NBG PANGAEA

# NBG PANGAEA R.E.I.C.

# INTERIM FINANCIAL REPORT
# for the period from 1 January to 30 June 2015

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

August 2015

## Certification by Members of the Board of Directors pursuant to article 5 of Law 3556/2007

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

(1) The interim condensed financial report for the period ended 30 June 2015 has been prepared in accordance with IAS 34 and IFRS as adopted by the European Union and present a true and fair view of the items in the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement of the Company and of the companies included in the consolidation.

(2) The Board of Directors report for the period ended 30 June 2015 truly and fairly presents all information required by Article 5, Para 6 of Law 3556/07.

Athens, 12 August 2015

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

**Semi-annual Board of Directors Report**
**of "NBG Pangaea Real Estate Investment Company"**
on the Interim Condensed Consolidated and Separate Financial Statements
for the period ended 30.06.2015

In accordance with the provisions of L.3556/2007 and the Decisions no. 1/434/3.7.2007 and 7/448/11.10.2007 of the Hellenic Capital Market Commission, we present below the Board of Directors report on the Interim Condensed Consolidated and Separate Financial Statements for the period from 1 January 2015 to 30 June 2015 (all amounts are stated in € thousand, unless otherwise stated).

## SIGNIFICANT EVENTS

## A. CORPORATE EVENTS

1. On 30 January 2015 the Board of Directors of the Company ("Acquiree") and its subsidiary "MIG Real Estate REIC" ("Acquirer") in their meetings, decided the commencement of the preparatory actions for the merger by absorption of the first by the second (the "Merger"). The planned merger has been proposed to take place by consolidating the assets and liabilities of the above mentioned companies, with combined application of articles 68 et seq. of C.L. 2190/1920 and L. 2166/1993, as in force. As transformation date has been set the 31st of January 2015.

2. On 6 August 2015, the Boards of Directors of the Acquiree and the Acquirer approved the draft merger agreement (hereafter the "Draft Merger Agreement") for the merger by absorption of the first company by the second one according to the provisions of articles 69 et seq. of C.L. 2190/1920 and the articles 1-5 of L. 2166/1993, each as in force (please refer to "EVENTS AFTER THE DATE OF FINANCIAL STATEMENTS").

3. On 24 April 2015, the Annual General Meeting of the Company's shareholders, approved the dividend distribution totally amounting to €109,362 from the profit for the year ended 2014 (i.e. €0.5717 per share – amount in €). The aforementioned amount includes the interim dividend already approved by the Board of Directors of the Company on 25 November 2014 amounting to €58,169 (€0.3041 per share – amount in €).

## B. ACQUISITIONS

1. During the first semester of 2015, the Group proceeded in real estate investments of €49,700 in total, which contributed to the dispersion of the Group's real estate portfolio, as presented below:

   - Following the preliminary agreement dated 30 September 2014, on 27 February 2015, the Company completed the acquisition of the newly established company "PLAZA WEST A.D.", which owns approximately 9 thousands sq.m. of the shopping mall West Plaza in Sofia, Bulgaria, for a total consideration of €11,000 (first stage of the agreement). In the second stage, it is at the discretion of the Company either to acquire, at a predetermined price, the newly established company "PLAZA WEST 2 A.D.", which owns approximately 14 thousand sq.m. of West Plaza, or to resale to the seller company "Stirling Properties Bulgaria EOOD" the company "PLAZA WEST A.D." at a predetermined price.

- Following the binding agreement dated 10 October 2014, the Group acquired, on 11 February 2015, an office building of a total gross area of approximately 14 thousand sq.m., located in Rome, Italy for a total consideration of €38,700. The property is leased to the Italian State.

2. Furthermore, within the first semester of 2015, the Group proceeded with the signing of binding agreements for the acquisition of real estate investments, as presented below:

- On 17 April 2015, the Company entered into a preliminary agreement with Chris Cash & Carry Limited, a company of the Marinopoulos S.A. Group, for the acquisition of two properties in Limassol, Cyprus. The total consideration amounts to approximately €22,670 reduced by the half amount of the due real estate transfer duties at the date of transfer. From the aforementioned amount, the Company has already paid €5,000 as advance. The signing of the final agreement that agreed to be concluded by 31 August 2015, is, among others, conditional on the successful completion of legal and technical due diligence. The one of these properties houses a supermarket of approximately 11 thousand sq.m., while the other one consisted of a floor of approximately 1 thousand sq.m., which is used as an office. The Company has also signed a preliminary lease agreement with Marinopoulos S.A. for the whole property, with 25-year duration.

- On 2 July 2015, the Group signed a binding agreement for the acquisition of a mixed use property (office and retail) of a total gross leasable area approximately 18 thousand sq.m. which is located in Rome, Italy for a total consideration €45,100. The property is mainly leased to the Italian State. The abovementioned acquisition was completed on 20 July 2015.

## FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

As of 30 June 2015, the Group's real estate portfolio consisted of 316 (31.12.2014: 314) commercial properties (mainly bank branches and offices), of a total leasable area of 872 thousand sq.m.. Most of the properties are located in prime areas throughout Greece. As of 30 June 2015, the Group also owned four properties in Italy, two properties in Romania and one property in Bulgaria. The fair value of the Group's investment property amounted to €1,400,506 as at 30 June 2015 (31 December 2014: €1,407,659).

**Revenue:** Total revenue for the period ended 30 June 2015 amounted to €54,907, which relates to rental income, compared to €42,029 the respective period of 2014, representing an increase of 30.6%. The increase specifically relates to rental income from new acquisitions occurred during the financial year 2014.

**Net gain / (loss) from the fair value adjustment of investment property:** During the current period, the fair value of investment properties decreased by €57,909 (compared to net gain of €72,225 of the previous period).

Given the current conditions prevailing in the Greek market, where most investments or developments of infrastructure projects have decelerated or cancelled and there is a limited number of transactions, and in accordance with VPGA9 *"Valuation in markets susceptible to change: certainty and uncertainty"* (Red Book, 9th edition, January 2014), we would like to draw your attention to the fact that the latest economic developments (such as the controls imposed on capital movements on June 29$^{th}$) were taken into account on 30.06.2015 in the context of the key valuation approach. Specifically for the real estate market (which purely consists of non-liquid assets), any economic events undoubtedly affect the mobility of the market, however the impact on markets with non liquid assets, such as the real estate market, will be reflected, if so, with a lag and after the market records the positive or negative trends in rents, yields and all other parameters that affect property values. Considering that this situation is unprecedented in relation to regularity in the functioning of money and capital markets, Management will monitor the trends that will occur in the real estate market during the following months. In this context, we note that despite the existing factors of increased valuation uncertainty, the reported result is the optimal valuation of the fair value of the Group's investment property, according to the information that could be gathered by the independent statutory valuers, under the present circumstances and existing restrictions.

**Operating profits / (losses):** Operating losses of the Group for the six-month period ended 30 June 2015 amounted to €10,799 (compared to operating profits of €111,368 of the previous period). Operating profits of the Group, excluding the net gain/ (loss) from the fair value adjustment of investment property, amounted to €47,110 compared to €39,143 of the previous period (an increase of 20.4%). The increase is mainly related to the increase of the Group's revenue, as presented above.

**Interest income:** The total Group's interest income for the six-month period ended 30 June 2015 amounted to €153 compared to €1,806 of the previous period. The decrease is mainly due to the decrease in cash and cash equivalents because of the investments in real estate (directly or through business combinations) that the Company proceeded during the first semester of 2015 and the second semester of 2014.

**Finance costs:** Group's finance costs for the first semester of 2015 amounted to €9,825 (first semester 2014: €2,669). The increase is due to the increase of Group's borrowings and mainly to the bond loan issued by the Company on 22 August 2014, which was covered by institutional investors totally amounted to €237,500.

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

The Company's foreign subsidiaries, Nash S.r.L. and Egnatia Properties S.A. and Plaza West A.D. are taxed on their income, based on a tax rate equal to 31.4% in Italy and 16.0% in Romania and 10.0% in Bulgaria, 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 first semester 2015.

Taxes on a Group level for the six-month period ended 30 June 2015 amounted to €586 compared to €716 of the previous period, presenting a decrease by 18.2% which is mainly due to the decrease of deferred tax liability compared with the respective amount of 31 December 2014 because of the increase of Group's properties tax base in Romania.

**Profit / (loss) for the period:** The Group's loss for the six-month period ended 30 June 2015 amounted to €21,057 compared to profit for the period of €109,789 of the previous period. Group's profit for the period, excluding the net gain / (loss) from the fair value adjustment of investment property amounted to €36,852 for the first semester of 2015, compared to €37,564 of the previous period.

## BASIC PERFORMANCE MEASUREMENT RATIOS

| | 30.06.2015 | 31.12.2014 |
|---|---|---|
| **Current ratio** (Current assets / Current liabilities) | 2.60x | 4.33x |
| **Gearing ratio** (Borrowings / Total assets) | 24.5% | 20.5% |
| **LTV** (Borrowings / Fair value of properties) | 27.1% | 23.8% |
| **Net LTV** [Net Borrowings (Borrowings less Cash and Cash equivalents) / Fair value of properties] | 19.7% | 14.9% |

| **Net Asset Value (NAV)** | **30.06.2015** | **31.12.2014** |
|---|---|---|
| NAV | **1,128,615** | **1,258,912** |
| No. of shares at year end (in thousands) | 191,298 | 191,298 |
| NAV (per share) | **5.90** | **6.58** |

| | From 01.01. to 30.06.2015 | From 01.01. to 30.06.2014 | % Change |
|---|---|---|---|
| Profit / (loss) for the period | (21,057) | 109,789 | |
| Plus: Depreciation of property and equipment | 21 | 6 | |
| Plus: Amortization of intangible assets | 14 | 14 | |
| Plus / Less: Net Finance costs / Interest Income | 9,672 | 863 | |
| Plus: Taxes | 586 | 716 | |
| **Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)** | **(10,764)** | **111,388** | |
| Plus / Less: Net non-recurring expenses / income | 62 | (839) | |
| Plus / Less: Net change in fair value of financial instruments at fair value through profit or loss | (595) | 476 | |
| Plus / Less : Net gain / loss of fair value adjustment of investment properties | 57,909 | (72,225) | |
| **Adjusted EBITDA** | **46,612** | **38,800** | **20.1%** |

| **Funds from Operations (FFO)** | From 01.01. to 30.06.2015 | From 01.01. to 30.06.2014 | % Change |
|---|---|---|---|
| Profit / (loss) for the period | (21,057) | 109,789 | |
| Plus: Depreciation of property and equipment | 21 | 6 | |
| Plus: Amortization of intangible assets | 14 | 14 | |
| Plus / Less: Net non-recurring expenses / income | 62 | (839) | |
| Plus / Less: Net change in fair value of financial instruments at fair value through profit or loss | (595) | 476 | |
| Plus / Less : Net gain / loss of fair value adjustment of investment properties | 57,909 | (72,225) | |
| **FFO** | **36,354** | **37,221** | **(2,3)%** |

## EVENTS AFTER THE DATE OF FINANCIAL STATEMENTS

Following the binding agreement dated 2 July 2015, on 20 July 2015, the Group acquired a mixed use building (office and retail), of a total gross area of approximately 18 thousand sq.m., located in Rome, Italy for a total consideration of €45,100. The property is mainly leased to the Italian State. The above-mentioned acquisition was completed on 20 July 2015.

On 6 August 2015, the Boards of Directors of the Acquiree and the Acquirer approved the draft merger agreement (hereafter the “Draft Merger Agreement”) for the merger by absorption of the first company by the second one (hereafter "Merger") according to the provisions of articles 69 et seq. of C.L. 2190/1920 and the articles 1-5 of L. 2166/1993, each as in force.

The exchange ratio for the shareholders of the merging companies is as follows:

- Each shareholder of the Acquirer (other than the Company) will exchange 1 common registered voting share with a nominal value of 3.00 Euro each held to the Acquirer, with 0.591602815 new common registered voting shares of the Acquirer (as it will have emerged from the Merger) of new nominal value of 3.00 Euro each.
- Each shareholder of the Acquiree will exchange 1 common registered voting share with a nominal value of 4.00 Euro each held to the Acquiree with 1.334251532 new common registered voting shares of the Acquirer (as it will have emerged from the Merger) of new nominal value of 3.00 Euro each.
- Each shareholder of the Acquiree will exchange 1 common redeemable voting share with a nominal value of 4.00 Euro each held to the Acquiree with 1.334251532 new common registered voting shares of the Acquirer (as it will have emerged from the Merger) of new nominal value of 3.00 Euro each.

After the Merger, the share capital of the new company will amount to €766,484 and will be divided into 255,494,534 ordinary shares of nominal value 3.00 Euro each.

The above-mentioned are subject to the approval of General Meetings of the merging companies and the approval of Ministry of Economics, Infrastructure, Shipping & Tourism (Directorate of Société Anonyme Companies and Credit) in accordance with Article 74 of the C.L. 2190/1920 and the Hellenic Capital Market Commission regarding the part of the amendment of MIGRE's Articles of Association after the share capital increase of MIGRE as a result of the Merger.

There are no other significant events subsequent to the date of the financial statements relating to the Group or the Company for which disclosure is required by the IFRSs.

## GOING CONCERN CONSIDERATION

The consolidated and separate interim condensed financial statements have been prepared based on the principle of going concern, which assumes that the Group and the Company are able to meet their liabilities in the near future. Specifically:

The Group’s losses for the six-month period ended 30 June 2015 amounted to €21,057 compared to profit for the period of €109,789 of the previous period. Group’s profit for the period, excluding the net gain/(loss) from the fair value adjustment of investment property amounted to €36,852 six-month period ended 30 June 2015, compared to €37,564 of the previous period. Furthermore, as of 30 June 2015, the Group's total current assets exceed its total current liabilities by €87,962.

The Group maintains significant synergies with the National Bank of Greece ("NBG") in the context of the Company's real estate property leases by NBG. However, during 2014, the Group has made investments which contributed to the diversification of its real estate portfolio. As a result, rental income derived from NBG for the six-month period ended 30 June 2015 amounted to €34,203, i.e. 62.3% compared to €34,416 (81.9%) for the first half of 2014.

Despite the current adverse economic conditions, the Management believes that the Group will continue its activity and that the Group's revenue and cash and cash equivalents are sufficient to cover the service of debt and the payment of its operating expenses in the near future.

**Going concern conclusion:**

Considering all the above, Management concluded that there is no question of the going concern assumption and therefore prepared the interim condensed financial statements based on the going concern principle.

## PROSPECTS

During 2014, it was noted an increased investment activity in real estate portfolios with investment characteristics similar to those of the properties of our Group. During the first half of 2015, due to the current situation in the greek market, most of the investment or development infrastructures have been decelerated or cancelled and there is a limited number of actual transactions. The forthcoming conclusion of the agreement with the European Support Mechanism is a significant step for the reduction of the uncertainty and the restoration of confidence and may be an opportunity for the recovery of the greek economy. We believe that, once circumstances allow it, the dynamics of real estate market will re-attract the interest of investors.

For the second half of 2015, the Group's rental income is expected to present an increase compared to the first half mainly due to the new investments in Group's real estate property incurred in the first half of 2015.

Upon completion of the reverse merger with the subsidiary MIG Real Estate REIC, the Company's shares will become listed in the Athens Exchange in 2015. As soon as market conditions allow it, our Company will examine the possibility to raise funds from the equity market in order to further develop its portfolio and to achieve its goals, which include the growth of the existing high quality portfolio and the improvement of its tenant and geographical diversification with the ultimate target of creating further value for the shareholders.

## SIGNIFICANT RISKS

**Fluctuations in property values (price risk)**

The Group is exposed to risk from changes in property values and rents which can originate from a) the developments in the real estate market in which the Group operates, b) the characteristics of properties owned by the Group and c) events concerning existing tenants of the Group. The Group minimizes its exposure to this risk, as the majority of the Group's leases consist of long-term operating leases with creditworthy tenants, for a period between 20 and 25 years, while for the majority of the leases the annual rental adjustment is associated with the Consumer Price Index plus a spread of 1.0%.

The Group is governed by an institutional framework (Law 2778/1999) under which a) periodic valuation of properties by an independent professional valuer is required, b) a valuation of properties prior to an acquisition or a sale by an independent professional valuer is required, c) development or repair of properties is permitted if the cost of works does not exceed 40.0% of the final commercial value after the completion of works and d) the value of each property must not exceed 25.0% of the value of the property portfolio. This framework contributes significantly to prevent or / and timely manage related risks.

Regarding the impact of current economic conditions on the properties' values please refer to the section "Financial Position and Performance of the Group", paragraph for the "Net gain / (loss) from the fair value adjustment of investment property" of this report.

**Non-performance of tenants (credit risk)**

Credit risk relates to cases of default of counterparties to meet their transactional obligations. The Group has significant concentrations of credit risk with respect to cash and cash equivalents and rental income received from tenants under property operating lease contracts. No material losses are anticipated as lease agreements are conducted with customers - tenants of sufficient creditworthiness.

**Inflation risk**

The uncertainty over the real value of the Group's investments resulting from a potential increase of inflation in the future. The Group minimizes its exposure to inflation risk as the majority of the Group's leases consist of long-term operating leases with tenants for a period between 20 and 25 years, while for the majority of the leases the annual rental adjustment is associated with the Consumer Price Index plus a spread of 1.0%.

**Cash flow risk and fair value interest rate risk**

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

**Liquidity risk**

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

All amounts expressed in € thousand, unless otherwise stated

**Capital risk management**

The Group’s objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. According to the common industry practice in Greece, the Group monitors capital on the basis of the gearing ratio (or debt ratio). This ratio is calculated as total borrowings divided by total assets, as presented in the statement of financial position. The regulatory regime governing REICs in Greece permits Greek REICs to borrow up to 75.0% of the value of total assets, for acquisitions and improvements on properties. The goal of the Group’s Management is to optimise the Group’s capital structure through the effective use of debt financing.

The table below presents the gearing ratio (debt ratio) as at 30 June 2015 and 31 December 2014.

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Borrowings | 380,583 | 335,675 | 243,750 | 238,554 |
| Total assets | 1,552,213 | 1,636,702 | 1,375,581 | 1,490,896 |
| **Gearing ratio** | **24.5%** | **20.5%** | **17.7%** | **16.0%** |

**External factors and international investments**

The Group has investments in Italy, Romania and Bulgaria. External factors which may affect the relevant investments are the political and economic instability as well as any changes in the tax framework related to investment property in the above-mentioned countries.

**RELATED PARTY TRANSACTIONS**

All transactions with related parties have been carried out on the basis of the “arm’s length” principle (under normal market conditions for similar transactions with third parties). The significant transactions with related parties as defined by IAS 24 are thoroughly described in note 24 of the Interim Condensed Financial Statements for the six-month period ended 30 June 2015.

Athens, 12 August 2015

The Chief Executive Officer

Aristotelis Karytinos

Deloitte.

*THIS IS A TRANSLATION FROM THE ORIGINAL VERSION IN GREEK LANGUAGE*

**REVIEW REPORT ON INTERIM FINANCIAL INFORMATION**

**To the Shareholders of**
**“NBG Pangaea Real Estate Investment Company”**

**Introduction**

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Company “NBG Pangaea Real Estate Investment Compan**y”** (the “Company”) and its subsidiaries (the “Group”) as of June 30, 2015 and the related condensed separate and consolidated statements of income and total comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, which together comprise the condensed interim financial information. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to Interim Financial Reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

**Scope of review**

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

**Conclusion**

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

**Emphasis of matter**

We draw your attention to the note 2.4 of the condensed interim financial statements, which makes reference to the particular financial conditions in Greece and the possible repercussions to the investment property valuation of the Group. Our review conclusion has not been qualified in respect of this matter.

**Other matter**

The non-listed Company, "NBG Pangaea Real Estate Investment Company", during the preparation of the condensed interim consolidated and separate financial statements, included also a Board of Directors' Report in compliance with the provisions of article 5 of the L. 3556/2007, on which we have not identified any inconsistency or mismatch with the accompanying financial information.

Athens,12 August 2015

The Certified Auditor Accountant

Beate Randulf
S.O.E.L. R.N. 37541
Deloitte.
Hadjipavlou Sofianos & Cambanis S.A.
Certified Accountants & Business Consultants
3a Fragkoklissias & Granikou Str.
GR-151 25 Maroussi, Athens, Greece
COMPANY S.O.E.L. R.N. 120

All amounts expressed in € thousand, unless otherwise stated

| | | Group | | Company | |
|---|---|---|---|---|---|
| | **Note** | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Investment property | 5 | 1,400,506 | 1,407,659 | 1,037,875 | 1,081,049 |
| Investment in subsidiaries | | - | - | 260,157 | 210,091 |
| Property and equipment | | 3,362 | 4,334 | 1,741 | 1,698 |
| Intangible assets | | 202 | 216 | 202 | 216 |
| Other long-term receivables | | 5,064 | 11,737 | 5,055 | 11,729 |
| | | **1,409,134** | **1,423,946** | **1,305,030** | **1,304,783** |
| **Current assets** | | | | | |
| Trade and other receivables | 9 | 39,372 | 87,118 | 59,630 | 178,920 |
| Cash and cash equivalents | 10 | 103,707 | 125,638 | 10,921 | 7,193 |
| | | **143,079** | **212,756** | **70,551** | **186,113** |
| **Total assets** | | **1,552,213** | **1,636,702** | **1,375,581** | **1,490,896** |
| | | | | | |
| **SHAREHOLDERS' EQUITY** | | | | | |
| Share capital | 11 | 765,193 | 765,193 | 765,193 | 765,193 |
| Share premium | 11 | 15,890 | 15,890 | 15,890 | 15,890 |
| Reserves | 12 | 333,631 | 326,953 | 333,313 | 326,917 |
| Retained earnings | | 14,067 | 151,038 | 1,832 | 127,909 |
| **Equity attributable to Company's shareholders** | | **1,128,781** | **1,259,074** | **1,116,228** | **1,235,909** |
| Non-controlling interests | | 1,203 | 1,362 | - | **-** |
| **Total equity** | | **1,129,984** | **1,260,436** | **1,116,228** | **1,235,909** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Long-term liabilities** | | | | | |
| Borrowings | 13 | 363,492 | 320,054 | 230,868 | 230,054 |
| Retirement benefit obligations | | 254 | 251 | 85 | 85 |
| Deferred tax liability | | 206 | 382 | - | - |
| Other long-term liabilities | 14 | 3,160 | 6,497 | 319 | 319 |
| | | **367,112** | **327,184** | **231,272** | **230,458** |
| | | | | | |
| **Short-term liabilities** | | | | | |
| Trade and other payables | 16 | 34,485 | 29,553 | 14,567 | 15,393 |
| Borrowings | 13 | 17,091 | 15,621 | 12,882 | 8,500 |
| Derivative financial instruments | 15 | 2,722 | 3,042 | - | - |
| Current tax liabilities | | 819 | 866 | 632 | 636 |
| | | **55,117** | **49,082** | **28,081** | **24,529** |
| **Total liabilities** | | **422,229** | **376,266** | **259,353** | **254,987** |
| **Total shareholders' equity and liabilities** | | **1,552,213** | **1,636,702** | **1,375,581** | **1,490,896** |

Athens, 12 August 2015

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

All amounts expressed in € thousand, unless otherwise stated

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | From 01.01. to | | From 01.01. to | |
| | Note | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| **Revenue** | | | | | |
| Rental income | | 54,907 | 42,029 | 44,879 | 35,884 |
| | | **54,907** | **42,029** | **44,879** | **35,884** |
| Net gain / (loss) from the fair value adjustment of investment property | 5 | (57,909) | 72,225 | (43,174) | 67,815 |
| Direct property related expenses | 17 | (6,141) | (2,691) | (4,366) | (2,143) |
| Personnel expenses | 18 | (1,036) | (228) | (814) | (228) |
| Depreciation of property and equipment | | (21) | (6) | (6) | (6) |
| Amortisation of intangible assets | | (14) | (14) | (14) | (14) |
| Net change in fair value of financial instruments at fair value through profit or loss | 15 | 595 | (476) | - | - |
| Other income | | 302 | 954 | 1,650 | - |
| Other expenses | 19 | (1,482) | (425) | (909) | (329) |
| **Operating profit / (loss)** | | **10,799** | **111,368** | **(2,754)** | **100,979** |
| Interest income | | 153 | 1,806 | 107 | 1,806 |
| Finance costs | | (9,825) | (2,669) | (7,040) | (67) |
| **Profit / (loss) before tax** | | **(20,471)** | **110,505** | **(9,687)** | **102,718** |
| Taxes | 21 | (586) | (716) | (632) | (635) |
| **Profit / (loss) for the period** | | **(21,057)** | **109,789** | **(10,319)** | **102,083** |
| **Attributable to:** | | | | | |
| Non-controlling interests | | (142) | - | - | - |
| **Company's equity shareholders** | | **(20,915)** | **109,789** | **(10,319)** | **102,083** |
| Earnings / (losses) per share (expressed in € per share) - Basic and diluted | 22 | (0.109) | 0.597 | (0.054) | 0.555 |

Athens, 12 August 2015

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

All amounts expressed in € thousand, unless otherwise stated

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| **Profit / (loss) for the period** | **(21,057)** | **109,789** | **(10,319)** | **102,083** |
| **Other comprehensive income / (expense):** | | | | |
| **Items that may be reclassified subsequently to profit or loss:** | | | | |
| Currency translation differences | (14) | - | - | - |
| **Total of items that may be reclassified subsequently to profit or loss** | **(14)** | **-** | **-** | **-** |
| **Other comprehensive expense for the period** | **(14)** | **-** | **-** | **-** |
| **Total comprehensive income / (expense) for the period** | **(21,071)** | **109,789** | **(10,319)** | **102,083** |
| **Attributable to:** | | | | |
| Non-controlling interests | (142) | - | - | - |
| **Company's equity shareholders** | **(20,929)** | **109,789** | **(10,319)** | **102,083** |

Athens, 12 August 2015

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

| | Note | Group From 01.04. to 30.06.2015 | Group From 01.04. to 30.06.2014 | Company From 01.04. to 30.06.2015 | Company From 01.04. to 30.06.2014 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Rental income | | 27,607 | 22,280 | 22,435 | 18,559 |
| | | **27,607** | **22,280** | **22,435** | **18,559** |
| Net gain / (loss) from the fair value adjustment of investment property | | (58,824) | 72,253 | (41,472) | 67,843 |
| Direct property related expenses | | (3,190) | (1,935) | (2,425) | (1,506) |
| Personnel expenses | | (440) | (105) | (360) | (105) |
| Depreciation of property and equipment | | (8) | (3) | (3) | (3) |
| Amortisation of intangible assets | | (7) | (7) | (7) | (7) |
| Net change in fair value of financial instruments at fair value through profit or loss | | 260 | (170) | - | - |
| Other income | | 97 | 81 | - | - |
| Other expenses | | (914) | (199) | (584) | (114) |
| **Operating profit / (loss)** | | **(35,419)** | **92,195** | **(22,416)** | **84,667** |
| Interest income | | 63 | 658 | 47 | 658 |
| Finance costs | | (5,126) | (1,536) | (3,522) | (61) |
| **Profit / (loss) before tax** | | **(40,482)** | **91,317** | **(25,891)** | **85,264** |
| Taxes | | (262) | (374) | (310) | (333) |
| **Profit / (loss) for the period** | | **(40,744)** | **90,943** | **(26,201)** | **84,931** |
| **Attributable to:** | | | | | |
| Non-controlling interests | | (63) | - | - | - |
| **Company's equity shareholders** | | **(40,681)** | **90,943** | **(26,201)** | **84,931** |
| Earnings / (losses) per share (expressed in € per share) - Basic and diluted | | (0.213) | 0.494 | (0.137) | 0.462 |

Athens, 12 August 2015

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

All amounts expressed in € thousand, unless otherwise stated

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.04. to | | From 01.04. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| **Profit / (loss) for the period** | **(40,744)** | **90,943** | **(26,201)** | **84,931** |
| **Other comprehensive income / (expense):** | | | | |
| **Items that may be reclassified subsequently to profit or loss:** | | | | |
| Currency translation differences | 101 | - | - | - |
| **Total of items that may be reclassified subsequently to profit or loss** | **101** | **-** | **-** | **-** |
| **Other comprehensive income for the period** | **101** | **-** | **-** | **-** |
| **Total comprehensive income / (expense) for the period** | **(40,643)** | **90,943** | **(26,201)** | **84,931** |
| **Attributable to:** | | | | |
| Non-controlling interests | (59) | - | - | - |
| **Company's equity shareholders** | **(40,584)** | **90,943** | **(26,201)** | **84,931** |

Athens, 12 August 2015

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

All amounts expressed in € thousand, unless otherwise stated

| | Note | Attributable to Company's shareholders | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Share capital | Share premium | Reserves | Retained Earnings | Total | Non-controlling interests | Total |
| **Balance 1 January 2014** | | **735,712** | **-** | **326,973** | **(26,502)** | **1,036,183** | **-** | **1,036,183** |
| Other comprehensive expense for the period | | - | - | - | - | **-** | **-** | **-** |
| Profit for the period | | - | - | - | 109,789 | **109,789** | - | **109,789** |
| **Total comprehensive income after tax** | | **-** | **-** | **-** | 109,789 | **109,789** | **-** | **109,789** |
| Expenses related to share capital increase | | **-** | - | - | (16) | **(16)** | **-** | **(16)** |
| **Balance 30 June 2014** | | **735,712** | **-** | **326,973** | **83,271** | **1,145,956** | **-** | **1,145,956** |
| Movements to 31 December 2014 | | 29,481 | 15,890 | (20) | 67,767 | 113,118 | 1,362 | 114,480 |
| **Balance 31 December 2014** | | **765,193** | **15,890** | **326,953** | **151,038** | **1,259,074** | **1,362** | **1,260,436** |
| | | | | | | | | |
| **Balance 1 January 2015** | | **765,193** | **15,890** | **326,953** | **151,038** | **1,259,074** | **1,362** | **1,260,436** |
| Other comprehensive expense for the period | | - | - | (14) | - | **(14)** | - | **(14)** |
| Loss for the period | | - | - | - | (20,915) | **(20,915)** | (142) | **(21,057)** |
| **Total comprehensive expense after tax** | | **-** | **-** | **(14)** | **(20,915)** | **(20,929)** | **(142)** | **(21,071)** |
| Acquisition of subsidiary | | - | - | - | (2) | **(2)** | (17) | **(19)** |
| Transfer to reserves | | - | - | 6,692 | (6,692) | **-** | - | **-** |
| Dividends relating to 2014 | 20 | - | - | - | (109,362) | **(109,362)** | - | **(109,362)** |
| **Balance 30 June 2015** | | **765,193** | **15,890** | **333,631** | **14,067** | **1,128,781** | **1,203** | **1,129,984** |

All amounts expressed in € thousand, unless otherwise stated

| | Note | Share capital | Share premium | Reserves | Retained Earnings | Total |
|---|---|---|---|---|---|---|
| **Balance 1 January 2014** | | **735,712** | **-** | **326,973** | **(32,135)** | **1,030,550** |
| Profit for the period | | - | - | - | 102,083 | **102,083** |
| **Total comprehensive income after tax** | | **-** | **-** | **-** | **102,083** | **102,083** |
| Expenses related to share capital increase | | **-** | - | - | (16) | **(16)** |
| **Balance 30 June 2014** | | 735,712 | - | 326,973 | 69,932 | 1,132,617 |
| Movements to 31 December 2014 | | 29,481 | 15,890 | (56) | 57,977 | 103,292 |
| **Balance 31 December 2014** | | **765,193** | **15,890** | **326,917** | **127,909** | **1,235,909** |
| **Balance 1 January 2015** | | **765,193** | **15,890** | **326,917** | **127,909** | **1,235,909** |
| Loss for the period | | - | - | - | (10,319) | **(10,319)** |
| **Total comprehensive expense after tax** | | **-** | **-** | **-** | **(10,319)** | **(10,319)** |
| Transfer to reserves | | - | - | 6,396 | (6,396) | - |
| Dividends relating to 2014 | 20 | - | - | - | (109,362) | **(109,362)** |
| **Balance 30 June 2015** | | **765,193** | **15,890** | **333,313** | **1,832** | **1,116,228** |

All amounts expressed in € thousand, unless otherwise stated

| | From 01.01. to | |
|---|---|---|
| | **30.06.2015** | **30.06.2014** |
| **Cash flows from operating activities** | | |
| Profit / (loss) before tax | (20,471) | 110,505 |
| *Adjustments for:* | | |
| - Provisions for employee benefits | 3 | 2 |
| - Other provisions | 140 | - |
| - Other gains | (97) | (839) |
| - Depreciation of property and equipment | 21 | 6 |
| - Amortization of intangible assets | 14 | 14 |
| - Net (gain) / loss from the fair value adjustment of investment property | 59,909 | (72,225) |
| - Interest income | (153) | (1,806) |
| - Finance cost | 9,825 | 2,669 |
| - Net change in fair value of financial instruments at fair value through profit or loss | (595) | 475 |
| Changes in working capital: | | |
| - (Increase) / Decrease in receivables | (10,577) | 405 |
| - Increase in payables | 1,604 | 1,563 |
| Cash flows from operating activities | 37,623 | 40,769 |
| Finance cost paid | (7,904) | (2,669) |
| Tax paid | (809) | (782) |
| **Net cash flows from operating activities** | **28,910** | **37,318** |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of investment property | (38,615) | (121,541) |
| Subsequent capital expenditure on investment property | (49) | (7) |
| Prepayments for the acquisition of investment property and overseas subsidiaries | (36) | - |
| Purchases of property and equipment | (18) | (25) |
| Acquisitions of subsidiaries (net of cash acquired) | (4,400) | (36,589) |
| Interest received | 165 | 1,806 |
| **Net cash flows used in investing activities** | **(42,953)** | **(156,356)** |
| | | |
| **Cash flows from financing activities** | | |
| Expenses related to share capital increase | - | (16) |
| Proceeds from the issuance of bond loans and other borrowed funds | 79,400 | - |
| Expenses related to the issuance of bond loans and other borrowed funds | (1,163) | - |
| Repayment of borrowings | (34,918) | (3,329) |
| Acquisition of additional shareholding in subsidiaries | (17) | - |
| Dividends paid | (51,193) | - |
| **Net cash flows used in financing activities** | **(7,891)** | **(3,345)** |
| | | |
| **Net increase / (decrease) in cash and cash equivalents** | **(21,934)** | **(122,383)** |
| Cash and cash equivalents at the beginning of the period | 125,638 | 158,291 |
| Effect of foreign exchange currency changes on cash and cash equivalents | 3 | **-** |
| **Cash and cash equivalents at the end of the period** | **103,707** | **35,908** |

All amounts expressed in € thousand, unless otherwise stated

| | From 01.01. to | |
|---|---|---|
| | **30.06.2015** | **30.06.2014** |
| **Cash flows from operating activities** | | |
| Profit / (loss) before tax | (9,687) | 102,718 |
| *Adjustments for:* | | |
| - Provisions for employee benefits | - | 1 |
| - Depreciation of property and equipment | 6 | 6 |
| - Amortization of intangible assets | 14 | 14 |
| - Net (gain) / loss from the fair value adjustment of investment properties | 43,174 | (67,815) |
| - Interest income | (107) | (1,806) |
| - Finance costs | 7,040 | 67 |
| Changes in working capital: | | |
| - Decrease in receivables | 61,123 | 376 |
| - Increase / (decrease) in payables | (825) | 1,569 |
| Cash flows from operating activities | 100,738 | 35,130 |
| Finance cost paid | (6,169) | (67) |
| Tax paid | (636) | (688) |
| **Net cash flows from operating activities** | **93,933** | **34,375** |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of investment property | - | (121,541) |
| Subsequent capital expenditure on investment property | - | (7) |
| Advance payments for the acquisition of investment property and overseas subsidiaries | (36) | - |
| Purchases of property and equipment | (18) | (25) |
| Acquisition of subsidiaries | (4,400) | (37,953) |
| Interest received | 107 | 1,806 |
| **Net cash flows used in investing activities** | **(4,347)** | **(157,720)** |
| | | |
| **Cash flows from financing activities** | | |
| Expenses related to share capital increase | - | (16) |
| Proceeds from the issuance of bond loans and other borrowed funds | 4,400 | - |
| Acquisition of additional shareholding in subsidiaries | (17) | - |
| Participation in subsidiaries' capital increase | (39,048) | (1,582) |
| Dividends paid | (51,193) | - |
| **Net cash flows used in financing activities** | **(85,858)** | **(1,598)** |
| | | |
| **Net increase / (decrease) in cash and cash equivalents** | **3,728** | **(124,943)** |
| Cash and cash equivalents at the beginning of the period | 7,193 | 156,371 |
| **Cash and cash equivalents at the end of the period** | **10,921** | **31,428** |

All amounts expressed in € thousand, unless otherwise stated

## 1. General Information

NBG Pangaea Real Estate Investment Company (hereinafter the “Company”) operates as an investment property company under the provisions of Article 22 of L. 2778/1999, as in force.

The Company together with its subsidiaries (hereinafter the “Group”) is an investment property group with operation in Greece and abroad. More specifically, the Group operates in Italy through “Nash S.r.L.” and “Picasso - Fondo Comune di Investimento Immobiliare Speculativo di Tipo Chiuso ad Investitori Qualificati” (Picasso – Closed End Real Estate Investment Fund Reserved for Qualified Investors), hereinafter “Picasso Fund”, in Romania through Egnatia Properties S.A. (subsidiary of MIG Real Estate) and in Bulgaria through “Plaza West A.D.”.

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

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

It is noted that in accordance with the provisions of article 23 of Law 2778/1999, as in force, the Company must list its shares in a regulated market, within the meaning of paragraph 10 of article 2 of Law 3606/2007, which operates legally in Greece until 5 October 2015. Taking into account the unfavourable economic conditions prevailing in Greece, which have made unfeasible the direct listing of the Company's shares in the Athens Exchange (hereinafter "ATHEX"), was selected the alternative choice of the indirect listing of the Company’s shares via the reverse merger with subsidiary “MIG Real Estate REIC”, the shares of which are listed in ATHEX. In order for the Company to timely comply with the abovementioned institutional provisions, it has already launched the necessary process, namely:

- On 30 January 2015, the Board of Directors of the Company ("Acquiree") and its subsidiary “MIG Real Estate REIC" ("Acquirer") in their meetings, decided the commencement of the preparatory actions for the merger by absorption of the first by the second (the “Merger”). The planned merger has been proposed to take place by consolidating the assets and liabilities of the above mentioned companies, with combined application of articles 68 et seq. of C.L. 2190/1920 and L.2166/1993, as in force. As transformation date has been set the 31st of January 2015.

- On 6 August 2015, the Boards of Directors of the Acquiree and the Acquirer approved the draft merger agreement for the merger by absorption of the first company by the second one according to the provisions of articles 69 et seq. of C.L. 2190/1920 and the articles 1-5 of L. 2166/1993, each as in force (Note 25).

The Company's shareholding structure is as follows:

| | **% participation** |
|---|---|
| • National Bank of Greece S.A. (hereinafter “NBG”): | 32.69% |
| • Invel Real Estate (Netherlands) II B.V. (hereinafter “Invel”): | 65.56% |
| • Other shareholders: | 1.75% |

All amounts expressed in € thousand, unless otherwise stated

It is noted that in the above-mentioned percentage of "Invel", "Anthos Properties S.A." (subsidiary of Invel) is included, which directly holds 4,021,678 common shares which represent 2.10% of the Company's share capital.

NBG and Invel entered into a shareholders' agreement whereby 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 (Note 24) under IFRS.

The current Board of Directors has a term of three years which expires upon the election of the new Board of Directors by the 2016 Annual General Meeting of Shareholders, which will take place within year 2017. The Board of Directors was elected by the Extraordinary General Meeting of Shareholders held on 30 December 2013 and was constituted as a body in its same day meeting. The current Board has the following composition:

| | | |
|---|---|---|
| Christos I. Protopapas | Chairman | Non Executive Member |
| Vasileios G. Mastrokalos* | Vice-Chairman A', Assistant General Manager of NBG Group Strategy | Non Executive Member |
| Christophoros N. Papachristophorou | Vice-Chairman B', Managing Partner at Invel | Executive Member |
| Aristotelis D. Karytinos | CEO | Executive Member |
| Thiresia G. Messari | CFO / COO | Executive Member |
| Anna G. Apostolidou** | Business Executive | Non Executive Member |
| Arnaud Dominique Maurice Bertrand Plat*** | Chief Operating Officer at Invel | Non Executive Member |
| Prodromos G. Vlamis | Visiting Professor at Athens University of Economics and Business & Research Associate at University of Cambridge | Independent - Non Executive Member |
| Spyridon G. Makridakis | Rector of Neapolis University of Pafos | Independent - Non Executive Member |

* *Upon resignation of Mrs. Paula N. Hadjisotiriou, Mr. Vasileios G. Mastrokalos was elected as a member of the Board of Directors by virtue of a resolution of the Board of Directors dated on 03 July 2015.*

** *Upon resignation of Mr. Akbar Abdul Aziz Rafiq, Mrs. Anna G. Apostolidou was elected as a member of the Board of Directors by virtue of a resolution of the Board of Directors dated on 03 July 2015.*

*** *Upon resignation of Mr. David J. Netser, Mr. Arnaud Dominique Maurice Bertrand Plat was elected as a member of the Board of Directors by virtue of a resolution of the Board of Directors dated on 26 September 2014.*

These financial statements have been approved by the Company's Board of Directors on 12 August 2015 and are available on the website address http://www.nbgpangaea.gr.

## 2. Summary of Significant Accounting Policies

### 2.1. Basis of Preparation

The interim condensed consolidated financial statements of the Group and the interim condensed separate financial statements of the Company for the six-month period ended 30 June 2015 (the "interim financial statements") have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting". These interim financial statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the interim financial statements should be read in conjunction with the annual consolidated financial statements and the separate financial statements of the Company as at and for the year ended 31 December 2014, 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 interim financial statements have been prepared based on the going concern principle, applying the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value.

### 2.2. Going Concern

The consolidated and separate interim financial statements have been prepared based on the principle of going concern, which assumes that the Group and the Company are able to meet their liabilities in the near future. Specifically:

The Group's losses for the six-month period ended 30 June 2015 amounted to €21,057 compared to profit for the period of €109,789 of the previous period. Group's profit for the period, excluding the net gain / (loss) from the fair value adjustment of investment property amounted to €36,852 six-month period ended 30 June 2015, compared to €37,564 of the previous period. Furthermore, as of 30 June 2015, the Group's total current assets exceed its total current liabilities by €87,962.

The Group maintains significant synergies with the NBG in the context of the Company's real estate property leases by NBG. However, last year, the Group has made investments which contributed to the diversification of its real estate portfolio. As a result, rental income from NBG for the six-month period ended 30 June 2015 amounted to €34,203, i.e. 62.3% compared to €34,416 (81.9%) for the first half of 2014.

Despite the current adverse economic conditions, the Management believes that the Group will continue its activity and that the Group's revenue and cash and cash equivalents are sufficient to cover the service of debt and the payment of its operating expenses in the near future.

**Going concern conclusion:**

Considering all of the above, Management concluded that there is no question of going concern and therefore prepared the interim condensed financial statements based on the going concern principle.

## 2.3. Adoption of International Financial Reporting Standards (IFRS)

**New standards, amendments and interpretations to existing standards applied from 1 January 2015**

In December 2013, IASB issued "Annual Improvements to IFRSs 2011-2013 Cycle". These improvements are effective from 1 July 2014 and are applied for the first time by the Group and the Bank in these interim financial statements. The nature and the effect of these amendments are set out below:

**Impact of the application of IFRS 3 (Amendment)**

The amendment clarifies that IFRS 3 *Business Combinations* excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. There was no impact from the amendment of IFRS 3 in the interim financial statements.

**Impact of the application of IFRS 13 (Amendment)**

IFRS 13 *Fair Value Measurement* clarifies that the portfolio exception in paragraph 52 for measuring the fair value of a group of financial assets and financial liabilities on a net basis, includes all contracts that are within the scope of, and accounted for in accordance with IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities in IAS 32 *Financial Instruments: Presentation*. There was no impact from the amendment of IFRS 13 in the interim financial statements of the Group and the Company.

**Impact of the application of IAS 40 (Amendment)**

IAS 40 Investment Property clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. Consequently, an entity acquiring investment property must determine whether (a) the property meets the definition of investment property in IAS 40 and (b) the transactions meet the definition of a business combination under IFRS 3. There was no impact from the amendment of IAS 40 in the interim financial statements of the Group and the Company.

## 2.4. Critical Accounting Estimates and Judgments

In preparing these interim financial statements, the significant estimates, judgments and assumptions made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the annual consolidated and Company financial statements as at and for the year ended 31 December 2014.

Given the current conditions prevailing in the Greek market, where most investments or developments of infrastructure projects have decelerated or cancelled and there is a limited number of transactions, the latest economic developments (such as the controls imposed on capital movements on June 29) were taken into account on 30.06.2015 in the context of the key valuation approach. Specifically for the real estate market (which purely consists of non-liquid assets), any economic events undoubtedly affect the mobility of the market, however the impact on markets with non liquid assets, such as the real estate market, will be reflected, if so, with a lag and after the market records the positive or negative trends in rents, yields and all other parameters that affect property values. Considering that this situation is unprecedented in relation to regularity in the functioning of money and capital markets, Management will monitor the trends that will occur in the real estate market during the following months. In this context, we note that despite the existing factors of increased valuation uncertainty, the reported result is the optimal valuation of the fair value of the Group's investment property, according to the information that could be gathered by the independent statutory valuers, under the present circumstances and existing restrictions.

All amounts expressed in € thousand, unless otherwise stated

## 3. Financial Risk Management

### 3.1. Financial Risk Management

The Group is exposed to a variety of financial risks such as market risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade and other receivables, cash and cash equivalents, trade and other payables and borrowings. The risk management policy, followed by the Group, focuses on minimizing the impact of unexpected market changes.

The interim financial statements do not include all information regarding the financial risk management and the relevant disclosures required in the annual financial statements and should be read in conjunction with the annual group and separate financial statements as at and for the year ended 31 December 2014.

### 3.2. Fair Value Estimation of Financial Assets and Liabilities

The table below analyzes the fair value of financial assets and liabilities measured at fair value, by valuation method, as at 30 June 2015 and 31 December 2014, respectively. The different levels are defined as follows:

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

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

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

| **30 June 2015** | | **Valuation hierarchy** | | |
|---|---|---|---|---|
| **Liabilities** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Derivative financial instruments** | - | 2,722 | - | **2,722** |

| **31 December 2014** | | **Valuation hierarchy** | | |
|---|---|---|---|---|
| **Liabilities** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Derivative financial instruments** | - | 3,042 | - | **3,042** |

There were neither 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 the fair value hierarchy levels as of the date of the event or change in circumstances that caused that transfer.

**Financial instruments in Level 2**

All amounts expressed in € thousand, unless otherwise stated

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 assess the fair value of an instrument are observable, the instrument is classified in Level 2.

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

The derivative financial instruments presented above relate to interest rate swaps. The fair value of interest rate swaps is assessed, 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 classified in Level 2.

The tables below summarize the fair value of financial assets and liabilities not measured at fair value as at 30 June 2015 and 31 December 2014 respectively:

| **30 June 2015** | | | |
|---|---|---|---|
| **Liabilities** | **Level 1** | **Level 2** | **Level 3** |
| **Borrowings** | **-** | **-** | **380,583** |

| **31 December 2014** | | | |
|---|---|---|---|
| **Liabilities** | **Level 1** | **Level 2** | **Level 3** |
| **Borrowings** | **-** | **-** | **335,675** |

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

As at 30 June 2015 and 31 December 2014, the carrying value of cash and cash equivalents, trade and other receivables as well as trade and other payables approximate their fair value.

## 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 storage space, archives, petrol stations and parking spaces)
- Italy - Offices
- Italy - Other (includes a land plot in Italy)
- Romania - Retail
- Romania - Offices
- Bulgaria - Retail

All amounts expressed in € thousand, unless otherwise stated

**From 01.01. to 30.06.2015**

| Country | Greece | Greece | Greece | Italy | Italy | Romania | Romania | Bulgaria | |
|---|---|---|---|---|---|---|---|---|---|
| **Segment** | **Retail** | **Offices** | **Other** | **Offices** | **Other** | **Retail** | **Offices** | **Retail** | **Total** |
| Rental income | 25,733 | 24,171 | 515 | 4,200 | - | 61 | 227 | - | 54,907 |
| **Total segment revenue** | **25,733** | **24,171** | **515** | **4,200** | **-** | **61** | **227** | **-** | **54,907** |
| Net gain / (loss) from the fair value adjustment of investment properties | (41,306) | (7,814) | 298 | 8,353 | (16,700) | (144) | (596) | - | **(57,909)** |
| Direct property related expenses | (1,753) | (2,749) | (296) | (807) | (485) | (6) | (37) | (8) | **(6,141)** |
| Provision for impairment | (87) | - | - | (52) | - | - | - | **-** | **(139)** |
| **Total segment operating profit / (loss)** | **(17,413)** | **13,608** | **517** | **11,694** | **(17,185)** | **(89)** | **(406)** | **(8)** | **(9,282)** |
| Unallocated operating income | | | | | | | | | **302** |
| Unallocated operating expenses | | | | | | | | | **(1,819)** |
| **Operating loss** | | | | | | | | | **(10,799)** |
| Unallocated interest income | | | | | | | | | **153** |
| Unallocated finance costs | | | | | | | | | **(7,018)** |
| Allocated finance costs | (58) | (2,117) | - | (567) | - | (6) | (59) | **-** | **(2,807)** |
| **Profit / (loss) before tax** | | | | | | | | | **(20,471)** |
| Taxes | | | | | | | | | **(586)** |
| **Loss for the period** | | | | | | | | | **(21,057)** |

All amounts expressed in € thousand, unless otherwise stated

| Country | Greece | Greece | Greece | Italy | Italy | Romania | Romania | Bulgaria | |
|---|---|---|---|---|---|---|---|---|---|
| **Segment** | **Retail** | **Offices** | **Other** | **Offices** | **Other** | **Retail** | **Offices** | **Retail** | **Total** |
| **Segment assets as at 30 June 2015** | | | | | | | | | |
| Segment assets | 620,134 | 585,425 | 14,594 | 131,473 | 56,812 | 1,249 | 5,456 | 11,101 | **1,426,244** |
| Unallocated assets | | | | | | | | | **125,969** |
| **Total assets** | | | | | | | | | **1,552,213** |
| **Segment liabilities as at 30 June 2015** | | | | | | | | | |
| Segment liabilities | 7,964 | 79,576 | 322 | 75,960 | 2,086 | 1,282 | 5,134 | 10 | **172,334** |
| Unallocated liabilities | | | | | | | | | **249,895** |
| **Total liabilities** | | | | | | | | | **422,229** |
| **Non-current assets additions as at 30 June 2015** | - | - | - | 38,615 | - | 6 | 43 | 11,092 | **49,756** |

All amounts expressed in € thousand, unless otherwise stated

**From 01.01. to 30.06.2014**

| **Country** | **Greece** | **Greece** | **Greece** | **Italy** | **Italy** | |
|---|---|---|---|---|---|---|
| **Segment** | **Retail** | **Offices** | **Other** | **Offices** | **Other** | **Total** |
| Rental income | 21,637 | 18,245 | 488 | 1,659 | - | 42,029 |
| **Total segment revenue** | **21,637** | **18,245** | **488** | **1,659** | **-** | **42,029** |
| Net gain / (loss) from the fair value adjustment of investment properties | 38,617 | 30,991 | (39) | 2,656 | - | **72,225** |
| Direct property related expenses | (997) | (1,206) | (122) | (326) | (40) | **(2,691)** |
| **Segment operating profit / (loss)** | **59,257** | **48,030** | **327** | **3,989** | **(40)** | **111,563** |
| Unallocated operating income | | | | | | **954** |
| Unallocated operating expenses | | | | | | **(1,149)** |
| **Operating profit** | | | | | | **111,368** |
| Unallocated interest income | | | | | | **1,806** |
| Unallocated finance costs | | | | | | **(1)** |
| Allocated finance costs | (7) | (2,270) | - | (391) | - | **(2,668)** |
| **Profit before tax** | | | | | | **110,505** |
| Taxes | | | | | | **(716)** |
| **Profit for the period** | | | | | | **109,789** |
| | | | | | | |
| **Segment assets as at 31 December 2014** | | | | | | |
| Segment assets | 667,475 | 588,872 | 12,637 | 82,618 | 73,506 | **1,432,504** |
| Unallocated assets | | | | | | **204,198** |
| **Total assets** | | | | | | **1,636,702** |
| | | | | | | |
| **Segment liabilities as at 31 December 2014** | | | | | | |
| Segment liabilities | 10,968 | 76,486 | 462 | 35,074 | - | **129,734** |
| Unallocated liabilities | | | | | | **246,532** |
| **Total liabilities** | | | | | | **376,266** |
| | | | | | | |
| **Non-current assets additions as at 31 December 2014** | 125,981 | 167,098 | 1,201 | 76,146 | - | **377,974** |

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 and other receivables.

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

**Concentration of customers**

NBG, a lessee of the Group, represents more than 10% of Group's rental income. Rental income from NBG for the six-month period ended 30 June 2015 amounted to €34,203, i.e. 62.3% (first half 2014: €34,416, i.e. 81.9%). On an annualised basis (i.e. rental income in force as of 30.06.2015 times 12), the above mentioned percentage of NBG amounts to 60.9%. It is noted that the relevant rental income is paid on a timely manner.

## 5. Investment Property

| | Group | | Company | |
|---|---|---|---|---|
| **Period ended** | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| **Balance at the beginning of the period** | 1,407,659 | 930,879 | 1,081,049 | 739,758 |
| Additions: | | | | |
| - Direct acquisition of investment property | 38,615 | 230,100 | - | 230,100 |
| - Acquisitions of subsidiaries through business combinations (Note 6) | - | 128,482 | - | - |
| - Acquisitions of subsidiaries other than business combinations (Note 6) | 11,092 | - | - | - |
| - Contribution of investment property | - | 19,230 | - | 19,230 |
| - Subsequent capital expenditure on investment property | 49 | 162 | - | 7 |
| - Transfer from property and equipment | 1,000 | 155 | - | 155 |
| Net gain / (loss) from the fair value adjustment of investment property | (57,909) | 98,651 | (43,174) | 91,799 |
| **Balance at the end of the period** | **1,400,506** | **1,407,659** | **1,037,875** | **1,081,049** |

Following the binding agreement dated 10 October 2014, on 11 February 2015, the Group acquired an office building of a total gross area of approximately 14 thousand sq.m., located in Rome, Italy for a total consideration of €38,700. The property is leased to the Italian State.

Following the preliminary agreement dated 30 September 2014, on 27 February 2015, the Company completed the acquisition of the newly established company "PLAZA WEST A.D.", which at the date of acquisition owned approximately 9 thousands sq.m. of the shopping mall West Plaza in Sofia, Bulgaria, for a total consideration of €11,000, with a fair value, as determined by independent valuers, amounted to € 11,092 (Note 6).

On 23 July 2013 the Company won a bid for the acquisition by the Hellenic Real Estate Development Fund ("HDRAF") of a commercial property, of a total area of approximately 1 thousand sq.m., located at 19 Ermou Street, Athens for a consideration of €5,900. The acquisition process was concluded on 3 February 2014. The property was leased to Folli Follie Group for a period of 16 years.

On 20 March 2014 the Company acquired 100% of the units of Picasso Fund in Italy, which owns an office complex, of a total area of approximately 21 thousand sq.m., located in Milan and an office property, of a total area of approximately 12 thousand sq.m., located in Rome, Italy. The consideration amounted to €37,953 (taking into account the assets and liabilities of the Picasso Fund), out of which €36,953 was paid in cash (funded from equity) and €1,000 was recognized as payable.

On 18 October 2013 the Company has been declared as successful bidder for the acquisition by HDRAF, one of the two portfolios in the framework of the sale and leaseback transaction organized by HDRAF. The portfolio consists of 14 assets geographical distributed in Greece (11 properties are located in Attica, 2 properties in Thessaloniki and 1 property in Evros). The properties are leased by the Hellenic Republic for 20 years. The total area of the properties amounts to approximately 200 thousand sq.m.. The consideration for the acquisition of the portfolio amounted to €115,500.

On 12 August 2014 the Company acquired 34.96% of the share capital of MIG Real Estate REIC, a listed company in the Athens Exchange, for a consideration of €12,300. On the same day the Company acquired an additional 47.85% of the share capital of MIG Real Estate REIC as contribution in kind at a share capital increase of the Company by €13,395 with the issuance of 3,348,651 new common redeemable shares with a nominal value of €4.00 and a subscription price of €6.23 per newly issued share. On 22 October 2014 the Company completed the mandatory tender offer ("MTO") to the shareholders of MIGRE and acquired 1,951,053 shares (13.86% of the share capital of MIGRE) at an offer price of €3.10 per share, increasing its shareholding in MIGRE at 96.67%. Given the fact that following the MTO the Company held shares that represented at least 90% of the voting rights of MIGRE, the Company was obliged, in accordance with article 28 of L.3461/2006 combined with the 1/409/29.12.2006 decision of the Hellenic Capital Market Commission, to acquire via the stock market all the shares offered to it within a period of three months as of the date of publication of the MTO results (i.e. up to 27 January 2015), against payment of the offer price of €3.10 per share (exit right). After that, the shareholding of the Company in MIGRE increased to 96.944% (shareholding in MIGRE as of 31 December 2014: 96.90%).

On 25 September 2014, the Company acquired from Marinopoulos S.A. four (4) properties located in Marousi of Attica, Ilion of Attica, Katerini and Agrinio, which are used as supermarkets, with a total surface approximately 83 thousand sq.m. for a total consideration amounted to €66,800. At the same date, the Company signed a commercial lease agreement of the said portfolio with Marinopoulos S.A., for an overall duration of 25 years.

Following the preliminary agreement dated 01 October 2014, on 7 November 2014, the Company concluded the acquisition of a property, used as supermarket, with a total surface of approximately 11 thousand sq.m., located in Marousi, at 3-5 Cheimaras Steet, for a consideration of €9,245. At the same date, the Company signed a commercial lease agreement of the property with Marinopoulos S.A., for a duration of 25 years.

Following the preliminary agreements dated 29 October 2014, on 19 November 2014 the Company concluded the acquisition of two properties used as supermarkets. The first property, of a total area of approximately 1 thousand sq.m., is located in Palaio Faliro, Attica, at 73 Poseidonos Street. The Company acquired the property for a consideration of €2,012. The second property, of a total area of approximately 14 thousand sq.m., is located in Giannouli, Larissa, on the 3rd km of the National Highway Larissa-Tyrnavos. The Company acquired the property for a consideration of €18,043. The properties are leased by Marinopoulos S.A. for 25 years.

The Extraordinary General Meeting of the Company's Shareholders at 12 August 2014 approved among other the share capital increase of the Company for the amount of €16,087 partially in cash and partially in contribution in kind. In the context of the abovementioned share capital increase, Anthos Properties S.A. contributed a property (used as retail and office) with a fair value, as determined by independent valuers, of €19,230.

Following the preliminary agreement dated 29 July 2014, on 11 December 2014 the Company concluded the acquisition of a property located at 23 Mitropoleos Street, Athens, which is used as office/cultural centre and parking for a total consideration of €11,000. The property has a total area of approximately 4 thousand sq.m. and is leased to Cervantes Institute of Athens and Metropark.

The Group's borrowings which are secured on investment property are stated in Note 13.

All amounts expressed in € thousand, unless otherwise stated

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

| **Country** | **Greece** | **Greece** | **Greece** | **Italy** | **Italy** | **Romania** | **Romania** | **Bulgaria** | **30.06.2015** | **31.12.2014** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Segment** | **Retail** | **Offices** | **Other**[1] | **Offices** | **Other**[2,3] | **Retail** | **Offices** | **Retail** | **Total** | **Total** |
| Level | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | | |
| **Fair value at the beginning of the period** | **655,600** | **583,668** | **12,563** | **80,632** | **67,800** | **1,387** | **6,009** | - | **1,407,659** | **930,879** |
| Additions: | | | | | | | | | | |
| Direct acquisition of investment property | - | - | - | 38,615 | - | **-** | **-** | - | **38,615** | **230,100** |
| Acquisitions of subsidiaries through business combinations | - | - | - | - | - | - | - | - | **-** | **128,482** |
| Acquisitions of subsidiaries other than business combinations | - | - | - | - | - | - | - | 11,092 | **11,092** | **-** |
| Contribution of investment property | - | - | - | - | - | - | - | - | **-** | **19,230** |
| Subsequent capital expenditure on investment property | - | - | - | - | - | 6 | 43 | - | **49** | **162** |
| Transfer from property and equipment | - | - | - | 1,000 | - | - | - | - | **1,000** | **155** |
| Net gain / (loss) from the fair value adjustment of investment property | (41,306) | (7,814) | 298 | 8,353 | (16,700) | (144) | (596) | - | **(57,909)** | **98,651** |
| **Fair value at the end of the period** | **614,294** | **575,854** | **12,861** | **128,600** | **51,100** | **1,249** | **5,456** | **11,092** | **1,400,506** | **1,407,659** |

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or the date of change in circumstances that caused that transfer. During the period, there were no transfers into and out of Level 3.

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

All amounts expressed in € thousand, unless otherwise stated

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

| Country | Segment | Fair Value | Valuation Method | Monthly market rent | Discount rate (%) | Capitalization rate (%) |
|---|---|---|---|---|---|---|
| Greece | Retail | 614,294 | 15%-20% sales comparison and 80%-85% DCF | 3,343 | 8.00% - 12.00% | 6.75% - 10.00% |
| Greece | Offices | 575,854 | 15%-20% sales comparison and 80%-85% DCF | 3,574 | 8.75% - 12.50% | 7.25% - 11.00% |
| Greece | Other[3] | 12,861 | 15%-20% sales comparison and 80%-85% DCF | 60 | 9.00% - 12.75% | 7.50% - 10.00% |
| Italy | Offices | 128,600 | 0% sales comparison and 100% DCF (please see note below) | 696 | 5.75% - 8.00% | 4.50% - 7.00% |
| Italy | Other[4] | 51,100 | 0% sales comparison and 100% DCF (please see note below) | - | - | - |
| Romania | Retail | 1,249 | 20% sales comparison and 80% DCF | 10 | 10.00% - 12.00% | 8.00% - 10.50% |
| Romania | Offices | 5,456 | 20% sales comparison and 80% DCF | 35 | 10.00% | 8.00% |
| Bulgaria | Retail | 11,092 | 10% sales comparison and 90% DCF | 89 | 10.25% | 8.75% |

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

In accordance with existing Greek REIC legislation, property valuations are supported by appraisals performed by independent professionally certified valuers for June 30 and December 31 each year. The investment property valuation for the assessment 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 JMD 26294/B1425/19.7.2000, valuations are based on at least two valuation methods.

The last valuation of the Group's properties was performed at 30 June 2015 by independent valuers, as stipulated by the relevant provisions of L.2778/1999. For the Group's portfolio the comparative method and the discounted cash flow (DCF) method were used. For properties in Italy, 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 that one derived by using the DCF method.

Should the discount rate as at 30 June 2015, used in the DCF analysis, were to be increased or decreased by +/-10% from Management estimates, the carrying amount of investment property would be lower by €96,418 or higher by €114,744, respectively (31 December 2014: €59,379 lower or €66,329 higher, respectively).

Should the capitalization rate as at 30 June 2015, used in the DCF analysis, were to be increased or decreased by +/-10% from Management estimates, the carrying amount of investment property would be lower by €50,117 or higher by €61,960, respectively (31 December 2014: €35,305 lower or €43,150 higher, respectively).

## 6. Acquisitions of Subsidiaries (business combinations and asset acquisitions)

**(a) Business combinations**

The Company proceeded with the following acquisitions during the year ended 31 December 2014 as part of its investment policy to strengthen its position in the real estate markets where it is active:

- On 20 March 2014, the Company acquired 100% of the units of the Picasso Fund in Italy. Picasso Fund, at the acquisition date, owned an office complex, of a total area of approximately 21 thousand sq.m., located in Milan and an office property, of a total area of approximately 12 thousand sq.m., located in Rome. The property located in Rome is leased to Telecom Italia and the main tenants of the Milan office complex are Adecco S.p.A., UBI S.p.A., Cardiff Vita (member of the BNP Paribas Group) and IPSOS S.p.A..

  The aforementioned acquisition was accounted for as a business combination, therefore all transferred assets and liabilities of Picasso Fund were measured at fair value.

All amounts expressed in € thousand, unless otherwise stated

The following table summarizes the fair value of assets and liabilities of the Picasso Fund as of 20 March 2014, which is the date of acquisition:

| | **20.03.2014** |
|---|---|
| **ASSETS** | |
| Investment property (Note 5) | 76,146 |
| Cash and cash equivalents | 1,364 |
| Other assets | 2,020 |
| **Total Assets** | **79,530** |
| | |
| **LIABILITIES** | |
| Borrowings | (38,195) |
| Derivative financial instruments | (124) |
| Other liabilities | (2,427) |
| **Total Liabilities** | **(40,746)** |
| **Fair value of acquired interest in net assets** | **38,784** |
| Negative goodwill | (831) |
| **Total purchase consideration** | **37,953** |

Source: Unaudited financial information

The consideration amounted to €37,953, out of which €36,953 was paid in cash and €1,000 was recognized as payable. The purchase consideration was lower than the fair value of net assets acquired and the gain (negative goodwill) of €831 was included in the income statement, in "Other income".

- On 12 August 2014, the Company acquired 34.96% of the share capital of MIG Real Estate REIC for a consideration of €12,300. On the same day, the Company acquired an additional 47.85% in the share capital of MIG Real Estate as contribution in kind with the issuance of 3,348,651 new common redeemable shares, with a subscription price of 6.23 Euro per newly issued share (i.e. total fair value of issued shares €20,862). On 22 October 2014 the Company completed the mandatory tender offer ("MTO") to the shareholders of MIGRE and acquired 1,951,053 shares (13.86% of the share capital of MIGRE) at an offer price of 3.10 Euro per share, increasing its shareholding in MIGRE at 96.67%. Given the fact that following the MTO the Company held shares that represented at least 90% of the voting rights of MIGRE, the Company was obliged, in accordance with article 28 of L.3461/2006 combined with the 1/409/29.12.2006 decision of the Hellenic Capital Market Commission, to acquire via the stock market all the shares offered to it within a period of three months as of the date of publication of the MTO results (i.e. up to 27 January 2015), against payment of the offer price of 3.10 Euro per share (exit right). After that, the shareholding of the Company in MIGRE increased to 96.944% with the Company having in its ownership 13,643,905 shares (shareholding in MIGRE as of 31 December 2014: 96.90% - number of shares owned by the Company: 13,638,330) (Note 6 and 14).

  MIG Real Estate REIC owns and manages a commercial (office and retail) real estate portfolio of a total area of approximately 29 thousand sq.m.. The majority of the properties is located in Greece (26 properties in Attica, 4 properties in Thessaloniki and 4 properties in other urban centers). In addition, MIG Real Estate REIC owns two properties in Romania (through its 99.96% subsidiary Egnatia Properties S.A.). The properties are leased primarily to Piraeus Bank, Marfin Bank Romania, Marfin Leasing INF Romania, Grant Thornton and Boston Consulting.

All amounts expressed in € thousand, unless otherwise stated

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

The following table summarizes the fair value of assets and liabilities of MIG Real Estate Group as of 12 August 2014, which is the date of acquisition:

| | **12.08.2014** |
|---|---|
| **ASSETS** | |
| Investment property (Note 5) | 52,336 |
| Property and equipment | 1,645 |
| Cash and cash equivalents | 3,109 |
| Other assets | 326 |
| **Total Assets** | **57,416** |
| | |
| **LIABILITIES** | |
| Borrowings | (12,337) |
| Retirement benefit obligations | (134) |
| Deferred tax liabilities | (373) |
| Other long term liabilities | (247) |
| Other liabilities | (988) |
| **Total Liabilities** | **(14,079)** |
| **Fair value of acquired interest in net assets** | **43,337** |
| Non-controlling interests | (7,450) |
| Negative goodwill | (2,725) |
| **Total purchase consideration** | **33,162** |

Source: Unaudited financial information

The purchase consideration was lower than the fair value of the net assets acquired and the gain (negative goodwill) of €2,725 was included in the income statement, in “Other income”.

**(b) Asset acquisitions**

Following the preliminary agreement dated 30 September 2014, on 27 February 2015, the Company completed the acquisition of the newly established company “PLAZA WEST A.D.”, which owns approximately 9 thousands sq.m. of the shopping mall West Plaza in Sofia, Bulgaria, for a total consideration of €11,000 (first stage of the agreement). In the second stage, it is at the discretion of the Company either to acquire, at a predetermined price, the newly established company “PLAZA WEST 2 A.D.”, which owns approximately 14 thousand sq.m. of West Plaza, or to resale to the seller company “Stirling Properties Bulgaria EOOD” the company “PLAZA WEST A.D.” at a predetermined price.

Management considers that at acquisition, Plaza West A.D. constituted group of net assets, rather than business as defined in IFRS 3, “Business combinations”, as prior to acquisition the subsidiary had no activity and only owned the aforementioned property (which Management classified as “Investment Property” at initial recognition).

All amounts expressed in € thousand, unless otherwise stated

The fair value of the acquired assets and liabilities at the date of the acquisition were:

| | **27.02.2015** |
|---|---|
| Investment property (Note 5) | 11,092 |
| Trade and other payables | (1) |
| **Fair value of acquired net assets** | **11,091** |

Source: Unaudited financial information

It is noted that a mortgage has been established on the property above by the previous owner, Stirling Properties Bulgaria EOOD (a subsidiary of the Group 'Marinopoulos SA "), in favour of the lender "Piraeus Bank AD", for a loan received by the company CMB Bulgaria EAD (subsidiary Group 'Marinopoulos SA "). The loan amount is €3,000 and its repayment date is 30 September 2015. Stirling Properties Bulgaria EOOD, applying the relevant contractual obligation undertaken to remove the said mortgage until 30 September 2015, proceeds in cooperation with the lender with the relevant actions.

## 7. Investment in Subsidiaries

| | | | **Group** | | **Company** | |
|---|---|---|---|---|---|---|
| **Subsidiaries** | **Country of incorporation** | **Unaudited tax years** | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| KARELA S.A. (*) | Greece | 2010 – 2014 | 100.00% | 100.00% | 100.00% | 100.00% |
| Nash S.r.L. | Italy | 2010 – 2014 | 100.00% | 100.00% | 100.00% | 100.00% |
| Picasso Fund | Italy | 2010 – 2014 | 100.00% | 100.00% | 100.00% | 100.00% |
| MIG Real Estate REIC (**) | Greece | 2010 & 2013 – 2014 | 96.944% | 96.90% | 96.90% | 96.90% |
| Egnatia Properties S.A. (***) | Romania | 2010 – 2014 | 96.90% | 96.87% | - | - |
| Plaza West A.D. | Bulgaria | - | 100.00% | - | 100.00% | - |

(*) The financial year 2014 is currently under audit by the company's certified auditors accountants. The open tax years prior to 2014 will be audited by the tax authorities.

(**) The financial years 2011, 2012 and 2013 have been audited by certified auditors and the tax certificates for the abovementioned years have been issued with no qualification. Financial years 2011 and 2012 are considered closed for tax purposes, since, the 18 month period from the submission of the "Tax Compliance Report" to the Ministry of Finance has elapsed, period that tax authorities can come back for tax audit, according to the article 6 of ministerial decision POL 1159/22.7.2011. The financial year 2013 should be considered closed for tax purposes following the lapse of a period of 18 months from the submission of the "Tax Compliance Report" to the Ministry of Finance (unless the said deadline is extended in the future by a new decision of the Ministry of Finance). The financial year 2014 is currently under audit by the company's certified auditors. The open tax years prior to 2011 will be audited by the tax authorities.

(***) The participation of the Company in Egnatia Properties S.A. is indirect through the Company's 96.944% subsidiary MIG Real Estate REIC, which owns 99.96% of Egnatia Properties S.A.

All amounts expressed in € thousand, unless otherwise stated

## 8. Other Long-Term Assets

On 17 April 2015, the Company entered into a preliminary agreement with Chris Cash & Carry Limited, a company of the Marinopoulos S.A. Group, for the acquisition of two properties in Limassol, Cyprus. The total consideration amounts to approximately €22,670 reduced by the half amount of the due real estate transfer duties at the date of transfer. From the aforementioned amount, the Company has already paid €5,000 as advance. The signing of the final agreement that, agreed to be concluded by 31 August 2015, is, among others, conditional on the successful completion of legal and technical due diligence. The one of these properties houses a supermarket of approximately 11 thousand sq.m., while the other one consists of a floor of approximately 1 thousand sq.m., which is used as an office. The Company has also signed a preliminary lease agreement with Marinopoulos S.A. for the whole property, with 25-year duration.

## 9. Trade and Other Receivables

The analysis of trade and other receivables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Trade receivables | 12,349 | 7,140 | 10,199 | 5,129 |
| Trade receivables from related parties (Note 24) | 5 | 2 | 5 | 2 |
| Receivables from Greek State | 7,793 | 7,830 | 7,791 | 7,790 |
| Prepaid expenses | 5,077 | 4,402 | 4,243 | 4,022 |
| Paid interim dividend | - | 58,169 | - | 58,169 |
| Other receivables | 12,498 | 9,528 | 6,732 | 3,808 |
| Other receivables from related parties (Note 24) | 1,650 | 47 | 30,660 | 100,000 |
| **Total** | **39,372** | **87,118** | **59,630** | **178,920** |

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

Trade receivables of the Company as at 30 June 2015 include provisions for doubtful receivables amounting to €39 (31.12.2014: €39). Trade receivables of the Group as at 30 June 2015 include provisions for doubtful receivables amounting to €179 (31.12.2014: €39), out of which the amount of €140 was recorded in the current six-month period and is included in "other expenses" of income statement.

Receivables from Greek state mainly relate to capital accumulation tax paid by the Company at 14 April 2010, 16 September 2014 and 17 September 2014 respectively. Upon payment of this tax, the Company expressed its reservation on the obligation to pay the tax and at the same time it requested the refund of this amount (incl. relevant interest) as a result of paragraph 1, article 31 of L.2778/1999, which states that "the shares issued by a REIC and the transfer of properties to a REIC exempt 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 tax payment at 14 April 2010, because of the lack of response of the relevant authority after a three months period, the Company filed an appeal. The Company's

All amounts expressed in € thousand, unless otherwise stated

Management, based on the advice of its legal advisors, believes that the reimbursement of these amounts is in essence certain.

Prepaid expenses at 30 June 2015 and 31 December 2014 mainly relate to legal and valuation expenses.

The analysis of other receivables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Receivables from Italian State | 5,670 | 5,664 | - | - |
| Pledged deposits | 5,953 | 3,041 | 5,953 | 3,041 |
| Other | 875 | 823 | 779 | 768 |
| **Total** | **12,498** | **9,528** | **6,732** | **3,809** |

Receivables from Italian State relate to VAT receivable mainly deriving from the acquisition of the property of the subsidiary Nash S.r.L..

Pledged deposits relate to deposits pledged in accordance with the terms of the bond loan agreement dated 11 August 2014 as amended on 20 August 2014 (Note 13).

## 10. Cash and Cash Equivalents

The analysis of cash and cash equivalents is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Cash in hand | 4 | 3 | - | 1 |
| Sight and time deposits | 103,703 | 125,635 | 10,921 | 7,192 |
| **Total** | **103,707** | **125,638** | **10,921** | **7,193** |

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

Sight and time deposits include restricted cash in accordance with the provisions of the program for the issuance of a common bond loan issued by KARELA S.A. (Note 13) of €8,377 (31 December 2014: €8,471).

## 11. Share Capital

| | **No. of shares** | **Share Capital** | **Share Premium** | **Total** |
|---|---|---|---|---|
| **Balance at 1 January 2014 & 30 June 2015** | **183,928,000** | **735,712** | **-** | **735,712** |
| Share capital increase | 7,370,329 | 29,481 | 15,890 | 45,971 |
| **Balance at 31 December 2014 & 30 June 2015** | **191,298,329** | **765,193** | **15,890** | **781,083** |

The total paid up share capital of the Company at 30 June 2015 and 31 December 2014 amounted to €765,193 divided into 187,949,678 common shares with voting rights with a par value of 4.00 Euro per share and 3,348,651 redeemable common shares with voting rights with a par value of 4.00 Euro and redemption price of 7.16 Euro per share. In accordance with the Company's Articles of Association, the right of redemption of the redeemable shares is exercisable after 30 March 2015 in the event that the Company's shares are not listed on the ATHEX. Furthermore, under the Framework Agreement (Note 23), if the shares of the Company have not yet been listed by 30 March 2015 but a specific corporate decision has been taken or material acts have been initiated in view of satisfying the listing requirement of the Company (such as the reverse merger of the Company with MIG Real Estate REIC, whose shares are already listed in ATHEX), the right of redemption cannot be exercised before 30 July 2015. By the letters of shareholders who hold the above mentioned redeemable shares, dated 31 July 2015, each one of them declared to the Company, NBG and Invel their intention not to exercise their rights as derived from the Framework Agreement until 15 September 2015. In any case, the shareholders of the Company who are parties to the Framework Agreement undertook to take all actions necessary to ensure that the Company can proceed with the acquisition of the redeemable shares (for a total amount of €23,976).

All amounts expressed in € thousand, unless otherwise stated

The Extraordinary General Meeting of the Company's shareholders dated 12 August 2014, decided on the Company's share capital increase by: a) the amount of €13,395 due to the contribution in kind of 6,734,011 listed in the ATHEX shares of the real estate investment company, MIG Real Estate REIC, with the issuance of 3,348,651 common redeemable shares with a par value of 4.00 Euro each and an issue price of 6.23 Euro each (Note 5 and 23) and b) the amount of €16,087 partially in cash of €5,825 and partially in contribution in kind of a property owned by Anthos Properties S.A., with the issuance of 4,021,678 common ordinary shares, with a par value of 4.00 Euro each and an issue price of 6.23 Euro each (Note 5).

The Company does not hold own shares.

## 12. Reserves

Reserves are analysed as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **31.12.2014** | **31.12.2014** |
| Statutory reserve | 9,678 | 2,986 | 9,382 | 2,986 |
| Special reserve | 323,987 | 323,987 | 323,987 | 323,987 |
| Defined benefit plan | (81) | (81) | (56) | (56) |
| Foreign exchange differences | 47 | 61 | - | - |
| | **333,631** | **326,953** | **333,313** | **326,917** |

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

All amounts expressed in € thousand, unless otherwise stated

## 13. 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 vary as a result of such fluctuations.

It is noted that in accordance with the terms of the bond loan issued by KARELA S.A., the latter has entered into interest rate swaps for hedging the Group's exposure to variations in variable rate (Note 15).

On 22 August 2014, the Company entered into a bond loan agreement of an amount of €237,500 in accordance with the bond program dated 11 August 2014 as amended on 20 August 2014, with Alpha Bank S.A. as bondholder agent. The purchase of the bonds was financed by international investors, through two unrelated entities which were established for the purpose of the above transaction. The bonds bear interest of 3-month EURIBOR plus a margin of 4.85% and have a final maturity date of 15 July 2019.

On 29 July 2014 the Company entered into an agreement for a bridge loan up to the amount of €46,200 with Alpha Bank, bearing interest of 3-month EURIBOR plus a margin of 5.30% (Note 23). As at 30 June 2015 the balance of the facility was €10,400 (31 December 2014: €6,000).

On 30 June 2015, the subsidiary Picasso Fund signed a loan agreement with the bank "Banca IMI S.p.A", totally amounted to €102,000, bearing interest of 6-month EURIBOR plus a margin of 2.65%. An amount of €75,000 relates to refinancing of two properties owned by the subsidiary in Rome and Milan (and repayment of existing loans from the bank "Banca Monte dei Paschi di Sienna SpA" amounted to €33,572), as well as financing of the acquisition of property located on 6, Cavour str., Rome, Italy (which was acquired by the subsidiary on 11 February 2015 (Note 5)). Moreover, an amount of €27,000 relates to the financing of the acquisition of a property located on 5, Cavour str., Rome, Italy (which was acquired by the subsidiary on 20 July 2015 (Note 25)). From the total amount of €102,000, the subsidiary had disbursed on 30 June 2015, an amount of €75,000.

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| **Long term** | | | | |
| Bond loans | 284,398 | 284,276 | 230,868 | 230,054 |
| Other borrowed funds | 79,094 | 35,778 | - | - |
| **Long term borrowings** | **363,492** | **320,054** | **230,868** | **230,054** |
| **Short term** | | | | |
| Bond loans | 4,895 | 5,137 | 2,327 | 2,500 |
| Other borrowed funds | 12,196 | 10,484 | 10,555 | 6,000 |
| **Short term borrowings** | **17,091** | **15,621** | **12,882** | **8,500** |
| **Total** | **380,583** | **335,675** | **243,750** | **238,554** |

As of 30 June 2015, short term borrowings of the Group and the Company include an amount of €3,451 and €2,482, respectively, which mainly relates to accrued interest expense on the bond loans (31 December 2014: €2,775 and €2,500, respectively).

All amounts expressed in € thousand, unless otherwise stated

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

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Up to 1 year | 17,091 | 13,981 | 12,882 | 6,860 |
| From 1 to 5 years | 358,043 | 301,053 | 230,868 | 231,694 |
| More than 5 years | 5,449 | 20,641 | - | - |
| **Total** | **380,583** | **335,675** | **243,750** | **238, 554** |

The fair value of floating rate borrowings approximated their carrying value at the date of the statement of financial position.

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:

- On the property owned by KARELA S.A. a prenotation of mortgage was established in favour of Piraeus Bank S.A. (the representative of the bondholders) for an amount of €106,000. Moreover, the entire share capital of KARELA SA is considered as collateral in favour of Piraeus Bank S.A., for all amounts due under the bond program. In addition, all rights of KARELA S.A. arising from the lease with Cosmote have been assigned in a favour of Piraeus Bank S.A.
- Nine properties in Attica (8 in Athens and 1 in Piraeus) owned by MIG Real Estate REIC (included the owneroccupied property) have prenotations of mortgage in favour of Alpha Bank S.A., each for an amount of €9,880.
- The properties owned by subsidiary Picasso Fund are burdened with first class mortgage in favour of Banca IMI S.p.A. for an amount of €206,000. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.
- In accordance with the terms of the bond loan program dated 11 August 2014, as amended on 20 August 2014, for the issuance of the bonds totally amounting to €237,500, the Company registered mortgages on 77 properties in Greece (included the owneroccupied property) 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.

## 14. Other Long-Term Liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Long-term guaranteed | 3,160 | 3,162 | 319 | 319 |
| Lease advances | - | 3,335 | - | - |
| **Total** | **3,160** | **6,497** | **319** | **319** |

All amounts expressed in € thousand, unless otherwise stated

## 15. Derivative Financial Instruments

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Derivative liabilities | 2,722 | 3,042 | - | - |
| **Total** | **2,722** | **3,042** | **-** | **-** |

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

The notional principal amounts of the outstanding interest rate swaps at 30 June 2015 were €47,872 (31.12.2014: €49,151). The fair value gains on derivative financial instruments amount to €595 (H1 2014: loss €599).

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).

## 16. Trade and Other Payables

The analysis of trade and other payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Trade payables | 1,821 | 2,804 | 1,264 | 2,221 |
| Amounts due to related parties (Note 24) | 1,004 | 862 | 1,002 | 785 |
| Taxes – levies | 12,206 | 9,394 | 9,124 | 8,463 |
| Deferred revenue | 4,516 | 4,285 | 2,884 | 2,884 |
| Other payables and accrued expenses | 14,938 | 12,208 | 293 | 1,040 |
| **Total** | **34,485** | **29,553** | **14,567** | **15,393** |

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

The analysis of taxes – levies is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| Stamp duty on leases | 4,061 | 2,624 | 3,978 | 2,570 |
| Unified Property Tax (ENFIA) | 2,573 | 3,209 | 2,358 | 3,042 |
| Special Real Estate Levy (EETA) and Special Electricity Powered Surfaces Levy (EETHDE) | 2,590 | 2,594 | 2,549 | 2,549 |
| Real estate tax for properties located abroad | 2,094 | - | - | - |
| Other | 888 | 967 | 239 | 302 |
| **Total** | **12,206** | **9,394** | **9,124** | **8,463** |

Deferred revenue mainly relates to rental income owed by the Hellenic Republic, as per the relevant lease agreements, for the period following 30 June 2015 and 31 December 2014.

All amounts expressed in € thousand, unless otherwise stated

Other payables and accrued expenses of the Group at 30 June 2015 include the following:

- an amount of €7,711 (31 December 2014: €7,711), which relates to the amount that the Group shall reimburse the previous shareholder of the subsidiary KARELA S.A.. More specifically, the subsidiary KARELA S.A. selected to apply to the existing commercial lease agreement the VAT regime under the provisions of article 17 of L.4110/23.01.2013. In accordance with the above provisions, the Company requested the deduction of input VAT amounted to €7,711 which had burdened the construction of the property. The Group has the obligation to return the individual amounts of reimbursed or offset VAT of construction works to the previous shareholder of KARELA S.A.. It is noted that the competent tax authority has already refunded the VAT to the Group.
- an amount of €6,691 which relates to lease advance which will be offset by rents within the next twelve months (31 December 2014: €3,356).

## 17. Direct Property Related Expenses

Direct property related expenses include the following:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **From 01.01 to** | | **From 01.01 to** | |
| | **30.06.2015** | **30.06.2014** | **30.06.2015** | **30.06.2014** |
| Property taxes – levies | 3,698 | 1,814 | 2,440 | 1,471 |
| Valuation expenses | 326 | 52 | 288 | 50 |
| Fees and expenses for lawyers, notaries, land registrars, technical and other advisors | 455 | 482 | 216 | 414 |
| Advisory services in relation to the development and operation of the real estate portfolio | 1,250 | 150 | 1,250 | 150 |
| Insurance expenses | 251 | 69 | 161 | 30 |
| Office utilities (electricity, common charges, water rates, heating etc) and other service charges | 80 | 29 | 6 | 11 |
| Repair and maintenance expenses | 74 | 41 | 5 | 1 |
| Other expenses | 7 | 54 | - | 16 |
| **Total** | **6,141** | **2,691** | **4,366** | **2,143** |

## 18. Personnel Expenses

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **From 01.01. to** | | **From 01.01. to** | |
| | **30.06.2015** | **30.06.2014** | **30.06.2015** | **30.06.2014** |
| Salaries | 850 | 173 | 676 | 173 |
| Social security costs | 156 | 47 | 114 | 47 |
| Retirement benefit obligations expenses | 3 | 1 | - | 1 |
| Other expenses | 27 | 7 | 24 | 7 |
| **Total** | **1,036** | **228** | **814** | **228** |

The total number of employees of the Group and the Company as of 30 June 2015 was 25 and 17, respectively (31 December 2014: 24 for the Group and 16 for the Company, 30 June 2014: 9 for the Group and the Company).

All amounts expressed in € thousand, unless otherwise stated

## 19. Other Expenses

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| BoD and Investment Committee remuneration | 265 | 27 | 258 | 27 |
| Third party fees | 568 | 147 | 246 | 70 |
| Expenses relating to advertising and publication, etc. | 18 | 3 | 18 | 3 |
| Taxies – levies | 350 | 173 | 283 | 173 |
| Other | 281 | 75 | 104 | 56 |
| **Total** | **1,482** | **425** | **909** | **329** |

## 20. Dividends per Share

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

On 26 April 2015, the Annual General Meeting of the Company's shareholders, approved the dividend distribution totally amounted to €109,362 from the profit for the year ended 2014 (i.e. €0.5717 per share–amount in €). The aforementioned amount includes the interim dividend already approved by the Board of Directors of the Company on 25 November 2014 amounted to €58,169 (€0.3041 per share – amount in €) which was paid during 2014.

## 21. Taxes

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| REICs' tax | 762 | 716 | 632 | 635 |
| Deferred tax | (176) | - | - | - |
| **Total** | **586** | **716** | **632** | **635** |

As a REIC, in accordance with article 3, par. 3 of L.2778/1999, as in force, the Company is subject to an annual tax determined by reference to the fair value of its investment properties and cash and cash equivalents 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%)). MIG Real Estate REIC and KARELA S.A., subsidiaries of the Company in Greece, have the same tax treatment. The above tax relieves the Company and its shareholders of any further tax liabilities.

The Company's foreign subsidiaries, Nash S.r.L., Egnatia Properties S.A. and Plaza West A.D. are taxed on their income, assuming a tax rate of 31.4% in Italy, 16.0% in Romania and 10.0% in Bulgaria, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the six-month ended 30 June 2015.

## 22. Earnings / (Losses) per Share

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

| | Group | | Company | |
|---|---|---|---|---|
| **Period ended 30 June** | **2015** | **2014** | **2015** | **2014** |
| Profit / (loss) attributable to equity shareholders | (20,915) | 109,789 | (10,319) | 102,083 |
| Weighted average number of ordinary shares in issue (thousands) | 191,298 | 183,928 | 191,298 | 183,928 |
| **Earnings / (losses) per share (expressed in € per share) - Basic and diluted** | **(0.109)** | **0.597** | **(0.054)** | **0.555** |

## 23. Contingent Liabilities and Commitments

Group companies have not yet been tax 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 of 30 June 2015, the Group has not accounted for provisions for unaudited tax years (31 December 2014: €45). It is estimated that apart from the recorded provisions, additional taxes and penalties that may be imposed will not have a material effect on the financial position of the Group and the Company. The Company has not been audited for tax purposes for the year ended 31 December 2010. The financial years 2011, 2012 and 2013 were audited by the Company’s independent auditors, Deloitte Hadjipavlou Sofianos & Cambanis S.A., in accordance with article 82 of L. 2238/1994. The relevant tax audit certificates for the years 2011, 2012 and 2013 were unqualified and issued on 19 July 2012, 30 September 2013 and 10 July 2014 respectively. Financial years 2011 and 2012 are considered closed for tax purposes, since, the 18 month period from the submission of the "Tax Compliance Report" to the Ministry of Finance has elapsed, period that tax authorities can come back for tax audit, according to the article 6 of ministerial decision POL 1159/22.7.2011. The financial year 2013 should be considered closed for tax purposes following the lapse of a period of 18 months from the submission of the "Tax Compliance Report" to the Ministry of Finance (unless the said deadline is extended in the future by a new decision of the Ministry of Finance). The financial year 2014 is currently being audited by the Company’s independent auditors. If until the completion of the tax audit, any additional tax liabilities arise, it is estimated that they will not have any material effect on the interim financial statements. Information about the unaudited tax years of the subsidiaries is included in Note 7.

In the context of the acquisition of the 14 properties portfolio by HRADF, the Company undertook the commitment to perform any improvements required. Management estimates that these capital expenditure commitments amounts to €2,500 (incl. VAT).

On 12 August 2014, the Company entered into a Framework Agreement (the “Framework Agreement”) with shareholders of MIG Real Estate REIC. Parties to the Framework Agreement also were NBG and Invel. Under the Framework Agreement, on 12 August 2014, the shareholders of MIG Real Estate REIC transferred, over the counter, to the Company all of their shares and voting rights (6,734,011) in MIG Real Estate REIC, representing approximately 47.85% of MIG Real Estate REIC’s total share capital, as an in kind contribution to a share capital increase by the Company for a total amount of €13,395 with the issuance of 3,348,651 redeemable common voting shares with a par value of €4.00 each and issue price of €6.23 each which was approved by the Extraordinary General Meeting of the Company's shareholders that took place on 12 August 2014. Each party to the Framework Agreement has the right to terminate the Framework Agreement in the event of default by the other party on any of the terms of the Framework Agreement, provided that such default has not been remedied within the deadlines set in the Framework Agreement (Note 11).

All amounts expressed in € thousand, unless otherwise stated

In the context of the agreement for a bridge loan with Alpha Bank S.A. (Note 13), the Company provided specific and irrevocable power of attorney, authorization and right to lawyers acting for Alpha Bank S.A. so that they may attend and represent the Company before any competent court for the purpose of the registration of mortgage pre-notation amounting to €55,440 into fourteen (14) Company's properties in Greece, which were the subject of the tender "sale and leaseback" by HRADF (Note 5), 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 30 June 2015, which would affect the Group's financial position.

## 24. Related Party Transactions

The Company is controlled by National Bank of Greece S.A. (parent company), which holds 32.69% of the share capital of the Company (Note 1). All transactions with related parties are objective and carried out, based on the principle of equidistance, on normal commercial terms for similar transactions with third parties.

The transactions with related parties are presented below:

### i. Balances arising from transactions with related parties

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| **Trade receivables from related parties** | | | | |
| Ethniki Leasing, company of the NBG Group | 3 | - | 3 | - |
| Other shareholders | 1 | - | 1 | - |
| Companies related to other shareholders | 1 | 2 | 1 | 2 |
| | **5** | **2** | **5** | **2** |
| **Other receivables from related parties** | | | | |
| Hellenic National Insurance Company, company of the NBG Group | - | 47 | - | - |
| Picasso Fund, company's subsidiary | - | - | 29,000 | 100,000 |
| Plaza West A.D., company's subsidiary | - | - | 10 | - |
| Other shareholders | 1,650 | - | 1,650 | - |
| | **1,650** | **47** | **30,660** | **100,000** |

All amounts expressed in € thousand, unless otherwise stated

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| **Prepaid expenses** | | | | |
| Hellenic National Insurance Company, company of the NBG Group | 234 | - | 210 | - |
| NBG Securities, company of the NBG Group | 75 | 75 | 75 | 75 |
| | **309** | **75** | **285** | **75** |
| **Cash and cash equivalents** | | | | |
| Parent company | 10,525 | 7,192 | 10,525 | 7,192 |
| | **10,525** | **7,192** | **10,525** | **7,192** |
| **Amounts due to related parties** | | | | |
| Parent company | 18 | 149 | 18 | 149 |
| Hellenic National Insurance Company, a company of NBG Group | 263 | 379 | 261 | 302 |
| NBG Securities, company of the NBG Group | - | 215 | - | 215 |
| Ethniki Leasing, a company of NBG Group | 1 | - | 1 | - |
| Ethniki Factors, a company of NBG Group | 3 | - | 3 | - |
| Companies related to other shareholders | 719 | 119 | 719 | 119 |
| | **1,004** | **862** | **1,002** | **785** |
| **Other Liabilities** | | | | |
| Parent company | 2 | - | 2 | - |
| Companies related to other shareholders | 525 | - | 525 | - |
| | **527** | **-** | **527** | **-** |
| **Borrowings** | | | | |
| Parent company | 9,567 | 9,549 | - | - |
| | **9,567** | **9,549** | **-** | **-** |
| **Derivative financial instruments – Liabilities** | | | | |
| Parent company | 475 | 536 | - | - |
| | **475** | **536** | **-** | **-** |

All amounts expressed in € thousand, unless otherwise stated

**ii. Rental income**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Parent company | 34,203 | 34,416 | 34,203 | 34,416 |
| Other companies of NBG Group [5] | 79 | 133 | 79 | 133 |
| Other shareholders | 1 | - | 1 | - |
| Companies related to other shareholders | 1 | 1 | 1 | 1 |
| **Total** | **34,284** | **34,550** | **34,284** | **34,550** |

**iii. Other direct property relates expenses**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Hellenic National Insurance Company, a company of NBG Group | 211 | 41 | 161 | 30 |
| Companies related to other shareholders | 1,012 | 150 | 1,012 | 150 |
| **Total** | **1,223** | **191** | **1,173** | **180** |

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

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Parent company | 109 | (116) | - | - |
| **Total** | **109** | **(116)** | **-** | **-** |

**v. Personnel Expenses**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Hellenic National Insurance Company, a company of NBG Group | 5 | - | 4 | - |
| **Total** | **5** | **-** | **4** | **-** |

**vi. Other income**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Other shareholders | - | - | 1,650 | - |
| **Total** | **-** | **-** | **1,650** | **-** |

[5] Ethniki Factors, Ethniki Kefalaiou (absorbed by NBG on 31 May 2014), Ethniki Leasing, National Insurance Brokers.

All amounts expressed in € thousand, unless otherwise stated

### vii. Other expenses

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.06.2015** | **30.06.2014** | **30.06.2015** | **30.06.2014** |
| Parent company | 19 | 15 | 19 | 15 |
| Ethnodata, a company of NBG Group | - | 1 | - | 1 |
| Ethniki Leasing, a company of NBG Group | 2 | 4 | 2 | 4 |
| **Total** | **21** | **20** | **21** | **20** |

### viii. Interest income

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.06.2015** | **30.06.2014** | **30.06.2015** | **30.06.2014** |
| Parent company | 107 | 1,806 | 107 | 1,806 |
| **Total** | **107** | **1,806** | **107** | **1,806** |

### ix. Finance costs

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.06.2015** | **30.06.2014** | **30.06.2015** | **30.06.2014** |
| Parent company | 366 | 445 | 7 | 67 |
| UBB, a company of NBG Group | 22 | - | 22 | - |
| **Total** | **388** | **445** | **29** | **67** |

### x. Due to key management

| | Group | | Company | |
|---|---|---|---|---|
| | **30.06.2015** | **31.12.2014** | **30.06.2015** | **31.12.2014** |
| BoD, its committees and Senior Management compensation | 17 | 35 | 11 | 35 |
| Retirement benefit obligations | 15 | - | - | - |
| **Total** | **32** | **35** | **11** | **35** |

### xi. Key management compensation

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.06.2015** | **30.06.2014** | **30.06.2015** | **30.06.2014** |
| BoD, its committees and Senior Management compensation | 654 | 27 | 534 | 27 |
| **Total** | **654** | **27** | **534** | **27** |

### xii. Commitment and contingent liabilities

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

## 25. Events after the Date of Financial Statements

On 2 July 2015, a binding agreement was signed for the acquisition by the Group of a mixed use building (office and retail), of a total gross area of approximately 18 thousand sq.m., located in Rome, Italy for a total consideration of €45,100. The property is mainly leased to the Italian State. The above acquisition was completed on 20 July 2015.

On 6 August 2015, the Boards of Directors of the Company (hereinafter: “Acquiree”) and the Acquirer approved the draft merger agreement (hereafter the “Draft Merger Agreement”) for the merger by absorption of the first company by the second one (hereafter "Merger") according to the provisions of articles 69 et seq. of C.L. 2190/1920 and the articles 1-5 of L. 2166/1993, each as in force (Note 1).

The exchange ratio for the shareholders of the merging companies is as follows:

- Each shareholder of the Acquirer (other than the Company) will exchange 1 common registered voting share with a nominal value of 3.00 Euro each held to the Acquirer, with 0.591602815 new common registered voting shares of the Acquirer (as it will have emerged from the Merger) of new nominal value of 3.00 Euro each.
- Each shareholder of the Acquiree will exchange 1 common registered voting share with a nominal value of 4.00 Euro each held to the Acquiree with 1.334251532 new common registered voting shares of the Acquirer (as it will have emerged from the Merger) of new nominal value of 3.00 Euro each.
- Each shareholder of the Acquiree will exchange 1 common redeemable voting share with a nominal value of 4.00 Euro each held to the Acquiree with 1.334251532 new common registered voting shares of the Acquirer (as it will have emerged from the Merger) of new nominal value of 3.00 Euro each.

After the Merger, the share capital of the new company will amount to €766,484 and will be divided into 255,494,534 ordinary shares of nominal value 3.00 Euro each.

The above-mentioned are subject to the approval of General Meetings of the merging companies and the approval Ministry of Economics, Infrastructure, Shipping & Tourism (Directorate of Société Anonyme Companies and Credit) in accordance with Article 74 of the C.L. 2190/1920 and the Hellenic Capital Market Commission regarding the part of the amendment of MIGRE's Articles of Association after the share capital increase of MIGRE as a result of the Merger.

There are no other significant events subsequent to the date of the financial statements relating to the Group or the Company for which disclosure is required by the IFRSs.

# NBG PANGAEA REAL ESTATE INVESTMENT COMPANY

**FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2015**
(published in accordance with the requirements of Hellenic Capital Market Commission decision no. 4/507/28.04.2009)
(Amounts are expressed in € thousand)

The financial data and information listed below, derive from the interim condensed financial statements and aim to a general information about the financial position and results of NBG Pangaea REIC and its Group. We therefore recommend the reader, prior to making any investment decision or other transaction concerning the Company, to visit the Company's website (www.nbgpangaea.gr), where the set of financial statements is posted, as well as the auditor's review report.

**Company Information**

| | |
|---|---|
| Supervising Authority: | Ministry of Economy, Infrastructure, Shipping and Tourism |
| Headquarters: | 6, Karagiorgi Servias Str., 10562, Athens |
| Business: | Real Estate Investment Company |
| Capital Market Commission Decision Number: | 6/564/13.03.2010 |
| General Commercial Registry Number: | 000915201000 |
| Date of approval of Financial Statements by BoD: | 12 August 2015 |
| Certified Public Accountant - Auditor: | Beate Randulf (R.N. SOEL 37541) |
| Audit Firm: | Deloitte Hadjipavlou, Sofianos and Cambanis S.A. |
| Independent Auditor's review report: | Unqualified opinion - Emphasis of matter |
| Issue date of Auditor's review report: | 12 August 2015 |
| Website: | www.nbgpangaea.gr |

**The Board of Directors**

| | |
|---|---|
| Christos Protopapas | Non Executive member - Chairman of the BoD |
| Vasileios Mastrokalos | Non Executive member - Vice-chairman A' |
| Christophoros Papachristophorou | Executive member - Vice-chairman B' |
| Aristotelis Karytinos | Executive member - Chief Executive Officer |
| Thiresia Messari | Executive member |
| Anna Apostolidou | Non Executive member |
| Arnaud Dominique Maurice Bertrand Plat | Non Executive member |
| Prodromos Vlamis | Independent Non Executive member |
| Spyridon Makridakis | Independent Non Executive member |

**Statement of Financial Position (Consolidated and Standalone)**

| | Group | | Company | |
|---|---|---|---|---|
| | 30.06.2015 | 31.12.2014 | 30.06.2015 | 31.12.2014 |
| **Assets** | | | | |
| Investment property | 1,400,506 | 1,407,659 | 1,057,875 | 1,081,049 |
| Property and equipment | 3,362 | 4,334 | 1,741 | 1,698 |
| Investment in subsidiaries | 0 | 0 | 260,157 | 210,091 |
| Intangible Assets | 202 | 216 | 202 | 216 |
| Other long-term receivables | 5,064 | 11,737 | 5,055 | 11,729 |
| Total non-current assets | 1,409,134 | 1,423,946 | 1,325,030 | 1,304,783 |
| Trade receivables | 12,354 | 7,142 | 10,204 | 5,151 |
| Other receivables | 27,018 | 79,976 | 49,426 | 173,789 |
| Cash and cash equivalents | 103,707 | 125,638 | 10,921 | 7,193 |
| Total current assets | 143,079 | 212,756 | 70,551 | 186,113 |
| **Total assets** | 1,552,213 | 1,636,702 | 1,375,581 | 1,490,896 |
| **Shareholders' equity** | | | | |
| Share capital | 765,193 | 765193 | 765193 | 765193 |
| Share premium | 15,890 | 15890 | 15890 | 15890 |
| Reserves | 333,631 | 328953 | 333333 | 326017 |
| Retained earnings / (losses) | 14,067 | 153208 | 1832 | 127909 |
| Equity attributable to Company's shareholders | 1,128,781 | 1,259,074 | 1,116,228 | 1,235,909 |
| Non-controlling interests | 1,203 | 1,362 | 0 | 0 |
| **Total equity** | 1,129,984 | 1,260,436 | 1,116,228 | 1,235,909 |
| **Liabilities** | | | | |
| Borrowings | 363,692 | 320,054 | 230,868 | 230,054 |
| Retirement benefit obligations | 254 | 251 | 85 | 85 |
| Deferred tax liability | 206 | 362 | 0 | 0 |
| Other long-term liabilities | 3,160 | 6,497 | 319 | 319 |
| Total non-current liabilities | 367,112 | 327,184 | 231,272 | 230,458 |
| Trade and other payables | 14,489 | 29,555 | 14,567 | 15,395 |
| Derivative financial instruments | 2,722 | 3,042 | 0 | 0 |
| Current tax liabilities | 815 | 866 | 632 | 636 |
| Borrowings | 37,091 | 15,621 | 12,882 | 8,500 |
| Total current liabilities | 55,117 | 49,082 | 28,081 | 24,529 |
| **Total liabilities** | 422,229 | 376,266 | 259,353 | 254,987 |
| **Total shareholders' equity and liabilities** | 1,552,213 | 1,636,702 | 1,375,581 | 1,490,896 |

**Statement of Comprehensive Income (Consolidated and Standalone)**

| | Group From 1.1 to | | Group From 1.4 to | | Company From 1.1 to | | Company From 1.4 to | |
|---|---|---|---|---|---|---|---|---|
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Rental income | 54,907 | 42,029 | 27,607 | 22,280 | 44,879 | 35,884 | 22,435 | 18,559 |
| Total revenue | 54,907 | 42,029 | 27,607 | 22,280 | 44,879 | 35,884 | 22,435 | 18,559 |
| Net gain / (loss) from the fair value adjustment of investment property | (57,909) | 72,225 | (58,824) | 72,253 | (43,174) | 67,815 | (41,472) | 67,845 |
| Less: Investment property related expenses | (6,162) | (2,697) | (3,398) | (1,938) | (4,372) | (2,149) | (2,429) | (1,509) |
| Gross profit/ (loss) from investment activities | (9,164) | 111,557 | (34,615) | 92,595 | (2,667) | 101,550 | (21,466) | 84,895 |
| EBIT | (10,799) | 111,368 | (35,419) | 92,195 | (2,754) | 100,979 | (22,416) | 84,667 |
| Profit/ (loss) before tax | (20,471) | 110,505 | (40,482) | 91,317 | (9,687) | 102,718 | (25,891) | 85,264 |
| Taxes | (586) | (716) | (262) | (374) | (632) | (635) | (310) | (333) |
| Profit/ (loss) after tax (A) | (21,057) | 109,789 | (40,744) | 90,943 | (10,319) | 102,083 | (26,201) | 84,931 |
| Attributable to: | | | | | | | | |
| - Equity shareholders | (20,915) | 109,789 | (40,681) | 90,943 | (10,319) | 102,083 | (26,201) | 84,931 |
| - Non controlling interests | (142) | 0 | (63) | 0 | 0 | 0 | 0 | 0 |
| Other Comprehensive income / (expense), net of tax (B) | (14) | 0 | 101 | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income / (expense) (A+B) | (21,071) | 109,789 | (40,643) | 90,943 | (10,319) | 102,083 | (26,201) | 84,931 |
| Attributable to: | | | | | | | | |
| - Equity shareholders | (20,929) | 109,789 | (40,584) | 90,943 | (10,319) | 102,083 | (26,201) | 84,931 |
| - Non controlling interests | (142) | 0 | (59) | 0 | 0 | 0 | 0 | 0 |
| Earnings/ (losses) per share (€) - Basic and Diluted | (0.1093) | 0.5969 | (0.2127) | 0.4944 | (0.0559) | 0.5550 | (0.1370) | 0.4618 |
| EBITDA | (10,764) | 111,403 | (35,404) | 92,205 | (2,734) | 100,999 | (22,406) | 84,677 |

**Statement of Changes in Equity (Consolidated and Standalone)**

| | Group From 1.1 to | | Company From 1.1 to | |
|---|---|---|---|---|
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| Balance at the beginning of period | 1,260,436 | 1,036,183 | 1,235,909 | 1,030,550 |
| Changes during the period: | | | | |
| Total coprehensive income / (expense), net of tax | (21,071) | 109,789 | (10,319) | 102,083 |
| Acquisition of subsidiaries | (19) | 0 | 0 | 0 |
| Expenses related to share capital increase | 0 | (16) | 0 | (16) |
| Dividends distributed | (109,362) | 0 | (109,362) | 0 |
| Balance at the end of period | 1,129,984 | 1,145,956 | 1,116,228 | 1,132,617 |

**Statement of Cash Flows (Consolidated and Standalone)**

| | Group From 1.1 to | | Company From 1.1 to | |
|---|---|---|---|---|
| | 30.06.2015 | 30.06.2014 | 30.06.2015 | 30.06.2014 |
| **Operating activities** | | | | |
| Profit/ (loss) before tax (continuing operations) | (20,471) | 110,505 | (9,687) | 102,718 |
| Adjustments for: | | | | |
| Provisions for employee benefits | 9 | 2 | 0 | 1 |
| Other provisions | 140 | 0 | 0 | 0 |
| Other gains | (97) | (839) | 0 | 0 |
| Depreciation of property and equipment | 21 | 6 | 6 | 6 |
| Amortization of intangible assets | 14 | 14 | 14 | 14 |
| Net (gain) / loss from the fair value adjustment of investment property | 57,909 | (72,225) | 43,174 | (67,815) |
| Interest income | (153) | (1,806) | (107) | (1,806) |
| Finance costs | 9,825 | 2,669 | 7,048 | 67 |
| Net change in fair value of financial instruments at fair value through profit or loss | (595) | 475 | 0 | 0 |
| Plus / (less) adjustments to operating activities and working capital changes: | | | | |
| (Increase) / Decrease in receivables | (10,577) | 405 | 61,123 | 376 |
| Increase / (Decrease) in payables (excl. borrowings) | 1,604 | 1,563 | (825) | 1,569 |
| Less: | | | | |
| Finance costs paid | (7,904) | (2,669) | (6,168) | (67) |
| Taxes paid | (809) | (782) | (636) | (668) |
| Net cash flows from/ (used in) operating activities (a) | 28,910 | 37,318 | 65,853 | 34,375 |
| **Investing activities** | | | | |
| Acquisition of investment property | (38615) | (121,541) | 0 | (121,541) |
| Subsequent capital expenditure on investment property | (49) | (7) | 0 | (7) |
| Prepayments for the acquisition of investment property and overseas subsidiaries | (36) | 0 | (36) | 0 |
| Acquisition of property and equipment | (18) | (25) | (18) | (25) |
| Acquisition of subsidiaries (net of cash acquired) | (4,400) | (36,589) | (4,400) | (37,953) |
| Interest received | 165 | 1,806 | 107 | 1,806 |
| Net cash flows used in investing activities (b) | (42,953) | (156,356) | (4,347) | (157,720) |
| **Financing activities** | | | | |
| Expenses related to the share capital increase | 0 | (16) | 0 | (16) |
| Proceeds from the issuance of bond loans and other borrowed funds | 79,400 | 0 | 4,400 | 0 |
| Expenses related to the issuance of bond loans | (1,163) | 0 | 0 | 0 |
| Repayment of borrowings | (34,918) | (3,329) | 0 | 0 |
| Acquisition of additional participation in subsidiaries | (17) | 0 | (17) | 0 |
| Participation in subsidiaries' capital increase | 0 | 0 | (39,048) | (1,582) |
| Dividends paid | (51,193) | 0 | (51,193) | 0 |
| Net cash flows from / (used in) financing activities (c) | (7,891) | (3,345) | (85,858) | (1,598) |
| Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c) | (21,934) | (122,383) | 5,728 | (124,943) |
| Cash and cash equivalents at the beginning of the period | 125,638 | 158,291 | 7,193 | 156,371 |
| Effect of foreign exchange currency changes on cash and cash equivalents | 3 | 0 | 0 | 0 |
| Cash and cash equivalents at the end of the period | 103,707 | 35,908 | 10,921 | 31,428 |

**Notes**

1. The review report includes an emphasis of matter paragraph with which the auditor draws the attention to note 2.4. "Critical Accounting Estimates and Judgments" of the consolidated and separate interim condensed financial statements for the period ended 30.06.2015, which states the peculiar economic conditions in Greece and their potential impact on the valuation of investment property of Group and Company. Considering that this situation is unprecedented in relation to regularity in the functioning of money and capital markets, Management will monitor the trends that will occur in the real estate market during the following months. In this context, we note that despite the existing factors of increased valuation uncertainty, the reported result is the optimal valuation of the fair value of the Group's investment property, according to the information that could be gathered by the independent statutory valuers, under the present circumstances and existing restrictions.

2. The principal accounting policies that have been adopted are in accordance with the requirements of International Financial Reporting Standards ("IFRS") and are the same with those applied in the previous year financial statements. Details are included in Note 2 of the interim condensed financial statements as of 30.06.2015.

3. The Company has not been audited for tax purposes for the year ended 31 December 2010. The financial years 2011, 2012 and 2013 were audited by the Company's independent auditors, Deloitte Hadjipavlou Sofianos & Cambanis S.A., in accordance with article 82 of L. 2238/1994. The relevant tax audit certificates for the years 2011, 2012 and 2013 were unqualified and issued on 19 July 2012, 30 September 2013 and 10 July 2014 respectively. Financial years 2011 and 2012 are considered closed for tax purposes, since, the 18 month period from the submission of the "Tax Compliance Report" to the Ministry of Finance has elapsed, period that tax authorities can come back for tax audit, according to the article 6 of ministerial decision POL 1159/22.7.2011. The financial year 2013 should be considered closed for tax purposes following the lapse of a period of 18 months from the submission of the "Tax Compliance Report" to the Ministry of Finance (unless the said deadline is extended in the future by a new decision of the Ministry of Finance) (Note 23). The fiscal year 2014 is currently being audited by the Company's independent auditors. Information about the unaudited tax years of the subsidiaries is included in Note 7 of the interim financial statements for the six-month period ended 30 June 2015.

4. There are no pending cases under litigation or in arbitration, nor any pending cases, which are expected to have a material impact on the financial position or operations of the Group (Note 23). It is noted that the Company filed an appeal against the Greek State for the refund (incl. interest) of capital accumulation tax paid by the Company at 14 April 2010, 16 September 2014 and 17 September 2014 totally amounted to € 7,790 thousand and the Company's Management, based on the advice of its legal advisors, believes that the reimbursement of the amounts is in essence certain (Note 9).

5. The number of Group and Company employees as of 30.06.2015 was 25 and 17 respectively. As of 30.06.2014, the number of the Company employees was 9 and the entities of the Group did not employee any personnel.

6. The Company's Financial Statements are included in the Consolidated Financial Statements of National Bank of Greece S.A. (incorporated in Greece), which owns 32.69% of the Company's share capital, by the full consolidation method.

7. In accordance with the terms of the bond loan program dated 11 August 2014, as amended on 20 August 2014, for the issuance of the bonds totally amounting to €237,500 thousand, the Company registered mortgage mortgages on 77 properties in Greece (included the owneroccupied property) in favor 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 (Note 13).
In the context of the credit agreement to open a current account with Alpha Bank S.A. (Note 13), 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 €55,440 thousand into fourteen (14) Company's properties in Greece, which were the subject of the tender "sale and leaseback" by HRADF (Note 5), in favor 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 (Note 23).
On the property owned by KARELA S.A. a prenotation of mortgage was established in favor of Piraeus Bank S.A. (the representative of the bondholders) for an amount of €106,000 thousand. Moreover, the total number of shares of KARELA S.A. is collateral in favor of Piraeus Bank S.A., for all amounts due under the bond program. In addition, all rights of KARELA S.A. arising from the lease agreement with Cosmote have been assigned in a favor of the bondholders (Note 13).
Nine properties in Attica (8 in Athens and 1 in Piraeus) owned by MIG Real Estate REIC have prenotations of mortgage in favor of Alpha Bank S.A., each for an amount of €9,880 thousand (Note 13).
The properties owned by subsidiary Picasso Fund are burdened with first class mortgage in favour of Banca IMI S.p.A. for an amount of €206,000. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender (Note 13).

8. 1. On 30 January 2015 the Board of Directors of the Company ("Acquirer") and its subsidiary "MIG Real Estate REIC" ("Acquiree") in their meetings, decided the commencement of the preparatory actions for the merger by absorption of the first by the second (the "Merger"). The planned merger has been proposed to take place by consolidating the assets and liabilities of the above mentioned companies, with combined application of articles 68 et seq. of C.L. 2190/1920 and L. 2166/1993, as in force. As transformation date has been set the 31st of January 2015. 2. On 6 August 2015, the Boards of Directors of the Acquiree and the Acquirer approved the draft merger agreement (hereafter the "Draft Merger Agreement") for the merger by absorption of the first company by the second one according to the provisions of articles 69 et seq. of C.L. 2190/1920 and the articles 1-5 of L. 2166/1993, each as in force (Note 25).

9. Related party transactions and balances of the Group as defined in IAS 24 are as follows: a) Income €34,503 thousand, b) Expense €1,637 thousand, c) Assets €12,489 thousand, d) Liabilities €11,573 thousand. Related party transactions and balances of the Company as defined in IAS 24 are as follows: a) Income €36,041 thousand, b) Expense €1,227 thousand, c) Assets €61,475 thousand, d) Liabilities €1,529 thousand. Related party transactions and balances of the Group with BoD, its Committees and senior management personnel are as follows: a) Key management compensation €654 thousand, b) Due from key management personnel NIL and c) Due to key management personnel €32 thousand. Related party transactions and balances of the Company with BoD, its Committees and senior management personnel are as follows: a) Key management compensation €534 thousand, b) Due from key management personnel NIL and c) Due to key management personnel €11 thousand.

10. On 12 August 2014, the Company acquired 34.96% of the share capital of MIG Real Estate REIC for a consideration of €12,300 thousand. On the same day, the Company acquired an additional 47.85% in the share capital of MIG Real Estate as contribution in kind with the issuance of 3,348,651 new common redeemable shares, with a subscription price of €6.23 per newly issued share (i.e. total fair value of issued shares € 20,862 thousand). The purchase consideration was lower than the fair value of the net assets acquired and the gain (negative goodwill) of €2,725 thousand was recognised directly in the income statement of the year ended 31 December 2014.
On 22 October 2014, the Company completed the mandatory tender offer to the shareholders of MIGRE and acquired 1,951,053 shares (13.86% of the share capital of MIGRE) at an offer price of €3.10 per share, increasing its shareholding in MIGRE at 96.67%. Given the fact that following the MTO, the Company held shares which represented at least 90% of the voting tights of MIGRE, the Company was under obligation, in accordance with article 28 of L.3461/2006, combined with the 1/409/29.12.2006 decision of the Hellenic Capital Market Commission, to acquire via the stock market all the shares offered to it within a period of three months beggining from the date of publication of the MTO results (i.e. up to 27.01.2015), against payment of the offer price of €3.10 per share (exit right). After that, the shareholding of the Company in MIGRE increased to 96.944% with the Company having in its ownership 13,643,905 shares (shareholding in MIGRE as of 31 December 2014: 96.90% - number of shares owned by the Company: 13,638,330) (Note 6 and 14).

11. On 20 March 2014, the Company acquired 100% of the units of the Picasso Fund in Italy. Picasso Fund owns an office complex, of a total area of approximately 21 thousand sq.m., located in Milan and an office property, of a total area of approximately 12 thousand sq.m., located in Rome. The consideration amounted to €37,953 thousand, out of which €36,953 thousand was paid in cash and €1,000 thousand was recognized as payable. The purchase consideration was lower than the fair value of net assets acquired and the gain (negative goodwill) of €839 thousand was recognised directly in the income statement of the year ended 31 December 2014 (Note 6).

12. There are no entities exempted from the interim condensed financial statements as of 30.06.2015 and there have been no changes in the method of consolidation since the previous year financial statements.

13. As of 30.06.2015, the Group has accounted for a cumulative provision of: a)cases under litigation or in arbitration which may have material effect on the financial position of the Group and the Company amounted to NIL, b)unaudited tax years amounted to NIL and c)other provisions amounted to €433 thousand.

14. "Other comprehensive expense, net of tax" of the Group, in the current period, is comprised of €(14) thousand relating to currency translation differences, while the corresponding amounts for the Company is NIL.

15. As of 30.06.2015, the Group and the Company did not hold any treasury shares.

Athens, 12 August 2015

| The Chairman of the BoD | The Chief Executive Officer | The CFO / COO | The Deputy CFO |
|---|---|---|---|
| Christos Protopapas | Aristotelis Karytinos | Thiresia Messari | Anna Chalkiadaki |
| ID No. Σ061451 | ID No. AK801025 | ID No. AA005175 | Perm. No. 78785 A' |