NBG PANGAEA

NBG PANGAEA R.E.I.C.

Group and Company
ANNUAL FINANCIAL REPORT
for the year from January 1 to December 31, 2015
In accordance with International Financial Reporting Standards

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.

March 2016

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Certification by Members of the Board of Directors pursuant to article 4 of Law 3556/2007

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

(1) The financial statements for the annual period ended December 31, 2015 have been prepared in accordance with the applicable accounting standards and present a true and fair view of the assets, liabilities, equity and results of operations of the Company and of the companies included in the consolidation.

(2) The Board of Directors annual report fairly presents the evolution, the performance and the position of the Company and of the companies included in the consolidation, including the description of the main risks and uncertainties they face.

Athens, March 22, 2016

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

Board of Directors’ Annual Report
of “NBG Pangaea Real Estate Investment Company”
on the Consolidated and Separate Financial Statements for the financial year 2015

(all amounts expressed in € thousand, unless otherwise stated)

SIGNIFICANT EVENTS DURING 2015

A. CORPORATE EVENTS

1. During 2015, the merger by absorption of NBG Pangaea REIC by its subsidiary MIG Real Estate REIC was completed. In particular, the Board 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 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, Development and Tourism.

   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

   More specifically, upon the completion of the transaction, the Company's shareholding structure is as follows:

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

   It is noted that the percentage ownership of Invel includes the ownership of Anthos Properties S.A. (a subsidiary of Invel) which directly holds 5,365,930 ordinary shares, corresponding to 2.10% of the share capital of the Company.

2. On April 24, 2015, the Annual General Meeting of shareholders of NBG Pangaea REIC, approved the distribution of a total amount of €109,362 of the net profit of the year 2014 (i.e. €0.5717 per share – amount in €), as a dividend to the shareholders. This amount includes the interim dividend amounted to €58,169 (i.e. €0.3041 per share – amount in €), which had been approved by the Board of Directors of NBG Pangaea REIC, on November 25, 2014 and paid during 2014.

3. On December 28, 2015 the Board of Directors of the Company (the “Absorbing Company”) resolved on the commencement of the preparatory works of the merger by absorption by the Absorbing Company of the

company "KARELA ANONIMI ETERIA TECHNOLOGIAS EREVNAS ANAPTIXIS KAI AXIOPOIISIS AKINITON VIOTECHNIAS KAI VIOMICHANIAS" (the "Company to be absorbed"). The Absorbing Company owns 100% of the share capital and voting rights of the Company to be absorbed. It has been proposed that the envisaged merger will take place through the consolidation of assets and liabilities of the above companies, with the combined application of the provisions of articles 68 et seq., and particularly of article 78, par. 2 of the C.L. 2190/1920 and those of Greek law No. 2166/1993, as in force. The December 31, 2015 has been set as the transformation date, whereas the auditing firm PRICEWATERHOUSECOOPERS will proceed to the ascertainment of the soundness of the transformation balance sheet of the Company to be absorbed.

In any case, the completion of the envisaged merger depends on the passing of the pertinent corporate resolutions which will finalize the process and will approve the merger as well as on the approval of the Merger by the Ministry of Economy, Development and Tourism.

B. INVESTMENTS

1. The Group proceeded with the following real estate investments which contributed to the dispersion of the Group's real estate portfolio, as presented below:

   - On December 4, 2015, the Company was declared as successful bidder for the acquisition by the Bank of Cyprus of a commercial property, of a total area of approximately 1 thousand sq.m., which is located at 12, Agiou Nikolaou str., Patra for a consideration of €2,485. The property is leased to Massimo Dutti, member of Inditex Group, with a remaining lease duration of approximately 10 years. The acquisition of the property was completed on March 11, 2016.

   - On February 26, 2016 the Company acquired a commercial property of a total area of approximately 1 thousand sq.m., which is located at 40-42, Hadjimichali Giannari str., Chania for a consideration of €1,820. The property is leased to Public with a remaining lease duration of approximately 6 years and extension right for more 3 years.

   - On July 20, 2015, the Group acquired 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.

   - On February 11, 2015, the Group completed the acquisition of 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 2015, the Group proceeded with the signing of binding agreements for the acquisition of real estate investments amounting to €83,920, as presented below:

   - 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, 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,

NBG Pangaea has already paid an amount of €5,700 as advance. The signing of the final agreement, 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.

FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

As of December 31, 2015 the Group's portfolio consisted of 316 (31.12.2014: 314) commercial properties (mainly retail and offices), of a total leasable area of 880 thousand sq.m. Most of these properties are located in prime areas throughout Greece. As of December 31, 2015, the Group also owned five properties in Italy and two properties in Romania. The fair value of the Group's investment property at December 31, 2015 amounted to €1,470,079, according to a relevant valuation by the statutory independent valuer (December 31, 2014: €1,407,659).

Revenue: Total revenue for the year ended December 31, 2015 amounted to €110,861, which relates to rental income, compared to €93,054 in 2014, representing an increase of 19.1%. The specific increase mainly relates to rental income from new acquisitions during 2015 and 2014.

Net gain / (loss) from the fair value adjustment of investment property: During the current year, the fair value of investment properties decreased by €23,723 (compared to net gain of €98,651 of the previous year). The net loss in the fair value of investment property resulted in 2015 reflects the change in the Greek commercial real estate market (and mainly in real estate properties with investment characteristics similar to those of the Group's properties), which noted a negative trend mainly in the first six months of 2015 while a stand-by attitude with slight signs of recovery was recorded during the second half of the year. The negative trend of the first six months was mainly due to the conditions prevailed in the Greek market, where most investments or developments of infrastructure projects had decelerated or cancelled and there was a limited number of transactions. During the second half of 2015, the agreement with the European Support Mechanism and the successful recapitalization of Greek financial institutions were significant steps for the restoration of confidence and the activation of investors' interest in commercial real estate with investment characteristics similar to those of our Group's portfolio (investment grade properties). These characteristics mainly include the location of our properties, the quality of our tenants as well as the main terms of our lease agreements with the main Group's tenants.

Operating profits / (losses): Operating profits of the Group for the year 2015 amounted to €64,704 (compared to operating profits of €186,560 of the previous year). Excluding the net gain/ (loss) from the fair value adjustment of investment property (2015: net loss €23,723, 2014: net gain €98,651), the expenses related to the Merger (2015: €4,128, 2014: €0) and the expenses related to IPO which was cancelled (2015: €2,515, 2014: €0), Group's operating profits for the year 2015 amounted to €95,070 compared to €87,909 of the previous year (an increase of 8.1%). The increase is mainly related to the increase of the Group's revenue, as stated above.

Interest income: The Group's total interest income for the year 2015 amounted to €182 compared to €3,233 of the previous year. 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 Group proceeded during 2015 and the second half of 2014.

Finance costs: Group's finance costs for the year 2015 amounted to €20,814 (2014: €10,693). The increase is due to the increase of Group's borrowings and mainly to the bond loan totally amounted to €237,500 which was issued by the Company on August 22, 2014 and was covered by institutional investors.

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 subsidiary in Greece, i.e. KARELA S.A., has the same tax treatment.

The Company's subsidiary in Italy, Picasso Fund, is not subject to income tax. The Company's subsidiaries, Nash S.r.L., Egnatia Properties S.A. and Quadratix Ltd are taxed on their income, assuming a tax rate of 31.4% in Italy, 16.0% in Romania and 12.5% in Cyprus, respectively. No significant foreign income tax expense was incurred for the year 2015.

Taxes on a Group level for the year ended December 31, 2015 amounted to €1,392 compared to €1,482 for the previous year, presenting a decrease by 6.1% which is mainly due to the decrease of deferred tax liability compared with the respective amount of December 31, 2014 because of the increase of Group's properties tax base in Romania.

Profit / (loss) for the period: The Group's profit for the year 2015 amounted to €42,680 compared to profit for the period of €177,618 of the previous year. Excluding the net gain/ (loss) from the fair value adjustment of investment property (2015: net loss €23,723, 2014: net gain €98,651), the expenses related to the Merger (2015: €4,128, 2014: €0) and the expenses related to IPO which was cancelled (2015: €2,515, 2014: €0), Group's profit for the period amounted to €73,046 for the year 2015 compared to profit of €78,967 of the previous year.

BASIC RATIOS

	31.12.2015	**31.12.2014**
Current ratio (Current assets / Current liabilities)	3.96x	4.33x
Gearing ratio (Borrowings / Total assets)	24.6%	20.5%
LTV (Borrowings / Fair value of properties)	27.0%	23.8%
Net LTV [Net Borrowings (Borrowings less Cash and Cash equivalents) / Fair value of properties]	20.8%	14.9%

Net Asset Value (NAV)	**31.12.2015**	**31.12.2014**
NAV	**1,193,612**	**1,258,912**
No. of shares at year end (in thousands)	255,495	255,495
NAV (per share)	**4.67**	**4.93**

EPRA Net Asset Value (EPRA NAV)	**31.12.2015**	**31.12.2014**
EPRA NAV	**1,196,617**	**1,262,336**
No. of shares at year end (in thousands)	255,495	255,495
EPRA NAV (per share)	**4.68**	**4.94**

	From 01.01. to		
	31.12.2015	**31.12.2014**	**% Change**
Profit / (loss) for the period	42,680	177,618	
Plus: Depreciation of property and equipment	40	23	
Plus: Amortization of intangible assets	29	29	
Plus / Less: Net Finance costs / Interest Income	20,632	7,460	
Plus: Taxes	1,392	1,482	
EBITDA	**64,773**	**186,612**	
Plus / (Less): Net non-recurring items	6,587	(3,788)	
Plus / Less: Net change in fair value of financial instruments at fair value through profit or loss	(416)	125	
Plus / (Less): Net (gain) / loss of fair value adjustment of investment properties	23,723	(98,651)	
Adjusted EBITDA	**94,667**	**84,298**	**12.3%**

Funds from Operations (FFO)	From 01.01. to		
	31.12.2015	**31.12.2014**	**% Change**
Profit / (loss) for the period	42,680	177,618	
Plus: Depreciation of property and equipment	40	23	
Plus: Amortization of intangible assets	29	29	
Plus / (Less): Net non-recurring items	6,587	(3,788)	
Plus / Less: Net change in fair value of financial instruments at fair value through profit or loss	(416)	125	
Plus / (Less): Net (gain) / loss of fair value adjustment of investment properties	23,723	(98,651)	
FFO	**72,643**	**75,356**	**(3.6)%**

EVENTS AFTER THE DATE OF FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

Please refer to the paragraph "B. Investments" regarding the acquisition of 2 properties in Greece realised on March 11, 2016 and February 26, 2016. 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 IFRSs.

SIGNIFICANT RISKS

Fluctuations in property values (price risk)

The Group is exposed to risk from changes in property values and rents which can originate from a) the developments in the real estate market in which the Group operates, b) the characteristics of properties owned by the Group and c) events concerning existing tenants of the Group. The Group minimizes its exposure to this risk, as the majority of the Group's leases consist of long-term operating leases with creditworthy tenants, for a period between 20 and 25 years, while for the majority of the leases the annual rental adjustment is associated with the Consumer Price Index plus a spread of 1.0% and in the event of deflation, there is no negative impact on rents.

The Group is governed by an institutional framework (Law 2778/1999) 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.

Non-performance of tenants (credit risk)

Credit risk relates to cases of default of counterparties to meet their transactional obligations. The Group has concentrations of credit risk with respect to cash and cash equivalents and rental income received from tenants under property operating lease contracts.

No material losses are anticipated as lease agreements are conducted with customers - tenants of sufficient creditworthiness. The Group's maximum exposure mainly results from related party transactions, since the majority of the Group's property portfolio is leased to NBG (60.8% of the total rental income). It is noted that on an annualised basis (i.e. rental income in force as of December 31, 2015 times 12), the abovementioned percentage of NBG amounts to 59.0%.

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 six months. If the reference rate changed by +/-1%, the effect on the Group's results would be estimated at -/+ €2,897 respectively.

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. The maturity analysis of financial liabilities as at December 31, 2015 and 2014 is as follows:

December 31, 2015	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**More than 5 years**	**Total**
Liabilities							
Borrowings	2,990	1,412	22,941	70,591	355,431	6,257	**459,622**
Other long-term liabilities	-	-	-	28	170	3,122	**3,320**
Derivative financial liabilities	-	309	1,277	1,517	500	-	**3,603**
Trade and other payables	3,138	7,826	851	-	-	-	**11,815**
Total	**6,128**	**9,547**	**25,069**	**72,136**	**356,101**	**9,379**	**478,360**

December 31, 2014	Less than 1 month	1 - 3 months	3 - 12 months	12 months - 2 years	2 - 5 years	More than 5 years	Total
Liabilities							
Borrowings	3,175	3,081	25,168	21,787	334,971	21,459	**409,641**
Other long-term liabilities	-	-	-	3,335	61	3,101	**6,497**
Derivative financial liabilities	-	470	1,405	1,851	1,593	-	**5,319**
Trade and other payables	15,808	1	4,355	-	-	-	**20,164**
Total	**18,983**	**3,552**	**30,928**	**26,973**	**336,625**	**24,560**	**441,621**

The amounts disclosed in the above table are the contractual undiscounted cash flows. Given that the amount of contractual undiscounted cash flows relate to bond loans of variable and not fixed interest rates, the amount presented is determined by reference to the conditions existing at reporting date – that is, the actual spot interest rates effective as of December 31, 2015 and 2014, respectively, are used for determining the related undiscounted cash flows.

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) at December 31, 2015 and 2014.

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Borrowings	397,114	335,675	240,691	238,554
Total assets	1,616,435	1,636,702	1,431,099	1,490,895
Gearing ratio	**24.6%**	**20.5%**	**16.8%**	**16.0%**

External factors and international investments

The Group has investments in Italy, Romania and Cyprus. 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 in IAS 24 are thoroughly described in note 30 of the Annual Consolidated and Separate Financial Statements for the year ended December 31, 2015.

OUTLOOK FOR THE YEAR 2016

During 2014, an increased investment activity was noted 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 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. However, during the second half of 2015, the agreement with the European Support Mechanism and the successful recapitalization of Greek financial institutions were significant steps for the restoration of confidence and the activation of investors' interest in commercial real estate with investment characteristics similar to those of our Group's portfolio (investment grade properties).

In 2016, Group's rental income is expected to present further increase compared to the one of 2015 mainly due to the Group's new investments in real estate properties which were incurred during 2015.

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

CORPORATE GOVERNANCE

Introduction

In accordance with article 43a, section 3(d) of C.L.2190/1920, as in force, the Company is obliged to include the Corporate Governance Statement, as a specific part of the annual Board of Directors' Report. As per the said article, the Company's Corporate Governance Statement includes the following sections:

A. Corporate Governance Code of the Company ("CGC"),

B. Corporate Governance Practices of the Company,

C. General Meeting of Shareholders and Shareholders' Rights,

D. Board of Directors and Other Management, Administrative and Supervisory Bodies,

E. Internal Control System of the Company and Management Risks.

It is noted that additional information as mandated by article 10 of the European Directive 2004/25/EC is included in a separate section of the Board of Directors' Report, namely, the Supplementary Report to the Annual General Meeting of Shareholders.

A. Corporate Governance Code of the Company

The Company's corporate governance framework is aligned with the requirements of the Greek legislation, the rules of the Hellenic Capital Markets Commission ("HCMC"), the Company's Articles of Association and regulations. The Company has adopted a directional framework that describes the Company's corporate governance structure and policy. This framework is based on international best practices and fosters continuity, consistency and efficiency in the modus operandi of the Board and also the governance of the Company and the Group.

In accordance with the CGC adopted and implemented by the Company, in compliance with the requirements of L.2778/1999 and L.3873/2010, the Board of Directors shall regularly assess its effectiveness in fulfilling its obligations and that of its committees and the abovementioned assessment shall take place at least every two (2) years. The Board has decided that a specific procedure will be developed during 2016 and that the first self-evaluation will be concluded prior to December 31, 2017.

The CGC is posted on the Company's website www.nbgpangaea.gr (section: ABOUT US / Corporate Governance / Corporate Governance Code).

B. Corporate Governance Practices

In its endeavor to maintain corporate governance excellence and enhance its existing risk management framework, the Company has adopted the following main corporate governance policies and practices, in the context of its business operation, practices relating to the management and progression of its employees and its executives, to the prevention of conflicts of interests and risk management in which the Company is exposed. Such policies and practices are aligned with its activities and ensure the transparency and effectiveness of its operations.

More specifically, taking into account the relevant provisions of L.2778/1999 regarding Real Estate Investment Companies and L.4209/2013 on alternative investment funds and fund managers, the Company maintains and implements:

- a Code of Business Conduct and Ethics,
- a Remuneration Policy,
- a procedure to prevent abuse of privileged information and market manipulation as well as situations of conflict of interests within the meaning of L.3340/2005 and Regulation 231/2013, respectively,
- detailed procedures for the outsourcing of important activities of the Company (such as the outsourcing of internal audit to the Company's Parent Company, NBG) as provided in the relevant provisions of L.4209/2013 and Regulation 231/2013, as well as
- a risk management policy.

The abovementioned practices are described in more detail in the Company's Internal Regulation of Operations and / or the Corporate Governance Code, of which the CGC is posted on the Company's website www.nbgpangaea.gr (section: ABOUT US / Corporate Governance / Corporate Governance Code).

C. General Meeting of Shareholders and Shareholders' Rights

Authorities of the General Meeting of Shareholders

The General Meeting of Shareholders is the supreme body of the Company, conveyed by the Board of Directors and authorized to decide on all matters concerning the Company.

Operation of the General Meeting - Rights of the Shareholders

The Board of Directors ensures that the preparation and the conduct of the General Meeting of shareholders facilitate the effective exercise of the rights of the shareholders, by fully informing the shareholders of all the issues relating to their attendance of the General Meeting, including the items on the agenda, as well as the rights they have during the course of the General Meeting. The Board of Directors facilitates, within the framework of the relevant statutory provisions, the participation of shareholders in the General Meeting, and especially of minority shareholders, foreign shareholders and any shareholders residing in remote areas and utilizes the General Meeting of shareholders as a mean for the meaningful and open dialogue with the Company.

The Board of Directors convenes and conducts the General Meeting of shareholders in accordance with applicable legislation and the Company's articles of association.

With the exception of repeated General Meetings and General Meetings deemed similar thereto, the General Meeting shall be called at least 20 days before the date set for it. The said 20-day period shall be inclusive of non-business days, but exclusive of the date the invitation is published and the date the General Meeting is held.

The invitation to the General Meeting, including the information provided for by law from time to time, including inter alia the place where the General Meeting is to be held, i.e. the premises along with the exact address, the date and time thereof, the items on the agenda, clearly specified, and the shareholders entitled to participate therein, along with precise instructions as to the method of participation and exercise of the rights thereof in person or by legally authorized proxy or even by distance participation, is displayed in a conspicuous place at the Company's Head Office and published as per the legal stipulations.

Any person appearing as a Shareholder (i.e. holder of ordinary registered shares of the Bank) in the registry of the Dematerialized Securities System managed by Hellenic Exchanges S.A. ("HELEX"), in which the shares of the Company are being held, as on the record date stipulated in Article 28a.4 of the C.L. 2190/1920, and timely and duly complying with the formalities of Article 28a of the C.L. 2190/1920 and the relevant invitation to the General Meeting, is entitled to participate in and vote at the General Meeting either in person or by legally authorized proxy.

The procedure and deadline for submitting the legalization documents of proxies and representatives of the Shareholders are set out in par. 1 to 3 of Article 28a of the C.L. 2190/1920. In particular, shareholder status should be confirmed (e.g. via written certification from HELEX) at the latest by the third (3rd) day prior to the General Meeting. The said deadline shall also apply to Shareholders' representatives' or proxies' legalization documents being deposited at the Company. Specifically, the shareholder capacity must be in effect during the registration date, as this is defined in the Notice of the General Meeting. Shareholders that have not adhered to the above provisions, may participate in and vote at the General Meeting subject to permission thereof. Shareholders that are legal entities may participate in the General Meeting by up to three (3) representatives each.

The annual financial report which incorporates a) the Certifications of the Board of Directors, b) Board of Directors' Report, c) Supplementary Report, d) Independent Auditor's Report, e) the financial statements and the notes thereto, f), Summary Financial Data, g) Information required by article 10 of Law 3401/2005 and h) Availability of the Annual Financial Report are available to Shareholders ten (10) days prior to the Annual General Meeting, upon request.

Twenty-four (24) hours before each General Meeting, a list of the names of the Shareholders entitled to vote thereat, along with each Shareholder's number of shares and votes, the names of their proxies, where applicable, and the said Shareholders' and proxies' addresses is displayed in a conspicuous place at the Company's Head Office. The said list includes all the Shareholders that have adhered to the above provisions. As of the date the invitation to the General Meeting is published until the day the General Meeting is held, the Company is required to have the information provided under article 27 par. 3 of the C.L. 2190/1920 displayed on its corporate website, and to inform the Shareholders through its website of the way the relevant material can be provided in case access to such information via the internet is impossible due to technical reasons. Should a Shareholder or proxy thereof object to the list, such objection may be raised only at the commencement of the General Meeting and prior to the deliberation on the agenda.

The Chairman of the BoD, the Managing Director and the statutory auditor (the latter in the case of the Ordinary General Meeting of the Company) are present at the General Meeting of shareholders, in order to provide information and update on matters within their competence, put up for discussion, and on questions or clarifications requested by shareholders. The Chairman of the General Meeting should have ample time for questions from shareholders.

During the assemblies of the General Meeting, the Chairman of the BoD shall preside on an interim basis. One or two of the present shareholders or representatives of shareholders shall be appointed by the Chairman to serve as interim secretaries.

Following certification of the list of shareholders with voting rights, the General Meeting shall immediately elect its final officers, consisting of a Chairman and one or two secretaries who shall also serve as vote-counters.

The resolutions of the general meeting are adopted in accordance with the provisions of the law and as provided in the Company's articles of association.

Additional information on the Shareholder rights and their exercise is included in the Supplementary Report of the Annual General Meeting, as required by article 4 of L.3556/2007, which is part of the Company's Annual Board of Directors' Report.

D. Board of Directors and Other Management, Administrative and Supervisory Bodies

Composition and Operation of the Board of Directors of the Company

The Company is managed by its Board of Directors ("BoD"), consisting of nine (9) members, who are elected by the General Meeting, which also determines the duration of their term. A legal entity may be elected as a member of the BoD.

The term of the current BoD is three years and ends on the Ordinary General Meeting of Shareholders of the Company that will take place during the first semester of 2019.

The Board of Directors consists of the following:

Full Name	Capacity
Christos I. Protopapas	Chairman of the BoD (non-executive member)
Vasileios G. Mastrokalos	Vice-Chairman (non-executive member)
Christophoros N. Papachristophorou	Vice-Chairman (non-executive member)
Aristotelis D. Karytinos	CEO
Thiresia G. Messari	Executive member
Anna G. Apostolidou	Non-executive member
Athanasios D. Karagiannis *	Non-executive member
Spyridon G. Makridakis	Independent non-executive member
Prodromos G. Vlamis	Independent non-executive member

* *Upon resignation of Mr. Arnaud Dominique Maurice Bertrand Plat son of Dominique Plat, Mr. Athanasios Karagiannis was elected as a member of the Board of Directors by virtue of a resolution of the Board of Directors in its meeting dated February 2, 2016.*

The BoD shall elect from its membership a Chairman, up to two Vice-Chairmen and a Managing Director (CEO).

If one Vice-Chairman has been elected, when the Chairman is absent, unavailable or non-existent, his duties (as defined by the provisions of the law or of the articles of association) are undertaken by the Vice-Chairman. If two Vice-Chairmen have been elected, when the Chairman is absent, unavailable or non-existent, his duties (as defined by the provisions of the law or of the articles of association) are undertaken by the first Vice-Chairman. In case of absence or incapacity of the first Vice-Chairman, the second Vice-Chairman or an officer designated by the BoD undertakes the Chairman's duties.

The BoD must consist in its majority by non-executive members (including at least two independent non-executive members) and by at least two (2) executive members.

The independent non-executive members shall be free of conflicts of interests with the Company, and close ties with management, main shareholders or the Company, in accordance with law 3016/2002.

Board of Directors' Committees

The Board of Directors has established the following committees: the Investment Committee, the Audit Committee, the Human Resources and Remuneration Committee and the Procurement Committee.

- **Investment Committee**

The Investment Committee as appointed by the BoD which also assigns all relevant powers to the Investment Committee. More specifically, the Investment Committee is responsible for establishing the Company's investment strategy, making decisions on the implementation of new investments, cooperation with any investment advisor of the Company, the monitoring of current investments, the liquidation of current investments and other related activities, such as new leases or renegotiation of existing leases.

The Investment Committee is a collective body composed of five (5) members, one (1) of which is the Chairman of the Investment Committee.

The Investment Committee meets at least quarterly and at any other time deemed necessary or appropriate (by any of its members), following an invitation by its Chairman.

The Investment Committee currently consists of the following persons, as appointed by the Board of Directors' resolution dated September 25, 2015:

Full Name	Capacity
Christophoros Papachristophorou	Chairman
Aristotelis Karytinos	Member
Damianos Charampidis	Member
Nikolaos Iatrou	Member
George Kountouris	Member

- **Audit Committee**

The Audit Committee consists of at least three (3) members, the number and identity of whom are appointed by the General Meeting of shareholders. It consists of at least two (2) non-executive members and at least one (1) independent non-executive BoD member. The independent non-executive member and at least one of the two non-executive members of the Audit Committee must have manifest adequate knowledge in accounting and auditing matters.

The term of the members of the Audit Committee is annual and may be renewed unlimitedly. Each member is provided at its appointment, as well as on a continuous basis, appropriate information and training. It is noted that the members of the Audit Committee shall not hold other posts or capacities or carry out transactions that could be considered incompatible with the mission of the Audit Committee. Participation in the Audit Committee does not preclude participation in other committees of the Board of Directors.

The Audit Committee meets as often as deemed necessary, but at least four times a year upon an invitation by the Chairman and meets the regular auditor of the Company at least twice a year without members of the Company's Management being present.

The Audit Committee is a statutory committee of the Board and it is established in order to assist in the fulfillment of its supervisory duties related to the financial reporting and update process, the compliance of the Company and its subsidiaries with the legal and regulatory framework of operation, the procedure of the control system and the supervision of the audit function.

Principal responsibilities of the Audit Committee are as follows:

- As regards the system of internal control and information systems, the Audit Committee:
  - monitors the financial reporting process and the reliability of financial statements. It also oversees all official communication regarding the Company's financial performance, and examines the key points of the financial statements that involve significant judgments and estimates of the management, by confirming the appropriateness of the financial statements of the Company;
  - supervises the internal financial audits of the Company and monitors the effectiveness of internal control and risk management systems of the Company. For this purpose, the Audit Committee should periodically review the system of internal control and risk management of the Company, to ensure that key risks are identified, managed and disclosed correctly;
  - examines conflicts of interest in the transactions of the Company and its subsidiaries with related parties and submits to the Board related reports;
  - to the extent required by Company policy, it supports the Board as to obtain sufficient information to make decisions relating to transactions between related parties;

- As regards supervising the internal audit unit, the Audit Committee:
  - identifies and evaluates the functioning of the internal audit department of the Company;
  - monitors and supervises the proper functioning of the internal audit, and examines the audit reports of the unit;
  - ensures the independence of the internal audit, recommending to the Board the appointment and dismissal of the head of the internal audit unit;
  - assesses the head of the internal audit unit.

- As regards the supervision of the statutory audit, the Audit Committee:
  - proposes through the Board to the General Assembly the appointment, re-appointment and revocation of the statutory auditor and makes proposals as to the remuneration and terms of appointment of the statutory auditor;
  - examines and monitors the existence and maintenance of objectivity and independence of the statutory auditor and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements in Greece;
  - examines and monitors the provision of additional services to the Company by the auditing company to which the statutory auditor(s) belong(s). For this purpose, it needs to develop and implement a policy on the recruitment of statutory auditors for the provision of non-audit services, and oversee the implementation thereof;
  - discusses with the statutory auditor any matter relating to the progress and outcome of the statutory audit, regardless of whether these were subsequently resolved or left unresolved;
  - discuss with the statutory auditor his report referring to weaknesses of the internal control system, in particular those relating to the process of providing financial reporting and the preparation of financial statements;

The Audit Committee has its own internal operation regulation, which specifies in detail its composition, responsibilities and operation.

The Audit Committee currently consists of the following persons, as appointed by the resolution dated September 25, 2015 of the General Meeting of Shareholders of the Company and the relevant resolution dated November 22, 2015 of the Board of Directors:

Full Name	Capacity
Spyridon G. Makridakis	Chairman
Vasileios G. Mastrokalos	Member
Prodromos G. Vlamis	Member

- **Human Resources and Remuneration Committee**

The objective of the Human Resources and Remuneration Committee is to assist the Company's BoD in performing its duties regarding the establishment and monitoring of the application of the remuneration policy of the staff of the Company's Group, as well as the attraction, maintenance, exploitation and progression of specialized executives.

During the performance of its duties and responsibilities, the Human Resources and Remuneration Committee takes into account the long-term interests of shareholders, investors and other involved parties of the Company's Group, and it focuses on the sound and proper management of the Company and the prevention or elimination of conflict of interests situations.

The Human Resources and Remuneration Committee during the performance of its duties acts in the name of the BoD and reports only to the BoD.

In that respect, the BoD has assigned to the Human Resources and Remuneration Committee responsibilities related to the examination of the adequacy, efficiency and productivity of the BoD members, as well as the recommendation for the appointment of the main management executives of the Company's Group, the periodic examination of the benefits' policy for the staff of the Company's Group, the preparation of decisions regarding remunerations, including those that have an impact on the risks and the risk management of the Company, the monitoring of the application of the remuneration policy.

The Human Resources and Remuneration Committee consists of at least three (3) non-executive members of the BoD with experience in the real estate sector. The members and the Chairman of the Human Resources and Remuneration Committee are appointed by the Company's BoD. The two Vice-Chairmen of the Company's BoD participate in the Committee (provided that the Company's BoD has elected Vice-Chairmen who are non-executive members). The Chairman of the Human Resources and Remuneration Committee must be an independent non-executive member. In any case, the majority of the Committee's members must be independent non-executive members of the BoD.

The term of the members is three years and may be renewed for an equal period more than once. Participation in the Human Resources and Remuneration Committee does not preclude participation in other Committees of the BoD.

The Human Resources and Remuneration Committee currently consists of the following persons, as appointed by the resolution of the Company's Board of Directors dated September 25, 2015:

Full Name	Capacity
Spyridon G. Makridakis	Chairman
Vasileios G. Mastrokalos	Member
Prodromos G. Vlamis	Member

- **Procurement Committee**

The Procurement Committee is established by a resolution of the BoD and consists of 5 members:

- the two Vice-Chairmen of the Company;
- the Managing Director of the Company; and
- 2 independent members of the BoD.

The Procurement Committee shapes the strategic planning with respect to supplies in order to ensure the smooth operation of the Company and the attainment of its business objectives.

In the context of its responsibilities, it assesses and approves the necessity of proceeding to acts of procurement and the relevant expense that exceed the approval limits that the Managing Director and the CFO/COO have been assigned by the BoD.

The Procurement Committee operates under the Procurement Regulation and its own internal regulation, which will be approved and updated when necessary by the BoD.

The Procurement Committee currently consists of the following persons, as appointed by the resolution of the BoD dated September 25, 2015:

Full Name	Capacity
Spyridon G. Makridakis	Chairman
Vasileios G. Mastrokalos	Member
Christophoros N. Papachristophorou	Member
Aristotelis D. Karytinos	Member
Prodromos G. Vlamis	Member

E. Description of the internal control and risk management system with regard to the preparation of the Consolidated and Company Financial Statements

Internal Control System - Introduction

The BoD adopts appropriate policies to ensure that the exercise of the Company's internal controls are effective and has appointed the Audit Committee to oversee the application of such policies.

The Audit Committee oversees the internal financial controls of the Company and monitors the effectiveness of the internal control and risk management systems of the Company.

Main features of the Internal Control System

Aiming to ensure the good reputation and credibility of the Company and the Group towards shareholders, customers, investors and the supervisory and other independent authorities, the Company provides for the continuous enhancement of its Internal Control System ("I.C.S."). The I.C.S. refers to the set of controls and processes that cover all activities on an ongoing basis and is designed to ensure that the Company and the Group operate effectively.

The I.C.S. aims to achieve the following main objectives:

- Consistent implementation of the Group business strategy through the efficient use of available resources;
- Identification and management of the undertaken risks, including the operational risk;
- Completeness and reliability of data and information that are necessary for the accurate and timely determination of the Group's financial position and the production of reliable financial statements filed to Greek authorities;
- Compliance with the local institutional framework (e.g. L. 2778/1999, L. 3016/2002) that governs the operation of the Company and the Group, including internal regulations, IT systems and code of ethics;
- Adoption of international Corporate Governance best practices; and
- Prevention and avoidance of any errors and irregularities that may put at risk the reputation and the interests of the Company, its shareholders and customers.

The Company's BoD, with the assistance of its Committees, in the context of the review of the corporate strategy and the significant business risks, adopts appropriate policies aiming to ensure an adequate and effective I.C.S. for the Company and the Group. The Management is responsible for establishing and maintaining adequate controls and procedures, depending on the nature of activities and the undertaken risks, for assessing any I.C.S.'s deficiencies and finally undertaking the necessary corrective actions.

Risk Management System
The Company and the Group aims to adopt practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements.

The risk management functions are functionally and hierarchically separated from the operating units and portfolio management functions of the Company. In any case, the Company applies risk management systems to identify, measure, manage and monitor all relevant risks associated with the investment strategy that the Company has decided to follow. The Company uses appropriate, documented and regularly updated due diligence process in finding, selecting and executing investments. Furthermore it implements adequate stress tests.

The Group's risk governance framework comprises of a number of different constituents. For example, the Audit Committee, as appointed by the BoD, examines the effectiveness of the internal controls system, risk management system, regulatory compliance and financial publications / notifications and updated the BoD. The Audit Committee is also in regular collaboration with the statutory auditor and internal auditor as well as the Company's Compliance and Risk Officer.

The Group has outsourced its internal audit function to its controlling shareholder NBG. The Internal Audit—Inspection Division ("GIAID"), which reports directly to the Company's BoD through the Audit Committee, complements the risk management framework and acts as an independent reviewer, focusing on the effectiveness of the risk management framework and control environment.

Code of Business Conduct
The Company maintains and applies a Code of Business Conduct and Ethics, which, among others, provides for safeguards to protect the reputation and assets of the Company and the group to which it belongs.

Information Systems
The Company operates IT systems to support its corporate objectives, in accordance with the policy of the Group.

Monitoring
There is regular reporting (at least on a quarterly basis) to the Company's Management and the Company's Audit Committee and BoD in relation to the Group's operations and financial performance.

The Audit Committee oversees the financial reporting process and assists the BoD for relevant matters. More specifically, the Audit Committee has responsibilities regarding the financial statements and related disclosures of the Company, such as, indicatively but not limited to:

- evaluating the processes regarding the preparation of the annual and quarterly company and consolidated financial statements of the Company, as well as any other financial disclosures made publicly available;
- reviewing the financial statements prior to their submission to the BoD for approval and expresses its views to the BoD;
- overseeing the Company's compliance issues with regulatory requirements;
- collaborating with the internal auditor and the statutory auditor in order to assess the effectiveness of the Company's operations and make suggestions for improvements of monitoring as required.

Athens, March 22, 2016

The Chief Executive Officer

Aristotelis Karytinos

Supplementary Report
To the Annual General Meeting of Shareholders
of "NBG Pangaea Real Estate Investment Company"
pursuant to article 4 of Law 3556/2007

(all amounts expressed in € thousand, unless otherwise stated)

Pursuant to article 4 of L. 3556/2007, listed companies must submit a supplementary report to the General Meeting of Shareholders providing detailed information on specific issues. This Board of Directors' supplementary report to the General Meeting of Shareholders contains the required additional information.

A. Structure of the share capital of the Company

The share capital of the Company as of December 31, 2015 amounted to €766,484, divided into 255,494,534 ordinary registered shares, with voting rights, of nominal value of €3.00 each.

B. Restrictions on transfer of Company's shares

There are no restrictions imposed by the Company's articles of association as regards to the transfer of shares other than those imposed by L. 2778/1999, as in force, relating to the acquisition of shares. Also, please refer to point F below.

C. Significant direct or indirect shareholdings within the meaning of the provisions of articles 9 to 11 of Law 3556/2007

On December 31, 2015, the National Bank of Greece S.A. held 32.66% of the share capital of the Company and Invel Real Estate (Netherlands) II B.V. held 65.49%.

It is noted that, in the above percentage of Invel Real Estate (Netherlands) II BV, Anthos Properties S.A. (a subsidiary of Invel) is included, which held 2.10% of the share capital of the Company.

D. Holders of any type of shares conferring special control rights and description of the respective rights.

There are no Company shares that confer special control rights to their holders.

E. Restrictions on voting rights

The Company's Articles of Association do not provide for any restrictions on voting rights.

F. Agreements between shareholders known to the Company which entail limitations on the transfer of shares or limitations on voting rights.

1. In accordance with the Shareholders Agreement dated December 30, 2013 (as amended and in force) concluded between the shareholders, National Bank of Greece S.A. (hereafter, **NBG**) and Invel Real Estate (Netherlands) II B.V. (hereafter, **Invel**, and jointly with NBG, the **Shareholders**) the following limitations on the transfer of the Company's shares exist:

   In accordance with article 3.2 of the abovementioned Shareholders Agreement, as amended and in force, *"no Shareholder, without the prior written consent of the other Shareholder, will be authorized to proceed to any Transfer to third parties of its shareholding or voting rights and/or any convertible bonds*

in the Company before the completion of the Public Offering[1] (the "Lock-up period"). After the completion of the Public Offering, the Shareholders will negotiate in good faith in order to agree upon any reasonable restrictions on Transfer, in addition to those provided under Article 3.3. (Right of First Offer) and Article 5 (Accession to this Agreement) of this Agreement. The Shareholders agree that any such restrictions will be included in this Agreement by virtue of an amendment to it."

Article 3.3. of the abovementioned Shareholders Agreement provides, inter alia, the following:
"After the Lock-up Period, no Shareholder shall, directly or indirectly together with its Affiliates, dispose of, in part or in whole, its Shareholding to any third party (hereafter, the "Third Party") by means of a block trade or an over-the-counter transaction, after which the Third Party shall become the owner, to the best of the relevant Shareholder's knowledge, either directly or indirectly together with its Affiliates, of 5% or more of the total shares of the Company, unless the Shareholder who intends to dispose of all or part of its Shareholding in the Company (the "Selling Party"), prior to offering such Shareholding to the Third Party, offers to the other Shareholder (the "Beneficiary") a right to acquire such shares (the "Right of First Offer") …". Furthermore, the Company, which is also a party in the abovementioned Shareholders Agreement, is obliged not to proceed to any share transfer (i.e. to annotate any share certificates or provide the shareholders' book for signature pursuant to article 8b of C.L. 2190/1920) which was made in breach of the procedure regarding the right of first offer.

In accordance with article 5 of the abovementioned Shareholders Agreement, Invel Real Estate (Netherlands) II B.V. expressly undertakes for a period of five years from the date of acquisition of the Company's shares to refrain from transferring any shares of the Company to third parties, unless such third party becomes a party to the Shareholders Agreement.

2. The Shareholders Agreement does not provide for any limitation to the exercise of voting rights by NBG or Invel.

   It is noted that, according to the abovementioned Shareholders Agreement, the prior approval of NBG and Invel is required for making decisions on the matters included in paragraphs 5 and 6 of article 11 of the Company's articles of association (as, indicatively, the issuance of shares, negotiable instruments convertible to shares and the granting of options or the right to cover shares or negotiable instruments convertible to shares of the Company, the sale of the total or part of the Company, any material change in the nature of the business activity or the purpose of the Company and the reduction of the share capital or the purchase of treasury shares by the Company, the amendment of the articles of association of the Company, other issues that, according to company law, require an increased quorum and majority during the decision-making by the General Meeting of the Company).

   The validity of the Shareholders Agreement ends automatically in case (i) NBG or Invel own less than 20% of the share capital of the Company, (ii) the Company is placed under liquidation, (iii) of a mutual agreement of the parties (NBG and Invel) (iv) if NBG ceases to consolidate its financial statements with the Company for a period exceeding 12 months (within a five year period commencing on 30.12.2013), (v) five years lapse from December 30, 2013.

[1]**Public Offering** shall mean, within the context of the Shareholders Agreement, either (a) the issuance of new shares by the Company (following an increase of the share capital of the Company) to new investors and the parallel waiver of the corresponding preemptive rights by the Parties or (b) the partial or total disposal by the Parties of their Shareholdings in the Company (by way of a transfer of shares to third parties), which (either under (a) or (b)) will have as a consequence the achievement of the minimum free float, in order for the Company's common shares to be accepted for trading on the General Segment (Main) market of the Athens Exchange as required by all relevant laws and regulations.

G. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association

1. The rules set out in the articles of association of the Company on the appointment and replacement of members of the Board of Directors do not differ from those envisaged in C.L. 2190/1920. According to article 7 par. 4 of the articles of association of the Company, and pursuant to the amendment of the Shareholders Agreement dated August 18, 2015: "*For as long as the National bank of Greece S.A. holds common shares of the Company representing a percentage of at least twenty percent (20%) of the fully paid-up share capital of the Company and the corresponding voting rights, the National Bank of Greece S.A. shall be entitled to appoint 1/3 of the total members of the Board of Directors. This right shall be exercised prior to the election of the members of the Board of Directors by the General Meeting, in which case the General Meeting shall elect the remaining members of the Board of Directors. The National Bank of Greece S.A. shall disclose to the Company the appointment of the members of the Board of Directors of its choice three (3) full days prior to the assembly of the General Meeting and shall not participate in the election of the remaining members. Members of the Board of Directors elected pursuant to this paragraph may be revoked and replaced by others at any time by the person who has the right to appoint them.*"

   Moreover, according to the Shareholders Agreement dated December 30, 2013 (as amended and in force) concluded by NBG and Invel, each of NBG and Invel shall have the right to appoint members of the Board of Directors and the Investment Committee of the Company. Specifically, NBG appoints five of the nine members of its Board of Directors, including the Managing Director (CEO) and three of the five members of the Investment Committee as well as the Chief Financial Officer (CFO) and the Chief Operating Officer (COO), while Invel appoints the remaining members of the Board of Directors and the Investment Committee.

2. Resolution on the amendment of the Company's articles of association requires a quorum of 75.5% for the initial General Meeting, 75% for the first repeat General Meeting and 74% for the second repeat General Meeting.

H. Authority of the Board of Directors or certain of its members to issue new shares or to purchase treasury shares

The Board of Directors does not have any authority to issue new shares or to purchase treasury shares. The General Meeting of shareholders of the Company has not taken any decision to purchase treasury shares of the Company and there is no pending decision to issue new shares.

I. Significant agreement concluded by the Company which enters into force, is amended or terminated in the event of change of control of the Company, following a public tender offer and the results of such agreement.

The Company has not concluded any such agreement.

J. Any agreement concluded between the Company and members of the Board of Directors or its employees, which provides for the payment of compensation in case of resignation or dismissal without reasonable cause or termination of their term of office or employment as a result of a public tender offer

The Company has no special agreements with members of its Board of Directors or its employees providing for the payment of compensation in case of resignation or dismissal without reasonable cause or termination of their term of office or employment as a result of a public tender offer, except for the following:

(a) on August 11, 2014 the Company entered into a fixed-term employment agreement with Mr. Aristotelis Karytinos in relation to the provision of his services as Managing Director to the Company and its Group. This agreement expires on August 10, 2019; the Managing Director has the right to extend it for one more year. In case the Company terminates the agreement with the Managing Director prior to its expiry without reasonable cause, the Company is obliged to indemnify the Managing Director to an amount equal to the total of the remaining monthly wages that would be payable up to the expiry of the definite term of the Managing Director agreement.

(b) on August 11, 2014 the Company entered into a fixed-term employment agreement with Ms Thiresia Messari in relation the provision of her services to the Company and its Group in her capacity as CFO/COO. The CFO/COO agreement expires on August 10, 2019; Ms. Messari has the right to extend it for one more year. In case the Company terminates the CFO/COO agreement prior to its expiry without reasonable cause, the Company is obliged to indemnify Ms. Messari to an amount equal to the total of the remaining monthly wages that would be payable up to the expiry of the definite term of the CFO/COO agreement.

The agreements above have been approved by the Extraordinary General Meeting of the Company's shareholders dated August 11, 2014, in accordance with C.L. 2190/1920.

Athens, March 22, 2016

The Chief Executive Officer

Aristotelis Karytinos

TRANSLATION

Independent Auditor's Report

To the shareholders of
"NBG PANGAEA REAL ESTATE INVESTMENT COMPANY"

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company "NBG PANGAEA REAL ESTATE INVESTMENT COMPANY" (the "Company") and its subsidiaries (the "Group" as a whole), which comprise the separate and consolidated statement of financial position as of December 31, 2015, the separate and consolidated income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal controls as management determines are necessary to enable the preparation of the separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at December 31, 2015, and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as endorsed by the European Union.

Report on Other Legal and Regulatory Requirements

a) The Directors’ Report includes a Corporate Governance Statement which provides the information required according to the provisions of Article 43a (para 3d) of Codified Law 2190/1920.

b) We have agreed and confirmed the content and consistency of the Directors’ Report to the accompanying separate and consolidated financial statements according to the provisions of the articles 43a (para 3a), 108 and 37 of the Codified Law 2190/1920.

Athens, March 22, 2016

The Certified Public Accountant

Beate Randulf
Reg. No. SOEL: 37541

Deloitte.
Hadjipavlou Sofianos & Cambanis S.A.
Fragoklisias 3a & Granikou Str.
GR 151 25 Marousi
Reg. No. SOEL: E120

	Note	Group 31.12.2015	Group 31.12.2014	Company 31.12.2015	Company 31.12.2014
ASSETS					
Non-current assets					
Investment property	6	1,470,079	1,407,659	1.,111,067	1,081,049
Investment in subsidiaries		-	-	210,908	210,091
Property and equipment	7	3,348	4,334	3,508	1,698
Intangible assets	8	187	216	187	216
Other long-term receivables	11	17,314	11,737	17,314	11,729
		1,490,928	**1,423,946**	**1,342,984**	**1,304,783**
Current assets					
Trade and other receivables	12	35,074	87,118	26,230	178,920
Cash and cash equivalents	13	90,433	125,638	61,885	7,193
		125,507	**212,756**	**88,115**	**186,113**
Total assets		**1,616,435**	**1,636,702**	**1,431,099**	**1,490,896**
SHAREHOLDERS' EQUITY					
Share capital	14	766,484	765,193	766,484	765,193
Share premium	14	15,890	15,890	15,970	15,890
Reserves	15	333,615	326,953	333,435	326,917
Retained earnings / (losses)		77,719	151,038	62,830	127,909
Equity attributable to Company's shareholders		**1,193,708**	**1,259,074**	**1,178,719**	**1,235,909**
Non-controlling interests		-	1,362	-	-
Total equity		**1,193,708**	**1,260,436**	**1,178,719**	**1,235,909**
LIABILITIES					
Long-term liabilities					
Borrowings	16	387,284	320,054	234,495	230,054
Retirement benefit obligations	17	213	251	213	85
Deferred tax liability		226	382	-	-
Other long-term liabilities	18	3,320	6,497	701	319
		391,043	**327,184**	**235,409**	**230,458**
Short-term liabilities					
Trade and other payables	20	18,319	29,553	10,091	15,393
Borrowings	16	9,830	15,621	6,196	8,500
Derivative financial instruments	19	2,779	3,042	-	-
Current tax liabilities		756	866	684	636
		31,684	**49,082**	**16,971**	**24,529**
Total liabilities		**422,727**	**376,266**	**252,380**	**254,987**
Total shareholders' equity and liabilities		**1,616,435**	**1,636,702**	**1,431,099**	**1,490,896**

Athens, March 22, 2016

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

	Note	Group		Company	
		From 01.01. to		From 01.01. to	
		31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Revenue					
Rental income	21	110,861	93,054	90,630	78,393
		110,861	**93,054**	**90,630**	**78,393**
Net gain / (loss) from the fair value adjustment of investment property	6	(23,723)	98,651	(13,366)	91,799
Direct property related expenses	22	(12,576)	(6,718)	(8,895)	(5,152)
Personnel expenses	23	(2,175)	(1,287)	(2,116)	(1,074)
Depreciation of property and equipment	7	(40)	(23)	(45)	(12)
Amortisation of intangible assets	8	(29)	(29)	(29)	(29)
Net change in fair value of financial instruments at fair value through profit or loss		416	(125)	-	-
Other income	24	1,686	4,472	7,946	591
Other expenses	25	(9,716)	(1,435)	(9,149)	(1,111)
Operating profit / (loss)		**64,704**	**186,560**	**64,976**	**163,405**
Interest income		182	3,233	146	3,210
Finance costs		(20,814)	(10,693)	(14,068)	(5,284)
Profit / (Loss) before tax		**44,072**	**179,100**	**51,054**	**161,331**
Taxes	27	(1,392)	(1,482)	(1,338)	(1,271)
Profit / (Loss) for the period		**42,680**	**177,618**	**49,716**	**160,060**
Attributable to:					
Non-controlling interests		(82)	19	-	-
Company's equity shareholders		**42,762**	**177,599**	**49,716**	**160,060**
Earnings / (Losses) per share (expressed in € per share) - Basic and diluted	28	0.167	0.717	0.195	0.646

Athens, March 22, 2016

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

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Profit / (loss) for the period	**42,680**	**177,618**	**49,716**	**160,060**
Other comprehensive income / (expense):				
Items that may not be reclassified subsequently to profit or loss:				
Effect of IAS19R	51	(82)	51	(56)
Total of items that may not be reclassified subsequently to profit or loss	**51**	**(82)**	**51**	**(56)**
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	73	63	-	-
Cash flow hedges	(151)	-	-	-
Total of items that may be reclassified subsequently to profit or loss	**(78)**	**63**	**-**	**-**
Other comprehensive income / (expense) for the period	**(27)**	**(19)**	**51**	**(56)**
Total comprehensive income / (expense) for the period	**42,653**	**177,599**	**49,767**	**160,004**
Attributable to:				
Non-controlling interests	(83)	20	-	-
Company's equity shareholders	**42,736**	**177,579**	**49,767**	**160,004**

Athens, March 22, 2016

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					Non-controlling interests	Total
		Share capital	Share premium	Reserves	Retained Earnings	Total		
Balance January 1, 2014		**735,712**	**-**	**326,973**	**(26,502)**	**1,036,183**	**-**	**1,036,183**
Other comprehensive expense for the period after tax		-	-	(20)	-	**(20)**	1	**(19)**
Profit for the period		-	-	-	177,599	**177,599**	19	**177,618**
Total comprehensive income / (expense) after tax		**-**	**-**	**(20)**	**177,599**	**177,579**	**20**	**177,599**
Acquisition of subsidiary		-	-	-	(43)	**(43)**	1,342	**1,299**
Share capital increase	14	29,481	16,436	-	-	**45,917**	-	**45,917**
Expenses related to the share capital increase		-	(546)	-	(16)	**(562)**	-	**(562)**
Balance December 31, 2014		**765,193**	**15,890**	**326,953**	**151,038**	**1,259,074**	**1,362**	**1,260,436**
Balance January 1, 2015		**765,193**	**15,890**	**326,953**	**151,038**	**1,259,074**	**1,362**	**1,260,436**
Other comprehensive expense for the period after tax		-	-	(26)	-	**(26)**	**(1)**	**(27)**
Profit for the period		-	-	-	42,762	**42,762**	**(82)**	**42,680**
Total comprehensive income / (expense) after tax		-	-	**(26)**	**42,762**	**42,736**	**(83)**	**42,653**
Acquisition of additional shareholding in subsidiaries		-	-	(4)	2	**(2)**	(17)	**(19)**
Transfer to reserves		-	-	6,692	(6,692)	**-**	-	**-**
Dividends relating to 2014		-	-	-	(109,362)	**(109,362)**	-	**(109,362)**
Share capital increase as a result of the Merger	14	1,291	-	-	-	**1,291**	(1,291)	**-**
Effect from Merger		-	-	-	(29)	**(29)**	29	**-**
Balance December 31, 2015		**766,484**	**15,890**	**333,615**	**77,719**	**1,193,708**	**-**	**1,193,708**

	Note	Share capital	Share premium	Reserves	Retained Earnings	Total
Balance January 1, 2014		**735,712**	**-**	**326,973**	**(32,135)**	**1,030,550**
Other comprehensive expense for the period after tax		-	-	(56)	-	**(56)**
Profit for the period		-	-	-	160,060	**160,060**
Total comprehensive income / (expense) after tax		**-**	**-**	**(56)**	**160,060**	**160,004**
Share capital increase	14	29,481	16,436	-	-	**45,917**
Expenses related to the share capital increase		-	(546)	-	(16)	**(562)**
Balance December 31, 2014		**765,193**	**15,890**	**326,917**	**127,909**	**1,235,909**
Balance January 1, 2015		**765,193**	**15,890**	**326,917**	**127,909**	**1,235,909**
Other comprehensive income for the period after tax		-	-	51	-	**51**
Profit for the period		-	-	-	49,716	**49,716**
Total comprehensive income after tax		**-**	**-**	**51**	**49,716**	**49,767**
Share capital increase as a result of the Merger	14	1,291	-	-	-	**1,291**
Effect from Merger		-	80	71	963	**1,114**
Transfer to reserves		-	-	6,396	(6,396)	**-**
Dividends relating to 2014		-	-	-	(109,362)	**(109,362)**
Balance December 31, 2015		**766,484**	**15,970**	**333,435**	**62,830**	**1,178,719**

	Note	From 01.01. to 31.12.2015	31.12.2014
Cash flows from operating activities			
Profit / (loss) before tax		44,072	179,100
Adjustments for:			
- Provisions for employee benefits	23	12	4
- Other provisions	12	87	
- Other gains		(13)	(3,556)
- Depreciation of property and equipment	7	40	23
- Amortization of intangible assets	8	29	29
- Net (gain) / loss from the fair value adjustment of investment property	6	23,723	(98,651)
- Interest income		(182)	(3,233)
- Finance cost		20,814	10,693
- Net change in fair value of financial instruments at fair value through profit or loss		(416)	125
Changes in working capital:			
- (Increase) / Decrease in receivables		(6,127)	(9,540)
- Increase / (Decrease) in payables		(14,411)	18,115
Cash flows from operating activities		67,628	93,109
Interest paid		(18,839)	(10,001)
Tax paid		(1,659)	(1,505)
Net cash flows from operating activities		**47,130**	**81,603**
Cash flows from investing activities			
Acquisition of investment property	6	(84,731)	(230,100)
Subsequent capital expenditure on investment property	6	(412)	(162)
Prepayments for the acquisition of investment property and overseas subsidiaries		(5,573)	(13,087)
Purchases of property and equipment		(54)	(74)
Acquisitions of subsidiaries (net of cash acquired)		-	(45,780)
Interest received		181	3,233
Net cash flows used in investing activities		**(90,589)**	**(285,970)**
Cash flows from financing activities			
Proceeds from share capital increase	14	-	5,825
Expenses related to the share capital increase		-	(562)
Proceeds from the issuance of bond loans and other borrowed funds		106,400	240,911
Expenses related to the issuance of bond loans		(1,823)	(5,464)
Repayment of borrowings		(45,112)	(7,343)
Acquisition of additional shareholding in subsidiaries		(17)	(6,151)
Dividends paid	26	(51,193)	(58,169)
Net cash flows from financing activities		**8,255**	**169,047**
Net increase / (decrease) in cash and cash equivalents for the period		**(35,204)**	**(35,320)**
Cash and cash equivalents at the beginning of the period		125,638	160,963
Effect of foreign exchange currency changes on cash and cash equivalents		(1)	(5)
Cash and cash equivalents at the end of the period	13	**90,433**	**125,638**

	Note	From 01.01. to 31.12.2015	31.12.2014
Cash flows from operating activities			
Profit / (loss) before tax		51,054	161,331
Adjustments for:			
- Provisions for employee benefits	23	12	3
- Other provisions	12	87	
- Depreciation of property and equipment	7	45	12
- Amortization of intangible assets	8	29	29
- Net (gain) loss from the fair value adjustment of investment properties	6	13,366	(91,799)
- Interest income		(146)	(3,210)
- Finance costs		14,068	5,284
Changes in working capital:			
- (Increase) / Decrease in receivables		94,641	(111,305)
- Increase / (Decrease) in payables		(5,583)	12,550
Cash flows from operating activities		167,573	(27,105)
Interest paid		(12,502)	(4,677)
Tax paid		(1,425)	(1,324)
Net cash flows from / (used in) operating activities		**153,646**	**(33,106)**
Cash flows from investing activities			
Acquisition of investment property	6	-	(230,100)
Subsequent capital expenditure on investment property	6	(250)	(7)
Advance payments for the acquisition of investment property and overseas subsidiaries		(5,573)	(12,087)
Purchases of property and equipment		(54)	(72)
Acquisition of subsidiaries (net of cash acquired)		-	(50,253)
Interest received		145	3,210
Net cash flows used in investing activities		**(5,732)**	**(289,309)**
Cash flows from financing activities			
Proceeds from share capital increase	14	-	5,825
Expenses related to the share capital increase		-	(562)
Proceeds from the issuance of bond loans and other borrowed funds		4,400	240,911
Repayment of borrowings		(8,930)	-
Expenses related to the issuance of bond loans		-	(5,464)
Acquisition of additional shareholding in subsidiaries		(17)	(6,151)
Participation in subsidiaries' capital increase		(40,108)	(3,153)
Dividends paid	26	(51,193)	(58,169)
Net cash flows from / (used in) financing activities		**(95,848)**	**173,237**
Net increase / (decrease) in cash and cash equivalents for the period		**52,066**	**(149,178)**
Cash and cash equivalents at the beginning of the period		7,193	156,371
Effect from Merger[1]		2,626	-
Cash and cash equivalents at the end of the period	13	**61,885**	**7,193**

[1] The amount relates to cash and cash equivalents of MIG Real Estate REIC at the transformation balance sheet date of January 31, 2015.

NOTE 1: General Information

"NBG PANGAEA REAL ESTATE INVESTMENT COMPANY" (former "MIG REAL ESTATE INVESTMENT COMPANY") operates in real estate investment market under the provisions of Article 22 of L. 2778/1999, as in force. As Real Estate Investment Company (REIC), the company is supervised by the Hellenic Capital Market Commission 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, it was completed the merger by absorption of NBG Pangaea REIC by its subsidiary MIG Real Estate REIC. 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. As transformation date has been set the 31st of January 2015.

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, Development and Tourism.

The 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 both in Greece and abroad, such as Italy and Romania.

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

Upon the completion of the transaction, the Company's shareholding structure is as follows:

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

It is noted that the percentage ownership of Invel includes the ownership of Anthos Properties S.A. (a subsidiary of Invel) which directly holds 5,365,930 ordinary shares, corresponding to 2.10% of the share capital of the Company.

NBG and Invel have entered into a shareholders agreement whereby NBG appoints the majority of the members of the Board of Directors and the Investment Committee and guarantee is provided to NBG for certain other contractual rights.

In conclusion, from all the above, it is understood that the dilution of the "old" shareholders' of NBG Pangaea REIC rights due to the Merger was immaterial, the "old" shareholders continue to hold a significant stake, 99.90%, in the share capital of the New Company after the completion of the Merger, and that as a result of the abovementioned agreement, NBG continues to be the controlling shareholder in the Company in accordance with IFRSs (Note 30).

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

The current Board of Directors 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
Athanasios D. Karagiannis*	Investment Advisor	Non-Executive Member
Prodromos G. Vlamis	Associate at the University of Cambridge & Visiting Professor at Athens University of Economics and Business	Independent - Non-Executive Member
Spyridon G. Makrydakis	Professor at the INSEAD Business School	Independent - Non-Executive Member

* *Upon resignation of Mr. Arnaud Dominique Maurice Bertrand Plat, Mr. Athanasios Karagiannis was elected as a member of the Board of Directors by virtue of a resolution of the Board of Directors dated February 2, 2016.*

These financial statements have been approved for issue by the Company's Board of Directors at March 22, 2016, are available on the website address http://www.nbgpangaea.gr and are subject to approval by the Annual General Meeting of Shareholders.

NOTE 2: Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1. Basis of Preparation

As mentioned in Note 1 above, the Board 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, Development 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.

From the accounting perspective, 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 rights due to the Merger was immaterial. The "old" shareholders continue to hold a significant stake, 99.90%, in the share capital of the New Company after the completion of the Merger and NBG continues to be the controlling shareholder in NBG Pangaea as outlined in Note 30 of the financial statements. 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. Upon the completion of the Merger, the "old" shareholders of NBG Pangaea REIC continue to hold a significant stake in 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 December 31, 2014, while as the transformation date was agreed to be January 31, 2015, the Income Statement of the Company for the year 2015 includes the profit or loss of NBG Pangaea REIC for the period 01.01.2015 – 31.12.2015 and the profit or loss of MIG Real Estate REIC for the period 01.02.2015 – 31.12.2015.

The annual financial statements of the Group and the Company for the year ended December 31, 2015 (the "financial statements") have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as adopted by European Union (hereinafter "EU").

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

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

The consolidated and separate 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.

The preparation of consolidated and separate financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Use of available information and application of judgment are inherent in the formation of estimates in the following areas: estimation of the fair value of investment property and derivative financial instruments, estimation of retirement benefits obligation, liabilities from unaudited tax years and contingencies from litigation. Actual results in the future may differ from those reported. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2. Adoption of International Financial Reporting Standards (IFRS)

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

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

2.2.1.1. 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 consolidated financial statements of the Group.

2.2.1.2. 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 consolidated and separate financial statements of the Group and the Company.

2.2.1.3. 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 consolidated and separate financial statements of the Group and the Company.

2.2.2. New standards, amendments and interpretations to existing standards effective after 2015

- **IFRS 9** "**Financial Instruments**" (effective for annual periods beginning on or after January 1, 2018 according to IASB, while it is expected to be adopted by the EU in the second half of 2016). IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. The key requirements of IFRS 9 are set out below:

    - all recognised financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

    - with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group has not applied this standard and is currently evaluating the impact of IFRS 9 on the consolidated financial statements and the timing of its adoption. However, it is not expected to have a significant impact on the consolidated and separate financial statements.

- **IAS 19 (Amendments)** "**Defined Benefit Plans: Employee Contributions**" (effective for annual periods beginning on or after February 1, 2015, according to EU). Amends the requirements in IAS 19 (2011) "Employee Benefits" for contributions from employees or third parties that are linked to service. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. If the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of IAS 19 for the gross benefit (i.e. either using the plan's contribution formula or on a straight-line basis). The Group and the Company have not applied this amendment, but it is not expected to have a material impact on the consolidated and separate financial statements.

- **IFRS 15 (new standard)** "**Revenue from Contracts with Customers**" (effective for annual periods beginning on or after January 1, 2018 according to IASB, while it is expected to be adopted by the EU in the second quarter of 2016). IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a five-step approach to revenue recognition:

  - Identify the contract with the customer
  - Identify the performance obligations in the contracts
  - Determine the transaction price
  - Allocate the transaction price to the performance obligations in the contracts
  - Recognise revenue when (or as) the entity satisfies a performance obligation.

  Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Group has not applied this standard and is currently evaluating the impact of IFRS 15 on the Consolidated and Company financial statements and the timing of its adoption. However, the application of IFRS 15 is not expected to have a significant impact on the consolidated and separate financial statements.

- **IFRS 16 (new standard) "Leases"** (effective for annual periods beginning on or after January 1, 2019 according to IASB, while the time of its adoption by the EU is not known yet). IFRS 16 was issued on January 13, 2016 and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 will supersede the current leases recognition guidance including IAS 17 "Leases" and the related Interpretations when it becomes effective.

  From the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases, as is required by IAS 17, and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

  From the perspective of the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases of finance leases, and to account for those two types of leases differently.

  The Group has not applied this standard and is currently evaluating the impact of IFRS 16 on the consolidated and separate financial statements and the timing of its adoption. However, given the fact that the Group companies mainly operate as lessors, is not expected to have a significant impact on the consolidated and separate financial statements

- **IFRS 11 (Amendments) Accounting for Acquisitions of Interests in Joint Operations** (effective for annual periods beginning on or after January 1, 2016, according to the EU). The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

  The Group and the Company do not expect that this amendment will have an impact on the consolidated and separate financial statements.

- **IAS 16 and IAS 38 (Amendments) Clarification of Acceptable Methods of Depreciation and Amortisation** (effective for annual periods beginning on or after January 1, 2016 according to the EU). The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The presumption can only be rebutted in the following two limited circumstances: a) when the intangible asset is expressed as a measure of revenue; or b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated. Currently, the Group and the Company use the straight-line method for depreciation and amortisation for their property and equipment, and intangible assets respectively. Management believe that the straight line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets.

- **"Annual Improvements to IFRSs 2010-2012 Cycle"** (effective for annual periods beginning on or after February 1, 2015 according to the EU). The amendments impact the following standards:

  - **IFRS 2** – Amends the definitions of "vesting conditions" and "market condition" and adds definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting conditions".
  - **IFRS 3** – Requires contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value should be recognized in profit or loss
  - **IFRS 8** – Requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments, including a brief description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have similar economic characteristics. Clarify that reconciliations of the total of the reportable segments' assets to the entity's assets are only required if the segments' assets are regularly reported to the chief operating decision maker.
  - **IFRS 13** – Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis, if the effect of discounting is not material (amends basis for conclusions only).
  - **IAS 16 and IAS 38** – Clarifies that when an item of property and equipment or an intangible asset is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after any impairment losses.
  - **IAS 24** – Clarifies that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity and how payments to entities providing management services are to be disclosed.

  The Group and the Company have not applied these amendments, but they are not expected to have a material impact on the consolidated and separate financial statements.

- **IAS 27 (Amendment) Equity Method in Separate Financial Statements** (effective for annual periods beginning on or after January 1, 2016 according to the EU). The amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- **"Annual Improvements to IFRSs 2012-2014 Cycle"** (effective for annual periods beginning on or after January 1, 2016 according to the EU). The amendments impact the following standards:

  IFRS 5 – The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as "held for sale" or "held for distribution" simply because the manner of disposal has changed. The amendment also rectifies an omission in the standard by explaining that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as "held for sale".

  IFRS 7 – There are two amendments to IFRS 7.

  1. Servicing contracts

     If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. IFRS 7 provides guidance on what is meant by continuing involvement in this context. The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. The amendment is prospective with an option to apply retrospectively. A consequential amendment to IFRS 1 is included to give the same relief to first-time adopters.

2. Interim financial statements

   The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, "Disclosure – Offsetting financial assets and financial liabilities" is not specifically required for all interim periods, unless required by IAS 34. The amendment is retrospective.

IAS 19 – The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented.

IAS 34 – The amendment clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report". The amendment further amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

The Group and the Company have not applied these amendments, but they are not expected to have a material impact on the consolidated and separate financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the consolidated and separate financial statements.

2.3. Consolidation

2.3.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (including structured entities), which are entities controlled by the Company. Control is achieved, if and only if, the Company has a) power over the subsidiaries b) exposure, or rights to variable returns from its involvement with the subsidiaries and c) the ability to use its power over the subsidiaries to affect the amount of the Company's returns.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income, respectively, from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit for the period and total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

2.3.2. Non-controlling interests

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income/ (expense) is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.3.3. Changes in the Group's ownership interests in subsidiaries that do not result in loss of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.3.4. Loss of control

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. For assets of the subsidiary carried at fair value with the related cumulative gain or loss recognised in other comprehensive income, the amounts previously recognised in other comprehensive income are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to the income statement or transferred directly to retained earnings as specified by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.3.5. Put options on non-controlling interests

The Group occasionally enters into arrangements either as part or independently of a business combination, whereby the Group is committed to acquire the shares held by the non-controlling interest holder in a subsidiary or whereby a non-controlling interest holder can put its shares to the Group.

The Group applies IAS 32.23, which requires that the commitment or put option is accounted for as a liability in the consolidated financial statements. The recognition of the liability results in accounting as if the Group has already acquired the shares subject to such arrangements. Therefore, no non-controlling interest is recognised for reporting purposes in relation to the shares that are subject to the commitment or the put option. The liability is measured at fair value, using valuation techniques based on best estimates available to the management of the Group.

Any subsequent changes to the valuation of the put option are recorded as changes to the liability and a gain or loss in the income statement.

2.3.6. Investments in subsidiaries in individual financial statements

In the Company’s financial statements subsidiaries are measured at cost less impairment.

2.3.7. Impairment assessment of investments in subsidiaries in individual financial statements

At each reporting date, the Group and the Company assesses whether there is any indication that an investment in a subsidiary may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2.4. Business Combinations

2.4.1. Acquisition method

Acquisitions of businesses within the scope of IFRS 3 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "*Income Taxes*" and IAS 19 "*Employee Benefits*" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "*Share-based Payment*" at the acquisition date; and
- assets (or disposal groups) classified as held for sale in accordance with IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*" are measured in accordance with that Standard.

2.4.2. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement.

2.4.3. Contingent consideration

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37, as appropriate, with the corresponding gain or loss being recognised in the income statement.

2.4.4. Business combinations achieved in stages

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the income statement where such treatment would be appropriate if that interest were disposed of.

2.4.5. Provisional accounting

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.5. Foreign Currency Translation

Items included in the financial statements of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated financial statements of the Group are presented in thousand of Euro (€), which is the functional currency of the Company.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.
When preparing the financial statements, assets and liabilities of foreign entities are translated at the exchange rates prevailing at the reporting date, while income and expense items are translated at average rates for the period. Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity's opening net asset balance at closing rate are recognised directly in foreign currency translation reserve within other comprehensive income.

When a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the individual financial statements of both companies are reclassified to other comprehensive income upon consolidation. When a foreign entity is sold, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

Any goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6. Investment Property

Investment property comprises land and buildings, owned by the Group (or held through a finance leasing agreement) with the intention of earning rental or capital appreciation or both. Investment property is measured initially at its cost, including related transaction costs and borrowing costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are appraised as at June 30 and December 31 each year by an independent professional valuer in accordance with the guidance issued by the International Valuation Standards Committee.

Investment property under development is measured at fair value only if it can be measured reliably.

Investment property further qualified for continued use as investment property, or for which the market has become less active, continues to be valued at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows (including rental payments and other outflows) that could be expected in respect of the property. Some of those outflows are reflected as a liability; whereas others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
Repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Changes in fair values are recorded in the income statement. Investment property is derecognised when disposed or when use of investment property is ended and there is no future economic benefit expected from the disposal.

If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property and equipment under IAS 16.

However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement to the extent that this gain reverses a previous impairment loss. Any remaining profit is recognized in OCI by increasing the asset revaluation reserve in equity. In case of loss, it is recognised directly in income statement.

Investment property held for sale without redevelopment is classified within non-current assets held for sale under IFRS 5. A property's deemed cost for subsequent accounting is its fair value at the date of change in use.

2.7. Property and Equipment

Property and equipment include land, buildings and equipment held by the Group for use in the supply of services or for administrative purposes. Property and equipment are initially recorded at cost, which includes all costs that are required to bring an asset into operating condition.

Subsequent to initial recognition, property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset, which is classified as property and equipment, are capitalized only when it is probable that they will result in future economic benefits to the Group beyond those originally anticipated from the asset, otherwise they are expensed as incurred.

Depreciation of an item of property and equipment begins when it is available for use and ceases only when the asset is derecognised. Therefore, the depreciation of an item of property and equipment that is retired from active use does not cease unless it is fully depreciated. Property and equipment are depreciated on a straight-line basis over their estimated useful lives, which can be reassessed. Estimated useful lives of property and equipment per category is as follows:

Land: No depreciation
Buildings: 40 years
Furniture and other equipment: 3 – 5 years
Motor vehicles: up to 10 years

At each reporting date, the Group assesses whether there is an indication that an item of property and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and the amount of the gains/losses is recognized in the income statement.

2.8. Intangible Assets

Intangible assets relate to software acquisition costs.

Software includes costs that are directly associated with identifiable and unique software products controlled by the Group that are anticipated to generate future economic benefits exceeding costs beyond one year. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital movement and added to the original cost of the software.
Intangible assets are amortised using the straight-line method over their useful life, not exceeding 12 years.

Expenditure on starting up an operation, training personnel, advertising and promotion and relocating or reorganising part or the entire Company is recognised as an expense when it is incurred.

At each reporting date, Management reviews intangible assets and assesses whether there is any indication of impairment. If any such indications exist, an analysis is performed to assess whether the carrying amount of intangible assets is fully recoverable. A write-down is made if the carrying amount exceeds its recoverable amount.

2.9. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. It requires an assessment of whether: a) fulfilment of an arrangement is dependent on the use of a specific asset or assets and b) the arrangement conveys a right to use the asset.

(a) The Group as the Lessee

Operating Leases: Leases where a significant portion of the risks and rewards of ownership of the asset are retained by the lessor are classified as operating leases. The total payments made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. There were no material operating leases for the periods covered by the financial statements.

Finance Leases: The Group currently does not engage, as a lessee, in finance leases.

(b) The Group as the Lessor

Operating Leases: The Group leases out owned properties under operating leases and are included in the statement of financial position as investment property (Note 6). Rental income (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term. Rental guarantees received at the inception of the lease contract are recognized as liabilities and carried at cost.

Finance Leases: The Group does not currently lease out properties under finance leases.

2.10. Sale and Leaseback Transactions – A Company of the Group is the Lessee

For a sale and leaseback transaction that results in a finance lease, any excess of proceeds over the carrying amount is deferred and amortised over the lease term. There were no sale and leaseback transactions that resulted in a finance lease for the periods covered by the financial statements.

For a transaction that results in an operating lease:

- if the transaction is clearly carried out at fair value - the profit or loss is recognised immediately in the income statement,
- if the sale price is below fair value - loss is recognised immediately, except if a loss is compensated for by future rentals at below market price, the loss is amortised over the lease term,
- if the sale price is above fair value - the excess over fair value is deferred and amortised over the lease term,
- if the fair value at the time of the transaction is less than the carrying amount – a loss equal to the difference is recognised immediately in the income statement.

2.11. Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is objective evidence that a non-financial assets is impaired and if such objective evidence exists the non-financial asset is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The carrying amount of the asset is reduced through the use of an impairment account. The amount of the loss is recognized in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, at that amount which the carrying amount does not exceed the amortised cost of the asset at the date of the reversal. Any future reversal of the impairment loss is recognised in the income statement.

2.12. Trade and Other Receivables

Trade and other receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method (if these are payable after one year), unless the effects of discounting are not material, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate and recognised as an expense in the income statement.

2.13. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances of accounts "cash in hand" and "demand deposits". Cash equivalents comprise short-term time deposits. Cash and cash equivalents are used by the Group to serve the short-term liabilities and the risk of change in fair value is immaterial.

2.14. Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental external costs directly attributable to the issue of shares and other equity items, other than on a business combination, are deducted from equity net of any related income tax benefit.

2.15. Dividend Distribution

Dividends on ordinary shares are recognised as a liability in the financial statements in the period in which they are approved by the Company' Shareholders at the Annual General Meeting.

2.16. Trade and Other Payables

Trade and other payables are recognised initially at fair value and subsequently measured using the effective interest rate method.

2.17. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption values are recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.18. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the income statement under finance cost in the period in which they are incurred.

2.19. Derivative Financial Instruments

Derivative financial instruments, including interest rate swaps, are initially recognised in the Statement of Financial Position and subsequently are re-measured at their fair value. Derivatives are presented in assets when favourable to the Group and in liabilities when unfavourable to the Group. The transaction costs are included directly in finance costs.

A derivative may be embedded in another financial instrument, known as "host contract". In such cases, the derivative instrument is separated from the host contract and treated as a separate derivative, provided that its risks and economic characteristics are not closely related to those of the host contract, the embedded derivative actually meets the definition of a derivative and the host contract is not carried at fair value with unrealised gains

and losses reported in the income statement (net change in fair value of financial instruments at fair value through profit or loss). These derivative instruments transacted as effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting under the specific rules of IAS 39.

The Group also uses derivative instruments as part of its asset and liability management activities to manage exposures to interest rate. The Group applies cash flow hedge accounting when transactions meet the specified criteria to obtain hedge accounting treatment. The Group's criteria for a derivative instrument to be accounted for as a hedge include:

- at inception of the hedge, there is formal designation and documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship;
- The hedge is documented showing that it is expected to be highly effective in offsetting the risk in the hedged item throughout the hedging period. A hedge is considered to be highly effective when the Group achieves offsetting changes in fair value between 80 percent and 125 percent for the risk being hedged; and
- The hedge is highly effective in an ongoing basis.

2.19.1. Cash flow Hedging

Fair value gain or losses associated with the effective portion of a derivative designated as a cash flow hedge are recognised initially in other comprehensive income.

When the cash flows that the derivative is hedging (including cash flows from transactions that were only forecast when the derivative hedge was effected) materialize, resulting in income or expense, then the associated gain or loss on the hedging derivative is simultaneously transferred from other comprehensive income to corresponding income or expense line item.

If a cash flow hedge for a forecast transaction is deemed to be no longer effective, or the hedge relationship is terminated, the cumulative gain or loss on the hedging derivative previously reported in other comprehensive income is transferred to the income statement when the committed or forecast transaction occurs.

2.20. Current and Deferred Tax

As a Real Estate Investment Company, and in accordance with Greek Law 2778/1999, 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 ("E.C.B.") reference rate plus 1% (the taxation formula is as follows: 10% * (ECB reference rate + 1%)). Current tax liabilities include short-term liabilities to the tax authorities related to the above payable tax. The aforementioned framework also applies to the subsidiaries of the Company domiciled in Greece.

As the tax liability of the Company (and its subsidiaries domiciled in Greece) is calculated on the basis of its investments and cash and cash equivalents rather than on its profits, no temporary differences arise and therefore no deferred tax liabilities and / or assets arise.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income (Note 27). Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet method.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.21. Employee Benefits

A defined contribution plan is a post-employment benefit plan under which the Company and its subsidiaries pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions, if the entity does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods. Group contributions to defined contribution plans are charged to the income statement in the year to which they relate and are included in "personnel expenses".

A defined benefit plan is a post-employment benefit plan under that defines an amount of benefit to be provided, determined using a number of financial and demographic assumptions/ The most significant assumptions include age, years of service or compensation, life expectancy, the discount rate, expected salary increases and pension rates. The difference with defined contribution plans is that the Group is liable for the payment of the agreed benefits to the employee. The only existing defined benefit plan for the Group relates to the payment of a compensation of Greek Law.2112/1920 for its Greek subsidiaries. This program is not self-funded.

For defined benefit plans, the liability is the present value of the defined benefit obligation as at the reporting date minus the fair value of the plan assets.

The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis at the end of each annual reporting period using the projected unit credit method. The present value of the defined obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or estimates of rates which take into account the risk and maturity of the related liabilities where a deep market in such bonds does not exist. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability/(asset). Service cost (current service cost, past service cost (including the effect of curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset) are charged to the income statement and are included in personnel expenses. The defined benefit obligation net of plan assets is recorded on the statement of financial position, with changes resulting from remeasurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest)) recognized immediately in OCI, with no subsequent recycling to the income statement, in order to fully reflect the full value of the plan deficit or surplus.

2.22. Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

2.23. Revenue Recognition

Rental income from operating leases is recognised in income statement on a straight-line basis over the lease term. When the Group provides incentives to its customers, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction from rental income.

Revenue from sale of properties is recognised with the actual sale.

Interest income is recognised on a time-proportion basis using the effective interest method.

2.24. Interest Income and Finance Costs

Interest income relating to interest on demand deposits and time deposits is recognised in the income statement using the effective interest method.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest expenses for borrowings are recognised within "finance costs" in the income statement using the effective interest rate method. Exempt are borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Fees and direct costs relating to a loan origination or acquiring a security, financing or restructuring and to loan commitments are deferred and amortised to interest income over the life of the instrument using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate to the net carrying amount of the financial asset or the financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts.

2.25. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Company has determined that its chief operating decision-maker is the Chief Executive Officer.

All transactions between business segments are conducted on an arm's length basis, with inter-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

Geographical segments include income from assets that are either located or are managed in the respective geographical areas.

2.26. Related Party Transactions

Related parties include the two basic shareholders, i.e. NBG as parent company and Invel which holds 65.49% in the Company's share capital (Note 1), as well as the entities in which the abovementioned shareholders and the Company have the control or exercise influence in making financial and operating decisions. Related parties include directors, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating cycles. All transactions with related parties are made on substantially the same terms as those applicable to similar transactions with unrelated parties, including interest rates and collateral, and do not involve a risk greater than normal.

2.27. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, there is a legally enforceable right to offset the recognised amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

2.28. Earnings / (Losses) per Share

A basic earnings per share (EPS) ratio is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Group or held as treasury shares.

A diluted earnings per share ratio is calculated using the same method as the basic EPS, but the determinants are adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue ordinary shares were converted or exercised into ordinary shares.

NOTE 3: Financial Risk Management

3.1. Financial Risk Management

The Group's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: trade and other receivables, cash and cash equivalents, trade and other payables and borrowings. The accounting policies with respect to these financial statements are described in Note 2. The risk management policy, followed by the Group, focuses on minimizing the impact of unexpected market changes.

a) Market risk

i) Foreign exchange risk

Foreign exchange risk arises from foreign currency transactions. The Group has international activities but the Group is not significantly exposed to foreign currency risk. The assets and liabilities of the Group are initially recorded in €, which is the functional currency. The Group's exposure to foreign currency risk at December 31, 2015 is not significant, as the Group's subsidiary, which do not have € as its functional currency, represents less than 0.5% of the Group's total assets and less than 2.0% of the Group's total liabilities.

ii) 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 has no significant exposure to price risk relating to financial instruments as it does not hold any equity securities or commodities.

The Group is governed by an institutional framework 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.

iii) Cash flow and fair value interest rate risk

The Group has significant interest bearing assets comprising demand deposits and short term deposits (Note 13). Additionally, the Group has borrowings (Note 16).

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 or 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 repricing dates are limited by contract to a maximum period of three months. If the reference rate changed by +/-1% the effect on the Group's results would be estimated at -/+ €2,897, respectively.

b) Credit risk

The Group has concentration of credit risk with respect to cash and cash equivalents and lease receivables from operating leases. Credit risk relates to cases of default of counterparties to meet their transactional obligations. No material losses are anticipated as lease agreements are conducted with customers - tenants of sufficient creditworthiness. The Group's maximum exposure results from related party transactions, since the majority of the Group's property portfolio is leased to NBG (60.8% of total rental income) (Notes 5 and 30). It is noted that on an annualised basis (i.e. rental income in force as of 31.12.2015 times 12) the abovementioned percentage of NBG amounts to 59.0%.

c) Liquidity risk

The current or prospective risk to earnings and capital arising from the Group's inability to collect overdue outstanding financial obligations (by tenants) without incurring unacceptable losses.

The Group ensures it has the required liquidity timely in order to timely meet the obligations, through regular monitoring of liquidity needs and collection of amounts due from tenants as well as prudent cash management.

The liquidity of the Group is monitored by the Management on a regular basis. The maturity analysis of financial liabilities as at December 31, 2015 and 2014 is as follows:

December 31, 2015	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**Later than 5 years**	**Total**
Liabilities							
Borrowings	2,990	1,412	22,941	70,591	355,431	6,257	**459,622**
Other long term liabilities	-	-	-	28	170	3,122	**3,320**
Derivative financial instruments	-	309	1,277	1,517	500	-	**3,603**
Trade and other payables	3,138	7,826	851	-	-	-	**11,815**
Total	**6,128**	**9,547**	**25,069**	**72,136**	**356,101**	**9,379**	**478,360**

December 31, 2014	**Less than 1 month**	**1 - 3 months**	**3 - 12 months**	**12 months - 2 years**	**2 - 5 years**	**Later than 5 years**	**Total**
Liabilities							
Borrowings	3,175	3,081	25,168	21,787	334,971	21,459	**409,641**
Other long term liabilities	-	-	-	3,335	61	3,101	**6,497**
Derivative financial instruments	-	470	1,405	1,851	1,593	-	**5,319**
Trade and other payables	15,808	1	4,355	-	-	-	**20,164**
Total	**18,983**	**3,552**	**30,928**	**26,973**	**336,625**	**24,560**	**441,621**

The amounts disclosed in the above table are the contractual undiscounted cash flows. Given that the amount of contractual undiscounted cash flows relate to bond loans of variable and not fixed interest rates, the amount presented is determined by reference to the conditions existing at reporting date – that is, the actual spot interest rates effective as of December 31, 2015 and 2014, respectively, are used for determining the related undiscounted cash flows.

3.2. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's 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. Consistent with others in the Greek industry, 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 shown 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 effective use of debt financing.

The table below presents the gearing ratio as at December 31, 2015 and 2014.

	Group		**Company**	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Borrowings	397,114	335,675	240,691	238,554
Total assets	1,616,435	1,636,702	1,431,099	1,490,895
Gearing ratio	**24.6%**	**20.5%**	**16.8%**	**16.0%**

3.3. Fair Value Estimation of Financial Assets and Liabilities

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

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. More specifically, the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

- *Financial instruments carried at fair value*

The table below analyses financial instruments carried at fair value, by valuation method, as at December 31, 2015 and 2014, respectively.

December 31, 2015		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	-	2,779	-	**2,779**

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

The derivative financial instruments presented above relate to interest rate swaps. The fair value of interest rate swaps is calculated, using Bloomberg, as the present value of the estimated future cash flows based on observable yield curves. As a result, the derivative financial instruments are included in Level 2.

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

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused that transfer.

- *Financial instrument not carried at fair value*

The tables below analyse financial assets and liabilities not carried at fair value at December 31, 2015 and 2014, respectively:

December 31, 2015			
Liabilities	**Level 1**	**Level 2**	**Level 3**
Borrowings	**-**	**-**	**397,114**

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

NOTE 4: Critical Accounting Estimates and Judgments

The preparation of consolidated and separate financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense in the financial statements. The Group's Management believes that the judgments, estimates and assumptions used in the preparation of the consolidated and separate financial statements are appropriate given the factual circumstances as of December 31, 2015 and 2014.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may, under current circumstances, be undertaken.

4.1. Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the outcome of future events. Estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a) Estimate of fair value of the Group's investment property.

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the amounts are determined within a range of reasonable fair value estimates. Under current legislation REIC, estimates of investment property should be supported by appraisals performed by independent professional valuers on June 30 and December 31 each year. In making its judgment, the independent professional valuer considers information from various sources, including:

(i) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
(ii) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contacts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Regarding the note (iii) above, for the application of discounted cash flows valuation techniques, assumptions are used which are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying the estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; vacant periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market. The future rental rates are estimated on the basis of current rents for similar properties on the same location and quality. Further details of the assumptions made are included in Note 6.

b) Fair value of derivative financial instruments.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis, through Bloomberg, for interest rate swaps that are not traded in active markets. When calculating the fair value, the models take into consideration the impact of credit risk if material. This impact is estimated by calculating a separate credit value adjustment ("CVA") for each counterparty to which the Group has exposure.

NOTE 5: Segment Reporting

The Group manages its business through the following business segments, depending on the origin of the revenues per geography 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.

From 1.1. to 31.12.2015										
Country	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Italy**	**Romania**	**Romania**	**Bulgaria**	
Segment	**Retail**	**Offices**	**Other**	**Offices**	**Retail**	**Other**	**Retail**	**Offices**	**Retail**	**Total**
Rental income	50,391	48,765	1,046	9,985	99	-	120	455	-	110,861
Total segment revenue	**50,391**	**48,765**	**1,046**	**9,985**	**99**	**-**	**120**	**455**	**-**	**110,861**
Net gain from the fair value adjustment of investment properties	**(24,282)**	**7,934**	**470**	**9,482**	**855**	**(17,513)**	**(139)**	**(530)**	**-**	**(23,723)**
Direct property related expenses	(3,409)	(5,481)	(426)	(2,451)	(24)	(695)	(11)	(68)	(11)	**(12,576)**
Provision for impairment	(87)	-	-	-	-	-	-	-	-	**(87)**
Segment operating profit / (loss)	**22,613**	**51,218**	**1,090**	**17,016**	**930**	**(18,208)**	**(30)**	**(143)**	**(11)**	**74,475**
Unallocated operating income										**1,686**
Unallocated operating expenses										**(11,457)**
Operating profit / (loss)										**64,704**
Unallocated interest income										**182**
Unallocated finance costs										**(16,557)**
Allocated finance costs	-	(4,257)	-	-	-	-	-	-	-	**(4,257)**
Profit / (loss) before tax										**44,072**
Taxes										**(1,392)**
Profit / (loss) for the period										**42,680**

Country	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Italy**	**Romania**	**Romania**	
Segment	**Retail**	**Offices**	**Other**	**Offices**	**Retail**	**Other**	**Retail**	**Offices**	**Total**
Segment assets as at December 31, 2015									
Segment assets	652,363	600,507	14,115	176,155	3,286	56,150	1,254	5,522	**1,509,352**
Unallocated assets									**107,083**
Total assets									**1,616,435**
Segment liabilities as at December 31, 2015									
Segment liabilities	1,681	57,790	194	2,352	14	1,637	1,282	5,134	**70,084**
Unallocated liabilities									**352,643**
Total liabilities									**422,727**
Non-current assets additions as at December 31, 2015	-	250	-	82,343	2,388	113	6	43	**85,143**

From 1.1. to 31.12.2014

Country	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Romania**	**Romania**	
Segment	**Retail**	**Offices**	**Other**	**Offices**	**Other**	**Retail**	**Offices**	**Total**
Rental income	45,620	41,595	976	4,644	-	25	194	93,054
Total segment revenue	**45,620**	**41,595**	**976**	**4,644**	**-**	**25**	**194**	**93,054**
Net gain from the fair value adjustment of investment properties	55,934	38,015	368	4,486	-	111	(263)	**98,651**
Direct property related expenses	(2,460)	(2,684)	(447)	(1,001)	(87)	-	(39)	**(6,718)**
Provision for impairment	-	(25)	-	-	-	-	-	**(25)**
Segment operating profit / (loss)	**99,094**	**76,901**	**897**	**8,129**	**(87)**	**136**	**(108)**	**184,962**
Unallocated operating income								**4,472**
Unallocated operating expenses								**(2,874)**
Operating profit / (loss)								**186,560**
Unallocated interest income								**3,233**
Unallocated finance costs								**(5,221)**
Allocated finance costs	(73)	(4,501)	-	(796)	-	(19)	(83)	**(5,472)**
Profit / (loss) before tax								**179,100**
Taxes								(1,482)
Profit / (loss) for the period								**177,618**
Segment assets as at December 31, 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 December 31, 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 December 31, 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.

Concentration of customers

NBG and the Hellenic Republic, lessees of the Group, represent, individually, more than 10% of the Group's rental income. Rental income for the year ended December 31, 2015 from NBG amounted to €67,427, i.e. 60.8% (2014: €69,093, i.e. 74.3%) and the rental income from the Hellenic Republic for the year ended December 31, 2015 amounted to €11,534, i.e. 10.4% (2014: €7,007, i.e. 7.5%). On an annualised basis (i.e. rental income in force as of December 31, 2015 times 12), the above mentioned percentage of NBG amounts to 59.0% and the Hellenic Republic to 10.1%.

NOTE 6: Investment Property

	Group		Company	
	2015	**2014**	**2015**	**2014**
Balance at January 1	1,407,659	930,879	1,081,049	739,758
Additions:				
- Direct acquisition of investment property	84,731	230,100	-	230,100
- Acquisitions through business combinations (Note 9)	-	128,482	-	-
- Contribution of investment property	-	19,230	-	19,230
- Subsequent capital expenditure on investment property	412	162	250	7
- Transfer from property and equipment	1,000	155	-	155
- Net gain / (loss) from the fair value adjustment of investment property	(23,723)	98,651	(13,366)	91,799
- Effect from Merger	-	-	43,134	-
Balance at December 31	**1,470,079**	**1,407,659**	**1,111,067**	**1,081,049**

Due to the Merger and the resulting quasi-universal succession, in accordance with the provisions of article 75 par.1, subpar. a' of C.L. 2190/1920, the Company has automatically substituted the Absorbed Company vis-à-vis all of its rights and obligations, among others over all properties of the latter. Therefore, Investment Property of the Company includes the properties of both the Absorbing Company and the Absorbed Company. The Company is in the process of registering the transfer of the Absorbed Company's properties with the relevant land registries or cadastral offices. 4 properties of the Absorbing Company in Athens and 1 property in Paros of a total fair value €15.288 as of 31.12.2015 will be subject to a transfer in rem, once the necessary legal and technical procedures are concluded.

Following the binding agreement dated October 10, 2014, the Group acquired on February 11, 2015, an office building, of a total area of approximately 14 thousand sq.m., located in Cavour 6 street, Rome, Italy for a total consideration of €38,700 (not including acquisition expenses of €925). 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 Cavour 5 street, Rome, Italy for a total consideration of €45,100 (not including acquisition expenses of €1,006). The property is mainly leased to the Italian State. The above acquisition was completed on July 20, 2015.

On July 23, 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 February 3, 2014. The property was leased to Folli Follie Group for a period of 16 years.

On March 20, 2014 the Company acquired 100% of the units of "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 Italy, which, at the date of acquisition, 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, 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 (Note 9).

On October 18, 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 August 12, 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% in the share capital of MIG Real Estate REIC as contribution in kind at a share capital increase of the Company of €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 October 22, 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 January 27, 2015), against payment of the offer price of €3.10 per share (exit right). Upon the completion of the three-month period, the shareholding of the Company in MIGRE increased to 96.944% (shareholding in MIGRE as of December 31, 2014: 96.90%) (Note 9 and 14).

On September 25, 2014, the Company acquired four (4) properties located in Marousi of Attica, Ilion of Attica, Katerini of Northern Greece and Agrinio of Western Greece, which are used as supermarkets, with a total surface of approximately 83 thousand sq.m. for the total amount of €66,800. The properties are leased by Marinopoulos S.A. for a duration of 25 years.

Following the preliminary agreement dated October 1, 2014, on November 7, 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 October 29, 2014, on November 19, 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 August 12, 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 (Note 14).

Following the preliminary agreement dated July 29, 2014, on December 11, 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.

For the Group's borrowings that are secured on investment property please refer to Note 16.

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 for 2015:

Country	Greece	Greece	Greece	Italy	Italy	Italy	Romania	Romania	31.12.2015	31.12.2014
Segment	**Retail**	**Offices**	**Other[1]**	**Offices**	**Retail**	**Other[2,3]**	**Retail**	**Offices**	**Total**	**Total**
Level	3	3	3	3	3	3	3	3		
Fair value at January 1	**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	-	-	-	82,343	2,388	-	-	-	**84,731**	**230,100**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	**-**	**128,482**
Contribution of investment property	-	-	-	-	-	-	-	-	**-**	**19,230**
Subsequent capital expenditure on investment property	-	250	-	-	-	113	6	43	**412**	**162**
Transfer from property and equipment	-	-	-	1,000	-	-	-	-	**1,000**	**155**
Net gain / (loss) from the fair value adjustment of investment property	(24,282)	7,934	470	9,482	855	(17,513)	(139)	(530)	**(23,723)**	**98,651**
Fair value at December 31	**631,318**	**591.852**	**13,033**	**173,457**	**3,243**	**50,400**	**1,254**	**5,522**	**1,470,079**	**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 change in circumstances that caused the 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.

In accordance with existing Greek REIC legislation, property valuations are supported by appraisals performed by independent professionally qualified valuers for June 30 and December 31 each year. The investment property valuation for the consideration of the fair value is performed taking into consideration the high and best use of each property given the legal status, technical characteristics and the allowed uses for each property. In accordance with existing Greek REIC legislation JMD 26294/B1425/19.7.2000, valuations are based on at least two methods.

Information about fair value measurements of investment property per business segment and geographical area for 2015:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail	631,318	15%-20% sales comparison and 80%-85% discounted cash flows (DCF)	3,367	8.40% - 11.60%	6.75% - 10.00%
Greece	Offices	591,852	15%-20% sales comparison and 80%-85% DCF	3,619	8.60% - 11.70%	7.20% - 10.30%
Greece	Other[1]	13,033	15%-20% sales comparison and 80%-85% DCF	53	9.90% - 12.10%	8.00% - 10.00%
Italy	Offices	173,457	0% sales comparison and 100% DCF	963	5.75% - 8.00%	4.50% - 7.00%
Italy	Retail	3,243	0% sales comparison and 100% DCF	19	5.75%	5.00%
Italy	Other[2]	50,400	0% sales comparison and 100% DCF	-	-	-
Romania	Retail	1,254	20% sales comparison and 80% DCF	10	9.80% - 12.10%	8.00% - 10.50%
Romania	Offices	5,522	20% sales comparison and 80% DCF	35	9.80%	8.00%

The last valuation of the Group's properties was performed at December 31, 2015 by the 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.

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

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

Information about fair value measurements of investment property per business segment and geographical area for 2014:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
			(See note below)			
Greece	Retail	655,600	a. 10% sales comparison and 90% discounted cash flows (DCF) b. 5% sales comparison and 95% DCF c. 20% sales comparison and 80% DCF	3,626	7.90% - 13.50%	6.00%-9.35%
Greece	Offices	583,668	a. 10% sales comparison and 90% DCF b. 5% sales comparison and 95% DCF c. 15% sales comparison and 85% DCF d. 20% sales comparison and 80% DCF	3,891	7.50% - 13.50%	7.10%-10.15%
Greece	Other[1]	12,563	10% sales comparison and 90% DCF	69	10.50%-13.25%	7.95%-10.65%
Italy	Offices	80,632	20% sales comparison and 80% DCF	498	8.25% - 8.60%	6.75%-7.75%
Italy	Other[2]	67,800	80% residual method and 20% depreciated replacement cost method	-	-	-
Romania	Retail	1,387	20% sales comparison and 80% DCF	8	11.25%	9.0%
Romania	Offices	6,009	20% sales comparison and 80% DCF	38	9.50%	7.15%

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

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

The abovementioned valuation had as a result a net loss from fair value adjustment of investment property of €23,723 (2014: gain of €98,651).

Were the discount rate as at December 31 2015, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €97,711 lower or €114,495 higher, respectively (December 31, 2014: €59,379 lower or €66,329 higher, respectively).

Were the capitalization rate as at December 31, 2015, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €50,991 lower or €62,103 higher, respectively (December 31, 2014: €35,305 lower or €43,150 higher, respectively).

Were the sales price as at December 31, 2015, used in the valuation to determine the fair value of the property in Italy to increase or decrease by +/-10% from Management's estimates, the carrying amount of investment property would be an estimated €22,800 lower or €22,800 higher, respectively (December 31, 2014: €39,952 lower or €39,960 higher, respectively).

NOTE 7: Property and Equipment

Group	**Land and buildings**	**Motor vehicles**	**Fixtures and equipment**	**Assets under construction & Advances**	**Total**
Cost					
At January 1, 2014	**1,328**	**-**	**2**	**155**	**1,485**
Additions	-	-	4	1,430	**1,434**
Acquisitions through business combinations (Note 9)	1,631	2	5	7	**1,645**
Transfer to investment property	-	-	-	(155)	**(155)**
At December 31, 2014	**2,959**	**2**	**11**	**1,437**	**4,409**
Accumulated depreciation					
At January 1, 2014	**(50)**	**-**	**(2)**	**-**	**(52)**
Depreciation charge	(21)	(1)	(1)	-	**(23)**
At December 31, 2014	**(71)**	**(1)**	**(3)**	**-**	**(75)**
Net book value December 31, 2014	**2,888**	**1**	**8**	**1,437**	**4,334**
Cost					
At January 1, 2015	**2,959**	**2**	**11**	**1,437**	**4,409**
Additions	-	-	2	52	**54**
Transfer to investment property	-	-	-	(1,000)	**(1,000)**
At December 31, 2015	**2,959**	**2**	**13**	**489**	**3,463**
Accumulated depreciation					
At January 1, 2015	**(71)**	**(1)**	**(3)**	**-**	**(75)**
Depreciation charge	(35)	(1)	(4)	-	**(40)**
At December 31, 2015	**(106)**	**(2)**	**(7)**	**-**	**(115)**
Net book value December 31, 2015	**2,853**	**-**	**6**	**489**	**3,348**

Company	Land and buildings	Motor vehicles	Fixtures and equipment	Assets under construction & Advances	Total
Cost					
At January 1, 2014	**1,328**	**-**	**2**	**155**	**1,485**
Additions	-	-	2	430	**432**
Transfer to investment property	-	-	-	(155)	**(155)**
At December 31, 2014	**1,328**	**-**	**4**	**430**	**1,762**
Accumulated depreciation					
At January 1, 2014	**(50)**	**-**	**(2)**	**-**	**(52)**
Depreciation charge	(12)	-	-	-	**(12)**
At December 31, 2014	**(62)**	**-**	**(2)**	**-**	**(64)**
Net book value December 31, 2014	**1,266**	**-**	**2**	**430**	**1,698**
Cost					
At January 1, 2015	**1,328**	**-**	**4**	**430**	**1,762**
Additions	-	-	2	52	**54**
Effect from Merger	1,913	9	297	7	**2,226**
At December 31, 2015	**3,241**	**9**	**303**	**489**	**4,042**
Accumulated depreciation					
At January 1, 2015	**(62)**		**(2)**	**-**	**(64)**
Depreciation charge	(42)	(1)	(2)	-	**(45)**
Effect from Merger	(124)	(8)	(293)	-	**(425)**
At December 31, 2015	**(228)**	**(9)**	**(297)**	**-**	**(534)**
Net book value December 31, 2015	**3,013**	**-**	**6**	**489**	**3,508**

Land and buildings comprise the freehold owner-occupied properties of the Company located at 6 Karageorgi Servias Street, Athens, and at 4 George Str, Athens, used for administration purposes.

There was no impairment loss of Group's and Company's property and equipment for the years 2015 and 2014.

It is noted that on August 22, 2014 the Company issued a €237,500 bond loan. In accordance with the terms of the bond program agreement, the Company is obliged to secure the bond loan through mortgages over the Company's properties, including its owner-occupied property (Note 16). In addition it is noted that for the owner-occupied property of the Group located at 4 George Street a mortgage prenotation has been registered in favor of Alpha Bank S.A. (Note 16).

On July 29, 2014 the Company entered into a preliminary agreement to acquire an office property under reconstruction, located at 21 Mitropoleos Street, Athens, of a total area of approximately 1 thousand sq.m. for a consideration of €3,500, out of which the Company has already paid an amount of €300 as an advance.

NOTE 8: Intangible Assets

Group

	Software
Cost	
At January 1, 2014	346
At December 31, 2014	**346**
Accumulated amortisation	
At January 1, 2014	**(101)**
Amortisation charge	(29)
At December 31, 2014	**(130)**
Net book value December 31, 2014	**216**
Cost	
At January 1, 2015	**346**
At December 31, 2015	**346**
Accumulated amortisation	
At January 1, 2015	**(130)**
Amortisation charge	(29)
At December 31, 2015	**(159)**
Net book value December 31, 2015	**187**

Company

	Software
Cost	
At January 1, 2014	346
At December 31, 2014	**346**
Accumulated amortisation	
At January 1, 2014	**(101)**
Amortisation charge	(29)
At December 31, 2014	**(130)**
Net book value December 31, 2014	**216**
Cost	
At January 1, 2015	**346**
Effect from Merger	82
At December 31, 2015	**428**
Accumulated amortisation	
At January 1, 2015	**(130)**
Amortisation charge	(29)
Effect from Merger	(82)
At December 31, 2015	**(241)**
Net book value December 31, 2015	**187**

NOTE 9: Acquisitions of Subsidiaries (business combinations and asset acquisitions)

(a) Business combinations

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

- On March 20, 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 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 valued at fair value.

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

	20.03.2014
ASSETS	
Investment property (Note 6)	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 is lower than the fair value of net assets acquired and the gain (negative goodwill) of €831 was included in the income statement ("Other income") for the twelve-month period ended December 31, 2014.

- On August 12, 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 per newly issued share (i.e. total fair value of issued shares € 20,862). On October 22, 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 January 27, 2015), against payment of the offer price of €3.10 per share (exit right). Upon the completion of the three-month period, 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 December 31, 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.

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 the date of acquisition, which is August 12, 2014:

	12.08.2014
ASSETS	
Investment property (Note 6)	52,336
Property and equipment (Note 7)	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 is lower than the fair value of the net assets acquired and the gain (negative goodwill) of €2,725 was included in the income statement ("Other income") for the twelve-month period ended December 31, 2014.

If the above acquisitions had occurred on January 1, 2014 with all other variables held constant, Group revenue for 2014 would have been €96,382 and Group profit for 2014 would have been €179,535.

NOTE 10: Investment in Subsidiaries

Subsidiaries	Country of incorporation	Unaudited tax years	Group		Company		Consolidation Method
			31.12.2015	31.12.2014	31.12.2015	31.12.2014	
KARELA S.A. (1)	Greece	2010 – 2015	100,00%	100.00%	100,00%	100.00%	Full Consolidation
Nash S.r.L.	Italy	2011 – 2015	100,00%	100.00%	100,00%	100.00%	Full Consolidation
Picasso Fund	Italy	2011 – 2015	100,00%	100.00%	100,00%	100.00%	Full Consolidation
Egnatia Properties S.A.	Romania	2011 – 2015	99,96%	96,87%	99,96%	-	Full Consolidation
Quadratix Ltd. (2)	Cyprus	-	100,00%	100,00%	100,00%	100,00%	Full Consolidation

(1) The tax authorities have not audited the books and records of the company for the years 2010-2013 and consequently the tax obligations for those years are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the company. The financial year 2014 has been audited by the elected under C.L. 2190/1920 statutory auditor, i.e. the auditing firm "Deloitte Hadjipavlou Sofianos & Cambanis S.A." ("the statutory auditor"), in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/13 and the relevant tax audit certificate was issued on September 28, 2015 with no qualification. Until the date of the approval of the financial statements, the tax audit for the year 2015 has not been completed by the statutory auditor. According to POL. 1006/05.01.2016, the companies for which a tax certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, the company's Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the company.

(2) This subsidiary incorporated in Cyprus on December 11, 2015, for the acquisition of properties in Cyprus. The share capital of the subsidiary as of December 31, 2015 amounted to €2.

On December 28, 2015 the Board of Directors of the Company (the "Absorbing Company") resolved on the commencement of the preparatory works of the merger by absorption by the Absorbing Company of the company "KARELA ANONIMI ETERIA TECHNOLOGIAS EREVNAS ANAPTIXIS KAI AXIOPOIISIS AKINITON VIOTECHNIAS KAI VIOMICHANIAS" (the "Company to be absorbed"). The Absorbing Company owns 100% of the share capital and voting rights of the Company to be absorbed. The Absorbing Company owns 100% of the share capital and voting rights of the Company to be absorbed. It has been proposed that the envisaged merger will take place through the consolidation of assets and liabilities of the above companies, with the combined application of the provisions of articles 68 et seq., and particularly of article 78, par. 2 of the C.L. 2190/1920 and those of Greek law No. 2166/1993, as in force. The December 31, 2015 has been set as the transformation date, whereas the auditing firm PRICEWATERHOUSECOOPERS will proceed to the ascertainment of the soundness of the transformation balance sheet of the Company to be absorbed. It is estimated that the envisaged merger will have been completed within 4 months. Its completion in any case depends on the passing of the pertinent corporate resolutions which will finalize the process and will approve the merger as well as on the approval of the Merger by the Ministry of Economy, Development and Tourism.

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 11 below.

NOTE 11: 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, 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, 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 10).

NOTE 12: Trade and Other Receivables

The analysis of trade and other receivables is as follows:

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Trade receivables	14,641	7,140	11,791	5,129
Trade receivables from related parties (Note 30)	89	2	89	2
Receivables from Greek State	8,092	7,830	8,089	7,790
Prepaid expenses	2,346	4,402	2,113	4,022
Paid interim dividend	-	58,169	-	58,169
Other receivables	8,915	9,528	3,157	3,808
Other receivables from related parties (Note 30)	991	47	991	100,000
Total	**35,074**	**87,118**	**26,230**	**178,920**

Trade receivables of the Company as at December 31, 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 year (2014: €25) and are included in "other expenses" in the income statement.

Receivables from Greek state mainly relate to capital accumulation tax paid by the Company at April 14, 2010, September 16, 2014 and September 17, 2014. Upon payment of this tax, the Company expressed its reservation on the obligation to pay the tax and at the same time it requested the refund of this amount (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 are exempt of 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 abovementioned tax payments, because of the lack of response of the relevant authority after a three months period, the Company filed appeals and the Company's Management, based on the advice of its legal advisors, believes that the reimbursement of the amounts is in essence certain.

Prepaid expenses at December 31, 2015 and 2014 mainly relate to legal and valuation expenses. The decrease in comparison to December 31, 2014, is mainly due to the recognition in the income statement ("other expenses") of prepaid expenses relating to the Company's initial public offering, which was canceled due to unfavourable economic conditions prevailing in Greece (Note 25).

The analysis of other receivables is as follows:

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Receivables from Italian State	5,708	5,664	-	-
Pledged deposits	3,017	3,041	3,017	3,041
Other	190	823	140	768
Total	**8,915**	**9,528**	**3,157**	**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 August 11, 2014 as amended on August 20, 2014 (Note 16).

NOTE 13: Cash and Cash Equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Cash at hand	1	3	1	1
Demand and short – term time deposits	90,432	125,635	61,884	7,192
Total	**90,433**	**125,638**	**61,885**	**7,193**

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

Sight and time deposits include restricted cash amounted to €7,400 (December 31, 2014: €8,471), in accordance with the provisions of the loan agreements issued by subsidiaries of the Group.

NOTE 14: Share Capital & Share Premium

			Group	Company
	No. of shares	**Share Capital**	**Share Premium**	
Balance at January 1, 2014	**183,928,000**	**735,712**	**-**	**-**
Share capital increase	7,370,329	29,481	16,436	16,436
Share capital increase related expenses	-	-	(546)	(546)
Balance at December 31, 2014	**191,298,329**	**765,193**	**15,890**	**15,890**
Share capital increase as a result of the Merger	64,196,205	1,291	-	-
Share capital increase related expenses	-	-	-	80
Balance at December 31, 2015	**255,494,534**	**766,484**	**15,890**	**15,970**

The total paid up share capital of the Company as of December 31, 2015 amounted to €766,484 divided into 255,494,534 common shares with voting rights with a par value of €3.00 per share

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 Extraordinary General Meeting of the Company's shareholders dated August 12, 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 each and an issue price of €6.23 each (Note 1 and 9) and b) the amount of €16,087 partly in cash of €5,825 and partly 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 each and an issue price of €6.23 each (Note 1 and 6).

The Company does not hold own shares.

NOTE 15: Reserves

Reserves are analysed as follows:

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Statutory reserve	9,678	2,986	9,399	2,986
Special reserve	323,987	323,987	323,987	323,987
Other reserves	-	-	54	-
Defined benefit plan	(30)	(81)	(5)	(56)
Foreign exchange differences	131	61	-	-
Cash flow hedges	(151)	-	-	-
	333,615	**326,953**	**333,435**	**326,917**

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

NOTE 16: Borrowings

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

It is noted that in accordance with the terms of the bond loans issued by 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 (Note 19).

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 6)). 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 6)).

On August 22, 2014, the Company entered into a bond loan agreement of an amount of €237,500 in accordance with the bond program dated August 11, 2014 as amended on August 20, 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 July 15, 2019.

On July 29, 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 29). As at December 31, 2015 the balance of the facility was €2,570 (31.12.2014: €6,000).

	Group		**Company**	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Long term				
Bond loans	283,548	284,276	234,495	230,054
Other borrowed funds	103,736	35,778	-	-
Long term borrowings	**387,284**	**320,054**	**234,495**	**230,054**
Short term				
Bond loans	4,755	5,137	3,587	2,500
Other borrowed funds	5,075	10,484	2,609	6,000
Short term borrowings	**9,830**	**15,621**	**6,196**	**8,500**
Total	**397,114**	**335,675**	**240,691**	**238,554**

Short term borrowings of the Group and the Company include as of December 31, 2015 an amount of €2,387 and €2,378 respectively, which mainly relates to accrued interest expense on the bond loans (31.12.2014: €2,775 and €2,500 respectively).

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

	Group		**Company**	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Up to 1 year	9,830	13,981	6,196	6,860
From 1 to 5 years	381,904	301,053	234,495	231,694
More than 5 years	5,380	20,641	-	-
Total	**397,114**	**335,675**	**240,691**	**238, 554**

The contractual repricing dates are limited to a maximum period of 6 months.

Borrowings bear average coupons (incl. interest rate swaps) of 5.53% (2014: 5.26%), whereas if interest rate swaps are excluded, average coupons amount to 5.17% (31.12.2014: 4.68%).

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 in Attica (8 in Athens and 1 in Piraeus) have prenotations of mortgage in favour of Alpha Bank S.A., each for an amount of €9,880. The outstanding balance of the bond loan as of December 31, 2015 amounted to €4,009 and the fair value of the nine properties as of December 31, 2015 amounted to €10,711.

- 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, 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. The fair value of the 77 properties as of December 31, 2015 amounted to €542,599.

- 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. The outstanding balance of the bond loan as of December 31, 2015 amounted to €50,221 and the fair value of the property as of December 31, 2015 amounted to €125,136. Moreover, the entire share capital of KARELA SA is 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 the bondholders. 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. The outstanding balance of the loan as of December 31, 2015 amounted to €99,382 and the fair value of the properties amounted to €176,700. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

NOTE 17: Retirement Benefit Obligations

The retirement benefit obligations were determined by an actuarial study based on IAS 19.

Net liability in Statement of Financial Position

	Group		Company	
	31.12.2014	**31.12.2014**	**31.12.2015**	**31.12.2014**
Present value of obligations	213	251	213	85
Fair value of plan assets	-	-	-	-
Total	**213**	**251**	**213**	**85**

Movement in net liability

	Group		Company	
	2015	**2014**	**2015**	**2014**
Net liability at the beginning January 1	251	26	85	26
Acquisition of a subsidiary	-	134	-	-
Total expense recognised in the income statement	12	9	12	3
Total expense recognised in the statement of comprehensive income	(50)	82	(50)	56
Effect from Merger	-		166	
Net liability at December 31	**213**	**251**	**213**	**85**

Re-measurements on the net liability

	Group		Company	
	2015	**2014**	**2015**	**2014**
Liability gain / (loss) due to change in assumptions	13	(46)	7	(20)
Liability experience gain / (loss) arising during the year	37	(36)	(2)	(36)
Total amount recognised in OCI	**50**	**(82)**	**5**	**(56)**

Movement of defined benefit obligation

	Group		Company	
	2015	**2014**	**2015**	**2014**
Balance at January 1	**251**	**26**	**85**	**26**
Acquisition of a subsidiary	-	134	-	-
Service cost	11	7	11	2
Interest cost	2	2	2	1
Effect from Merger	-		166	
Re-measurements (gains) / losses:				
Actuarial (gain)/loss - financial assumptions	(13)	46	(13)	20
Actuarial (gain)/loss - demographic assumptions	-	-	-	-
Actuarial (gain)/loss – experience	(38)	36	(38)	36
Balance at December 31	**213**	**251**	**213**	**85**

Weighted average assumptions at the end of the reporting period

	Group		Company	
	2015	**2014**	**2015**	**2014**
Discount rate	2,4%	2.5%	2,4%	2.0%
Price inflation	1,5%	1.5%	1,5%	1.5%
Rate of compensation change	1,5%	1.7%	1,5%	1.5%

The following table presents the sensitivity analysis for the material actuarial assumptions, i.e. discount rate and rate of compensation increase, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the date of the Statement of Financial Position.

Sensitivity analysis on actuarial assumptions – Group and Company

Actuarial assumption	**Change in assumptions**	**31.12.2015 Increase / (decrease) in defined benefit obligation**
Discount rate	Increase by 50 basis points	(5.8)%
	Decrease by 50 basis points	6.4%
Price inflation	Increase by 50 basis points	2.3%
	Decrease by 50 basis points	(2.1)%
Rate of compensation change	Increase by 50 basis points	4.2%
	Decrease by 50 basis points	(3.7)%

NOTE 18: Other Long-Term Liabilities

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Long-term deposits	3,320	3,162	701	319
Lease advances	-	3,335	-	-
Total	**3,320**	**6,497**	**701**	**319**

NOTE 19: Derivative Financial Instruments

	Group 31.12.2015		Company 31.12.2015	
	Notional amount	Fair value Liabilities	Notional amount	Fair value Liabilities
Derivatives held for trading				
Interest rate derivatives - OTC	47,872	2,347	-	-
Derivatives held for cash flow hedging				
Interest rate derivatives - OTC	80,784	432	-	-
Total	**128,656**	**2,779**	**-**	**-**

	Group 31.12.2014		Company 31.12.2014	
	Notional amount	Fair value Liabilities	Notional amount	Fair value Liabilities
Derivatives held for trading				
Interest rate derivatives - OTC	49,151	3,042	-	-
Derivatives held for cash flow hedging				
Interest rate derivatives - OTC	-	-	-	-
Total	**49,151**	**3,042**	**-**	**-**

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

Credit risk

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

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

Cash flow hedges

As at December 31, 2015, the Group's cash flow hedges consist of interest rate swaps, used to hedge the variability in cash flows of the Group's borrowings that are attributable to changes in the market interest rates. For the year ended December 31, 2015, the Group recognised in other comprehensive income a loss on cash flow hedging derivatives of €(151) (December 31, 2014: €0), while there were no terminated hedge relationships and consequently no amount was reclassified from other comprehensive income into the income statement.

As of December 31, 2015, the effect in the income statement from hedge ineffectiveness amounted to a loss of €281 (2014: €0).

Additionally, during 2015, the fair value gain on derivatives held for trading amounts to €697 (2014: loss €249).

These derivative liabilities relate to gross amount and have not been offset by derivative assets, however they are subject to major or similar netting agreements, which while not meeting the criteria established by the applicable accounting standard for offset in the statement of financial position, they provide the right to offset the relevant amounts in the event of default of the agreed terms of one of the counterparties (whether due to bankruptcy, default or handling).

NOTE 20: Trade and Other Payables

The analysis of trade and other payables is as follows:

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Trade payables	1,860	2,804	1,599	2,221
Amounts due to related parties (Note 30)	442	862	396	785
Taxes – levies	6,507	9,394	4,261	8,463
Deferred revenues	5,142	4,285	2,884	2,884
Other payables and accrued expenses	4,367	12,208	951	1,040
Total	**18,319**	**29,553**	**10,091**	**15,393**

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

The analysis of taxes – levies is as follows:

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Stamp duty on leases	2,584	2,624	2,584	2,570
Unified Property Tax (ENFIA)	86	3,209	-	3,042
Special Real Estate Levy (EETA) and Special Electricity Powered Surfaces Levy (EETHDE)	1,388	2,594	1,388	2,549
Foreign real estate tax	1,547	-	-	-
Other	902	967	289	302
Total	**6,507**	**9,394**	**4,261**	**8,463**

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

Other payables and accrued expenses of the Group at December 31, 2015 include an amount of €3,386 which relates to lease advance which will be offset by rents within the next twelve months (December 31, 2014: €3.356).

NOTE 21: Revenue

	Group		Company	
	From 01.01 to		From 01.01 to	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Rental income	110,861	93,054	90,630	78,393
Total	**110,861**	**93,054**	**90,630**	**78,393**

According to the terms of the Group's investment property portfolio's operating lease agreements, the duration of leases ranges, in most cases, between 20 and 25 years, whereby for the majority of lease agreements, rentals are revised annually by reference to the consumer price index plus a spread of 1.0%.

There were no contingent rental arrangements under the existing operating leases. Rental income is not subject to seasonality.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
No later than 1 year	106,282	76,299	87,511	64,500
Later than 1 year and no later than 5 years	435,057	324,095	355,825	263,604
Later than 5 years	1,185,869	990,085	1,163,780	951,594
Total	**1,727,208**	**1,390,479**	**1,607,116**	**1,279,698**

NOTE 22: Direct Property Related Expenses

Direct property related expenses include the following:

	Group		Company	
	From 01.01 to		From 01.01 to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Property taxes – levies	7,176	4,000	5,131	3,030
Valuation expenses	610	401	393	395
Fees and expenses for lawyers, notaries, land registrars, technical and other advisors	1,468	959	415	765
Advisory services in relation to the real estate portfolio	2,476	755	2,476	755
Insurance expenses	497	278	356	154
Office utilities (electricity, common charges, water rates, heating etc) and other service charges	191	115	87	22
Repair and maintenance expenses	136	74	15	2
Brokerage expenses	7	24	7	24
Other expenses	15	112	15	5
Total	**12,576**	**6,718**	**8,895**	**5,152**

Property taxes – levies for the year ended December 31, 2015 include the Unified Property Tax (ENFIA) of €5,448 and €5,119 for the Group and the Company respectively (December 31, 2014: €3,327 and €3,030 respectively).

Direct property related expenses incurred in leased and vacant properties were as follows:

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Leased properties	11,124	5,989	8,189	4,617
Vacant properties	1,452	729	706	535
Total	**12,576**	**6,718**	**8,895**	**5,152**

NOTE 23: Personnel Expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Salaries	1,783	1,104	1,733	926
Social security costs	313	165	304	131
Retirement benefit obligations expenses	12	4	12	3
Other expenses	67	14	67	14
Total	**2,175**	**1,287**	**2,116**	**1,074**

The total number of employees of the Group and the Company as of December 31, 2015 was 27 (December 31, 2014: 24 and 16 for the Group and the Company respectively).

NOTE 24: Other income

On December 10, 2015, the Company received dividend amounted to €4,996 from its subsidiary Picasso Fund.

NOTE 25: Other Expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
BoD remuneration	552	104	551	87
Third party fees	1,096	443	567	173
Expenses relating to advertising and publication, etc.	55	19	55	19
Taxies – levies	974	431	968	430
Expenses relating to the acquisition of additional shareholding in subsidiaries	-	121	-	121
Other	7,039	317	7,008	281
Total	**9,716**	**1,435**	**9,149**	**1,111**

It is noted that "other" includes an amount of €4,128 regarding expenses related to the Merger (2014: €0) as well as an amount of €2,515 (2014: €0) relating to prepaid expenses in the context of the Company's IPO preparation for the listing of its shares on ATHEX, which was canceled due to unfavourable economic conditions prevailed in Greece (Note 12).

NOTE 26: 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 shareholders of NBG Pangaea REIC, approved the distribution of a total amount of €109,362 of the net profit of the year 2014 (i.e. €0.5717 per share – amount in €), as a dividend to the shareholders. This amount includes the interim dividend amounted to €58,169 (i.e. €0.3041 per share – amount in €), which has been approved by the Board of Directors of NBG Pangaea REIC, on November 25, 2014 and paid in 2014.

NOTE 27: Taxes

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
REICs' tax	1,488	1,449	1,338	1,271
Deferred tax	(156)	9	-	-
Other taxes	60	24	-	-
Total	**1,392**	**1,482**	**1,338**	**1,271**

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%)). KARELA S.A., subsidiary of the Company in Greece, has 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 Quadratix Ltd. are taxed on their income, assuming a tax rate of 31.4% in Italy, 16.0% in Romania and 12.5% in Cyprus, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the year ended December 31, 2015.

NOTE 28: 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 December 31	**2015**	**2014**	**2015**	**2014**
Profit / (loss) attributable to equity shareholders	42,762	177,599	49,716	160,060
Weighted average number of ordinary shares in issue (thousands)	255,473	247,791	255,473	247,791
Earnings / (losses) per share (expressed in € per share) - Basic and diluted	**0.167**	**0.717**	**0.195**	**0.646**

The weighted average number of ordinary shares in issue for the year 2014 has been adjusted according to exchange ratio (Note 2) for comparative purposes with the year 2015.

There were no dilutive potential ordinary shares. Therefore, the dilutive earnings / (losses) per share is the same as the basic earnings / (losses) per share for all periods presented.

NOTE 29: 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. The Group has not accounted for provisions for unaudited tax years for the year ended December 31, 2015 (December 31, 2014: €45). It is estimated that additional taxes and penalties that may be imposed will not have a material effect on the consolidated or separate statement of financial position of the Group and the Company. Information about the unaudited tax years of the subsidiaries are included in Note 10.

The tax authorities have not audited the books and records of NBG Pangaea REIC for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011, 2012, 2013 and 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor, i.e. the auditing firm “Deloitte Hadjipavlou Sofianos & Cambanis S.A.” (“the statutory auditor”), in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/13 and the relevant tax audit certificates were issued with no qualifications on July 19, 2012, September 30, 2013, July 10, 2014 and September 30, 2015 respectively. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, the Company’s Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

The tax authorities have not audited the books and records of MIG Real Estate REIC for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011, 2012, 2013 and 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/13 and the relevant tax audit certificates were issued with no qualifications on July 25, 2012, September 23, 2013, July 7, 2014 and September 30, 2015 respectively. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, the

company's Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

Until the date of the approval of the financial statements, the tax audit for the year 2015 has not been completed by the statutory auditor.

In the context of the acquisition of the 14 properties portfolio by HRADF, the Company undertook the commitment to perform any improvements required. As of December 31, 2015, the remaining amount of these capital expenditure commitments amounted to €2,243 (incl. VAT) (December 31, 2014: €2,500 (incl. VAT) according to management estimates).

In the context of the credit agreement to open a current account with Alpha Bank S.A. (Note 16), 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 6), 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.

There are no pending lawsuits against the Group, nor other contingent liabilities resulting from commitments at December 31, 2015, which would affect the Group's financial position.

NOTE 30: Related Party Transactions

Upon the legal conclusion of the Merger, National Bank of Greece S.A. (parent entity), holds 32.66% of the Company's share capital and controls the Company, based on an agreement signed between the shareholders. More specifically, according to the shareholders' agreement, NBG appoints the majority of the members of the Board of Directors and the Investment Committee and guarantees are provided to NBG for certain other contractual rights. As a result of this shareholders' agreement, NBG is the controlling shareholder of the Company under IFRSs.

All transactions with related parties have been carried out on the basis of the "arm's length" principle, i.e. under normal market conditions for similar transactions with third parties. The transactions with related parties are presented below:

i. Balances arising from transactions with related parties

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Trade receivables from related parties				
Parent company	82	-	82	-
Subsidiaries	3	-	3	-
Other shareholders	2	-	2	-
Companies related to other shareholders	2	2	2	2
	89	**2**	**89**	**2**

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Other receivables from related parties				
Parent company	1	-	1	-
Hellenic National Insurance Company, company of NBG Group	-	47	-	-
Picasso Fund, subsidiary of the Company	-	-	-	100,000
Other shareholders	990	-	990	-
	991	**47**	**991**	**100,000**

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Prepaid expenses				
NBG Securities, company of NBG Group	75	75	75	75
Hellenic National Insurance Company, company of NBG Group	266	-	215	-
	341	**75**	**290**	**75**

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Cash and cash equivalents				
Parent company	27,023	7,192	27,023	7,192
	27,023	**7,192**	**27,023**	**7,192**

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Amounts due to related parties				
Parent company	102	149	102	149
Hellenic National Insurance Company, company of NBG Group	88	379	40	302
NBG Securities, company of NBG Group	246	215	246	215
Ethniki Leasing, company of NBG Group	6	-	6	-
Quadratix Ltd, subsidiary of the Company	-	-	2	-
Companies related to other shareholders	-	119	-	119
	442	**862**	**396**	**785**

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Other liabilities				
Companies related to other shareholders	560	-	560	-
	560	**-**	**560**	**-**

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Borrowings				
Parent company	9,332	9,549	-	-
	9,332	**9,549**	**-**	**-**

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Derivative financial instruments – Liabilities				
Parent company	415	536	-	-
	415	**536**	**-**	**-**

ii. Rental income

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Parent company	67,427	69,093	67,427	69,093
Other companies of NBG Group [1]	98	220	98	220
Other shareholders	2	-	2	-
Companies related to other shareholders	2	2	2	2
Total	**67,529**	**69,315**	**67,529**	**69,315**

iii. Other direct property relates expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Hellenic National Insurance Company, a company of NBG Group	424	200	358	154
Other shareholders	-	100	-	100
Companies related to other shareholders	2,238	655	2,238	655
Total	**2,662**	**955**	**2,596**	**909**

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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Parent company	120	(56)	-	-
Total	**120**	**(56)**	**-**	**-**

v. Personnel expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Hellenic National Insurance Company, a company of NBG Group	21	-	21	-
Total	**21**	**-**	**21**	**-**

vi. Other income

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Hellenic National Insurance Company, a company of NBG Group	3	-	-	-
Other shareholders	-	-	1,650	-
Total	**3**	**-**	**1,650**	**-**

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

vii. Other expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Parent company	103	31	103	31
NBG Securities, company of NBG Group	300	106	300	106
Ethnodata, company of NBG Group	-	3	-	3
Ethniki Leasing, company of NBG Group	40	14	40	14
Companies related to other shareholders	-	119	-	119
Total	**443**	**273**	**443**	**273**

viii. Interest income

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Parent company	128	3,209	128	3,209
Total	**128**	**3,209**	**128**	**3,209**

ix. Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Parent company	724	829	9	78
UBB, company of NBG Group	22	-	22	-
Total	**746**	**829**	**31**	**78**

x. Due to key management

	Group		Company	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
BoD, its committees and Senior Management compensation	-	35	-	35
Retirement Benefit Obligations	10	-	10	-
Total	**10**	**35**	**10**	**35**

xi. Key management compensation

	Group		Company	
	From 01.01. to		From 01.01. to	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
BoD, its committees and Senior Management compensation	1,826	544	1,622	504
Total	**1,826**	**544**	**1,622**	**504**

xii. Commitment and contingent liabilities

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

NOTE 31: Independent Auditor's Fees

Deloitte Hadjipavlou, Sofianos & Cambanis S.A. has served our principal independent public accountant for the years ended December 31, 2015 and 2014. The following table presents the aggregate fees for professional audit services and other services rendered by the Group's principal accounting firm Deloitte Hadjipavlou, Sofianos & Cambanis S.A., which is a member firm of Deloitte Touche Tohmatsu Limited.

	Group		**Company**	
	From 01.01. to		**From 01.01. to**	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Audit and audit related fees	94	459	69	445
Tax fees	18	19	12	12
All other fees	-	16	-	16
Total	**112**	**494**	**81**	**473**

NOTE 32: Events After the Date of Financial Statements as at December 31, 2015

On December 4, 2015, the Company was declared as successful bidder for the acquisition by the Bank of Cyprus of a commercial property, of a total area of approximately 1 thousand sq.m., which is located at 12, Agiou Nikolaou str., Patra for a consideration of €2,485. The property is leased to Massimo Dutti, member of Inditex Group, with a remaining lease duration of approximately 10 years. According to a valuation performed by the statutory independent valuers, the value of the property at the date of the acquisition amounted to €2,586. The acquisition of the property was completed on March 11, 2016 and financed by the bond loan issued by the Company in August 2014.

On February 26, 2016 the Company acquired a commercial property of a total area of approximately 1 thousand sq.m., which is located at 40-42, Hadjimichali Giannari str., Chania for a consideration of €1,820, financed by the bond loan issued by the Company in August 2014. The property is leased to Public with a remaining lease duration of 6 years and extension right for more 3 years. According to a valuation performed by the statutory independent valuers, the value of the property at the date of the acquisition amounted to € 1,850.

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 IFRSs.

NBG PANGAEA

NBG PANGAEA REAL ESTATE INVESTMENT COMPANY

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015
(published in accordance with the requirements of Hellenic Capital Market Commission decision no. 4/507/28.04.2009)
(Amounts are expressed in thousand euros)

The financial data and information listed below, derive from the 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 report.

Company Information

Supervising Authority:	Ministry of Economy, Development and Tourism
Headquarters:	6, Karageorgi Servias Str., 10562, Athens
Business:	Real Estate Investment Company
Capital Market Commission Decision Number:	6/458/13.12.2007
General Commercial Registry Number:	3546201000
Date of approval of Financial Statements by BoD	March 22, 2016
Certified Public Accountant - Auditor:	Beate Randulf (R.N. SOEL 37541)
Audit Firm:	Deloitte Hadjipavlou, Sofianos and Cambanis S.A.
Independent Auditor's report:	Unqualified opinion
Issue date of Auditor's report:	March 22, 2016
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
Athanasios Karagiannis	Non Executive member
Prodromos Valmis	Independent Non Executive member
Spyridon Makridakis	Independent Non Executive member

Statement of Financial Position (Consolidated and Standalone)

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Assets				
Investment property	1,470,079	1,407,659	1,111,067	1,081,049
Property, plant and equipment	3,348	4,334	3,508	1,698
Investment in subsidiaries	0	0	210,908	210,091
Intangible Assets	187	216	187	216
Other long-term receivables	17,314	11,737	17,314	11,729
Total non-current assets	1,490,928	1,423,946	1,342,984	1,304,783
Trade receivables	14,730	7,142	11,880	5,131
Other receivables	20,344	79,976	14,350	173,789
Cash and cash equivalents	90,433	125,638	61,885	7,193
Total current assets	125,507	212,756	88,115	186,113
Total assets	1,616,435	1,636,702	1,431,099	1,490,896
Shareholders' equity				
Share capital	766,484	765,193	766,484	765,193
Share premium	15,890	15,890	15,970	15,890
Reserves	333,615	326,953	333,435	326,917
Retained earnings / (losses)	77,719	151,038	62,830	127,909
Equity attributable to Company's shareholders	1,193,708	1,259,074	1,178,719	1,235,909
Non-controlling interests	0	1,362	0	0
Total equity	1,193,708	1,260,436	1,178,719	1,235,909
Liabilities				
Borrowings	387,284	320,054	234,495	230,054
Retirement benefit obligations	213	251	213	85
Deferred tax liability	226	382	0	0
Other long-term liabilities	3,320	6,497	701	319
Total non-current liabilities	391,043	327,184	235,409	230,458
Trade and other payables	18,319	29,553	10,091	15,393
Derivative financial instruments	2,779	3,042	0	0
Current tax liabilities	756	866	684	636
Borrowings	9,830	15,621	6,196	8,500
Total current liabilities	31,684	49,082	16,971	24,529
Total liabilities	422,727	376,266	252,380	254,987
Total shareholders' equity and liabilities	1,616,435	1,636,702	1,431,099	1,490,896

Statement of Comprehensive Income (Consolidated and Standalone)

	Group		Company	
	From 1.1 to		From 1.1 to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Rental income	110,861	93,054	90,630	78,393
Total revenue	110,861	93,054	90,630	78,393
Net gain / (loss) from the fair value adjustment of investment property	(23,723)	98,651	(13,366)	91,799
Less: investment property related expenses	(12,616)	(6,741)	(8,940)	(5,164)
Gross profit/ (loss) from investment activities	74,522	184,964	68,324	165,028
EBIT	64,704	186,560	64,976	163,405
Profit/ (loss) before tax	44,072	179,100	51,054	161,331
Taxes	(1,392)	(1,482)	(1,338)	(1,271)
Profit/ (loss) after tax (A)	42,680	177,618	49,716	160,060
Attributable to:				
- Equity shareholders	42,762	177,599	49,716	160,060
- Non controlling interests	(82)	19	0	0
Other Comprehensive expense, net of tax (B)	(27)	(19)	51	(56)
Total comprehensive income / (expense) (A+B)	42,653	177,599	49,767	160,004
Attributable to:				
- Equity shareholders	42,736	177,579	49,767	160,004
- Non controlling interests	(83)	20	0	0
Earnings/ (losses) per share (€) - Basic and Diluted	0.1674	0.7167	0.1946	0.6459
EBITDA	64,773	186,612	65,050	163,446

Statement of Changes in Equity (Consolidated and Standalone)

	Group		Company	
	From 1.1 to		From 1.1 to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Balance at 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	42,653	177,599	49,767	160,004
Acquisition of subsidiaries	(19)	1,299	0	0
Share capital increase / Share Premium	0	45,917	1,291	45,917
Expenses related to share capital increase	0	(562)	0	(562)
Effect from reverse merger	0	0	1,114	0
Dividends distributed	(109,362)	0	(109,362)	0
Balance at end of period	1,193,708	1,260,436	1,178,719	1,235,909

Statement of Cash Flows (Consolidated and Standalone)

	Group		Company	
	From 1.1 to		From 1.1 to	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Operating activities				
Profit/ (loss) before tax (continuing operations)	44,072	179,100	51,054	161,331
Adjustments for:				
Provisions for employee benefits	12	4	12	3
Other Provisions	87	0	87	0
Other (gain) / losses	(13)	(3,556)	0	0
Depreciation of property and equipment	40	23	45	12
Amortization of intangible assets	29	29	29	29
Net (gain) / loss from the fair value adjustment of investment property	23,723	(98,651)	13,366	(91,799)
Interest income	(182)	(3,233)	(146)	(3,210)
Finance costs	20,814	10,693	14,068	5,284
Net change in fair value of financial instruments at fair value through profit or loss	(416)	125	0	0
Plus / less adjustments to operating activities and working capital changes:				
(Increase) / Decrease in receivables	(6,127)	(9,540)	94,641	(111,305)
Increase / (Decrease) in payables (excl. borrowings)	(14,411)	18,115	(5,583)	12,550
Less:				
Finance costs paid	(18,839)	(10,001)	(12,502)	(4,677)
Taxes paid	(1,659)	(1,505)	(1,425)	(1,324)
Net cash flows from/ (used in) operating activities (a)	47,130	81,603	153,646	(33,106)
Investing activities				
Acquisition of investment property	(84,731)	(230,100)	0	(230,100)
Subsequent capital expenditure on investment property	(412)	(162)	(250)	(7)
Advance payments for the acquisition of investment property and overseas subsidiaries	(5,573)	(13,087)	(5,573)	(12,087)
Purchases of property and equipment	(54)	(74)	(54)	(72)
Acquisition of subsidiaries (net of cash acquired)	0	(45,780)	0	(50,253)
Interest received	181	3,233	145	3,210
Net cash flows used in investing activities (b)	(90,589)	(285,970)	(5,732)	(289,309)
Financing activities				
Proceeds from share capital increase	0	5,825	0	5,825
Expenses related to the share capital increase	0	(562)	0	(562)
Proceeds from the issuance of bond loans and other borrowed funds	106,400	240,911	4,400	240,911
Expenses related to the issuance of bond loans	(1,823)	(5,464)	0	(5,464)
Repayment of borrowings	(45,112)	(7,343)	(8,930)	0
Acquisition of additional participation in subsidiaries	(17)	(6,151)	(17)	(6,151)
Participation in subsidiaries' capital increase	0	0	(40,108)	(3,153)
Dividends paid	(51,193)	(58,169)	(51,193)	(58,169)
Net cash flows from / (used in) financing activities (c)	8,255	169,047	(95,848)	173,237
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	(35,204)	(35,320)	52,066	(149,178)
Cash and cash equivalents at the beginning of the period	125,638	160,963	7,193	156,371
Effect of foreign exchange currency changes on cash and cash equivalents	(1)	(5)	0	0
Effect from merger	0	0	2,626	0
Cash and cash equivalents at the end of the period	90,433	125,638	61,885	7,193

Notes

1. During 2015, it was completed the merger by absorption of NBG Pangaea REIC by MIG Real Estate REIC. 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. As transformation date has been set the 31st of January 2015.
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, Development and Tourism (Note 1 of the annual financial statements for the year ended December 31, 2015).
The 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 (Note 1 of the annual financial statements for the year ended December 31, 2015).
2. The principal accounting policies that have been adopted are in accordance with the requirments of International Financial Reporting Standards (hereinafter "IFRS") as adopted by the European Union and are the same with those applied in the previous year financial statements.
Regarding the accounting treatment of the Merger mentioned in Note 1, 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.
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. Upon the completion of the Merger, the "old" shareholders of NBG Pangaea REIC continue to hold a significant stake in 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 December 31, 2014.
Details are included in Note 2 of the annual financial statements as of December 31, 2015.
3. The tax authorities have not audited the books and records of NBG Pangaea REIC for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011, 2012, 2013 and 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor, i.e. the auditing firm "Deloitte Hadjipavlou Sofianos & Cambanis S.A." ("the statutory auditor"), in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/13 and the relevant tax audit certificates were issued with no qualifications on July 19, 2012, September 30, 2013, July 10, 2014 and September 30, 2015 respectively. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, the Company's Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company (Note 29 of the annual financial statements for the year ended December 31, 2015).
The tax authorities have not audited the books and records of MIG Real Estate REIC for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011, 2012, 2013 and 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/13 and the relevant tax audit certificates were issued with no qualifications on July 25, 2012, September 23, 2013, July 7, 2014 and September 30, 2015 respectively. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, the company's Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company (Note 29 of the annual financial statements for the year ended December 31, 2015).
Until the date of the approval of the financial statements, the tax audit for the year 2015 has not been completed by the statutory auditor.
Information about the unaudited tax years of the subsidiaries are included in Note 10 of the annual financial statements for the year ended December 31, 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 29 of the annual financial statements for the year ended December 31, 2015). 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 April 14, 2010, September 16, 2014 and September 17, 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 12 of the annual financial statements for the year ended December 31, 2015).
5. The number of Group and Company employees as of December 31, 2015 was 27. The number of Group and Company employees as of December 31, 2014 was 24 and 16 respectively (Note 23 of the annual financial statements for the year ended December 31, 2015).
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 32.66% of the Company's share capital, by the full consolidation method.
7. Nine properties in Attica (8 in Athens and 1 in Piraeus) have prenotations of mortgage in favour of Alpha Bank S.A., each for an amount of €9,880 thousand. The outstanding balance of the bond loan as of December 31, 2015 amounted to €4.009 thousand and the fair value of the nine properties as of December 31, 2015 amounted to €10,711 thousand (Note 16 of the annual financial statements for the year ended December 31, 2015).
In accordance with the terms of the bond loan program dated August 11, 2014, as amended on August 20, 2014, for the issuance of the bonds totally amounting to €237,500 thousand, the Company registered mortgages on 77 properties in Greece (included the owneroccupied property) in favour of Alpha Bank S.A. (bondholder agent) as collateral for all Company's obligations under the financing documents, each for an amount of €250,000 thousand. The fair value of the 77 properties as of December 31, 2015 amounted to €542,599 thousand. (Note 16 of the annual financial statements for the year ended December 31, 2015).
In the context of the credit agreement to open a current account with Alpha Bank S.A. (Note 16), 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 thousand. into fourteen (14) Company's properties in Greece, which were the subject of the tender "sale and leaseback" by HRADF (Note 6 of the annual financial statements for the year ended December 31, 2015), 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 29 of the annual financial statements for the year ended December 31, 2015).
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 thousand The outstanding balance of the bond loan as of December 31, 2015 amounted to €50,221 thousand and the fair value of the property as of December 31, 2015 amounted to €125,136 thousand. Moreover, the entire share capital of KARELA SA is 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 the bondholders. Finally, the Company has given corporate guarantee for all liabilities of KARELA SA under the bond program and the bonds issued (Note 16 of the annual financial statements for the year ended December 31, 2015).
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 thousand. The outstanding balance of the loan as of December 31, 2015 amounted to €99,382 thousand and the fair value of the properties amounted to €176,700 thousand. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender (Note 16 of the annual financial statements for the year ended December 31, 2015).
8. Related party transactions and balances of the Group as defined in IAS 24 are as follows: a) Income €67,780 thousand, b) Expense €3,872 thousand, c) Assets €28,444 thousand, d) Liabilities €10,749 thousand. Related party transactions and balances of the Company as defined in IAS 24 are as follows: a) Income €69,307 thousand, b) Expense €3,091 thousand, c) Assets €28,393 thousand, d) Liabilities €956 thousand. Related party transactions and balances of the Group with BoD, its Committees and senior management personnel are as follows: a) Key management compensation €1,826 thousand, b) Due from key management personnel NIL and c) Due to key management personnel €10 thousand. Related party transactions and balances of the Group with BoD, its Committees and senior management personnel are as follows: a) Key management compensation €1,604 thousand, b) Due from key management personnel NIL and c) Due to key management personnel €10 thousand (Note 30 of the annual financial statements for the year ended December 31, 2015).
9. Prior to the completion of the Merger, on August 12, 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 December 31, 2014.
On October 22, 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 January 27, 2015), against payment of the offer price of €3.10 per share (exit right). Upon the completion of the three-month period, the shareholding of the Company in MIGRE increased to 96.944% and held 13,643,905 shares (shareholding in MIGRE as of December 31, 2014: 96.90% - number of shares held by NBG Pangaea: 13,638,330) (Notes 6 and 9 of the annual financial statements for the year ended December 31, 2015).
10. On March 20, 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 €831 thousand was recognised directly in the income statement of the year ended December 31, 2014 (Note 9 of the annual financial statements for the year ended December 31, 2015).
11. There are no entities exempted from the annual financial statements as of 31.12.2015 and there have been no changes in the method of consolidation since the previous annual financial statements. Information regarding the name, the resgistered office's country and the consolidation method for each of the entities included in the consolidated financial statements as well as the percentage with which the Company participates in their share capital are included in the note 10 of the annual financial statements as of December 31, 2015.
12. As of December 31, 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 €339 thousand.
13. In the Statement of Total Comprehensive Income, "Other comprehensive income / (expense) for the period" of the Group, in the current period, is comprised of €51 thousand relating to the remeasurement of the net defined benefit liability/asset, €73 thousand relating to currency translation differences and €(151) thousand relating to
14. As of December 31, 2015, the Group and the Company did not hold any treasury shares (Note 14 of the annual financial statements for the year ended December 31, 2015).
15. On December 4, 2015, the Company was declared as successful bidder for the acquisition by the Bank of Cyprus of a commercial property, of a total area of approximately 1 thousand sq.m., which is located at 12, Agiou Nikolaou str., Patra for a consideration of €2,485 thousand. The property is leased to Massimo Dutti, member of Inditex Group, with a remaining lease duration of approximately 10 years. According to a valuation performed by the statutory independent valuers, the value of the property at the date of the acquisition amounted to €2,586 thousand. The acquisition of the property was completed on March 11, 2016 and financed by the bond loan issued by the Company in August 2014.
On February 26, 2016 the Company acquired a commercial property of a total area of approximately 1 thousand sq.m., which is located at 40-42, Hadjimichali Giannari str., Chania for a consideration of €1,820 thousand, financed by the bond loan issued by the Company in August 2014. The property is leased to Public with a remaining lease duration of 6 years and extension right for more 3 years. According to a valuation performed by the statutory independent valuers, the value of the property at the date of the acquisition amounted to €1,850 thousand.
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 IFRS (Note 32 of the annual financial statements for the year ended December 31, 2015).

Athens, March 22, 2016

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. Σ061431	ID No. AK801025	ID No. AA003175	Perm. No. 78785 A'

Information required by article 10 of L. 3401/2005
The Corporate announcements of the year 2015 are available on the website of the Company:

Investors > Announcements and Press Releases

Subject	Date
Announcement of the Commencement of Preparatory works for Merger by Absorption*	30/01/2015
Financial Calendar 2015*	30/03/2015
Update of Financial Calendar*	05/05/2015
Update of Financial Calendar*	19/05/2015
Update of Financial Calendar*	02/06/2015
Election of new members to the Board of Directors*	03/06/2015
Draft Decisions on the Agenda of the Annual General Meeting of Shareholders to be held on 26/06/2015*	05/06/2015
Invitation of the Shareholders to the General Assembly Meeting*	05/06/2015
Authorization for the participation the General Assembly Meeting to be held on 26/06/2015*	16/06/2015
Resolutions of the General Assembly Meeting held on 26/06/2015*	29/06/2015
Announcement for the approval of the Draft Merger Agreement for the absorption of NBG Pangaea REIC from MIG REAL ESTATE REIC*	07/08/2015
Information note*	07/08/2015
Draft Merger Agreement*	24/08/2015
Merger Balance Sheet of MIG REAL ESTATE REIC under IFRS for the period ended 31.01.2015*	24/08/2015
Transformation Balance sheet of NBG Pangaea REIC for the period ended 31.01.2015*	24/08/2015
Consolidated Statement of Financial Position of NBG Pangaea REIC under IFRS for the 1m period ended 31.01.2015*	24/08/2015
Report of Board of Directors to the General Assembly Meeting of the shareholders of MIG REAL ESTATE REIC regarding the Draft Merger Agreement*	24/08/2015
Independent Auditor' s Report - Fairness opinion with respect to the share exchange ratio between NBG PANGAEA REIC and MIG REAL ESTATE REIC*	24/08/2015
Independent Auditor' s Report regarding the Confirmation of the Book Value of the Assets of the Company under Transformation NBG PANGAEA REIC under L.2166/1993*	24/08/2015
Opinion by the Auditor regarding the Fairness and Reasonableness of the Shares Exchange Ratio of NBG PANGAEA REIC and MIG Real Estate REIC*	24/08/2015
Announcement in accordance with article 73 of the L.2190/1920 for the Merger with the Company NBG PANGAEA REIC*	24/08/2015
Summary of Draft Merger Agreement for merger by absorption of "NBG Pangaea REAL ESTATE INVESTMENT COMPANY" from "MIG REAL ESTATE INVESTMENT COMPANY"*	01/09/2015
Draft Decisions / Board of Directors Comments on the agenda of the Extraordinary General Meeting to be held on 25/09/2015*	04/09/2015
Invitation of the Shareholders to Extraordinary General Meeting*	04/09/2015
Authorization for the participation the General Assembly Meeting to be held on 25/09/2015*	04/09/2015
Announcement for the shares and the voting rights for the Extraordinary General Meeting to be held on 25/09/2015*	04/09/2015
Article of Association draft as proposed to be amended by the Extraordinary General Meeting on 25/09/2015*	07/09/2015
Resolutions of the Extraordinary General Meeting of the Shareholders held on September 25, 2015*	25/09/2015
Approval of Merger	02/10/2015
ANNOUNCEMENT FOR THE PUBLICATION OF THE INFORMATION CIRCURAL OF ARTICLE 4 OF GREEK LAW 3401/2005*	18/12/2015
Document of Article 4 of L. 3401/2005*	18/12/2015
Announcement in accordance with Resolution 27 of ATHEX	18/12/2015
Commencement of Preparatory works for the Merger by absorption by the Company of its 100% subsidiary KARELA S.A.	28/12/2015
Announcement for the share capital and the voting rights of the Company	31/12/2015

* Available only in Greek

Availability of the Annual Financial Report

The Annual Financial Report, which includes:

- Certifications by Members of the Board of Directors,
- The Board of Directors' Report,
- The Supplementary Report to the Annual General Meeting of Shareholders,
- The Independent Auditor's Report,
- The Annual Financial Statements of the Group and the Company,
- Summary Financial Data of the Group and the Company,
- Information required by article 10 of L. 3401/2005

is available on the website address: http://www.nbgpangaea.gr