



NBG PANGAEA

**NBG PANGAEA REAL ESTATE INVESTMENT COMPANY**

**FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2017**  
(published in accordance with article 135 of Codified Law 2190, for Companies preparing annual consolidated and separate financial statements, in accordance with IFRS)  
(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](http://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 and Development
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, 2018
Certified Public Accountant - Auditor:	Marios Psaltis (R.N. SOEL 38081)
Audit Firm:	PricewaterhouseCoopers S.A.
Independent Auditor's report:	Unqualified opinion
Issue date of Auditor's report:	March 22, 2018
Website:	<a href="http://www.nbgpangaea.gr">www.nbgpangaea.gr</a>

**The Board of Directors**

Christos Protopapas	Non Executive member - Chairman of the BoD
Ioannis Kyriakopoulos	Non Executive member - Vice-chairman A'
Christophoros Papachristophorou	Executive member - Vice-chairman B'
Aristotelis Karytinios	Executive member - Chief Executive Officer
Thiresia Messari	Executive member
Nikolaos Iatrou	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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Assets</b>				
Investment property	1,580,698	1,490,000	1,309,775	1,235,590
Property, plant and equipment	2,058	2,265	2,216	2,424
Investment in subsidiaries	0	0	178,824	155,742
Intangible Assets	130	159	130	159
Deferred tax assets	4	1	0	0
Other long-term receivables	9,088	17,325	9,807	17,325
<b>Total non-current assets</b>	<b>1,591,978</b>	<b>1,509,750</b>	<b>1,500,752</b>	<b>1,411,240</b>
Trade receivables	15,362	28,659	12,228	25,078
Other receivables	42,569	32,356	42,869	32,059
Cash and cash equivalents	4,935	54,732	36,308	40,624
<b>Total current assets</b>	<b>107,266</b>	<b>115,747</b>	<b>91,405</b>	<b>97,761</b>
<b>Total assets</b>	<b>1,699,244</b>	<b>1,625,497</b>	<b>1,592,157</b>	<b>1,509,001</b>
<b>Shareholders' equity</b>				
Share capital	766,484	766,484	766,484	766,484
Share premium	15,890	15,890	15,970	15,970
Reserves	339,152	336,119	338,894	336,182
Retained earnings / (losses)	106,327	76,448	117,788	80,241
<b>Total equity attributable to Company's shareholders</b>	<b>1,227,853</b>	<b>1,194,941</b>	<b>1,239,136</b>	<b>1,198,877</b>
<b>Liabilities</b>				
Borrowings	344,668	344,843	234,979	233,339
Retirement benefit obligations	197	174	197	174
Deferred tax liability	223	198	0	0
Other long-term liabilities	3,477	3,329	3,302	3,153
<b>Total non-current liabilities</b>	<b>348,565</b>	<b>348,544</b>	<b>238,478</b>	<b>236,666</b>
Trade and other payables	14,452	15,521	9,262	10,217
Derivative financial instruments	480	1,897	0	1,236
Current tax liabilities	5,682	5,364	5,644	5,340
Borrowings	102,212	59,230	99,637	56,665
<b>Total current liabilities</b>	<b>122,826</b>	<b>82,012</b>	<b>114,543</b>	<b>73,458</b>
<b>Total liabilities</b>	<b>471,391</b>	<b>430,556</b>	<b>353,021</b>	<b>310,124</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,699,244</b>	<b>1,625,497</b>	<b>1,592,157</b>	<b>1,509,001</b>

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

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Revenue	117,949	115,433	103,250	101,649
<b>Total revenue</b>	<b>117,949</b>	<b>115,433</b>	<b>103,250</b>	<b>101,649</b>
Net gain / (loss) from the fair value adjustment of investment property	17,166	(18,220)	25,657	(12,726)
Less: investment property related expenses	(12,855)	(12,366)	(10,277)	(9,935)
<b>Gross profit/ (loss) from investment activities</b>	<b>122,260</b>	<b>84,847</b>	<b>118,630</b>	<b>78,988</b>
<b>EBIT</b>	<b>117,149</b>	<b>81,212</b>	<b>120,551</b>	<b>79,557</b>
<b>Profit/ (loss) before tax</b>	<b>94,959</b>	<b>60,255</b>	<b>102,497</b>	<b>62,272</b>
Taxes	(11,261)	(6,792)	(11,131)	(6,769)
<b>Profit/ (loss) after tax (A)</b>	<b>83,698</b>	<b>53,463</b>	<b>91,366</b>	<b>55,503</b>
Attributable to:				
- Equity shareholders	83,698	53,463	91,366	55,503
- Non controlling interests	0	0	0	0
<b>Other Comprehensive expense, net of tax (B)</b>	<b>313</b>	<b>(237)</b>	<b>(8)</b>	<b>6</b>
<b>Total comprehensive income / (expense) (A+B)</b>	<b>84,011</b>	<b>53,226</b>	<b>91,358</b>	<b>55,509</b>
Attributable to:				
- Equity shareholders	84,011	53,226	91,358	55,509
- Non controlling interests	0	0	0	0
<b>Earnings/ (losses) per share (€) - Basic and Diluted</b>	<b>0.3276</b>	<b>0.2093</b>	<b>0.3576</b>	<b>0.2172</b>
<b>EBITDA</b>	<b>117,203</b>	<b>81,264</b>	<b>120,605</b>	<b>79,610</b>

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

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Operating activities</b>				
Profit/ (loss) before tax (continuing operations)	94,959	60,255	102,497	62,272
Adjustments for:				
Provisions for employee benefits	18	21	18	21
Other Provisions	0	17	0	17
Other	76	58	76	58
Depreciation of property and equipment	25	28	25	25
Amortization of intangible assets	29	28	29	28
Net (gain) / loss from the fair value adjustment of investment property	(17,166)	18,220	(25,657)	12,726
Interest income	(41)	(142)	(74)	(126)
Finance costs	22,231	21,099	18,128	17,411
Net change in fair value of financial instruments at fair value through profit or loss	(1,236)	(1,145)	(1,218)	(1,105)
Plus / less adjustments to operating activities and working capital changes:				
(Increase) / Decrease in receivables	6,501	(8,919)	14,556	(13,441)
Increase / (Decrease) in payables (excl. borrowings)	(923)	(2,871)	(808)	(3,886)
Less:				
Finance costs paid	(19,095)	(18,962)	(15,743)	(15,803)
Taxes paid	(10,928)	(2,301)	(10,827)	(2,273)
<b>Net cash flows from / (used in) operating activities (a)</b>	<b>74,450</b>	<b>65,382</b>	<b>81,002</b>	<b>55,924</b>
<b>Investing activities</b>				
Acquisition of investment property	(62,130)	(33,215)	(47,828)	(10,999)
Subsequent capital expenditure on investment property	(554)	(368)	(552)	(272)
Prepayments and expenses related to future acquisition of investment property	(32)	0	(0)	0
Returns of prepayments for the acquisition of property	0	300	0	300
Participation in subsidiaries' capital increase	0	0	(14,400)	(800)
Proceeds from subsidiaries' capital decrease	0	0	2,009	3,380
Purchases of property and equipment	(10)	(111)	(10)	(111)
Acquisition of subsidiaries (net of cash acquired)	0	(3,568)	0	(3,580)
Incorporation of subsidiaries	0	0	(26)	0
Loans granted to foreign subsidiaries	0	0	(9,750)	0
Interest received	38	142	37	126
<b>Net cash flows used in investing activities (b)</b>	<b>(62,688)</b>	<b>(36,820)</b>	<b>(70,551)</b>	<b>(11,956)</b>
<b>Financing activities</b>				
Proceeds from the issuance of bond loans and other borrowed funds	47,430	9,850	47,430	0
Expenses related to the issuance of bond loans	0	(271)	0	0
Repayment of borrowings	(7,600)	(4,730)	(5,221)	(2,551)
Dividends paid	(56,976)	(69,111)	(56,976)	(69,111)
<b>Net cash flows from / (used in) financing activities (c)</b>	<b>(17,146)</b>	<b>(64,262)</b>	<b>(14,767)</b>	<b>(71,662)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>(5,384)</b>	<b>(35,700)</b>	<b>(4,316)</b>	<b>(27,694)</b>
Cash and cash equivalents at the beginning of the period	54,732	90,433	40,624	61,885
Effect of foreign exchange currency differences on cash and cash equivalents	(13)	(1)	0	0
Effect from merger through absorption of KARELA S.A.	0	0	0	6,433
<b>Cash and cash equivalents at the end of the period</b>	<b>49,335</b>	<b>54,732</b>	<b>36,308</b>	<b>40,624</b>

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

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Balance at beginning of period</b>	<b>1,194,941</b>	<b>1,193,708</b>	<b>1,198,877</b>	<b>1,178,719</b>
<b>Changes during the period:</b>				
Total comprehensive income / (expense), net of tax	84,011	53,226	91,358	55,509
Dividends distributed	(51,099)	(51,993)	(51,993)	(51,993)
Effect from merger through absorption of KARELA S.A.	0	0	0	16,642
<b>Balance at end of period</b>	<b>1,227,853</b>	<b>1,194,941</b>	<b>1,198,877</b>	<b>1,198,877</b>

**Notes**

- Following the resolution of the Boards of Directors of the Company (the "Absorbing Company") and its subsidiary "KARELA S.A." (the "Absorbed Company") held on December 28, 2015, on the commencement of the preparatory works of the merger by absorption of the latter by the first, on May 19, 2016 the Boards of Directors of the merging companies approved the draft merger agreement which was signed on May 20, 2016. The Company owned 100% of the share capital and voting rights of the Absorbed Company. The envisaged merger took place through the consolidation of assets and liabilities of the two companies, with the combined application of the provisions of articles 68 et seq., and particularly of article 78, par. 2 of the C.L. 2190/1920 and those of L. 2166/1993, as in force. December 31, 2015 has been set as the transformation date. On July 28, 2016, the merger by absorption of the company KARELA S.A. by its parent entity NBG PANGAEA REIC was completed in accordance with the decision protocol No. 80578/28.07.2016 of the Ministry of Economy, Development and Tourism (currently Ministry of Economy and Development) which was registered on the same day with the General Commercial Register of the abovementioned Ministry (Note 1 of the Annual Financial Statements for the year ended December 31, 2017).
- The principal accounting policies that have been adopted are in accordance with the requirements 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. Details are included in Note 2 of the Annual Financial Statements as of December 31, 2017.
- The tax authorities have not audited the books and records of the company NBG Pangaea REIC absorbed by the Company for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011 - 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications. Especially for the year 2012, it is noted that during 2018 the tax audit was completed by the competent tax authorities with no findings and therefore no additional taxes imposed (Note 28 of the Annual Financial Statements for the year ended December 31, 2017). The years 2012 - 2016 of the Company have been audited by the elected under C.L. 2190/1920 statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications (Note 28 of the Annual Financial Statements for the year ended December 31, 2017). The tax authorities have not audited the books and records of KARELA S.A., which was absorbed by the Company, for the financial years 2012-2013 and consequently the tax obligations for those years are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, the Management estimates that they will not have a material effect on the financial position of the company. The financial years 2014 and 2015 have been audited by the elected under C.L. 2190/1920 statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualifications (Note 28 of the Annual Financial Statements for the year ended December 31, 2017). It is noted that according to P.O.L. 1006/05.01.2016, the companies for which a tax certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company (Note 28 of the Annual Financial Statements for the year ended December 31, 2017). Up until December 31, 2017, the tax authorities have not notified for any control order of the Company and for the company KARELA S.A., which was absorbed by the Company, for the fiscal year 2010 and 2011. Therefore, the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred for the aforementioned, per company, reported uses pursuant to a) par. 1 of article 84 of L. 2238/1995 (unaudited income tax cases); b) par. 1 of article 57 of L. 2859/2000 (non-audited cases of VAT) and c) of par. 5 of article 9 of L. 2523/1997 (imposition of fines for income tax cases). Management considers that the circumstances limiting the aforementioned laws, which could the five-year limitation period to ten years, are not met (Note 28 of the Annual Financial Statements for the year ended December 31, 2017). Until the date of the approval of the Annual Financial Statements, the tax audit for the year 2017 has not been completed by the statutory auditor. Information about the unaudited tax years of the subsidiaries are included in Note 9 of the Annual Financial Statements for the year ended December 31, 2017.
- 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 28 of the Annual Financial Statements for the year ended December 31, 2017). 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 11 of the Annual Financial Statements for the year ended December 31, 2017).
- The number of Group and Company employees as of December 31, 2017 was 27. The number of Group and Company employees as of December 31, 2016 was 25 (Note 1 and 22 of the Annual Financial Statements for the year ended December 31, 2017).
- 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.
- 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 totaling amounting to €237,500 thousand, the Company registered mortgages on 77 properties in Greece (included the owneroccupied property located at 6, Karageorgi Servias str., Athens) in favour of Alpha Bank S.A. (bondholder agent) as collateral for all Company's obligations under the financing documents, each for an amount of €250,000 thousand. The fair value of the 77 properties as of December 31, 2017 amounted to €551,271 thousand (December 31, 2016: €541,181 thousand) (Note 15 of the Annual Financial Statements for the year ended December 31, 2017). In the context of the credit agreement to open a current account with Alpha Bank S.A., the Company provided specific and irrevocable power of attorney, authorization and right to lawyers acting for Alpha Bank S.A. so that they may attend and represent the Company before any competent court for the purpose of the registration of mortgage pre-notation amounting to €65,000 thousand into fourteen (14) Company's properties in Greece, which were the subject of the tender "sale and leaseback" by HRADF, in favour of Alpha Bank S.A.. The power of attorney shall expire automatically, either with the full and complete settlement of all Company's obligations under the credit agreement, or the moment that Alpha Bank S.A. covers entirely the debentures of a bond loan, as it may be issued in the future by the Company, and it will be subject to full and complete settlement of any amount under the aforementioned credit agreement (Note 28 of the Annual Financial Statements for the year ended December 31, 2017). On one property of the Company (owned by KARELA S.A. which was absorbed by the Company) a prenotation of mortgage was established in favour of Piraeus Bank S.A. (the representative of the bondholders) for an amount of €106,000 thousand. The outstanding balance of the bond loan as of December 31, 2017 (not including accrued interest of €13 thousand) amounted to €46,813 thousand (December 31, 2016: €49,059 thousand not including accrued interest of €7 thousand) and the fair value of the property as of December 31, 2016 amounted to €125,186 thousand (December 31, 2016: €125,439 thousand). In addition, all rights of the Company, arising from the lease with Cosmote, have been assigned in favour of the bondholders (Note 15 of the Annual Financial Statements for the year ended December 31, 2017). Four properties owned by subsidiary Picasso Fund are burdened with first class mortgage in favour of Banca IMI S.p.A. for an amount of €204,000 thousand. The outstanding balance of the loan as of December 31, 2017 (not including accrued interest of €14 thousand) amounted to €96,217 thousand (December 31, 2016: €97,800 thousand not including accrued interest of €7 thousand) and the fair value of the properties amounted to €173,400 thousand (December 31, 2016: €167,770 thousand). Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender (Note 15 of the Annual Financial Statements for the year ended December 31, 2017). Nine properties owned by subsidiary Picasso Fund are burdened with first class mortgage in favour of Intesa Sanpaolo S.p.A. for an amount of €19,700 thousand. The outstanding balance of the loan as of December 31, 2017 (not including accrued interest of €1 thousand) amounted to €9,490 thousand (December 31, 2016: €9,583 thousand not including accrued interest of €8 thousand) and the fair value of the properties amounted to €21,168 thousand (December 31, 2016: €22,620 thousand). Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender (Note 15 of the Annual Financial Statements for the year ended December 31, 2017).
- Related party transactions and balances of the Group as defined in IAS 24 are as follows: a) Income €67,890 thousand, b) Expense €2,930 thousand, c) Assets €35,455 thousand, d) Liabilities €1,067 thousand. Related party transactions and balances of the Company as defined in IAS 24 are as follows: a) Income €74,693 thousand, b) Expense €2,908 thousand, c) Assets €44,596 thousand, d) Liabilities €1,065 thousand. Related party transactions and balances of the Group with BoD, its Committees and senior management personnel are as follows: a) Key management compensation €1,478 thousand, b) Due to key management personnel Nil and c) Due to key management personnel €17 thousand (December 31, 2017). Related party transactions and balances of the Group with BoD, its Committees and senior management personnel are as follows: a) Key management compensation €1,476 thousand, b) Due to key management personnel Nil and c) Due to key management personnel €17 thousand (Note 29 of the Annual Financial Statements for the year ended December 31, 2017).
- There are no entities exempted from the annual financial statements as of 31.12.2017 and there have been no changes in the method of consolidation since the previous annual financial statements. Information regarding the name, the registered 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 9 of the Annual Financial Statements as of December 31, 2017.
- As of December 31, 2017, 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 €197 thousand.
- In the Statement of Total Comprehensive Income, "Other comprehensive income / (expense) for the period" of the Group, in the current period, is comprised of (€)8 thousand relating to the remeasurement of the net defined benefit liability/asset, €155 thousand relating to currency translation differences and €166 thousand relating to cash flow hedge. The corresponding amounts for the Company are (€)8 thousand, Nil and Nil respectively.
- As of December 31, 2017, the Group and the Company did not hold any treasury shares (Note 13 of the Annual Financial Statements for the year ended December 31, 2017).
- On November 10, 2017, the Company established a subsidiary in Bulgaria named PNG Properties EAD owning 100% of its share capital. The scope of PNG Properties EAD is the investment in real estate (Note 10 of the Annual Financial Statements for the year ended December 31, 2017).
- On March 8, 2018, the Company acquired a commercial property of high visibility, of a total area of approximately 2,526 sq.m., which is located at 66 Ergou str. and Agias Eirinis, Athens, for a consideration of €5,700 thousand. According to a valuation performed by the independent statutory valuers, the value of the property at the date of the acquisition amounted to €5,712 thousand.
- On February 28, 2018, the Company acquired a retail property, of a total area of approximately 1,086 sq.m., which is located at 1, Solonos str. and 17 Kanari str., Athens, for a consideration of €3,750 thousand. The property is a listed building of high visibility and is fully leased to retail and F&B companies. According to a valuation performed by the independent statutory valuers, the value of the property at the date of the acquisition amounted to €3,945 thousand.
- On February 28, 2018, the shareholders were invited to the Extraordinary General Meeting