



**NBG PANGAEA**

**NBG PANGAEA R.E.I.C.**

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
for the period from January 1 to September 30, 2017

These interim condensed financial statements have 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.

November 2017



## Table of Contents

Statement of Financial Position .....	3
Income Statement - 9 month period .....	4
Statement of Comprehensive Income - 9 month period .....	5
Income Statement - 3 month period .....	6
Statement of Comprehensive Income - 3 month period .....	7
Statement of Changes in Equity – Group .....	8
Statement of Changes in Equity - Company .....	9
Cash Flow Statement - Group .....	10
Cash Flow Statement - Company .....	11
NOTE 1: General Information .....	12
NOTE 2: Summary of Significant Accounting Policies .....	13
2.1. Basis of Preparation .....	13
2.2. Adoption of International Financial Reporting Standards (IFRS) .....	13
2.3. Critical Accounting Estimates and Judgments .....	15
NOTE 3: Financial Risk Management .....	15
3.1. Financial Risk Management .....	15
3.2. Fair Value Estimation of Financial Assets and Liabilities .....	16
NOTE 4: Segment Reporting .....	17
NOTE 5: Investment Property .....	20
NOTE 6: Investment in Subsidiaries .....	26
NOTE 7: Other Long-Term Receivables .....	26
NOTE 8: Trade and Other Receivables .....	26
NOTE 9: Cash and Cash Equivalents .....	27
NOTE 10: Share Capital & Share Premium .....	28
NOTE 11: Reserves .....	28
NOTE 12: Borrowings .....	28
NOTE 13: Other Long-Term Liabilities .....	30
NOTE 14: Derivative Financial Instruments .....	30
NOTE 15: Trade and Other Payables .....	31
NOTE 16: Dividends per Share .....	32
NOTE 17: Taxes .....	32
NOTE 18: Earnings / (Losses) per Share .....	32
NOTE 19: Contingent Liabilities and Commitments .....	33
NOTE 20: Related Party Transactions .....	34
NOTE 21: Events After the Reporting Period .....	37

Statement of Financial Position  
as at September 30, 2017



All amounts expressed in € thousand, unless otherwise stated

NBG PANGAEA

	Note	Group		Company	
		30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment property	5	1,569,884	1,490,000	1,300,083	1,235,590
Investment in subsidiaries	6	-	-	180,841	155,742
Property and equipment		2,267	2,265	2,426	2,424
Intangible assets		137	159	137	159
Deferred tax assets		-	1	-	-
Other long-term receivables	7	25	17,325	24	17,325
		<b>1,572,313</b>	<b>1,509,750</b>	<b>1,483,511</b>	<b>1,411,240</b>
<b>Current assets</b>					
Trade and other receivables	8	47,205	61,015	47,420	57,137
Cash and cash equivalents	9	56,959	54,732	40,172	40,624
		<b>104,164</b>	<b>115,747</b>	<b>87,592</b>	<b>97,761</b>
<b>Total assets</b>		<b>1,676,477</b>	<b>1,625,497</b>	<b>1,571,103</b>	<b>1,509,001</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	10	766,484	766,484	766,484	766,484
Share premium	10	15,890	15,890	15,970	15,970
Reserves	11	339,040	336,119	338,902	336,182
Retained Earnings		81,201	76,448	95,639	80,241
<b>Total equity</b>		<b>1,202,615</b>	<b>1,194,941</b>	<b>1,216,995</b>	<b>1,198,877</b>
<b>LIABILITIES</b>					
<b>Long-term liabilities</b>					
Borrowings	12	345,267	344,843	234,566	233,339
Retirement benefit obligations		187	174	187	174
Deferred tax liability		206	198	-	-
Other long-term liabilities	13	3,418	3,329	3,243	3,153
		<b>349,078</b>	<b>348,544</b>	<b>237,996</b>	<b>236,666</b>
<b>Short-term liabilities</b>					
Trade and other payables	15	18,160	15,521	13,424	10,217
Borrowings	12	102,845	59,230	99,565	56,665
Derivative financial instruments	14	938	1,897	307	1,236
Current tax liabilities		2,841	5,364	2,816	5,340
		<b>124,784</b>	<b>82,012</b>	<b>116,112</b>	<b>73,458</b>
<b>Total liabilities</b>		<b>473,862</b>	<b>430,556</b>	<b>354,108</b>	<b>310,124</b>
<b>Total shareholders' equity and liabilities</b>		<b>1,676,477</b>	<b>1,625,497</b>	<b>1,571,103</b>	<b>1,509,001</b>

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinou

Thiresia Messari

Anna Chalkiadaki

Income Statement  
for the period ended September 30, 2017



All amounts expressed in € thousand, unless otherwise stated

NBG PANGAEA

	Note	Group		Company	
		From 01.01. to 30.09.2017	From 01.01. to 30.09.2016	From 01.01. to 30.09.2017	From 01.01. to 30.09.2016
Revenue		87,803	85,949	76,964	76,403
		<b>87,803</b>	<b>85,949</b>	<b>76,964</b>	<b>76,403</b>
Net gain / (loss) from the fair value adjustment of investment property	5	6,918	(16,145)	16,531	(9,791)
Direct property related expenses		(9,163)	(8,737)	(7,380)	(7,011)
Personnel expenses		(1,792)	(1,637)	(1,792)	(1,637)
Depreciation of property and equipment		(18)	(18)	(18)	(19)
Amortisation of intangible assets		(22)	(22)	(22)	(22)
Net change in fair value of financial instruments at fair value through profit or loss	14	970	781	925	781
Other income		429	250	6,970	4,175
Other expenses		(1,723)	(2,115)	(1,284)	(1,708)
Corporate Responsibility		(42)	(49)	(42)	(49)
<b>Operating Profit</b>		<b>83,360</b>	<b>58,257</b>	<b>90,852</b>	<b>61,122</b>
Interest income		25	124	23	108
Finance costs		(16,420)	(15,757)	(13,355)	(13,117)
<b>Profit before tax</b>		<b>66,965</b>	<b>42,624</b>	<b>77,520</b>	<b>48,113</b>
Taxes	17	(8,393)	(4,156)	(8,303)	(4,190)
<b>Profit for the period</b>		<b>58,572</b>	<b>38,468</b>	<b>69,217</b>	<b>43,923</b>
<b>Attributable to:</b>					
Non-controlling interests		-	-	-	-
<b>Company's equity shareholders</b>		<b>58,572</b>	<b>38,468</b>	<b>69,217</b>	<b>43,923</b>
Earnings per share (expressed in € per share) - Basic and diluted	18	0.23	0.15	0.27	0.17

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinis

Thiresia Messari

Anna Chalkiadaki

Statement of Total Comprehensive Income  
for the period ended September 30, 2017



NBG PANGAEA

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.01. to 30.09.2017	From 01.01. to 30.09.2016	From 01.01. to 30.09.2017	From 01.01. to 30.09.2016
<b>Profit for the period</b>	<b>58,572</b>	<b>38,468</b>	<b>69,217</b>	<b>43,923</b>
<b>Other comprehensive income / (expense):</b>				
<b>Items that may not be reclassified subsequently to profit or loss:</b>				
Revaluation reserve	-	30	-	30
<b>Total of items that may not be reclassified subsequently to profit or loss</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>30</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Currency translation differences	77	(105)	-	-
Cash flow hedges	124	(305)	-	-
<b>Total of items that may be reclassified subsequently to profit or loss</b>	<b>201</b>	<b>(410)</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period</b>	<b>201</b>	<b>(380)</b>	<b>-</b>	<b>30</b>
<b>Total comprehensive income for the period</b>	<b>58,773</b>	<b>38,088</b>	<b>69,217</b>	<b>43,953</b>
<b>Attributable to:</b>				
Non-controlling interests	-	-	-	-
<b>Company's equity shareholders</b>	<b>58,773</b>	<b>38,088</b>	<b>69,217</b>	<b>43,953</b>

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinis

Thiresia Messari

Anna Chalkiadaki

Income Statement  
for the three-month period ended September 30, 2017



All amounts expressed in € thousand, unless otherwise stated

NBG PANGAEA

	Group		Company	
	From 01.07. to		From 01.07. to	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Revenue	29,896	28,702	26,204	25,512
	<b>29,896</b>	<b>28,702</b>	<b>26,204</b>	<b>25,512</b>
Net gain / (loss) from the fair value adjustment of investment property	-	523	-	523
Direct property related expenses	(3,178)	(2,864)	(2,584)	(2,299)
Personnel expenses	(590)	(538)	(590)	(538)
Depreciation of property and equipment	(6)	(6)	(6)	(6)
Amortisation of intangible assets	(8)	(8)	(8)	(8)
Net change in fair value of financial instruments at fair value through profit or loss	342	330	310	330
Other income	77	84	3,234	3,281
Other expenses	(517)	(701)	(378)	(587)
Corporate Responsibility	(1)	(49)	(1)	(49)
<b>Operating Profit</b>	<b>26,015</b>	<b>25,473</b>	<b>26,181</b>	<b>26,159</b>
Interest income	2	9	2	8
Finance costs	(5,834)	(5,216)	(4,751)	(4,378)
<b>Profit before tax</b>	<b>20,183</b>	<b>20,266</b>	<b>21,432</b>	<b>21,789</b>
Taxes	(2,853)	(2,679)	(2,817)	(2,673)
<b>Profit for the period</b>	<b>17,330</b>	<b>17,587</b>	<b>18,615</b>	<b>19,116</b>
<b>Attributable to:</b>				
Non-controlling interests	-	-	-	-
<b>Company's equity shareholders</b>	<b>17,330</b>	<b>17,587</b>	<b>18,615</b>	<b>19,116</b>
Earnings per share (expressed in € per share) - Basic and diluted	0.12	0.07	0.07	0.07

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinis

Thiresia Messari

Anna Chalkiadaki

Statement of Total Comprehensive Income  
for the three-month period ended September 30, 2017



NBG PANGAEA

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.07. to 30.09.2017	From 01.07. to 30.09.2016	From 01.07. to 30.09.2017	From 01.07. to 30.09.2016
<b>Profit for the period</b>	<b>17,330</b>	<b>17,587</b>	<b>18,615</b>	<b>19,116</b>
<b>Other comprehensive income / (expense):</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Currency translation differences	61	(98)	-	-
Cash flow hedges	41	(843)	-	-
<b>Total of items that may be reclassified subsequently to profit or loss</b>	<b>102</b>	<b>(941)</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period</b>	<b>102</b>	<b>(941)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>17,432</b>	<b>16,646</b>	<b>18,615</b>	<b>19,116</b>
<b>Attributable to:</b>				
Non-controlling interests	-	-	-	-
<b>Company's equity shareholders</b>	<b>17,432</b>	<b>16,646</b>	<b>18,615</b>	<b>19,116</b>

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinis

Thiresia Messari

Anna Chalkiadaki

Statement of Changes in Shareholders' Equity - Group  
for the period ended September 30, 2017



NBG PANGAEA

All amounts expressed in € thousand, unless otherwise stated

	Note	Attributable to Company's shareholders				Total
		Share capital	Share premium	Reserves	Retained Earnings / (Losses)	
<b>Balance January 1, 2016</b>		<b>766,484</b>	<b>15,890</b>	<b>333,615</b>	<b>77,719</b>	<b>1,193,708</b>
Other comprehensive income for the period		-	-	(380)	-	<b>(380)</b>
Profit for the period		-	-	-	38,468	<b>38,468</b>
<b>Total comprehensive income after tax</b>		-	-	<b>(380)</b>	<b>38,468</b>	<b>38,088</b>
Transfer to reserves		-	-	2,741	(2,741)	-
Dividends relating to 2015	16	-	-	-	(51,993)	<b>(51,993)</b>
<b>Balance September 30, 2016</b>		<b>766,484</b>	<b>15,890</b>	<b>335,976</b>	<b>61,453</b>	<b>1,179,803</b>
Movements to December 31, 2016		-	-	143	14,995	<b>15,138</b>
<b>Balance December 31, 2016</b>		<b>766,484</b>	<b>15,890</b>	<b>336,119</b>	<b>76,448</b>	<b>1,194,941</b>
<b>Balance January 1, 2017</b>		<b>766,484</b>	<b>15,890</b>	<b>336,119</b>	<b>76,448</b>	<b>1,194,941</b>
Other comprehensive income for the period		-	-	201	-	<b>201</b>
Profit for the period		-	-	-	58,572	<b>58,572</b>
<b>Total comprehensive income after tax</b>		-	-	<b>201</b>	<b>58,572</b>	<b>58,773</b>
Transfer to reserves		-	-	2,720	(2,720)	-
Dividends relating to 2016	16	-	-	-	(51,099)	<b>(51,099)</b>
<b>Balance September 30, 2017</b>		<b>766,484</b>	<b>15,890</b>	<b>339,040</b>	<b>81,201</b>	<b>1,202,615</b>

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinis

Thiresia Messari

Anna Chalkiadaki

The notes on pages 12 to 37 form an integral part of the Interim Condensed Financial Statements

Statement of Changes in Shareholders' Equity - Company  
for the period ended September 30, 2017



NBG PANGAEA

All amounts expressed in € thousand, unless otherwise stated

	Note	Share capital	Share premium	Reserves	Retained Earnings / (Losses)	Total
<b>Balance January 1, 2016</b>		<b>766,484</b>	<b>15,970</b>	<b>333,435</b>	<b>62,830</b>	<b>1,178,719</b>
Other comprehensive income for the period		-	-	30	-	<b>30</b>
Profit for the period		-	-	-	43,923	<b>43,923</b>
<b>Total comprehensive income after tax</b>		-	-	<b>30</b>	<b>43,923</b>	<b>43,953</b>
Transfer to reserves		-	-	2,741	(2,741)	-
Dividends relating to 2015	16	-	-	-	(51,993)	<b>(51,993)</b>
Effect from merger through absorption of KARELA S.A.		-	-	-	16,642	<b>16,642</b>
<b>Balance September 30, 2016</b>		<b>766,484</b>	<b>15,970</b>	<b>336,206</b>	<b>68,661</b>	<b>1,187,321</b>
Movements to December 31, 2016		-	-	(24)	11,580	<b>11,556</b>
<b>Balance December 31, 2016</b>		<b>766,484</b>	<b>15,970</b>	<b>336,182</b>	<b>80,241</b>	<b>1,198,877</b>
<b>Balance January 1, 2017</b>		<b>766,484</b>	<b>15,970</b>	<b>336,182</b>	<b>80,241</b>	<b>1,198,877</b>
Profit for the period		-	-	-	69,217	<b>69,217</b>
<b>Total comprehensive income after tax</b>		-	-	-	<b>69,217</b>	<b>69,217</b>
Transfer to reserves		-	-	2,720	(2,720)	-
Dividends relating to 2016	16	-	-	-	(51,099)	<b>(51,099)</b>
<b>Balance September 30, 2017</b>		<b>766,484</b>	<b>15,890</b>	<b>338,902</b>	<b>95,639</b>	<b>1,216,995</b>

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinis

Thiresia Messari

Anna Chalkiadaki

Cash Flow Statement - Group  
for the period ended September 30, 2017



All amounts expressed in € thousand, unless otherwise stated

NBG PANGAEA

	From 01.01. to	
	30.09.2017	30.09.2016
<b>Cash flows from operating activities</b>		
Profit before tax	66,965	42,624
<i>Adjustments for:</i>		
- Provisions for employee benefits	13	10
- Depreciation of property and equipment	18	18
- Amortization of intangible assets	22	22
- Net (gain) / loss from the fair value adjustment of investment property	(6,918)	16,145
- Interest income	(25)	(124)
- Finance cost	16,420	15,757
- Net change in fair value of financial instruments at fair value through profit or loss	(970)	(781)
Changes in working capital:		
- (Increase) / Decrease in receivables	13,970	(9,256)
- Increase / (Decrease) in payables	2,722	(23)
Cash flows from operating activities	92,217	64,392
Interest paid	(13,121)	(13,427)
Tax paid	(10,909)	(2,279)
<b>Net cash flows from operating activities</b>	<b>68,187</b>	<b>48,686</b>
<b>Cash flows from investing activities</b>		
Acquisition of investment property	(72,831)	(10,958)
Subsequent capital expenditure on investment property	(135)	(152)
Prepayments for the acquisition of investment property and overseas subsidiaries	-	(26)
Returns of prepayments for the acquisition of property	-	300
Purchases of property and equipment	(7)	(78)
Expenses related to future acquisition of investment property	(14)	-
Interest received	25	124
<b>Net cash flows used in investing activities</b>	<b>(72,962)</b>	<b>(10,790)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of bond loans and other borrowed funds	47,430	-
Repayment of borrowings	(6,445)	(2,707)
Dividends paid	(33,981)	(51,990)
<b>Net cash flows from / (used in) financing activities</b>	<b>7,004</b>	<b>(54,697)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>2,229</b>	<b>(16,801)</b>
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	(2)	2
<b>Cash and cash equivalents at the end of the period</b>	<b>56,959</b>	<b>73,634</b>

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinou

Thiresia Messari

Anna Chalkiadaki

Cash Flow Statement - Company  
for the period ended September 30, 2017



All amounts expressed in € thousand, unless otherwise stated

NBG PANGAEA

	<b>From 01.01. to</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>
<b>Cash flows from operating activities</b>		
Profit before tax	77,520	48,113
<i>Adjustments for:</i>		
- Provisions for employee benefits	13	10
- Depreciation of property and equipment	18	19
- Amortization of intangible assets	22	22
- Net (gain) / loss from the fair value adjustment of investment properties	(16,531)	9,791
- Interest income	(23)	(108)
- Finance costs	13,355	13,117
- Net change in fair value of financial instruments at fair value through profit or loss	(925)	(781)
Changes in working capital:		
- (Increase) / Decrease in receivables	(819)	(17,956)
- Increase / (Decrease) in payables	3,291	(531)
Cash flows from operating activities	75,921	51,696
Interest paid	(11,414)	(11,836)
Tax paid	(10,827)	(2,275)
<b>Net cash flows from operating activities</b>	<b>53,680</b>	<b>37,585</b>
<b>Cash flows from investing activities</b>		
Acquisition of investment property	(47,829)	(10,958)
Subsequent capital expenditure on investment property	(133)	(56)
Returns of prepayments for the acquisition of property	-	300
Purchases of property and equipment	(7)	(78)
Participation in subsidiaries' share capital increase	(14,400)	-
Decrease of subsidiaries' share capital	-	3,380
Expenses related to future acquisition of investment property	(14)	-
Interest received	23	108
<b>Net cash flows used in investing activities</b>	<b>(62,360)</b>	<b>(7,304)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of bond loans and other borrowed funds	47,430	-
Repayment of borrowings	(5,221)	(1,576)
Dividends paid	(33,981)	(51,990)
<b>Net cash flows from / (used in) financing activities</b>	<b>8,228</b>	<b>(53,566)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(452)</b>	<b>(23,285)</b>
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
<b>Cash and cash equivalents at the end of the period</b>	<b>40,172</b>	<b>45,033</b>

Athens, November 16, 2017

The Chairman of the BoD

The CEO

The CFO / COO

The Deputy CFO

Christos Protopapas

Aristotelis Karytinis

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 September 30, 2017, the Group’s and the Company’s number of employees was 26 (December 31, 2016: 25 employees for the Group and the Company, September 30, 2016: 24 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. Karytinis	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 Condensed Consolidated and Separate Financial Statements have been approved by the Company’s Board of Directors on November 16, 2017 and are available on the website address <http://www.nbgpangaea.gr>.



All amounts expressed in € thousand, unless otherwise stated

---

## **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 nine-month period ended September 30, 2017 (the "Interim Condensed Financial Statements") have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

These Interim Condensed Financial Statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the Interim Condensed 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 Condensed 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 Condensed 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 Condensed 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 Condensed Financial Statements of the Group and the Company.



All amounts expressed in € thousand, unless otherwise stated

---

**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.



All amounts expressed in € thousand, unless otherwise stated

---

**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 Condensed 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 Condensed 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.



All amounts expressed in € thousand, unless otherwise stated

### 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:

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 September 30, 2017 and December 31, 2016, respectively.

September 30, 2017	Valuation hierarchy			
	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
<b>Derivative financial instruments</b>	-	938	-	<b>938</b>

  

December 31, 2016	Valuation hierarchy			
	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
<b>Derivative financial instruments</b>	-	1,897	-	<b>1,897</b>

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 September 30, 2017 and December 31, 2016, respectively:

September 30, 2017	Valuation hierarchy			
	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
<b>Borrowings</b>	-	-	448,112	<b>448,112</b>

  

December 31, 2016	Valuation hierarchy			
	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>				
<b>Borrowings</b>	-	-	404,073	<b>404,073</b>

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



All amounts expressed in € thousand, unless otherwise stated

---

As at September 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.

Notes to the Interim Condensed Financial Statements  
**Group and Company**



NBG PANGAEA

All amounts expressed in € thousand, unless otherwise stated

**From 01.01. to 30.09.2017**

<b>Country</b>	<b>Greece</b>	<b>Greece</b>	<b>Greece</b>	<b>Italy</b>	<b>Italy</b>	<b>Italy</b>	<b>Romania</b>	<b>Romania</b>	<b>Cyprus</b>	<b>Cyprus</b>	
<b>Segment</b>	<b>Retail</b>	<b>Offices</b>	<b>Other</b>	<b>Offices</b>	<b>Retail</b>	<b>Other</b>	<b>Retail</b>	<b>Offices</b>	<b>Retail</b>	<b>Offices</b>	<b>Total</b>
Revenue	39,337	36,794	1,099	8,681	667	18	103	346	711	47	<b>87,803</b>
<b>Total segment revenue</b>	<b>39,337</b>	<b>36,794</b>	<b>1,099</b>	<b>8,681</b>	<b>667</b>	<b>18</b>	<b>103</b>	<b>346</b>	<b>711</b>	<b>47</b>	<b>87,803</b>
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	<b>6,918</b>
Direct property related expenses	(2,914)	(4,169)	(325)	(1,342)	(83)	(244)	(11)	(51)	(22)	(2)	<b>(9,163)</b>
<b>Total segment operating profit / (loss)</b>	<b>47,663</b>	<b>37,605</b>	<b>1,372</b>	<b>10,830</b>	<b>333</b>	<b>(12,508)</b>	<b>(119)</b>	<b>436</b>	<b>(233)</b>	<b>179</b>	<b>85,558</b>
Unallocated operating income											<b>429</b>
Unallocated operating expenses											<b>(2,627)</b>
<b>Operating Profit</b>											<b>83,360</b>
Unallocated interest income											<b>25</b>
Unallocated finance costs											<b>(13,527)</b>
Allocated finance costs	-	(2,893)	-	-	-	-	-	-	-	-	<b>(2,893)</b>
<b>Profit before tax</b>											<b>66,965</b>
Taxes											<b>(8,393)</b>
<b>Profit for the period</b>											<b>58,572</b>
<b>Segment assets as at September 30, 2017</b>											
Segment assets	695,897	621,374	18,195	181,456	14,418	41,969	1,227	5,173	22,603	1,746	<b>1,604,058</b>
Unallocated assets											<b>72,419</b>
<b>Total assets</b>											<b>1,676,477</b>
<b>Segment liabilities as at September 30, 2017</b>											
Segment liabilities	5,116	57,326	201	2,038	200	2,136	11	44	-	-	<b>67,072</b>
Unallocated liabilities											<b>406,790</b>
<b>Total liabilities</b>											<b>473,862</b>
<b>Non-current assets additions as at September 30, 2017</b>											
	47,868	95	-	-	-	-	-	-	23,399	1,604	<b>72,966</b>

Notes to the Interim Condensed Financial Statements  
**Group and Company**



NBG PANGAEA

All amounts expressed in € thousand, unless otherwise stated

From 01.01. to 30.09.2016

Country	Greece	Greece	Greece	Italy	Italy	Italy	Romania	Romania	Total
Segment	Retail	Offices	Other	Offices	Retail	Other	Retail	Offices	
Revenue	38,263	37,312	829	8,939	165	-	101	340	85,949
<b>Total segment revenue</b>	<b>38,263</b>	<b>37,312</b>	<b>829</b>	<b>8,939</b>	<b>165</b>	<b>-</b>	<b>101</b>	<b>340</b>	<b>85,949</b>
Net gain / (loss) from the fair value adjustment of investment properties	(12,012)	3,045	(824)	(8,878)	(152)	3,004	185	(513)	(16,145)
Direct property related expenses	(2,717)	(3,937)	(358)	(1,332)	(8)	(314)	(20)	(51)	(8,737)
<b>Total segment operating profit / (loss)</b>	<b>23,534</b>	<b>36,420</b>	<b>(353)</b>	<b>(1,271)</b>	<b>5</b>	<b>2,690</b>	<b>266</b>	<b>(224)</b>	<b>61,067</b>
Unallocated operating income									250
Unallocated operating expenses									(3,060)
<b>Operating Profit</b>									<b>58,257</b>
Unallocated interest income									124
Unallocated finance costs									(12,673)
Allocated finance costs	(29)	(3,055)	-	-	-	-	-	-	(3,084)
<b>Profit before tax</b>									<b>42,624</b>
Taxes									(4,156)
<b>Profit for the period</b>									<b>38,468</b>
<b>Segment assets as at December 31, 2016</b>									
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
<b>Total assets</b>									<b>1,625,497</b>
<b>Segment liabilities as at December 31, 2016</b>									
Segment liabilities	3,345	58,184	480	2,485	141	1,999	11	43	66,688
Unallocated liabilities									363,868
<b>Total liabilities</b>									<b>430,556</b>
<b>Non-current assets additions as at December 31, 2016</b>	<b>7,977</b>	<b>3,294</b>	<b>3,716</b>	<b>10,177</b>	<b>11,453</b>	<b>682</b>	<b>-</b>	<b>-</b>	<b>37,299</b>



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, lessee of the Group, represent more than 10% of Group's revenue. Rental income from NBG for the nine-month period ended September 30, 2017 amounted to €50,823 thousand, i.e. 57.9% (nine-month period ended September 30, 2016: €50,882 thousand, i.e. 59.2%).

#### NOTE 5: Investment Property

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>Balance at the beginning of the period</b>	<b>1,490,000</b>	<b>1,470,079</b>	<b>1,235,590</b>	<b>1,111,067</b>
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	135	368	133	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)
<b>Balance at the end of the period</b>	<b>1,569,884</b>	<b>1,490,000</b>	<b>1,300,083</b>	<b>1,235,590</b>

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 September 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.



All amounts expressed in € thousand, unless otherwise stated

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 "SKLAVENTIS HELLENIC HYPERMARKETS S.A." with the distinctive name "SKLAVENTIS" 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 loakeim 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.



All amounts expressed in € thousand, unless otherwise stated

---

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. (2<sup>nd</sup> 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 Segment	Greece Retail	Greece Offices	Greece Other <sup>1</sup>	Italy Offices	Italy Retail	Italy Other <sup>2,3</sup>	Romania Retail	Romania Offices	Cyprus Retail	Cyprus Offices	30.09.2017 Total	31.12.2016 Total
Level	3	3	3	3	3	3	3	3	3	3		
<b>Fair value at the beginning of the period</b>	<b>623,454</b>	<b>599,962</b>	<b>16,247</b>	<b>175,399</b>	<b>14,441</b>	<b>54,050</b>	<b>1,433</b>	<b>5,014</b>	-	-	<b>1,490,000</b>	<b>1,470,079</b>
Additions:												
Direct acquisition of investment property	47,829	-	-	-	-	-	-	-	23,398	1,604	<b>72,831</b>	<b>33,215</b>
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-	-	<b>3,716</b>
Subsequent capital expenditure on investment property	39	95	-	-	-	-	-	-	1	-	<b>135</b>	<b>368</b>
Transfer from property and equipment	-	-	-	-	-	-	-	-	-	-	-	<b>1,789</b>
Transfer to property and equipment	-	-	-	-	-	-	-	-	-	-	-	<b>(947)</b>
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	<b>6,918</b>	<b>(18,220)</b>
<b>Fair value at the end of the period</b>	<b>682,562</b>	<b>605,037</b>	<b>16,845</b>	<b>178,890</b>	<b>14,190</b>	<b>41,768</b>	<b>1,222</b>	<b>5,155</b>	<b>22,477</b>	<b>1,738</b>	<b>1,569,884</b>	<b>1,490,000</b>

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.

<sup>1</sup> The segment «Other» in Greece includes city hotels, storage space, archives, petrol stations and parking spaces.

<sup>2</sup> The segment «Other» in Italy relates to land plot and storage space.

<sup>3</sup> 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 30.09.2017 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 <sup>1</sup>	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 <sup>2</sup>	41,200	100% market approach and 0% residual method (see note below)	-	-	-
Italy	Other <sup>3</sup>	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 is 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.

<sup>1</sup> The segment «Other» in Greece includes storage space, archives, petrol stations and parking spaces.

<sup>2</sup> The segment «Other» in Italy relates to land plot.

<sup>3</sup> 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 <sup>1</sup>	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 <sup>2</sup>	53,500	100% market approach and 0% residual method (see note above)	-	-	-
Italy	Other <sup>3</sup>	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%

<sup>1</sup>The segment «Other» in Greece includes storage space, archives, petrol stations and parking spaces.

<sup>2</sup> The segment «Other» in Italy relates to land plot.

<sup>3</sup> The segment «Other» in Italy relates to storage space.



All amounts expressed in € thousand, unless otherwise stated

**NOTE 6: Investment in Subsidiaries**

Subsidiaries	Country of incorporation	Unaudited tax years	Group		Company		Consolidation Method
			30.09.2017	31.12.2016	30.09.2017	31.12.2016	
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	2012 – 2016	99.96%	99.96%	99.96%	99.96%	Full Consolidation
Quadratix Ltd. <sup>(1)</sup>	Cyprus	2016	100.00%	100.00%	100.00%	100.00%	Full Consolidation
Karolou S.A. <sup>(2)</sup>	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 years 2015 and 2016 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 certificates were issued on September 30, 2016 and October 27, 2017, respectively, 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.

**NOTE 7: Other Long-Term Receivables**

The decrease of the item “Other Long-Term Receivables” as of September 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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Trade receivables	24,154	28,658	20,997	25,077
Trade receivables from related parties (Note 20)	1	1	1	1
Receivables from Greek State	8,178	8,254	8,178	8,177
Prepaid expenses	3,945	2,136	3,833	2,057
Preliminary dividend paid	-	17,118	-	17,118
Other receivables	9,923	3,791	9,730	3,560
Other receivables from related parties (Note 20)	1,004	1,057	4,681	1,147
<b>Total</b>	<b>47,205</b>	<b>61,015</b>	<b>47,420</b>	<b>57,137</b>



All amounts expressed in € thousand, unless otherwise stated

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 September 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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Receivables from Italian State	144	175	-	-
Pledged deposits	3,006	3,475	3,006	3,475
Other	6,773	141	6,724	85
<b>Total</b>	<b>9,923</b>	<b>3,791</b>	<b>9,730</b>	<b>3,560</b>

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 September 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.

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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Cash in hand	1	1	-	1
Sight and time deposits	56,958	54,731	40,172	40,623
<b>Total</b>	<b>56,959</b>	<b>54,732</b>	<b>40,172</b>	<b>40,624</b>

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.



All amounts expressed in € thousand, unless otherwise stated

**NOTE 10: Share Capital & Share Premium**

	No. of shares	Share Capital	Group	Company
			Share Premium	
<b>Balance at December 31, 2016 &amp; September 30, 2017</b>	<b>255,494,534</b>	<b>766,484</b>	<b>15,890</b>	<b>15,970</b>

The total paid up share capital of the Company as of September 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	
	30.09.2017	31.12.2016	30.09.2017	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	228	151	-	-
Cash flow hedges	(290)	(414)	-	-
<b>Total</b>	<b>339,040</b>	<b>336,119</b>	<b>338,902</b>	<b>336,182</b>

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.

**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).

In the context of a prudent financial policy, the Company's Management seeks to manage its short-term and long-term borrowings from a variety of funding sources and consistently with the Company's business plan and strategic objectives. In this context, in light of strong and improving conditions in international and domestic financial markets, the Company's Management assesses its funding needs and available funding sources and actively exploring opportunities to raise additional debt in those markets.



All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>Long term</b>				
Bond loans	234,566	233,339	234,566	233,339
Other borrowed funds	110,701	111,504	-	-
<b>Long term borrowings</b>	<b>345,267</b>	<b>344,843</b>	<b>234,566</b>	<b>233,339</b>
<b>Short term</b>				
Bond loans	48,983	54,051	48,984	54,056
Other borrowed funds	53,862	5,179	50,581	2,609
<b>Short term borrowings</b>	<b>102,845</b>	<b>59,230</b>	<b>99,565</b>	<b>56,665</b>
<b>Total</b>	<b>448,112</b>	<b>404,073</b>	<b>334,131</b>	<b>290,004</b>

The increase of short-term other borrowed funds by €47,973 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 September 30, 2017, short-term borrowings of the Group and the Company include an amount of €2,214 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 €1,571 thousand for the Group and €581 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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Up to 1 year	102,845	59,230	99,565	56,665
From 1 to 5 years	340,131	339,603	234,566	233,339
More than 5 years	5,136	5,240	-	-
<b>Total</b>	<b>448,112</b>	<b>404,073</b>	<b>334,131</b>	<b>290,004</b>

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:

- 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.
- 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. 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. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.



All amounts expressed in € thousand, unless otherwise stated

- 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. 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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Long-term guarantees	3,418	3,329	3,234	3,153
<b>Total</b>	<b>3,418</b>	<b>3,329</b>	<b>3,234</b>	<b>3,153</b>

**NOTE 14: Derivative Financial Instruments**

	Group 30.09.2017			Company 30.09.2017		
	Notional amount	Fair value Assets	Fair value Liabilities	Notional amount	Fair value Assets	Fair value Liabilities
<b>Derivatives held for trading</b>						
Interest rate derivatives - OTC	130,438	-	938	44,302	-	307
<b>Total</b>	<b>130,438</b>	<b>-</b>	<b>938</b>	<b>44,302</b>	<b>-</b>	<b>307</b>

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

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

**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 September 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 2017 hedge relationships were terminated due to ineffectiveness and a loss amounted to €124 thousand was reclassified from Other Comprehensive Income into the Income Statement for the nine-month period ended September 30, 2017 (nine-month period ended September 30, 2016: Nil as no hedge relationships were terminated during the period). For the nine-month period ended September 30, 2016, the Group recognised directly in Other Comprehensive Income a loss on cash flow hedging derivatives of €305 thousand.



All amounts expressed in € thousand, unless otherwise stated

Additionally, during the nine-month period ended September 30, 2017, the fair value gain on derivatives held for trading for the Group and the Company amounted to €1,094 thousand and €925 thousand, respectively (nine-month period ended September 30, 2016: gain €781 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 nine-month period ended September 30, 2017 includes gains totally amounted to €970 thousand and €925 thousand for the Group and the Company, respectively (nine-month period ended September 30, 2016: gains of €781 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:

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2017</b>	<b>31.12.2016</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
Trade payables	591	1,139	205	413
Amounts due to related parties (Note 20)	287	659	284	442
Taxes – levies	11,969	7,600	9,358	5,606
Deferred revenues	4,617	5,188	2,921	2,889
Other payables and accrued expenses	350	351	308	281
Other payables and accrued expenses due to related parties (Note 20)	346	584	348	586
<b>Total</b>	<b>18,160</b>	<b>15,521</b>	<b>13,424</b>	<b>10,217</b>

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

The analysis of taxes – levies is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2017</b>	<b>31.12.2016</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
Stamp duty on leases	1,951	2,849	1,951	2,849
Unified Property Tax (ENFIA)	5,558	997	5,535	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	2,401	1,936	-	-
Other	671	430	480	373
<b>Total</b>	<b>11,969</b>	<b>7,600</b>	<b>9,358</b>	<b>5,606</b>

Taxes and levies as of September 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 September 30, 2017 and December 31, 2016, respectively.



All amounts expressed in € thousand, unless otherwise stated

NBG PANGAEA

#### 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 30.09.2017	From 01.01. to 30.09.2016	From 01.01. to 30.09.2017	From 01.01. to 30.09.2016
REICs' tax	8,327	4,190	8,303	4,190
Other tax	58	(34)	-	-
Deferred tax	8	-	-	-
<b>Total</b>	<b>8,393</b>	<b>4,156</b>	<b>8,303</b>	<b>4,190</b>

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 Quadratrix 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 nine-month period ended September 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.

Period ended September 30,	Group		Company	
	2017	2016	2017	2016
Profit attributable to equity shareholders	58,572	38,468	69,217	43,923
Weighted average number of ordinary shares in issue (thousands)	255,495	255,495	255,495	255,495
<b>Earnings per share (expressed in € per share) - Basic and diluted</b>	<b>0.23</b>	<b>0.15</b>	<b>0.27</b>	<b>0.17</b>

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



All amounts expressed in € thousand, unless otherwise stated

---

**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 September 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 years 2015 and 2016 of the Company 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 30, 2016 and October 27, 2017, 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 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.



All amounts expressed in € thousand, unless otherwise stated

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 September 30, 2017, the remaining amount of these capital expenditure commitments amounted to €1,890 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 prenotation 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 September 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.

The Company's shareholding structure is as follows:

	<b>% participation</b>
• 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

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2017</b>	<b>31.12.2016</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
<b>Trade receivables from related parties</b>				
Other shareholders	1	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
	<b>Group</b>		<b>Company</b>	
	<b>30.09.2017</b>	<b>31.12.2016</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
<b>Other receivables from related parties</b>				
Picasso find, Company's subsidiary	-	-	3,384	150
Karolou Touristiki, Company's subsidiary	-	-	300	-
Quadratix Ltd, Company's subsidiary	-	-	7	7
Other shareholders	1,004	1,057	990	990
<b>Total</b>	<b>1,004</b>	<b>1,057</b>	<b>4,681</b>	<b>1,147</b>



All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>Prepaid expenses</b>				
NBG Securities, a company of NBG Group	75	75	75	75
Hellenic National Insurance Company, a company of NBG Group	300	248	289	246
Other shareholders	250	-	250	-
<b>Total</b>	<b>625</b>	<b>323</b>	<b>614</b>	<b>321</b>

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>Cash and cash equivalents</b>				
Parent company	12,034	4,386	11,987	4,374
NBG Cyprus, a company of NBG Group	667	-	-	-
<b>Total</b>	<b>12,701</b>	<b>4,386</b>	<b>11,987</b>	<b>4,374</b>

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>Amounts due to related parties</b>				
Parent company	70	266	70	51
Hellenic National Insurance Company, a company of NBG Group	212	391	209	389
Ethniki Leasing, a company of NBG Group	5	2	5	2
<b>Total</b>	<b>287</b>	<b>659</b>	<b>284</b>	<b>442</b>

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>Other Liabilities</b>				
Parent company	26	-	26	-
Quadratix Ltd, Company's subsidiary	-	-	2	2
Companies related to other shareholders	296	581	296	581
<b>Total</b>	<b>322</b>	<b>581</b>	<b>324</b>	<b>583</b>

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>Borrowings</b>				
Parent company	8,691	9,115	8,691	9,115
<b>Total</b>	<b>8,691</b>	<b>9,115</b>	<b>8,691</b>	<b>9,115</b>

	Group		Company	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
<b>Derivative financial instruments – Liabilities</b>				
Parent company	55	220	55	220
<b>Total</b>	<b>55</b>	<b>220</b>	<b>55</b>	<b>220</b>

ii. **Rental income**

	Group		Company	
	From 01.01. to 30.09.2017	From 01.01. to 30.09.2016	From 01.01. to 30.09.2017	From 01.01. to 30.09.2016
Parent company	50,823	50,882	50,823	50,882
National Insurance Brokers, a company of NBG Group <sup>1</sup>	2	28	2	28
Other shareholders	2	2	2	2
Companies related to other shareholders	2	2	2	2
<b>Total</b>	<b>50,829</b>	<b>50,914</b>	<b>50,829</b>	<b>50,914</b>

<sup>1</sup> 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

**iii. Other direct property related expenses**

	Group		Company	
	From 01.01. to 30.09.2017	30.09.2016	From 01.01. to 30.09.2017	30.09.2016
Hellenic National Insurance Company, a company of NBG Group	346	323	332	321
Companies related to other shareholders	1,130	1,072	1,130	1,072
<b>Total</b>	<b>1,476</b>	<b>1,395</b>	<b>1,462</b>	<b>1,393</b>

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

	Group		Company	
	From 01.01. to 30.09.2017	30.09.2016	From 01.01. to 30.09.2017	30.09.2016
Parent company	165	138	165	138
<b>Total</b>	<b>165</b>	<b>138</b>	<b>165</b>	<b>138</b>

**v. Personnel Expenses**

	Group		Company	
	From 01.01. to 30.09.2017	30.09.2016	From 01.01. to 30.09.2017	30.09.2016
Hellenic National Insurance Company, a company of NBG Group	26	25	26	25
<b>Total</b>	<b>26</b>	<b>25</b>	<b>26</b>	<b>25</b>

**vi. Other income**

	Group		Company	
	From 01.01. to 30.09.2017	30.09.2016	From 01.01. to 30.09.2017	30.09.2016
Picasso Fund, Company's subsidiary	-	-	6,769	4,175
Hellenic National Insurance Company, a company of NBG Group	1	2	1	2
<b>Total</b>	<b>1</b>	<b>2</b>	<b>6,770</b>	<b>4,177</b>

**vii. Other expenses**

	Group		Company	
	From 01.01. to 30.09.2017	30.09.2016	From 01.01. to 30.09.2017	30.09.2016
Parent company	42	30	42	30
Ethniki Leasing, a company of NBG Group	35	31	35	31
<b>Total</b>	<b>77</b>	<b>61</b>	<b>77</b>	<b>61</b>

**viii. Interest income**

	Group		Company	
	From 01.01. to 30.09.2017	30.09.2016	From 01.01. to 30.09.2017	30.09.2016
Parent company	22	90	22	90
<b>Total</b>	<b>22</b>	<b>90</b>	<b>22</b>	<b>90</b>

**ix. Finance costs**

	Group		Company	
	From 01.01. to 30.09.2017	30.09.2016	From 01.01. to 30.09.2017	30.09.2016
Parent company	509	535	509	535
NBG Cyprus, a company of NBG Group	3	-	-	-
UBB, a company of NBG Group	-	27	-	27
<b>Total</b>	<b>512</b>	<b>562</b>	<b>509</b>	<b>562</b>



All amounts expressed in € thousand, unless otherwise stated

**x. Due to key management**

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2017</b>	<b>31.12.2016</b>	<b>30.09.2017</b>	<b>31.12.2016</b>
BoD, its committees and Senior Management compensation	24	3	24	3
Retirement benefit obligations	13	12	13	12
<b>Total</b>	<b>37</b>	<b>15</b>	<b>37</b>	<b>15</b>

**xi. Key management compensation**

	<b>Group</b>		<b>Company</b>	
	<b>From 01.01. to 30.09.2017</b>	<b>30.09.2016</b>	<b>From 01.01. to 30.09.2017</b>	<b>30.09.2016</b>
BoD, its committees and Senior Management compensation	1,109	994	1,109	994
<b>Total</b>	<b>1,109</b>	<b>994</b>	<b>1,109</b>	<b>994</b>

**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 Condensed Financial Statements relating to the Group or the Company for which disclosure is required by the IFRSs.