NBG PANGAEA R.E.I.C.

# Interim Condensed Consolidated and Company Financial Statements

## for the period from 1 January to 30 September 2015

These financial statements have been translated from the original ones that have been prepared in the Greek language. Reasonable care has been taken to ensure that these financial statements represent an accurate translation of the original text. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

November 2015

Table of Contents

All amounts expressed in € thousand, unless otherwise stated

| | | Group | | Company | |
|---|---|---|---|---|---|
| | **Note** | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Investment property | 5 | 1,435,835 | 1,407,659 | 1,078,956 | 1,081,049 |
| Investment in subsidiaries | | - | - | 210,546 | 210,091 |
| Property and equipment | | 3,353 | 4,334 | 3,515 | 1,698 |
| Intangible assets | | 195 | 216 | 195 | 216 |
| Other long-term receivables | | 17,372 | 11,737 | 17,372 | 11,729 |
| | | **1,456,755** | **1,423,946** | **1,310,584** | **1,304,783** |
| **Current assets** | | | | | |
| Trade and other receivables | 8 | 39,709 | 87,118 | 56,572 | 178,920 |
| Cash and cash equivalents | 9 | 88,423 | 125,638 | 19,605 | 7,193 |
| | | **128,132** | **212,756** | **76,177** | **186,113** |
| **Total assets** | | **1,584,887** | **1,636,702** | **1,386,761** | **1,490,896** |
| | | | | | |
| **SHAREHOLDERS' EQUITY** | | | | | |
| Share capital | 10 | 766,484 | 765,193 | 766,484 | 765,193 |
| Share premium | 10 | 15,890 | 15,890 | 15,970 | 15,890 |
| Reserves | 11 | 333,530 | 326,953 | 333,384 | 326,917 |
| Retained Earnings | | 31,907 | 151,038 | 15,976 | 127,909 |
| **Equity attributable to Company's shareholders** | | **1,147,811** | **1,259,074** | **1,131,814** | **1,235,909** |
| Non-controlling interests | | - | 1,362 | - | - |
| **Total equity** | | **1,147,811** | **1,260,436** | **1,131,814** | **1,235,909** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Long-term liabilities** | | | | | |
| Borrowings | 13 | 388,160 | 320,054 | 234,381 | 230,054 |
| Retirement benefit obligations | | 256 | 251 | 256 | 85 |
| Deferred tax liability | | 209 | 382 | - | - |
| Other long-term liabilities | 12 | 3,220 | 6,497 | 600 | 319 |
| | | **391,845** | **327,184** | **235,237** | **230,458** |
| **Short-term liabilities** | | | | | |
| Trade and other payables | 14 | 31,798 | 29,553 | 13,150 | 15,393 |
| Borrowings | 13 | 10,444 | 15,621 | 6,174 | 8,500 |
| Derivative financial instruments | | 2,567 | 3,042 | - | - |
| Current tax liabilities | | 422 | 866 | 386 | 636 |
| | | **45,231** | **49,082** | **19,710** | **24,529** |
| **Total liabilities** | | **437,076** | **376,266** | **254,947** | **254,987** |
| **Total shareholders' equity and liabilities** | | **1,584,887** | **1,636,702** | **1,386,761** | **1,490,896** |

Athens, 30 November 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 01.01. to 30.09.2015 | Group From 01.01. to 30.09.2014 | Company From 01.01. to 30.09.2015 | Company From 01.01. to 30.09.2014 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Rental income | | 82,434 | 66,393 | 67,943 | 56,183 |
| | | **82,434** | **66,393** | **67,943** | **56,183** |
| Net gain / (loss) from the fair value adjustment of investment property | 5 | (57,615) | 108,734 | (45,248) | 102,835 |
| Direct property related expenses | | (9,978) | (4,159) | (7,657) | (3,149) |
| Personnel expenses | | (1,620) | (567) | (1,560) | (490) |
| Depreciation of property and equipment | | (31) | (15) | (33) | (9) |
| Amortisation of intangible assets | | (21) | (22) | (21) | (22) |
| Net change in fair value of financial instruments at fair value through profit or loss | | 480 | (464) | - | - |
| Other income | | 1,646 | 3,981 | 2,985 | - |
| Other expenses | | (2,530) | (642) | (2,109) | (454) |
| **Operating profit / (loss)** | | **12,765** | **173,239** | **14,300** | **154,894** |
| Interest income | | 152 | 2,420 | 117 | 2,409 |
| Finance costs | | (15,089) | (5,611) | (10,569) | (1,704) |
| **Profit / (loss) before tax** | | **(2,172)** | **170,048** | **3,848** | **155,599** |
| Taxes | 16 | (960) | (1,134) | (986) | (986) |
| **Profit / (loss) for the period** | | **(3,132)** | **168,914** | **2,862** | **154,613** |
| **Attributable to:** | | | | | |
| Non-controlling interests | | (82) | 128 | - | - |
| **Company's equity shareholders** | | **(3,050)** | **168,786** | **2,862** | **154,613** |
| Earnings / (losses) per share (expressed in € per share) - Basic and diluted | 17 | (0.0119) | 0.6855 | 0.0112 | 0.6279 |

Athens, 30 November 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 From 01.01. to | | Company From 01.01. to | |
|---|---|---|---|---|
| | **30.09.2015** | **30.09.2014** | **30.09.2015** | **30.09.2014** |
| **Profit / (loss) for the period** | **(3,132)** | **168,914** | **2,862** | **154,613** |
| **Other comprehensive income / (expense):** | | | | |
| **Items that may be reclassified subsequently to profit or loss:** | | | | |
| Currency translation differences | (88) | (47) | - | - |
| Cash flow hedges | (24) | - | - | - |
| **Total of items that may be reclassified subsequently to profit or loss** | **(112)** | **(47)** | **-** | **-** |
| **Other comprehensive expense for the period** | **(112)** | **(47)** | **-** | **-** |
| **Total comprehensive income / (expense) for the period** | **(3,244)** | **168,867** | **2,862** | **154,613** |
| **Attributable to:** | | | | |
| Non-controlling interests | (83) | 120 | - | - |
| **Company's equity shareholders** | **(3,161)** | **168,747** | **2,862** | **154,613** |

Athens, 30 November 2015

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

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.07. to | | From 01.07. to | |
| | **30.09.2015** | **30.09.2014** | **30.09.2015** | **30.09.2014** |
| **Revenue** | | | | |
| Rental income | 27,527 | 24,364 | 23,064 | 20,299 |
| | **27,527** | **24,364** | **23,064** | **20,299** |
| Net gain / (loss) from the fair value adjustment of investment property | 294 | 36,510 | (2,074) | 35,020 |
| Direct property related expenses | (3,837) | (1,470) | (3,291) | (1,006) |
| Personnel expenses | (584) | (339) | (746) | (262) |
| Depreciation of property and equipment | (10) | (9) | (27) | (3) |
| Amortisation of intangible assets | (7) | (7) | (7) | (8) |
| Net change in fair value of financial instruments at fair value through profit or loss | (115) | 11 | - | - |
| Other income | 1,344 | 3,027 | 1,335 | - |
| Other expenses | (1,048) | (216) | (1,200) | (125) |
| **Operating profit / (loss)** | **23,564** | **61,871** | **17,054** | **53,915** |
| Interest income | (1) | 613 | 10 | 603 |
| Finance costs | (5,264) | (2,942) | (3,529) | (1,637) |
| **Profit / (loss) before tax** | **18,299** | **59,542** | **13,535** | **52,881** |
| Taxes | (374) | (417) | (354) | (350) |
| **Profit / (loss) for the period** | **17,925** | **59,125** | **13,181** | **52,531** |
| **Attributable to:** | | | | |
| Non-controlling interests | 60 | 128 | - | - |
| **Company's equity shareholders** | **17,865** | **58,997** | **13,181** | **52,531** |
| Earnings / (losses) per share (expressed in € per share) - Basic and diluted | 0.0699 | 0.2380 | 0.0516 | 0.2120 |

Athens, 30 November 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 01.07. to | | From 01.07. to | |
| | 30.09.2015 | 30.09.2014 | 30.09.2015 | 30.09.2014 |
| **Profit / (loss) for the period** | **17,925** | **59,125** | **13,181** | **52,531** |
| **Other comprehensive income / (expense):** | | | | |
| **Items that may be reclassified subsequently to profit or loss:** | | | | |
| Currency translation differences | (74) | (47) | - | - |
| Cash flow hedges | (24) | - | - | - |
| **Total of items that may be reclassified subsequently to profit or loss** | **(98)** | **(47)** | **-** | **-** |
| **Other comprehensive income for the period** | **(98)** | **(47)** | **-** | **-** |
| **Total comprehensive income / (expense) for the period** | **17,827** | **59,078** | **13,181** | **52,531** |
| **Attributable to:** | | | | |
| Non-controlling interests | 60 | 120 | - | - |
| **Company's equity shareholders** | **17,767** | **58,958** | **13,181** | **52,531** |

Athens, 30 November 2015

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

| | 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 | | - | - | (39) | - | **(39)** | (8) | **(47)** |
| Profit for the period | | - | - | - | 168,786 | **168,786** | 128 | **168,914** |
| **Total comprehensive income/(expense) after tax** | | **-** | **-** | **(39)** | **168,786** | **168,747** | **120** | **168,867** |
| Acquisition of a subsidiary | | - | - | - | - | **-** | 7,493 | **7,493** |
| Share capital increase | | 13,395 | 7,467 | - | - | **20,862** | - | **20,862** |
| Expenses related to share capital increase | | - | (200) | - | (16) | **(216)** | - | **(216)** |
| **Balance 30 September 2014** | | **749,107** | **7,267** | **326,934** | **142,268** | **1,225,576** | **7,613** | **1,233,189** |
| Movements to 31 December 2014 | | 16,086 | 8,623 | 19 | 8,770 | **33,498** | (6,251) | **27,247** |
| **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 | | - | - | (111) | - | **(111)** | (1) | **(112)** |
| Loss for the period | | - | - | - | (3,050) | **(3,050)** | (82) | **(3,132)** |
| **Total comprehensive expense after tax** | | **-** | **-** | **(111)** | **(3,050)** | **(3,161)** | **(83)** | **(3,244)** |
| Acquisition of additional shareholding in subsidiaries | | - | - | (4) | 2 | **(2)** | (17) | **(19)** |
| Transfer to reserves | | - | - | 6,692 | (6,692) | **-** | - | **-** |
| Dividends relating to 2014 | 15 | - | - | - | (109,362) | **(109,362)** | - | **(109,362)** |
| Share capital increase | 10 | 1,291 | - | - | - | **1,291** | (1,291) | **-** |
| Effect from Merger | | - | - | - | (29) | **(29)** | 29 | **-** |
| **Balance 30 September 2015** | | **766,484** | **15,890** | **333,530** | **31,907** | **1,147,811** | **-** | **1,147,811** |

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 | | - | - | - | 154,613 | **154,613** |
| **Total comprehensive income after tax** | | **-** | **-** | **-** | **154,613** | **154,613** |
| Share capital increase | | 13,395 | 7,467 | - | - | **20,862** |
| Expenses related to the share capital increase | | - | (200) | - | (16) | **(216)** |
| **Balance 30 September 2014** | | **749,107** | **7,267** | **326,973** | **122,462** | **1,205,809** |
| Movements to 31 December 2014 | | 16,086 | 8,623 | (56) | 5,447 | **30,100** |
| **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** |
| Profit for the period | | - | - | - | 2,862 | **2,862** |
| **Total comprehensive income after tax** | | **-** | **-** | **-** | **2,862** | **2,862** |
| Share capital increase | 10 | 1,291 | **-** | **-** | **-** | **1,291** |
| Effect from Merger | | - | 80 | 71 | 963 | **1,114** |
| Transfer to reserves | | - | - | 6,396 | (6,396) | - |
| Dividends relating to 2014 | 15 | - | - | - | (109,362) | **(109,362)** |
| **Balance 30 September 2015** | | **766,484** | **15,970** | **333,384** | **15,976** | **1,131,814** |

All amounts expressed in € thousand, unless otherwise stated

| | From 01.01. to | |
|---|---|---|
| | **30.09.2015** | **30.09.2014** |
| **Cash flows from operating activities** | | |
| Profit / (loss) before tax | (2,172) | 170,048 |
| *Adjustments for:* | | |
| - Provisions for employee benefits | 5 | 2 |
| - Other provisions | 87 | - |
| - Other gains | - | (3,784) |
| - Depreciation of property and equipment | 31 | 15 |
| - Amortization of intangible assets | 21 | 22 |
| - Net (gain) / loss from the fair value adjustment of investment property | 57,615 | (108,734) |
| - Interest income | (152) | (2,420) |
| - Finance cost | 15,089 | 5,611 |
| - Net change in fair value of financial instruments at fair value through profit or loss | (480) | 464 |
| Changes in working capital: | | |
| - (Increase) / Decrease in receivables | (10,847) | (16,881) |
| - Increase / (Decrease) in payables | (1,032) | 13,513 |
| Cash flows from operating activities | 58,165 | 57,856 |
| Finance cost paid | (13,001) | (5,648) |
| Tax paid | (1,576) | (1,498) |
| **Net cash flows from operating activities** | **43,588** | **50,710** |
| **Cash flows from investing activities** | | |
| Acquisition of investment property | (84,721) | (188,376) |
| Subsequent capital expenditure on investment property | (70) | (183) |
| Advance payments for the acquisition of investment property and overseas subsidiaries | (5,665) | (13,661) |
| Purchases of property and equipment | (18) | (25) |
| Acquisitions of subsidiaries (net of cash acquired) | - | (45,780) |
| Interest received | 152 | 2,420 |
| **Net cash flows used in investing activities** | **(90,322)** | **(245,605)** |
| **Cash flows from financing activities** | | |
| Expenses related to share capital increase | - | (216) |
| Proceeds from the issuance of bond loans and other borrowed funds | 106,400 | 240,968 |
| Expenses related to the issuance of bond loans and other borrowed funds | (1,759) | (5,049) |
| Repayment of borrowings | (43,913) | (5,447) |
| Acquisition of additional shareholding in subsidiaries | (17) | - |
| Dividends paid | (51,193) | - |
| **Net cash flows from financing activities** | **9,518** | **230,256** |
| **Net increase / (decrease) in cash and cash equivalents** | **(37,216)** | **35,361** |
| 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 | 1 | 1 |
| **Cash and cash equivalents at the end of the period** | **88,423** | **193,653** |

All amounts expressed in € thousand, unless otherwise stated

| | From 01.01. to 30.09.2015 | 30.09.2014 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit / (loss) before tax | 3,848 | 155,599 |
| *Adjustments for:* | | |
| - Provisions for employee benefits | 5 | 2 |
| - Depreciation of property and equipment | 33 | 9 |
| - Amortization of intangible assets | 21 | 22 |
| - Net (gain) / loss from the fair value adjustment of investment properties | 45,248 | (102,835) |
| - Interest income | (117) | (2,409) |
| - Finance costs | 10,569 | 1,704 |
| Changes in working capital: | | |
| - (Increase) / Decrease in receivables | 64,390 | (9,571) |
| - Increase / (Decrease) in payables | (2,621) | 8,196 |
| Cash flows from operating activities | 121,376 | 50,717 |
| Finance cost paid | (9,290) | (1,704) |
| Tax paid | (1,373) | (1,324) |
| **Net cash flows from operating activities** | **110,713** | **47,689** |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of investment property | - | (188,376) |
| Subsequent capital expenditure on investment property | (21) | (121) |
| Purchases of property and equipment | (18) | (25) |
| Advance payments for the acquisition of investment property and overseas subsidiaries | (5,665) | (13,661) |
| Acquisitions of subsidiaries (net of cash acquired) | - | (50,253) |
| Participation in subsidiaries' capital increase | - | (1,582) |
| Interest received | 120 | 2,409 |
| **Net cash flows from / (used in) investing activities** | **(5,584)** | **(251,609)** |
| | | |
| **Cash flows from financing activities** | | |
| Expenses related to the share capital increase | - | (216) |
| Proceeds from the issuance of bond loans and other borrowed funds | 4,400 | 240,968 |
| Expenses related to the issuance of bond loans | - | (5,049) |
| Repayment of borrowings | (8,785) | - |
| Participation in subsidiaries' capital increase | (39,748) | - |
| Acquisition of additional shareholding in subsidiaries | (17) | - |
| Dividends paid | (51,193) | - |
| **Net cash flows from / used in financing activities** | **(95,343)** | **235,703** |
| | | |
| **Net increase / (decrease) in cash and cash equivalents** | **9,786** | **31,783** |
| Cash and cash equivalents at the beginning of the period | 7,193 | 156,371 |
| Effect from Merger | 2,626 | - |
| **Cash and cash equivalents at the end of the period** | **19,605** | **188,154** |

## 1. General Information

“NBG PANGAEA REAL ESTATE INVESTMENT COMPANY” (former “MIG REAL ESTATE INVESTMENT COMPANY”) operates in real estate investment market under the provisions of Article 22 of L. 2778/1999, as in force. As Real Estate Investment Company (REIC), the company is supervised by the Hellenic Capital Market Commission from December 13, 2007, when it received the relevant operating license. It is also noted that the Company is licensed as alternative investment fund manager according to Law 4209/2013.

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

During 2015, there were significant changes in the Group of the company derived from the completion of the merger by absorption of NBG Pangaea REIC by MIG Real Estate REIC. More specifically, the parent entity of the company, NBG Pangaea REIC, should list its shares in a regulated market which operates legally in Greece until October 5, 2015, according to par. 10 of article 2 of L. 3606/2007. Taking into account the unfavourable economic conditions prevailing in Greece, it was selected the alternative choice of the indirect listing of the shares of NBG Pangaea REIC via the reverse merger with MIG Real Estate REIC, the shares of which are already listed in ATHEX.

In particular, the Boards of Directors of MIG Real Estate REIC and NBG Pangaea REIC, in their meetings held on January 30, 2015, decided to propose to the General Assembly Meetings of their shareholders the merger by absorption (hereinafter "Merger") of NBG Pangaea REIC by its 96.944% subsidiary MIG Real Estate REIC.

The Merger was performed according to the provisions of C.L. 2190/1920 and L. 2166/1993 and according to the terms and conditions included in the draft merger agreement signed between the merging companies on August 6, 2015 and was approved by the Extraordinary General Meetings of the merging companies on September 25, 2015. The Merger was approved by the Ministry of Economy, Development and Tourism with its decision No. 100104/01.10.2015 which was registered in the General Commercial Registry of the abovementioned Ministry on October 1, 2015.

As a result of the Merger, the company resulting from the Merger (hereinafter “New Company” or “Company”) is named **“NBG PANGAEA REAL ESTATE INVESTMENT COMPANY”**, with the distinctive title **“NBG PANGAEA REIC”**, following the amendment of all articles of the Articles of Association of the former MIG Real Estate REIC and the approval of the new Articles of Association by the Hellenic Capital Market Commission and the competent services of the Ministry of Economy, Infrastructure, Shipping and Tourism.

The New Company together with its subsidiaries (hereinafter the “New Group” or “Group”) is considered as absolute continuity of NBG Pangaea REIC Group and operates in real estate investments 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” and in Romania through Egnatia Properties S.A.

All amounts expressed in € thousand, unless otherwise stated

The participation percentages of the two companies' shareholders in the share capital of the Company and its Group are as follows:

| | |
|---|---|
| Shareholders of NBG Pangaea: | 99.90% of the shares of the company resulted from the Merger |
| Non-controlling interest of MIG Real Estate: | 0.10% of the shares of the company resulted from the Merger |

As of September 30, 2015, the Group's and the Company's number of employees was 25. As of September 30, 2014, the Group's and the Company's number of employees was 21 and 12 respectively.

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

| | | |
|---|---|---|
| Christos I. Protopapas | Chairman, Economist – Banker | 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', Businessman | 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 | Economist | Non Executive Member |
| Prodromos G. Vlamis | Associate at the University of Cambridge & Visiting Professor at Athens University of Economics and Business | Independent - Non Executive Member |
| Spyridon G. Makridakis | Professor at the INSEAD Business School | Independent - Non Executive Member |

These financial statements have been approved by the Company's Board of Directors on November 30, 2015 and are available on the website address http://www.nbgpangaea.gr.

All amounts expressed in € thousand, unless otherwise stated

## 2. Summary of Significant Accounting Policies

### 2.1. Basis of Preparation

As mentioned in Note 1 above, the Boards of Directors of NBG Pangaea REIC and MIG Real Estate REIC with their decisions on January 30, 2015, proposed to the General Assembly Meetings of their shareholders the merger by absorption of the former by the latter. The Transformation Balance Sheet and the Draft Merger Agreement were approved at the meetings of the Boards held on August 6, 2015, and the General Meetings of both companies held on September 25, 2015. The company NBG PANGAEA REAL ESTATE INVESTMENT COMPANY was derived from the decision of the Ministry of Economy, Infrastructure, Shipping and Tourism regarding the approval of the Merger dated October 1, 2015.

One of the most important principles that IFRSs adopt is that of economic substance over legal form which results in the reflection of economic substance of events and transactions and not merely their legal form. Consequently, in any case, the group financial statements shall not be affected by the merger of companies within the group, but only by the amount of the total shareholding structure's change (change in non-controlling interests in the event that the ratios of the parent entity's shareholders and the subsidiaries' minorities, change after the merger in relation to the respective ratios prior to the merger).

More specifically, the absorption of NBG Pangaea REIC, parent entity, by MIG Real Estate REIC, subsidiary of NBG Pangaea REIC Group, is a legal fact which does not substantially change the function of NBG Pangaea REIC Group, as at group level, the companies had already been consolidated and continue to operate on the same activities as a single entity. At group level, the only change is the conversion of non-controlling in the former MIG Real Estate REIC to shareholders of the New Company. The value of the shares that they held in the former MIG Real Estate REIC, as determined by the exchange ratio indicated below, was the fair value of the consideration for the acquisition of New Group's equity ratio.

By accounting aspect, the aforementioned exchange was treated according to the provisions of paragraph B96 of IFRS 10 "Consolidated Financial Statements", i.e. as a transaction between shareholders and the difference was directly recognized in the New Group's equity. The dilution of the "old" shareholders of NBG Pangaea REIC was immaterial. The "old" shareholders of NBG Pangaea REIC continue to control the New Group, through their participation by 99.90% in the New Company's share capital as well as through its Management, which is defined and controlled by the existing Management of NBG Pangaea REIC Group which exercises the management and the control of MIG Real Estate REIC. The non-controlling interests of the group before the completion of the merger by absorption are converted into shareholders of the New Company with a percentage of 0.10% via a share capital increase which took place by contribution in kind.

| | |
|---|---|
| Shareholders of NBG Pangaea (New Company) | 99.90% of shares |
| Non-controlling interests of MIG Real Estate (acquisition of New Company shares by contribution in kind) | 0.10% of shares |

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

- Each shareholder of MIG Real Estate REIC (other than the ones of NBG Pangaea REIC) exchanged 1 common registered voting share with a nominal value of 3.00 Euro each held to company, with 0.591602815 new common registered voting shares of the New Company of new nominal value of 3.00 Euro each.
- Each shareholder of NBG Pangaea REIC exchanged 1 common registered voting share with a nominal value of 4.00 Euro each held to the company with 1.334251532 new common registered voting shares of the New Company of new nominal value of 3.00 Euro each.
- Each shareholder of NBG Pangaea REIC exchanged 1 common redeemable voting share with a nominal value of 4.00 Euro each held to the company with 1.334251532 new common registered voting shares of the New Company of new nominal value of 3.00 Euro each.

For the aforementioned participation ratio in the share capital of the Group's company, an opinion was expressed on the fairness of shares' exchange ratio by Mrs Despoina Marinou (R.N. SOEL 17681), member of PRICEWATERHOUSECOOPERS S.A., who concluded that the exchange ratio and consequently the participation ratio in the company's share capital is true and fair, after an estimation of the groups' value with generally accepted valuation methods.

At the level of separate financial statements, the merger is not covered by IFRSs provisions. Specifically, paragraph 2 (c) of IFRS 3 "Business Combinations" states that the specific standard does not apply to business combinations which are under common control. In absence of a standard or an interpretation, under the provisions of paragraph 10 of IAS 8 regarding the Accounting policies, Management decided to depict the specific transaction by applying the method of merger accounting. As mentioned above, it was selected the alternative choice of the indirect listing of the shares of NBG Pangaea REIC via the reverse merger with MIG Real Estate REIC, the shares of which are already listed in ATHEX. Upon the completion of the Merger, the "old" shareholders of NBG Pangaea REIC continue to control the New Company. As a result, while MIG Real Estate REIC is legally the absorbing company, from an accounting perspective, it is considered that NBG Pangaea REIC absorbed MIG Real Estate REIC. Consequently, the comparative figures of the separate financial statements are those that NBG Pangaea REIC had published as of 31 December 2014 and for the nine-month period ended 30 September 2014.

The interim condensed consolidated financial statements of the Group and the Company for the nine-month period ended 30 September 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 and separate financial statements of NBG Pangaea REIC 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 nine-month period ended 30 September 2015 amounted to €3,132 compared to profit for the period of €168,914 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 €54,483 for the nine-month period ended 30 September 2015, compared to €60,180 of the previous period. Furthermore, as of 30 September 2015, the Group's total current assets exceed its total current liabilities by €82,901.

The Group maintains significant synergies with the NBG in the context of the Company's real estate property leases by NBG. However, during the past 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 nine-month period ended 30 September 2015 amounted to €50,663, i.e. 61.5% compared to €51,648 (77.8%) for the nine-month period ended 30 September 2014.

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 analyses the fair value of financial assets and liabilities measured at fair value, by valuation method, as at 30 September 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 September 2015** | | **Valuation hierarchy** | | |
|---|---|---|---|---|
| **Liabilities** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Derivative financial instruments** | - | 2,567 | - | **2,567** |

| **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**

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.

All amounts expressed in € thousand, unless otherwise stated

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 September 2015 and 31 December 2014 respectively:

| **30 September 2015** | | | |
|---|---|---|---|
| **Liabilities** | **Level 1** | **Level 2** | **Level 3** |
| **Borrowings** | **-** | **-** | **398,604** |

| **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 September 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 - Retail,
- 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 30.09.2015**

| Country | Greece | Greece | Greece | Italy | Italy | Italy | Romania | Romania | Bulgaria | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Segment** | **Retail** | **Offices** | **Other** | **Offices** | **Retail** | **Other** | **Retail** | **Offices** | **Retail** | **Total** |
| Rental income | 37,982 | 36,226 | 764 | 6,985 | 44 | - | 91 | 342 | - | 82,434 |
| **Total segment revenue** | **37,982** | **36,226** | **764** | **6,985** | **44** | **-** | **91** | **342** | **-** | **82,434** |
| Net gain / (loss) from the fair value adjustment of investment properties | (41,306) | (7,814) | 298 | 8,632 | 15 | (16,700) | (144) | (596) | - | **(57,615)** |
| Direct property related expenses | (2,496) | (4,489) | (328) | (1,291) | (1) | (598) | (8) | (51) | (11) | **(9,273)** |
| Provision for impairment | (89) | - | - | (14) | - | - | - | - | - | **(103)** |
| **Total segment operating profit / (loss)** | **(5,909)** | **23,923** | **734** | **14,312** | **58** | **(17,298)** | **(61)** | **(305)** | **(11)** | **15,443** |
| Unallocated operating income | | | | | | | | | | **1,646** |
| Unallocated operating expenses | | | | | | | | | | **(4,324)** |
| **Operating profit / (loss)** | | | | | | | | | | **12,765** |
| Unallocated interest income | | | | | | | | | | **152** |
| Unallocated finance costs | | | | | | | | | | **(10,386)** |
| Allocated finance costs | (76) | (3,212) | - | (1,322) | (10) | - | (10) | (73) | - | **(4,703)** |
| **Profit / (loss) before tax** | | | | | | | | | | **(2,172)** |
| Taxes | | | | | | | | | | **(960)** |
| **Profit / (loss) for the period** | | | | | | | | | | **(3,132)** |

All amounts expressed in € thousand, unless otherwise stated

| Country | Greece | Greece | Greece | Italy | Italy | Italy | Romania | Romania | |
|---|---|---|---|---|---|---|---|---|---|
| **Segment** | **Retail** | **Offices** | **Other** | **Offices** | **Retail** | **Other** | **Retail** | **Offices** | **Total** |
| **Segment assets as at 30 September 2015** | | | | | | | | | |
| Segment assets | 633,152 | 587,926 | 13,938 | 175,544 | 3,205 | 56,821 | 1,249 | 5,456 | **1,477,291** |
| Unallocated assets | | | | | | | | | **107,596** |
| **Total assets** | | | | | | | | | **1,584,887** |
| | | | | | | | | | |
| **Segment liabilities as at 30 September 2015** | | | | | | | | | |
| Segment liabilities | 5,567 | 77,638 | 202 | 102,120 | 1,388 | 1,505 | 1,282 | 5,134 | **194,836** |
| Unallocated liabilities | | | | | | | | | **242,240** |
| **Total liabilities** | | | | | | | | | **437,076** |
| | | | | | | | | | |
| **Non-current assets additions as at 30 September 2015** | - | 21 | - | 82,333 | 2,388 | - | 6 | 43 | **84,791** |

All amounts expressed in € thousand, unless otherwise stated

**From 01.01. to 30.09.2014**

| **Country** | **Greece** | **Greece** | **Greece** | **Italy** | **Italy** | **Romania** | **Romania** | |
|---|---|---|---|---|---|---|---|---|
| **Segment** | **Retail** | **Offices** | **Other** | **Offices** | **Other** | **Retail** | **Offices** | **Total** |
| Rental income | 32,724 | 29,724 | 730 | 3,138 | - | 9 | 68 | 66,393 |
| **Total segment revenue** | **32,724** | **29,724** | **730** | **3,138** | **-** | **9** | **68** | **66,393** |
| Net gain / (loss) from the fair value adjustment of investment properties | 64,367 | 40,901 | 401 | 3,077 | - | 132 | (144) | 108,734 |
| Direct property related expenses | (1,613) | (1,555) | (41) | (632) | (59) | - | (34) | (3,934) |
| **Total segment operating profit / (loss)** | **95,478** | **69,070** | **1,090** | **5,583** | **(59)** | **141** | **(110)** | **171,193** |
| Unallocated operating income | | | | | | | | **3,981** |
| Unallocated operating expenses | | | | | | | | **(1,935)** |
| **Operating profit / (loss)** | | | | | | | | **173,239** |
| Unallocated interest income | | | | | | | | **2,420** |
| Unallocated finance costs | | | | | | | | **(1,637)** |
| Allocated finance costs | (22) | (3,337) | - | (605) | - | (2) | (8) | **(3,974)** |
| **Profit / (loss) before tax** | | | | | | | | **170,048** |
| Taxes | | | | | | | | **(1,134)** |
| **Profit / (loss) for the period** | | | | | | | | **168,914** |

All amounts expressed in € thousand, unless otherwise stated

| Country | Greece | Greece | Greece | Italy | Italy | Romania | Romania | |
|---|---|---|---|---|---|---|---|---|
| **Segment** | **Retail** | **Offices** | **Other** | **Offices** | **Other** | **Retail** | **Offices** | **Total** |
| **Segment assets as at 31 December 2014** | | | | | | | | |
| Segment assets | 667,475 | 588,872 | 12,637 | 82,618 | 73,506 | 1,387 | 6,009 | **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 | - | 1,276 | 5,468 | **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 | - | 1,276 | 6,272 | **377,974** |

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.

All amounts expressed in € thousand, unless otherwise stated

**Concentration of customers**

National Bank of Greece and the Hellenic Republic, lessees of the Group, represent (each one individually) more than 10% of Group's rental income. Rental income from NBG for the nine-month period ended 30 September 2015 amounted to €50,663, i.e. 61.5% (nine-month period 2014: €51,648, i.e. 77.8%) and rental income from the Hellenic Republic for the aforementioned period amounted to €8,651, i.e. 10.5% (nine-month period 2014: €4,124, i.e. 6.2%).

## 5. Investment Property

| | Group | | Company | |
|---|---|---|---|---|
| **Period ended** | **30.09.2015** | **31.12.2014** | **30.09.2015** | **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 | 84,721 | 230,100 | - | 230,100 |
| - Acquisitions of subsidiaries through business combinations | - | 128,482 | - | - |
| - Contribution of investment property | - | 19,230 | - | 19,230 |
| - Effect from Merger | - | - | 43,134 | - |
| - Subsequent capital expenditure on investment property | 70 | 162 | 21 | 7 |
| - Transfer from property and equipment | 1,000 | 155 | - | 155 |
| Net gain / (loss) from the fair value adjustment of investment property | (57,615) | 98,651 | (45,248) | 91,799 |
| **Balance at the end of the period** | **1,435,835** | **1,407,659** | **1,078,956** | **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.

On July 2, 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 July 20, 2015.

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**<br>**Segment** | **Greece**<br>**Retail** | **Greece**<br>**Offices** | **Greece**<br>**Other[1]** | **Italy**<br>**Offices** | **Italy**<br>**Retail** | **Italy**<br>**Other[2,3]** | **Romania**<br>**Retail** | **Romania**<br>**Offices** | **30.09.2015**<br>**Total** | **31.12.2014**<br>**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 | - | - | - | 82,333 | 2,388 | - | **-** | **-** | **84,721** | **230,100** |
| Acquisitions of subsidiaries through business combinations | - | - | - | - | - | - | - | - | **-** | **128,482** |
| Contribution of investment property | - | - | - | - | - | - | - | - | **-** | **19,230** |
| Subsequent capital expenditure on investment property | - | 21 | - | - | - | - | 6 | 43 | **70** | **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 | 8,632 | 15 | (16,700) | (144) | (596) | **(57,615)** | **98,651** |
| **Fair value at the end of the period** | **614,294** | **575,875** | **12,861** | **172,597** | **2,403** | **51,100** | **1,249** | **5,456** | **1,435,835** | **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[1] | 12,861 | 15%-20% sales comparison and 80%-85% DCF | 60 | 9.00% - 12.75% | 7.50% - 10.00% |
| Italy | Offices | 172,597 | 0% sales comparison and 100% DCF (please see note below) | 963 | 5.75% - 8.00% | 4.50% - 7.00% |
| Italy | Retail | 2,403 | 0% sales comparison and 100% DCF (please see note below) | 22 | 6.25% | 5.25% |
| Italy | Other[2] | 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% |

[1] The segment «Other» in Greece includes storage space, archives, petrol stations and parking spaces

[2] The segment «Other» in Italy relates to land

All amounts expressed in € thousand, unless otherwise stated

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 of 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.

## 6. Investment in Subsidiaries

| Subsidiaries | Country of incorporation | Unaudited tax years | Group 30.09.2015 | Group 31.12.2014 | Company 30.09.2015 | Company 31.12.2014 | Consolidation Method |
|---|---|---|---|---|---|---|---|
| KARELA S.A. (1) | Greece | 2010 – 2014 | 100.00% | 100.00% | 100.00% | 100.00% | Full consolidation |
| Nash S.r.L. | Italy | 2010 – 2014 | 100.00% | 100.00% | 100.00% | 100.00% | Full consolidation |
| Picasso Fund | Italy | 2010 – 2014 | 100.00% | 100.00% | 100.00% | 100.00% | Full consolidation |
| Egnatia Properties S.A. | Romania | 2010 – 2014 | 99.96% | 96.87% | 99.96% | - | Full consolidation |

(1) The financial year 2014 has been audited by the company's certified auditors accountants and the tax certificate has been issued with no qualification. The financial year 2014 should be considered closed for tax audit purposes under art. 36 of L. 4174/2013 following the lapse of 5 years after 31.12.2015 (unless the said deadline is determined differently in the future with a new law). The open tax years prior to 2014 will be audited by the tax authorities.

Following the preliminary agreement dated September 30, 2014, on February 27, 2015, the Company concluded the acquisition of the newly established entity "PLAZA WEST A.D.", which holds about 9 thousand sq. the West Plaza shopping centre in Sofia, Bulgaria, for a consideration of € 11.000 (first phase of the Agreement). In the second phase, which was concluded on September 30, 2015, the Company proceeded with the unwinding of the acquisition of "PLAZA WEST A.D." for a total consideration of €12.300, as certain terms of the agreement were not met by the seller, Stirling Properties Bulgaria EOOD. Regarding the specific investment, we note that this paragraph needs to be read in conjunction with Note 7 below.

All amounts expressed in € thousand, unless otherwise stated

## 7. Other Long-Term Assets

On April 17, 2015, the Company entered into a preliminary agreement with Chris Cash & Carry Limited, a company of Marinopoulos S.A. Group, for the acquisition of two properties in Limassol, Cyprus for a total consideration of €22,170. 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 December 16, 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 Chris Cash & Carry Limited for the whole property, with 25-year duration.

On September 30, 2015, the Company entered into a preliminary agreement with Chris Cash & Carry Limited, a company of Marinopoulos S.A. Group, for the acquisition of 3 properties, 2 properties in Limassol (hereinafter "property 1" and "property 2") and 1 property in Nicosia, Cyprus (hereinafter "property 3"). The total consideration for the property 1, property 2 and property 3 amounts to approximately €7,600, €16,450 and €4,700 respectively. In the context of this preliminary agreement, the Company has already paid an amount €5,700 as an advance. The signing of the final agreement, agreed to be concluded by December 4, 2015, is conditional, among others, on the successful completion of legal and technical due diligence process. The property 1, property 2 and property 3 have a total area of 6 thousand sq.m., 10 thousand sq.m. and 3 thousand sq.m. respectively and all of them are used as supermarkets. The Company has also signed a preliminary lease agreement with Chris Cash & Carry Limited for the lease of these properties, with a 25-year duration.

On September 30, 2015, the Company entered into a preliminary agreement with Stirling Properties Bulgaria EOOD and other entities related to it (all of them entities of Marinopoulos S.A. Group), for the purchase of the companies named "PLAZA WEST A.D." and "PLAZA WEST 2 A.D.", which own an area of approximately 23 thousand sq.m. of the shopping mall West Plaza in Sofia, Bulgaria, for a total consideration of €33,000, out of which €6,600 was paid in advance. The signing of the final agreement is conditional, among others, on the successful and time demanding completion of construction and commencement of the shopping mall's operation (pls. ref. to Note 6).

## 8. Trade and Other Receivables

The analysis of trade and other receivables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| Trade receivables | 16,363 | 7,140 | 12,394 | 5,129 |
| Trade receivables from related parties (Note 19) | 5 | 2 | 5 | 2 |
| Receivables from Greek State | 8,051 | 7,830 | 8,048 | 7,790 |
| Prepaid expenses | 5,512 | 4,402 | 4,572 | 4,022 |
| Interim dividend paid | - | 58,169 | - | 58,169 |
| Other receivables | 8,788 | 9,528 | 3,063 | 3,808 |
| Other receivables from related parties (Note 19) | 990 | 47 | 28,490 | 100,000 |
| **Total** | **39,709** | **87,118** | **56,572** | **178,920** |

All amounts expressed in € thousand, unless otherwise stated

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.

Group’s trade receivables as at 30 September 2015 include provisions for doubtful receivables amounting to €126 (31.12.2014: €39), out of which the amount of €87 was recorded in the current nine-month period and is included in “other expenses” of the income statement.

Receivables from Greek state mainly relate to capital accumulation tax paid by NBG Pangaea at 14 April 2010, 16 September 2014 and 17 September 2014 respectively. Upon payment of this tax, NBG Pangaea 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, NBG Pangaea filed an appeal. The Company's Management, based on the advice of its legal advisors, believes that the reimbursement of these amounts is in essence certain.

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

The analysis of other receivables is as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| Receivables from Italian State | 5,679 | 5,664 | - | - |
| Pledged deposits | 3,013 | 3,041 | 3,013 | 3,041 |
| Other | 96 | 823 | 50 | 767 |
| **Total** | **8,788** | **9,528** | **3,063** | **3,808** |

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.

## 9. Cash and Cash Equivalents

The analysis of cash and cash equivalents is as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| Cash in hand | 1 | 3 | 1 | 1 |
| Sight and time deposits | 88,422 | 125,635 | 19,604 | 7,192 |
| **Total** | **88,423** | **125,638** | **19,605** | **7,193** |

All amounts expressed in € thousand, unless otherwise stated

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 amounted to €8,850 (31 December 2014: €8,471), in accordance with the provisions of the loan agreements issued by subsidiaries of the Group.

## 10. Share Capital & Share Premium

| | | | Group | Company |
|---|---|---|---|---|
| | No. of shares | Share Capital | Share Premium | |
| **Balance at 1 January 2014** | **183,928,000** | **735,712** | **-** | **-** |
| Share capital increase | 3,348,651 | 13,395 | 7,467 | 7,467 |
| Share capital increase related expenses | - | - | (200) | (200) |
| **Balance at 30 September 2014** | **187,276,651** | **749,107** | **7,267** | **7,267** |
| Share capital increase (inc, related expenses) | 4,021,678 | 16,086 | 8,623 | 8,623 |
| **Balance at 31 December 2014** | **191,298,329** | **765,193** | **15,890** | **15,890** |
| Share capital increase | 64,196,205 | 1,291 | - | - |
| Effect from Merger | - | - | - | 80 |
| **Balance at 30 September 2015** | **255,494,534** | **766,484** | **15,890** | **15,970** |

On September 25, 2015, the Extraordinary General Meeting of the shareholders of NBG Pangaea REIC and MIG Real Estate REIC approved, among others, the merger of the two companies, according to the provisions of articles 69 et seq. of C.L. 2190/1920 and the articles 1-5 of L. 2166/1993, as in force. Based on the exchange ratio, as mentioned in Note 2, upon the completion of the Merger, the "old" shareholders of NBG Pangaea hold 255,420,088 shares of the New Company and the shareholders who held 430,055 shares of MIG Real Estate REIC, now hold 254,446 shares of the New Company.

The Company does not hold own shares.

## 11. Reserves

Reserves are analysed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| Statutory reserve | 9,678 | 2,986 | 9,400 | 2,986 |
| Special reserve | 323,987 | 323,987 | 323,987 | 323,987 |
| Other reserves | - | - | 53 | - |
| Defined benefit plan | (81) | (81) | (56) | (56) |
| Foreign exchange differences | (30) | 61 | - | - |
| Cash flow hedges | (24) | - | - | - |
| **Total** | **333,530** | **326,953** | **333,384** | **326,917** |

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

All amounts expressed in € thousand, unless otherwise stated

## 12. Other Long-Term Liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| Long-term guarantees | 3,220 | 3,162 | 600 | 319 |
| Lease advances | - | 3,335 | - | - |
| **Total** | **3,220** | **6,497** | **600** | **319** |

## 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 loans of the subsidiaries KARELA S.A. and Picasso Fund, the subsidiaries have entered into interest rate swaps for hedging the Group's exposure to variations in variable rate.

On June 30, 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 the 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 February 11, 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 July 20, 2015 (Note 5)).

| | Group | | Company | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| **Long term** | | | | |
| Bond loans | 283,881 | 284,276 | 234,381 | 230,054 |
| Other borrowed funds | 104,279 | 35,778 | - | - |
| **Long term borrowings** | **388,160** | **320,054** | **234,381** | **230,054** |
| **Short term** | | | | |
| Bond loans | 4,234 | 5,137 | 3,557 | 2,500 |
| Other borrowed funds | 6,210 | 10,484 | 2,617 | 6,000 |
| **Short term borrowings** | **10,444** | **15,621** | **6,174** | **8,500** |
| **Total** | **398,604** | **335,675** | **240,555** | **238,554** |

As of September 30, 2015, short-term borrowings of the Group and the Company include an amount of €3,019 and €2,358, 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 | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| Up to 1 year | 10,444 | 13,981 | 6,174 | 6,860 |
| From 1 to 5 years | 383,046 | 301,053 | 234,381 | 231,694 |
| More than 5 years | 5,114 | 20,641 | - | - |
| **Total** | **398,604** | **335,675** | **240,555** | **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:

- Nine properties of the Company in Attica (8 in Athens and 1 in Piraeus) have prenotation of mortgage in favour of Alpha Bank S.A., each for an amount of €9,880.
- In accordance with the terms of the bond loan program dated August 11, 2014, as amended on August 20, 2014, for the issuance of the bonds totally amounting to €237,500 by the Company, it registered mortgages on 77 properties in Greece (included the owneroccupied property) in favour of Alpha Bank S.A. (bondholder agent) as collateral for all the Company's obligations under the financing documents, each for an amount of €250,000.
- On the property owned by KARELA S.A. a prenotation of mortgage was established in favour of Piraeus Bank S.A. (bondholder agent) 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. Finally, the Company has given corporate guarantee for all liabilities of KARELA SA under the bond program and the bonds issued.
- 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 €204,000. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

## 14. Trade and Other Payables

The analysis of trade and other payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| Trade payables | 1,787 | 2,804 | 1,721 | 2,221 |
| Amounts due to related parties (Note 19) | 61 | 862 | 61 | 785 |
| Taxes – levies | 10,232 | 9,394 | 7,747 | 8,463 |
| Deferred revenue | 5,164 | 4,285 | 2,902 | 2,884 |
| Other payables and accrued expenses | 14,554 | 12,208 | 719 | 1,040 |
| **Total** | **31,798** | **29,553** | **13,150** | **15,393** |

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

All amounts expressed in € thousand, unless otherwise stated

The analysis of taxes – levies is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| Stamp duty on leases | 2,156 | 2,624 | 2,156 | 2,570 |
| Unified Property Tax (ENFIA) | 3,929 | 3,209 | 3,764 | 3,042 |
| Special Real Estate Levy (EETA) and Special Electricity Powered Surfaces Levy (EETHDE) | 1,388 | 2,594 | 1,388 | 2,549 |
| Real estate tax for properties located abroad | 1,733 | - | - | - |
| Other | 1,026 | 967 | 439 | 302 |
| **Total** | **10,232** | **9,394** | **7,747** | **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 September 2015 and 31 December 2014.

Other payables and accrued expenses of the Group at 30 September 2015 include the followings:

- 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 and the Group proceeded with the reimbursement to the previous shareholder of the subsidiary within October 2015.
- an amount of €5,928 which relates to lease advance which will be offset by rents within the next twelve months (31 December 2014: €3,356).

## 15. Dividends per Share

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

On April 24, 2015, the Annual General Meeting of NBG Pangaea'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 NBG Pangaea on November 25, 2014 amounted to €58,169 (€0.3041 per share – amount in €) which was paid during 2014.

## 16. Taxes

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.09.2015** | **30.09.2014** | **30.09.2015** | **30.09.2014** |
| REICs' tax | 1,101 | 1,121 | 986 | 986 |
| Deferred tax | (173) | 13 | - | - |
| Other taxes | 32 | - | - | - |
| **Total** | **960** | **1,134** | **986** | **986** |

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 investments 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%)). KARELA S.A., subsidiary 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. and Egnatia Properties S.A. are taxed on their income, assuming a tax rate of 31.4% in Italy and 16.0% in Romania, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax.

## 17. 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 September** | **2015** | **2014** | **2015** | **2014** |
| Profit / (loss) attributable to equity shareholders | (3,050) | 168,786 | 2,862 | 154,613 |
| Weighted average number of ordinary shares in issue (thousands) | 255,466 | 246,225 | 255,466 | 246,225 |
| **Earnings / (losses) per share (expressed in € per share) - Basic and diluted** | **(0.0119)** | **0.6855** | **0.0112** | **0.6279** |

## 18. 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 September 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.

NBG Pangaea REIC has not been audited for tax purposes for the year ended 31 December 2010. The financial years 2011, 2012, 2013 and 2014 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, 2013 and 2014 were unqualified and issued on 19 July 2012, 30 September 2013, 10 July 2014 and 30 September 2015, 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 determined differently in the future with a new law or a tax evasion case be identified by a tax audit). The financial year 2014 should be considered closed for tax purposes for the lapse of 5 years from 31.12.2015 (unless the said deadline is determined differently in the future with a new law or a tax evasion case be identified by a tax audit). Information about the unaudited tax years of the subsidiaries are included in Note 6.

MIG Real Estate REIC has not been audited for tax purposes for the year ended 31 December 2010. The financial years 2011, 2012, 2013 and 2014 were audited by the Company's independent auditors in accordance with article 82 of L. 2238/1994. The relevant tax audit certificates for the years 2011, 2012, 2013 and 2014 were unqualified and issued on 25 July 2012, 23 September 2013, 07 July 2014 and 30 September 2015, 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 determined differently in the future with a new law or a tax evasion case be identified by a tax audit). The financial year 2014 should be considered closed for tax purposes for the lapse of 5 years from 31.12.2015 (unless the said deadline is determined differently in the future with a new law or a tax evasion case be identified by a tax audit).

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).

In the context of the agreement for a bridge loan between NBG Pangaea and Alpha Bank S.A., NBG Pangaea 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, in favour of Alpha Bank S.A.. The power of attorney shall expire automatically, either with the full and complete settlement of all Company's obligations under the credit agreement, or the moment that Alpha Bank S.A. covers entirely the debentures of a bond loan, as it may be issued in the future by the Company, and it will be subject to full and complete settlement of any amount under the aforementioned credit agreement.

There are no pending lawsuits against the Group, nor other contingent liabilities resulting from commitments at September 30, 2015, which would affect the Group's financial position.

## 19. Related Party Transactions

From August 12, 2014, the former MIG Real Estate REIC is a member of the Group of National Bank of Greece S.A. which holds 32.66% of the Company's share capital after the legal conclusion of the Merger and controls the Company. More specifically, based on the shareholders' agreement, NBG appoints the majority of the members of the Board of Directors and the Investment Committee and guarantees are provided to NBG for certain other contractual rights. As a result of this shareholders' agreement, NBG is the controlling shareholder of the Company under IFRS.

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:

All amounts expressed in € thousand, unless otherwise stated

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

| | Group | | Company | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| **Trade receivables from related parties** | | | | |
| Ethniki Leasing, company of NBG Group | 3 | - | 3 | - |
| Other shareholders | 1 | - | 1 | - |
| Companies related to other shareholders | 1 | 2 | 1 | 2 |
| **Total** | **5** | **2** | **5** | **2** |
| **Other receivables from related parties** | | | | |
| Hellenic National Insurance Company, company of NBG Group | - | 47 | - | - |
| Picasso Fund, company's subsidiary | - | - | 27,500 | 100,000 |
| Other shareholders | 990 | | 990 | - |
| **Total** | **990** | **47** | **28,490** | **100,000** |
| **Prepaid expenses** | | | | |
| Hellenic National Insurance Company, company of NBG Group | 172 | - | 171 | - |
| NBG Securities, company of NBG Group | 75 | 75 | 75 | 75 |
| **Total** | **247** | **75** | **246** | **75** |
| **Cash and cash equivalents** | | | | |
| Parent company | 16,865 | 7,192 | 16,865 | 7,192 |
| **Total** | **16,865** | **7,192** | **16,865** | **7,192** |
| **Amounts due to related parties** | | | | |
| Parent company | 18 | 149 | 18 | 149 |
| Hellenic National Insurance Company, company of NBG Group | 36 | 379 | 36 | 302 |
| NBG Securities, company of the NBG Group | - | 215 | - | 215 |
| Ethniki Leasing, company of NBG Group | 1 | - | 1 | - |
| Ethniki Factors, company of NBG Group | 6 | - | 6 | - |
| Companies related to other shareholders | - | 119 | - | 119 |
| **Total** | **61** | **862** | **61** | **785** |
| **Other Liabilities** | | | | |
| Parent company | 9 | - | 9 | - |
| Companies related to other shareholders | 333 | - | 333 | - |
| **Total** | **342** | **-** | **342** | **-** |
| **Borrowings** | | | | |
| Parent company | 9,323 | 9,549 | - | - |
| **Total** | **9,323** | **9,549** | **-** | **-** |

All amounts expressed in € thousand, unless otherwise stated

| | Group | | Company | |
|---|---|---|---|---|
| | **30.09.2015** | **31.12.2014** | **30.09.2015** | **31.12.2014** |
| **Derivative financial instruments – Liabilities** | | | | |
| Parent company | 395 | 536 | - | - |
| **Total** | **395** | **536** | **-** | **-** |

**ii. Rental income**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.09.2015** | **30.09.2014** | **30.09.2015** | **30.09.2014** |
| Parent company | 50,663 | 51,648 | 50,663 | 51,648 |
| Other companies of NBG Group [1] | 88 | 176 | 88 | 176 |
| Other shareholders | 2 | - | 2 | - |
| Companies related to other shareholders | 2 | - | 2 | - |
| **Total** | **50,755** | **51,824** | **50,755** | **51,824** |

**iii. Other direct property related expenses**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.09.2015** | **30.09.2014** | **30.09.2015** | **30.09.2014** |
| Hellenic National Insurance Company, company of NBG Group | 315 | 99 | 266 | 82 |
| Companies related to other shareholders | 2,247 | 225 | 2,247 | 225 |
| **Total** | **2,562** | **324** | **2,513** | **307** |

**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 | |
| | **30.09.2015** | **30.09.2014** | **30.09.2015** | **30.09.2014** |
| Parent company | 140 | (116) | - | - |
| **Total** | **140** | **(116)** | **-** | **-** |

**v. Personnel Expenses**

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.09.2015** | **30.09.2014** | **30.09.2015** | **30.09.2014** |
| Hellenic National Insurance Company, company of NBG Group | 14 | - | 14 | - |
| **Total** | **14** | **-** | **14** | **-** |

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

All amounts expressed in € thousand, unless otherwise stated

### vi. Other income

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.09.2015 | 30.09.2014 | 30.09.2015 | 30.09.2014 |
| Parent company | 3 | - | 1,650 | - |
| **Total** | **3** | **-** | **1,650** | **-** |

### vii. Other expenses

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.09.2015 | 30.09.2014 | 30.09.2015 | 30.09.2014 |
| Parent company | 28 | 23 | 28 | 23 |
| Ethnodata, company of NBG Group | - | 3 | - | 3 |
| Ethniki Leasing, company of NBG Group | 28 | 8 | 28 | 8 |
| **Total** | **56** | **34** | **56** | **34** |

### viii. Interest income

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.09.2015 | 30.09.2014 | 30.09.2015 | 30.09.2014 |
| Parent company | 100 | 2.409 | 100 | 2,409 |
| **Total** | **100** | **2.409** | **100** | **2,409** |

### ix. Finance costs

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | 30.09.2015 | 30.09.2014 | 30.09.2015 | 30.09.2014 |
| Parent company | 544 | 635 | 7 | 70 |
| UBB, company of NBG Group | 22 | - | 22 | - |
| **Total** | **566** | **635** | **29** | **70** |

### x. Due to key management

| | Group | | Company | |
|---|---|---|---|---|
| | 30.09.2015 | 31.12.2014 | 30.09.2015 | 31.12.2014 |
| BoD, its committees and Senior Management compensation | 45 | 35 | 45 | 35 |
| Retirement benefit obligations | 15 | - | 15 | - |
| **Total** | **60** | **35** | **60** | **35** |

All amounts expressed in € thousand, unless otherwise stated

### xi. Key management compensation

| | Group | | Company | |
|---|---|---|---|---|
| | From 01.01. to | | From 01.01. to | |
| | **30.09.2015** | **30.09.2014** | **30.09.2015** | **30.09.2014** |
| BoD, its committees and Senior Management compensation | 1,232 | 229 | 1,212 | 199 |
| **Total** | **1,232** | **229** | **1,212** | **199** |

### xii. Commitment and contingent liabilities

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

## 20. Events after the Date of Financial Statements

There are no 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.