (Gerakas), Athinon Avenue (Athens), Petrou Ralli (Agios Ioannis Renti) and Patra. The properties are leased to the company "SKLAVENITIS HELLENIC HYPERMARKETS S.A." with the distinctive name "SKLAVENITIS" with a 25-year duration. According to a valuation performed by the independent statutory valuers, the total value of the four properties at the date of the acquisition amounted to €52,711 thousand.

On April 6, 2017, the Group concluded on the acquisition of a commercial property (hypermarket and offices), of a total area of approximately 12,437 sq.m., which is located in Limassol Cyprus, for a total consideration of €24,000 thousand (not including acquisition expenses of €1,002 thousand). The property is leased to Chris Cash & Carry Ltd., a company of Sklavenitis Group, with a 25-year duration. According to a valuation performed by the independent statutory valuers, the value of the property at the date of the acquisition amounted to €24,113 thousand.

On December 21, 2016 the Company acquired 100% of the share capital of the company KAROLOU S.A., owner of two properties in Patra, which are leased in order to be redeveloped and operate, by the tenant, as city hotels. The consideration amounted to €3,580 thousand (taking into consideration the liabilities and assets of KAROLOU S.A.) and paid in cash. The acquisition cost and the fair value of the investment properties at the date of the acquisition, according to a valuation performed by the independent statutory valuers, amounted to €3,716 thousand.

On December 19, 2016 the Group acquired a portfolio of properties which consists of nine commercial properties (mainly retail and offices) of a total gross area of approximately 6 thousand sq.m., which are located in Italy. The consideration for the acquisition of the above portfolio amounted to €21,560 thousand (not including acquisition expenses of €656 thousand). The properties are among others leased to internationally recognized entities and the Italian State. According to a valuation performed by the independent statutory valuers, the value of the above portfolio at the date of the acquisition amounted to €22,540 thousand.

On July 7, 2016 the Company acquired three commercial properties for a total consideration of €4,700 thousand (not including acquisition expenses of €167 thousand). According to a valuation performed by the independent statutory valuers, the total value of the properties at the date of the acquisition amounted to €5,371 thousand.

More specifically, the Company proceeded with the following acquisitions:

- Retail located at 12, Ermou & Voulis str., Syntagma, with a total area of approximately 369 sq.m.. The property is totally leased to the shoes chain with the distinctive name Five Shoes, which also has additional sale points in Attica.
- Offices located at 7, Kifissias Avenue, Ampelokipoi, with an area of approximately 1,809 sq.m., and additional 50 parking spaces (total area of approximately 2,359 sq.m.). The property, at acquisition, was not leased.
- Offices located at 44, Kifissias Avenue, Maroussi, with an area of approximately 574 sq.m., and additional 15 parking spaces (total area of approximately 743 sq.m.). At acquisition the offices were leased to Athens Institute of Technology, a nonprofit organization founded by a domestic multinational company, in order to enhance the research and the education and the parking spaces were leased to the company CISCO Systems Hellas S.A..

On June 29, 2016 the Company concluded on the acquisition of a retail property of a total area of approximately 217 sq.m. which is located at 14, Patriarxou Ioakeim and Irodotou str., Athens, for a consideration of €1,570 thousand (not including acquisition expenses of €50 thousand). The property is leased to Vodafone – Panafon S.A.. According to a valuation performed by the independent statutory valuers, the value of the property at the date of the acquisition amounted to €1,621 thousand.

On March 11, 2016 the Company concluded on the acquisition of a retail property, of a total area of approximately 680 sq.m., which is located at 12, Agiou Nikolaou str., Patra, for a consideration of €2,551 thousand (not including acquisition expenses of €72 thousand). The property is leased to the company named Massimo Dutti Hellas S.A., member of Inditex Group. According to a valuation performed by the independent statutory valuers, the value of the property at the date of the acquisition amounted to €2,674 thousand.

On February 26, 2016 the Company acquired a retail property of a total area of approximately 746 sq.m., which is located at 40-42, Chadjimichali Giannari str., Chania, for a consideration of €1,820 thousand (not including acquisition expenses of €71 thousand). The property is leased to the company Retail World S.A. (Public). According to a valuation performed by the independent statutory valuers, the value of the property at the date of the acquisition amounted to €1,850 thousand.

On February 1, 2016, part of the property which is located at 4, Tzortz str., Athens, of a total area of approximately 854 sq.m., which was included in owneroccupied property, was transferred from property and equipment to investment property. The value of the property at the date of the transfer amounted to €1,786 thousand.

On February 1, 2016, part of the property which is located at 6, Karageorgi Servias str., Athens, of a total area of approximately 390 sq.m. (2nd floor), was transferred from investment property to property and equipment. The value of the property at the date of the transfer amounted to €947 thousand.

The Group's borrowings which are secured on investment property are stated in Note 12.

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	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Italy**	**Romania**	**Romania**	**Cyprus**	**Cyprus**	**30.06.2017**	**31.12.2016**
Segment	**Retail**	**Offices**	**Other[1]**	**Offices**	**Retail**	**Other[2,3]**	**Retail**	**Offices**	**Retail**	**Offices**	**Total**	**Total**
Level	3	3	3	3	3	3	3	3	3	3		
Fair value at the beginning of the period	**623,454**	**599,962**	**16,247**	**175,399**	**14,441**	**54,050**	**1,433**	**5,014**	**-**	**-**	**1,490,000**	**1,470,079**
Additions:												
Direct acquisition of investment property	47,829	-	-	-	-	-	-	-	23,398	1,604	**72,831**	**33,215**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	**-**	**-**	**3,716**
Subsequent capital expenditure on investment property	8	57	-	-	-	-	-	-	-	**-**	**65**	**368**
Transfer from property and equipment	-	-	-	-	-	-	-	-	-	**-**	**-**	**1,789**
Transfer to property and equipment	-	-	-	-	-	-	-	-	-	**-**	**-**	**(947)**
Net gain / (loss) from the fair value adjustment of investment property	11,240	4,980	598	3,491	(251)	(12,282)	(211)	141	(922)	134	**6,918**	**(18,220)**
Fair value at the end of the period	**682,531**	**604,999**	**16,845**	**178,890**	**14,190**	**41,768**	**1,222**	**5,155**	**22,476**	**1,738**	**1,569,814**	**1,490,000**

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 the period, there were no transfers into and out of Level 3.

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 JMD 26294/B1425/19.7.2000, valuations are based on at least two methods.

[1] The segment «Other» in Greece includes city hotels, storage space, archives, petrol stations and parking spaces.
[2] The segment «Other» in Italy relates to land plot and storage space.
[3] It is noted that regarding the fair value of land plot in Italy, under the existing agreement, the Company is entitled to receive compensation from the previous owner in case of loss from the sale of land and provided certain conditions are met.

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurements of investment property as of 30.06.2017 per business segment and geographical area:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail	682,531	15%-20% market approach and 80%-85% discounted cash flows (DCF)	3,590	7.96% - 11.77%	6.60% - 10.25%
Greece	Offices	604,999	15%-20% market approach and 80%-85% DCF	3,441	8.70% - 11.63%	7.25% - 10.00%
Greece	Other[1]	16,845	0%-10%-15%-20% market approach and 80%-85%-90%-100% DCF	53	9.77% - 12.42%	8.50% - 12.00%
Italy	Offices	178,890	0% market approach and 100% DCF (see note below)	1,001	6.50% - 7.20%	4.66% - 5.35%
Italy	Retail	14,190	0% market approach and 100% DCF (see note below)	69	6.20% - 7.20%	4.22% - 5.30%
Italy	Other[2]	41,200	100% market approach and 0% residual method (see note below)	-	-	-
Italy	Other[3]	568	100% market approach and 0% direct capitalization (see note below)	3	-	7.00%
Romania	Retail	1,222	20% market approach and 80% DCF	10	9.84% - 12.11%	8.00% - 10.50%
Romania	Offices	5,155	20% market approach and 80% DCF	31	9.84%	8.00%
Cyprus	Retail	22,476	15% market approach and 85% DCF	126	8.55%	6.75%
Cyprus	Offices	1,738	15% market approach and 85% DCF	8	8.55%	6.75%

The last valuation of the Group’s properties was performed at June 30, 2017 by independent valuers, as stipulated by the relevant provisions of L.2778/1999, as in force. For the Group’s portfolio the market approach and the discounted cash flow (DCF) method were used. For properties in Italy, which constitute commercial properties (offices and retail), the independent valuers used two methods, according to the data depicted in the above table. According to the valuers’ reports, the fair value of these properties is based on the latter method (DCF), as a) the method of discounted cash flows reflects more effectively the manner in which investment properties, as the appraised ones, transact in the market and represents the common appraisal practice and b) the value derived by using the comparative method is very close to the one derived by using the DCF method.

Specifically, for the property in Torvaianica area, in the municipality of Pomezia, Rome, which is a land plot with development potential, the market approach and the residual method were used according to the data depicted in the above table. According to the valuer’s report, the fair value of the property in based on the market approach, as, a) the residual method requires the adoption of the optimal scenario of development of the whole land plot, which is more sensitive to the parameters which are adopted and b) the value derived by using the residual method is very close to the one derived by using the market approach. It is noted that in cases of similar properties (land plots with development potential), the choice of the valuation method is even more dependent on the valuer’s judgment.

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

All amounts expressed in € thousand, unless otherwise stated

Finally, with regards to the property located on Via Vittoria 12, Ferrara, which is used as storage space, the market approach and the direct capitalization approach were used, according to the data depicted in the above table. The property's fair value is based on the market approach, taking into consideration that at the date of the valuation the lease agreement had expired and that the sale comparable data available were sufficient.

Information about fair value measurements of investment property as of 31.12.2016 per business segment and geographical area:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail	623,454	15%-20% market approach and 80%-85% discounted cash flows (DCF)	3,248	8.47% - 11.98%	6.50% - 10.00%
Greece	Offices	599,962	15%-20% market approach and 80%-85% DCF	3,307	8.61% - 11.65%	7.50% - 10.00%
Greece	Other[1]	16,247	10%-20% market approach and 80%-90% DCF	68	9.82% - 16.94%	8.50% - 15.00%
Italy	Offices	175,399	0% market approach and 100% DCF (see note above)	990	5.80% - 7.40%	5.25% - 6.83%
Italy	Retail	14,441	0% market approach and 100% DCF (see note above)	77	5.47% - 6.76%	4.95% - 6.28%
Italy	Other[2]	53,500	100% market approach and 0% residual method (see note above)	-	-	-
Italy	Other[3]	550	0% market approach and 100% DCF	2	4.50%	4.54%
Romania	Retail	1,433	20% market approach and 80% DCF	9	8.27% - 9.76%	8.00% - 9.25%
Romania	Offices	5,014	20% market approach and 80% DCF	34	8.22% - 8.27%	8.00%

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

All amounts expressed in € thousand, unless otherwise stated

The abovementioned valuation had as a result a net gain from fair value adjustment of investment property amounted to €6,918 thousand (six-month period ended June 30, 2016: net loss of €16,668 thousand).

Were the discount rate as at June 30, 2017, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €113,837 thousand lower or €136,793 thousand higher, respectively (December 31, 2016: €93,554 thousand lower or €109,930 thousand higher, respectively).

Were the capitalization rate as at June 30, 2017, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €59,172 thousand lower or €71,597 thousand higher, respectively (December 31, 2016: €61,595 thousand lower or €74,493 thousand higher, respectively).

Were the sales price as at June 30, 2016, used in the valuation to determine the fair value of the land plot in Italy to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €4,120 thousand higher or €4,120 thousand lower, respectively (December 31, 2016: €5,345 thousand higher or €5,345 thousand lower, respectively)

NOTE 6: Investment in Subsidiaries

			Group		Company		
Subsidiaries	**Country of incorporation**	**Unaudited tax years**	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**	**Consolidation Method**
Nash S.r.L.	Italy	2012 – 2016	100.00%	100.00%	100.00%	100.00%	Full Consolidation
Picasso Fund	Italy	2012 – 2016	100.00%	100.00%	100.00%	100.00%	Full Consolidation
Egnatia Properties S.A.	Romania	2011 – 2016	99.96%	99.96%	99.96%	99.96%	Full Consolidation
Quadratix Ltd. (1)	Cyprus	2016	100.00%	100.00%	100.00%	100.00%	Full Consolidation
Karolou S.A. (2)	Greece	2010 - 2016	100.00%	100.00%	100.00%	100.00%	Full Consolidation

(1) It relates to over 12-month period as this subsidiary was incorporated on December 11, 2015, for the acquisition of properties in Cyprus. On March 21, 2017 the Board of Directors of Quadratix Ltd decided on its share capital increase by a total of €25,100 thousand as follows: a) the amount of €10,700 thousand due to the contribution in kind on behalf of the Company to Quadratix Ltd of the agreement dated June 30, 2016 between the Company and Chris Cash & Carry Ltd for the sale by the latter of a property in Limassol Cyprus (hypermarket and offices), with the issuance of 2,675 ordinary common shares with a par value of one (1) euro each and an issue price of four (4) thousand euros each and b) the amount of €14,400 thousand to be paid in cash, with the issuance of 3,600 ordinary common shares, with a par value of one (1) euro each and an issue price of four (4) thousand euros each. On April 6, 2017, Quadratix Ltd acquired the above property for a total consideration of €24,000 thousand, which was leased to Chris Cash & Carry Ltd, a company of Sklavenitis Group, with a 25-year duration (Note 5).

(2) The Company acquired 100% of the share capital of this subsidiary on December 21, 2016. The company is subject to the provisions of L.3888/2010 regarding the settlement of tax cases for the financial years 2002-2009, years which are considered tax-settled. The financial years 2010 – 2014 are considered “open” for tax audit from the Greek tax authorities and consequently the tax obligations for these years are not considered as final. The year 2015 has been audited by the elected under C.L. 2190/1920 statutory auditor, in accordance with article 82 of L. 2238/1994 and the article 65A of L. 4174/2013 and the relevant tax audit certificate was issued on September 30, 2016 with no qualification. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company. Until the date of the approval of the Financial Statements, the tax audit for the year 2016 has not been completed by the statutory auditor.

All amounts expressed in € thousand, unless otherwise stated

NOTE 7: Other Long-Term Receivables

The decrease of the item “Other Long-Term Receivables” as of June 30, 2017 in comparison to December 31, 2016 is due a) on the one hand to the reclassification to “Trade and Other Receivables” of the amount of €6,600 thousand paid in advance by the Company to Stirling Properties Bulgaria EOOD and other entities related to it for the purchase of the companies named “Plaza West A.D.” and “Plaza West 2 A.D.” (Note 8) and b) on the other hand to the Company’s participation in the share capital increase of Quadratix Ltd dated March 21, 2017 and more specifically to the contribution in kind on behalf of the Company of the prepayment amounted to €10,700 thousand for the acquisition by Quadratix Ltd of a property in Limassol Cyprus, as presented in details in Note 6.

NOTE 8: Trade and Other Receivables

	Group		Company	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Trade receivables	21,165	28,658	17,637	25,077
Trade receivables from related parties (Note 20)	5	1	5	1
Receivables from Greek State	8,178	8,254	8,178	8,177
Prepaid expenses	2,250	2,136	2,100	2,057
Preliminary dividend paid	-	17,118	-	17,118
Other receivables	9,888	3,791	9,700	3,560
Other receivables from related parties (Note 20)	990	1,057	1,147	1,147
Total	**42,476**	**61,015**	**38,767**	**57,137**

Receivables from Greek State mainly relate to capital accumulation tax paid by NBG Pangaea at April 14, 2010, September 16, 2014 and September 17, 2014. 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 as a result of paragraph 1, article 31 of L.2778/1999, which states that "the shares issued by a REIC and the transfer of properties to a REIC are exempted from any tax, fee, stamp duty, levies, duties or any other charge in favour of the State, public entities and third parties in general". Regarding the payment of the aforementioned tax, because of the lack of response of the relevant authority after a three months period, the Company filed an appeal. The Company's Management, based on the advice of its legal advisors, believes that the reimbursement of the amounts is in essence certain.

Prepaid expenses at June 30, 2017 and December 31, 2016 mainly relate to deferred expenses (legal expenses, insurance expenses, valuation expenses etc.).

The analysis of other receivables is as follows:

	Group		Company	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Receivables from Italian State	140	175	-	-
Pledged deposits	3,006	3,475	3,006	3,475
Other	6,742	141	6,694	85
Total	**9,888**	**3,791**	**9,700**	**3,560**

On September 30, 2015, the Company entered into a preliminary agreement with Stirling Properties Bulgaria EOOD and other entities related to it, for the purchase of the companies named “Plaza West A.D.” and “Plaza West 2 A.D.”, which own an area of approximately 23 thousand sq.m. of the shopping mall West Plaza in Sofia, Bulgaria, for a consideration of €33,000 thousand, out of which the Company has paid in advance an amount of €6,600 thousand. As of June 30, 2017, this amount reclassified from “Other Long-Term Receivables” to the item “Other receivables” in “Trade and Other Receivables”. The signing of the final agreement was conditional, among others, on the successful and time demanding completion of construction and commencement of the shopping mall’s operation. It is noted that the Company has received, among others, a corporate guarantee (joint liability) from Marinopoulos Holding Sarl, located in Luxembourg. Moreover, under the preliminary agreement dated September 30, 2015, the Company has established the following pledges, which are still in place: pledges over the shares of Plaza West A.D. and Plaza West 2 A.D. and enterprise pledges of Plaza West A.D. and Plaza West 2 A.D., which also includes (the enterprise pledge) the real estate assets owned by the companies.

All amounts expressed in € thousand, unless otherwise stated

Pledged deposits mainly relate to deposits pledged in accordance with the terms of the bond loan agreement dated August 11, 2014 as amended on August 20, 2014 (Note 12).

NOTE 9: Cash and Cash Equivalents

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Cash in hand	1	1	1	1
Sight and time deposits	47,746	54,731	34,010	40,623
Total	**47,747**	**54,732**	**34,011**	**40,624**

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

Sight and time deposits of the Group and the Company include restricted cash amounting to €5,668 thousand and €3,998 thousand, respectively (December 31, 2016: €5,515 thousand and €3,843 thousand, respectively), in accordance with the provisions of the loan agreements.

NOTE 10: Share Capital & Share Premium

	No. of shares	Share Capital	Group	Company
			Share Premium	
Balance at December 31, 2016 & June 30, 2017	**255,494,534**	**766,484**	**15,890**	**15,970**

The total paid up share capital of the Company as of June 30, 2017 and December 31, 2016, amounted to €766,484 thousand divided into 255,494,534 common shares with voting rights with a par value of €3.00 per share.

The Company does not hold own shares.

NOTE 11: Reserves

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Statutory reserve (art. 44 of the C.L. 2190/1920)	15,139	12,419	14,860	12,140
Special reserve	323,987	323,987	323,987	323,987
Other reserves	30	30	84	84
Defined benefit plan	(54)	(54)	(29)	(29)
Foreign exchange differences	167	151	-	-
Cash flow hedges	(331)	(414)	-	-
Total	**338,938**	**336,119**	**338,902**	**336,182**

According to article 44 of C.L.2190/1920, as in force, the Company is required to withhold from its net profit a percentage of 5% per year as statutory reserve until the total statutory reserve amounts to the 1/3 of the paid share capital. The statutory reserve cannot be distributed throughout the entire life of the Company.

Special reserve amounting to €323,987 thousand relates to the decision of the Extraordinary General Meeting of the Company's Shareholders held on August 3, 2010 to record the difference between the fair value and the tax value of the contributed properties at September 30, 2009 by NBG, established upon the incorporation of the Company.

All amounts expressed in € thousand, unless otherwise stated

NOTE 12: Borrowings

All borrowings have variable interest rates. The Group is exposed to fluctuations in interest rates prevailing in the market and which affect its financial position and its cash flows. Cost of debt may increase or decrease as a result of such fluctuations.

It is noted that in accordance with the terms of loans, the Group has entered into interest rate swaps for hedging the Group's exposure to variations in variable rate (Note 14).

On December 19, 2016 the subsidiary Picasso Fund signed a loan agreement with the bank "Intesa Sanpaolo S.p.A.", totally amounted to €9,850 thousand, bearing interest of 6-month EURIBOR plus a margin of 2.30% and relates to the financing of the portfolio of nine commercial properties located in Italy (Note 5).

	Group		**Company**	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Long term				
Bond loans	234,152	233,339	234,152	233,339
Other borrowed funds	110,594	111,504	-	-
Long term borrowings	**344,746**	**344,843**	**234,152**	**233,339**
Short term				
Bond loans	49,759	54,051	49,761	54,056
Other borrowed funds	52,834	5,179	50,274	2,609
Short term borrowings	**102,593**	**59,230**	**100,035**	**56,665**
Total	**447,339**	**404,073**	**334,187**	**290,004**

The increase of short-term other borrowed funds by €47,665 thousand is due to financing of new investments in real estate that the Company proceeded on June 2017 through its bridge loan (Note 5).

As of June 30, 2017, short-term borrowings of the Group and the Company include an amount of €2,163 thousand which relates to accrued interest expense on the bond loans (December 31, 2016: €2,199 thousand for the Group and the Company) and an amount of €543 thousand for the Group and €274 thousand for the Company, which relate to accrued interest expense on other borrowed funds (December 31, 2016: €319 thousand and €39 thousand, respectively).

The maturity of the Group's borrowings is as follows:

	Group		**Company**	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Up to 1 year	102,593	59,230	100,035	56,665
From 1 to 5 years	339,575	339,603	234,152	233,339
More than 5 years	5,171	5,240	-	-
Total	**447,339**	**404,073**	**334,187**	**290,004**

The contractual re-pricing dates are limited to a maximum period up to 6 months.

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

The borrowings are secured on properties. More specifically:

All amounts expressed in € thousand, unless otherwise stated

- In accordance with the terms of the bond loan program dated August 11, 2014, as amended on August 20, 2014, for the issuance of the bonds totally amounting to €237,500 thousand, the Company registered mortgages on 77 properties in Greece (included the owneroccupied property located at 6, Karageorgi Servias str., Athens) in favour of Alpha Bank S.A. (bondholder agent) as collateral for all Company's obligations under the financing documents, each for an amount of €250,000 thousand. The fair value of the 77 properties as of June 30, 2017 amounted to €549,133 thousand.

- On one property of the Company (owned by KARELA S.A. which was absorbed by the Company) a prenotation of mortgage was established in favour of Piraeus Bank S.A. (the representative of the bondholders) for an amount of €106,000 thousand. The outstanding balance of the bond loan as of June 30, 2017 amounted to €47,597 thousand and the fair value of the property as of June 30, 2017 amounted to €126,405 thousand. In addition, all rights of the Company, arising from the lease with Cosmote, have been assigned in a favour of the bondholders.

- Four properties owned by subsidiary Picasso Fund are burdened with first class mortgage in favour of Banca IMI S.p.A. for an amount of €204,000 thousand. The outstanding balance of the loan as of June 30, 2017 amounted to €97,006 thousand and the fair value of the properties as of June 30, 2017 amounted to €172,300 thousand. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

- Nine properties owned by subsidiary Picasso Fund are burdened with first class mortgage in favour of Intesa Sanpaolo S.p.A. for an amount of €19,700 thousand. The outstanding balance of the loan as of June 30, 2017 amounted to €9,536 thousand and the fair value of the properties as of June 30, 2017 amounted to €21,348 thousand. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender

NOTE 13: Other Long-Term Liabilities

	Group		Company	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Long-term guarantees	3,347	3,329	3,171	3,153
Total	**3,347**	**3,329**	**3,171**	**3,153**

NOTE 14: Derivative Financial Instruments

	Group 30.06.2017			Company 30.06.2017		
	Notional amount	Fair value Assets	Fair value Liabilities	Notional amount	Fair value Assets	Fair value Liabilities
Derivatives held for trading						
Interest rate derivatives - OTC	131,264	2	1,187	45,128	-	620
Total	**131,264**	**2**	**1,187**	**45,128**	**-**	**620**

	Group 31.12.2016			Company 31.12.2016		
	Notional amount	Fair value Assets	Fair value Liabilities	Notional amount	Fair value Assets	Fair value Liabilities
Derivatives held for trading						
Interest rate derivatives - OTC	125,745	-	1,897	46,593	-	1,236
Total	**125,745**	**-**	**1,897**	**46,593**	**-**	**1,236**

Derivative financial instruments comprise interest rate swaps and these derivative instruments transacted as effective economic hedges under the Management's positions.

All amounts expressed in € thousand, unless otherwise stated

Credit risk

The Group calculates a separate Credit Valuation Adjustment (“CVA”) for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques, as well as netting agreements and collateral postings. Furthermore, the CVA calculation is based on expected loss rates derived from CDS rates observed in the market, or, if there are not available, the probability of default of the counterparty derived from internal rating models, or otherwise the regulatory risk weight is applied.

With respect to own credit risk, the Group estimates a Debit Value Adjustment (“DVA”) by applying a methodology symmetric to the one applied for CVA.

Cash flow hedges

As at June 30, 2017, the Group’s cash flow hedges consist of interest rate swaps, used to hedge the variability in cash flows of the Group’s borrowings that are attributable to changes in the market interest rates. It is noted that during 2016 hedge relationships were terminated due to ineffectiveness and a loss amounted to €83 thousand was reclassified from Other Comprehensive Income into the Income Statement for the six-month period ended June 30, 2017 (six-month period ended June 30, 2016: Nil as no hedge relationships were terminated during the period). For the six-month period ended June 30, 2016, the Group recognised directly in Other Comprehensive Income a gain on cash flow hedging derivatives of €538 thousand.

Additionally, during the six-month period ended June 30, 2017, the fair value gain on derivatives held for trading for the Group and the Company amounted to €711 thousand and €615 thousand, respectively (six-month period ended June 30, 2016: gain €451 thousand for the Group and the Company, respectively).

Consequently, “Net change in fair value of financial instruments at fair value through profit or loss” in the Income Statement for the six-month period ended June 30, 2017 includes gains totally amounted to €628 thousand and €615 thousand for the Group and the Company, respectively (six-month period ended June 30, 2016: gains of €451 thousand for the Group and the Company, respectively).

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).

NOTE 15: Trade and Other Payables

The analysis of trade and other receivables is as follows:

	Group		Company	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Trade payables	1,019	1,139	649	413
Amounts due to related parties (Note 20)	283	445	278	443
Taxes – levies	11,635	7,600	9,378	5,606
Deferred revenues	5,323	5,188	2,921	2,889
Other payables and accrued expenses	1,234	1,149	968	866
Total	**19,494**	**15,521**	**14,194**	**10,217**

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

All amounts expressed in € thousand, unless otherwise stated

The analysis of taxes – levies is as follows:

	Group		Company	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Stamp duty on leases	4,170	2,849	4,170	2,849
Unified Property Tax (ENFIA)	3,433	997	3,430	996
Special Real Estate Levy (EETA) and Special Electricity Powered Surfaces Levy (EETHDE)	1,388	1,388	1,388	1,388
Foreign real estate tax	2,057	1,936	-	-
Other	587	430	390	373
Total	**11,635**	**7,600**	**9,378**	**5,606**

Taxes and levies as of June 30, 2017 and December 31, 2016 include provision for Special Real Estate Levy (EETA) of L.4152/2013 and for Electricity Powered Surfaces Levy (EETHDE) of L.4021/2011 totally amounted to €1,388 thousand. It is noted that the Unified Property Tax (ENFIA) from January 1, 2014 replaced the Real Estate Tax of L.3842/2010 and the EETA of L. 4152/2013 (ex EETHDE of L.4021/2011).
Deferred revenues mainly relate to rental income owed by the Hellenic Republic, as per the relevant lease agreements, for the period following June 30, 2017 and December 31, 2016, respectively.

NOTE 16: Dividends per Share

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

On May 9, 2017 the Annual General Meeting of the Company's shareholders, approved the distribution of a total amount of €51,099 thousand (i.e. 0.20 per share – amount in €) as dividend to its shareholders for the year 2016. Due to the distribution of interim dividend of a total amount of €17,118 thousand (i.e. €0.067 per share – amount in €), following the relevant decision of the Board of Directors dated November 14, 2016, the remaining dividend to be distributed amounted to €33,981 thousand (i.e. €0.133 per share – amount in €). As of December 31, 2016, the amount of the preliminary dividend is included in trade and other receivables. The commencement date of dividend payment was May 17, 2017 as set by the Annual General Meeting of the Company's shareholders.

On April 13, 2016, the Annual General Meeting of the Company's shareholders, approved the distribution of a total amount of €51,993 thousand (i.e. €0.2035 per share – amount in €) as dividend to its shareholders for the year 2015. The commencement date of dividend payment was April 22, 2016 as set by the Annual General Meeting of the Company's shareholders.

NOTE 17: Taxes

	Group		Company	
	From 01.01. to		**From 01.01. to**	
	30.06.2017	**30.06.2016**	**30.06.2017**	**30.06.2016**
REICs' tax	5,502	1,517	5,486	1,517
Other tax	37	-	-	-
Deferred tax	1	(40)	-	-
Total	**5,540**	**1,477**	**5,486**	**1,517**

As a REIC, in accordance with article 31, par. 3 of L.2778/1999, as in force, the Company 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 investments and cash and cash equivalents (as depicted on the Company's biannual investment schedule) at current prices at the tax rate of 10.0% of the European Central Bank reference rate plus 1.0% (the taxation formula is as follows: 10.0% * (ECB reference rate + 1.0%)). The above tax relieves the Company and its shareholders of any further tax liabilities. It is noted that in accordance with par. 2 of article 45 of L.4389/2016, a minimum tax threshold of 0.375% on its average investments plus cash was imposed for each semester (i.e. 0.75% annually). KAROLOU S.A., as a Company's subsidiary in Greece, has the same tax treatment.

The Company's foreign subsidiaries, Nash S.r.L., Egnatia Properties S.A. and Quadratix Ltd. are taxed on their income, assuming a tax rate of 27.9% in Italy, 16.0% in Romania and 12.5% in Cyprus, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the six-month period ended June 30, 2017 and 2016, respectively.

NOTE 18: Earnings per Share

Basic Earnings / (Losses) per share ratio is calculated by dividing the profit / (loss) for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Group		Company	
Period ended June 30	**2017**	**2016**	**2017**	**2016**
Profit attributable to equity shareholders	41,242	20,881	50,602	24,807
Weighted average number of ordinary shares in issue (thousands)	255,495	255,495	255,495	255,495
Earnings per share (expressed in € per share) - Basic and diluted	**0.16**	**0.08**	**0.20**	**0.10**

The dilutive Earnings per share are the same as the basic Earnings per share for the six-month period ended June 30, 2017 and 2016, as there were no dilutive potential ordinary shares.

NOTE 19: Contingent Liabilities and Commitments

Group companies have not yet been audited for tax purposes for certain financial years and accordingly their tax obligations for those years may not be considered final. Additional taxes and penalties may be imposed as a result of such tax audits, however the amount cannot be determined. As at June 30, 2017 and December 31, 2016 the Group has not accounted for provisions for unaudited tax years. It is estimated that additional taxes and penalties that may be imposed will not have a material effect on the statement of financial position of the Group and the Company.

The tax authorities have not audited the books and records of NBG Pangaea REIC for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011 - 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor, i.e. the auditing firm "Deloitte Certified Public Accountants S.A." ("the statutory auditor"), in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications on July 19, 2012, September 30, 2013, July 10, 2014 and September 30, 2015 respectively. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

The tax authorities have not audited the books and records of MIG Real Estate REIC for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011 - 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications on July 25, 2012, September 23, 2013, July 7, 2014 and September 30, 2015 respectively. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

The financial year 2015 of the Company has been audited by the elected under C.L. 2190/1920 statutory auditor, i.e. the auditing firm "Deloitte Certified Public Accountants S.A." ("the statutory auditor"), in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificate was issued with no qualifications on September 30, 2016. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

The tax authorities have not audited the books and records of KARELA S.A. for the financial years 2010-2013 and consequently the tax obligations for those years are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the company. The financial years 2014 and 2015 have been audited by the elected under C.L. 2190/1920 statutory auditor, i.e. the auditing firm "Deloitte Certified Public Accountants S.A." ("the statutory auditor"), in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications on September 28, 2015 and September 30, 2016 respectively. According to POL. 1006/05.01.2016, the companies for which a tax certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

Until the date of the approval of the Interim Financial Statements, the tax audit for the year 2016 has not been completed by the statutory auditor.

In the context of the acquisition of the 14 properties portfolio by HRADF, the Company undertook the commitment to perform any improvements required. As of June 30, 2017, the remaining amount of these capital expenditure commitments amounted to €1,897 thousand (incl. VAT) (December 31, 2016: €1,937 thousand (incl. VAT) according to management estimates).

In the context of the credit agreement to open a current account with Alpha Bank S.A., the Company provided specific and irrevocable power of attorney, authorization and right to lawyers acting for Alpha Bank S.A. so that they may attend and represent the Company before any competent court for the purpose of the registration of mortgage pre-notation amounting to €65,000 thousand into fourteen (14) Company's properties in Greece, which were the subject of the tender "sale and leaseback" by HRADF, in favour of Alpha Bank S.A.. The power of attorney shall expire automatically, either with the full and complete settlement of all Company's obligations under the credit agreement, or the moment that Alpha Bank S.A. covers entirely the debentures of a bond loan, as it may be issued in the future by the Company, and it will be subject to full and complete settlement of any amount under the aforementioned credit agreement.

There are no pending lawsuits against the Group, nor other contingent liabilities resulting from commitments at June 30, 2017, which would affect the Group's financial position.

NOTE 20: Related Party Transactions

National Bank of Greece S.A. (parent company) controls the Company, based on an agreement signed between the shareholders. More specifically, according to the shareholders' agreement, NBG appoints the majority of the members of the Board of Directors and the Investment Committee and guarantees are provided to NBG for certain other contractual rights. As a result of this shareholders' agreement, NBG is the controlling shareholder of the Company under IFRSs.

All amounts expressed in € thousand, unless otherwise stated

The Company's shareholding structure is as follows:

	% participation
• National Bank of Greece S.A.:	32.66%
• Invel Real Estate (Netherlands) II B.V. (hereinafter "Invel"):	65.49%
• Other shareholders:	1.85%

It is noted that the ownership's percentage of Invel includes the ownership of Anthos Properties S.A. (a subsidiary of Invel) which directly holds 5,365,930 ordinary shares, corresponding to 2.10% of the Company's share capital.
All transactions with related parties have been carried out on the basis of the "arm's length" principle, i.e. under normal market conditions for similar transactions with third parties. The transactions with related parties are presented below:

i. Balances arising from transactions with related parties

	Group		Company	
Trade receivables from related parties	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Parent company	1	-	1	-
Other shareholders	2	1	2	1
Companies related to other shareholders	2	-	2	-
Total	**5**	**1**	**5**	**1**

	Group		Company	
Other receivables from related parties	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Picasso find, Company's subsidiary	-	-	150	150
Quadratix Ltd, Company's subsidiary	-	-	7	7
Other shareholders	990	1,057	990	990
Total	**990**	**1,057**	**1,147**	**1,147**

	Group		Company	
Prepaid expenses	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
NBG Securities, a company of NBG Group	75	75	75	75
Hellenic National Insurance Company, a company of NBG Group	222	248	218	246
Other shareholders	250	-	250	-
Total	**547**	**323**	**543**	**321**

	Group		Company	
Cash and cash equivalents	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Parent company	5,310	4,386	5,308	4,374
NBG Cyprus, a company of NBG Group	347	-	-	-
Total	**5,657**	**4,386**	**5,308**	**4,374**

	Group		Company	
Amounts due to related parties	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Parent company	70	266	70	51
Hellenic National Insurance Company, a company of NBG Group	211	391	206	389
Ethniki Leasing, a company of NBG Group	2	2	2	2
Quadratix Ltd, Company's subsidiary	-	-	2	2
Total	**283**	**659**	**280**	**444**

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
Other Liabilities	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Parent company	228	-	13	-
Hellenic National Insurance Company, a company of NBG Group	3	-	-	-
Companies related to other shareholders	582	581	582	581
Total	**813**	**581**	**595**	**581**

	Group		Company	
Borrowings	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Parent company	8,844	9,115	8,844	9,115
Total	**8,844**	**9,115**	**8,844**	**9,115**

	Group		Company	
Derivative financial instruments – Liabilities	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Parent company	110	220	110	220
Total	**110**	**220**	**110**	**220**

ii. Rental income

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	**30.06.2016**	**30.06.2017**	**30.06.2016**
Parent company	33,992	33,934	33,992	33,934
National Insurance Brokers, a company NBG Group [1]	2	19	2	19
Other shareholders	1	1	1	1
Companies related to other shareholders	1	1	1	1
Total	**33,996**	**33,955**	**33,996**	**33,955**

iii. Other direct property related expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	**30.06.2016**	**30.06.2017**	**30.06.2016**
Hellenic National Insurance Company, a company of NBG Group	207	219	199	217
Companies related to other shareholders	706	673	706	673
Total	**913**	**892**	**905**	**890**

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

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	**30.06.2016**	**30.06.2017**	**30.06.2016**
Parent company	109	79	109	79
Total	**109**	**79**	**109**	**79**

[1] Includes the rental income for the period 01.01.2017 – 19.01.2017, as the sale of National Insurance Brokers, a company of NBG Group, was completed on 20.01.2017.

All amounts expressed in € thousand, unless otherwise stated

v. Personnel Expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Hellenic National Insurance Company, a company of NBG Group	17	17	17	17
Total	**17**	**17**	**17**	**17**

vi. Other income

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Picasso Fund, Company's subsidiary	-	-	3,535	893
Hellenic National Insurance Company, a company of NBG Group	1	-	1	-
Total	**1**	**-**	**3,536**	**893**

vii. Other expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Parent company	28	22	28	22
Ethniki Leasing, a company of NBG Group	22	20	22	20
Total	**50**	**42**	**50**	**42**

viii. Interest income

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Parent company	21	83	21	83
Total	**21**	**83**	**21**	**83**

ix. Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Parent company	342	244	342	244
NBG Cyprus, a company of NBG Group	3	-	-	-
UBB, a company of NBG Group	-	26	-	26
Total	**345**	**270**	**342**	**270**

x. Due to key management

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
BoD, its committees and Senior Management compensation	6	3	6	3
Retirement benefit obligations	12	12	12	12
Total	**18**	**15**	**18**	**15**

All amounts expressed in € thousand, unless otherwise stated

xi. Key management compensation

	Group From 01.01. to		Company From 01.01. to	
	30.06.2017	**30.06.2016**	**30.06.2017**	**30.06.2016**
BoD, its committees and Senior Management compensation	744	678	744	678
Total	**744**	**678**	**744**	**678**

xii. Commitment and contingent liabilities

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

NOTE 21: Events After the Reporting Period

There are no significant events subsequent to the date of the Interim Financial Statements relating to the Group or the Company for which disclosure is required by the IFRSs.