NBG PANGAEA

NBG PANGAEA R.E.I.C.

INTERIM FINANCIAL REPORT
for the period from January 1 to June 30, 2018

This interim 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.

September 2018

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

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

(1) The interim condensed financial information for the six-month period ended June 30, 2018 have been prepared in accordance with IAS 34 and IFRS as adopted by the European Union and present a true and fair view of the items in the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement of the Company and of the companies included in the consolidation.

(2) The Board of Directors report for the six-month period ended June 30, 2018 truly and fairly presents all information required by Article 5, Para 6 of Law 3556/2007.

Athens, September 14, 2018

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

Semi-annual Board of Directors Report
of "NBG Pangaea Real Estate Investment Company"
on the Interim Condensed Financial Information
for the six-month period ended 30.06.2018

In accordance with the provisions of L.3556/2007 and the Decisions no. 1/434/3.7.2007, 7/448/11.10.2007 and 8/754/14.4.2016 of the Hellenic Capital Market Commission, we present below the Board of Directors Report of the Company (hereinafter Board of Directors or BoD) on the Interim Condensed Financial Information for the period from January 1, 2018 to June 30, 2018 (all amounts are expressed in € thousand, unless otherwise stated).

GENERAL OVERVIEW

The improving fiscal credibility, the stabilization of the economy and the restoration of confidence were significant steps for the activation of investors' interest in commercial real estate properties with investment characteristics similar to those of our Group's portfolio (investment grade properties). Based on the above events the commercial real estate sector in which our Group operates presented recovery trends, with prime assets holding a more advantageous position, which are reflected in the valuation of the Group's investment properties as of June 30, 2018 (refer below to "Net gain / (loss) from the fair value adjustment of investment property").

Regarding the sector of REICs, it shall be noted that the amendment in their tax framework led to a significant increase in both tax on investments and cash and cash equivalents and the supplementary Unified Property Tax (ENFIA).

However, it shall be noted that despite the adverse tax environment, the Group increased its profitability while at the same time, it continued the implementation of the corporate responsibility program adopted during the second semester of 2016.

FINANCIAL POSITION AND PERFORMANCE OF THE GROUP

During the first semester of 2018, the Group proceeded with investments in real estate of €43,846 (total investment of €51,046) and proceeded with the signing of binding agreements for the acquisition of investment properties of €17,363, as presented below in "SIGNIFICANT EVENTS DURING THE FIRST SEMESTER OF 2018", continuing its increased investment activity. These investments are fully attached to the Company's strategy for the development of its portfolio through selected placement to properties with remarkable investment characteristics.

As of June 30, 2018, the Group's real estate portfolio consisted of 345 (December 31, 2017: 338) commercial properties (mainly retail and offices), of a total leasable area of 1,039 thousand sq.m.. Three hundred and twenty six (326) of those properties are located in Greece, mainly in prime areas. Fourteen (14) properties are located in Italy, two (2) properties in Romania, two (2) properties in Cyprus and one (1) property in Bulgaria. As of June 30, 2018 the fair value of the Group's investment property amounted to €1,655,707 (December 31, 2017: €1,580,698) according to the valuation performed by the independent statutory valuers, i.e. the company "Proprius Commercial Property Consultants EPE" (representative of Cushman & Wakefield) and jointly the companies "P. Danos & Associates" (representative of BNP Paribas) and "Athinaiki Oikonomiki EPE" (representative of Jones Lang LaSalle) for the properties outside Italy and Bulgaria as well as the company "REAG - Real Estate Advisory Group S.p.A." for the properties in Italy and the company "Advance Address Valuations Ltd" for the property in Bulgaria.

Revenue: Total revenue relates to rental income and amounted to €60,704 for the period ended June 30, 2018, compared to €57,907 for the respective period of 2017, representing an increase of 4.8%. The increase on rental income mainly relates to rental income from new properties acquired by the Group during the second semester of 2017 and during the current period.

Net gain / (loss) from the fair value adjustment of investment property: During the first semester of 2018, the fair value of investment properties increased by €29,675 (compared to net gain of €6,918 of the previous period).

Operating Profits / (Losses): Operating profits of the Group for the first semester of 2018 amounted to €81,327 compared to operating profits of €57,345 of the previous period). Excluding the net gain/ (loss) from the fair value adjustment of investment property (six-month period ended June 30, 2018: net gain of €29,675, six-month period ended June 30, 2017: net gain of €6,918), Group's operating profits for the six-month period ended June 30, 2018 amounted to €51,652 compared to €50,427 of the previous period (an increase of 2.4%). 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 six-month period ended June 30, 2018 amounted to €34 compared to €23 of the previous period.

Finance costs: The Group's finance costs for the six-month period ended June 30, 2018 amounted to €10,728 (six-month period ended June 30, 2017: €10,586).

Taxes: As a Real Estate Investment Company ("REIC"), in accordance with article 31, par. 3 of L.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 investments and cash and cash equivalents at current prices at the tax rate of 10% of the aggregate European Central Bank ("ECB") reference rate plus 1%. According to the recent amendment introduced by the article 46, par. 2 of L.4389/2016 to article 31, par. 3 of L.2778/1999, the tax for each semester cannot be lower than 0.375% on its average investments plus cash and cash equivalents, at current prices. KAROLOU S.A., Company's subsidiary in Greece, has the same tax treatment.

The Company's foreign subsidiaries, Nash S.r.L., Egnatia Properties S.A., Quadratix Ltd., Lasmane Properties Ltd. and PNG Properties EAD are taxed on their income, based on a tax rate equal to 27.9% in Italy, 16.0% in Romania, 12.5% in Cyprus and 10.0% in Bulgaria, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the six - month period ended June 30, 2018.

At Group level taxes for the six-month period ended June 30, 2018 amounted to €5,884 compared to €5,540 of the previous period, presenting an increase by 6.2% which is mainly due to the increase of the fair value of investment property, as well as to the increase of cash and cash equivalents.

Profit / (Loss) for the period: The Group's profit for the six-month period ended June 30, 2018 amounted to €64.749 compared to profit for the period of €41,242 of the previous period. Excluding the net gain / (loss) from the fair value adjustment of investment property (six-month period ended June 30, 2018: net gain of €29,675, six-month period ended June 30, 2017: net gain of €6,918), Group's profit for the period amounted to €35,074 for the first semester of 2018, compared to profit for the period of €34,324 of the previous period). The increase is mainly related to the increase of the Group's revenue, as stated above.

CORPORATE RESPONSIBILITY PROGRAM "STRUCTURES OF RESPONSIBILITY"

The Company during 2016 adopted the corporate responsibility program entitled "Structures of Responsibility". The improvement of infrastructure and the operational upgrade of important social structures have been selected as the program's field of action and basic element, using the experience and expertise of the Company's executives and aiming at the substantial social contribution and the address of key social problems. The Company has selected and committed to actions which have been completed or are in progress amounting to €730 (out of which an amount of €148 and an amount of €242 was disbursed within 2017 and within the first semester of 2018 respectively).

BASIC RATIOS

The Company's Management measures and monitors the Group's performance on a regular basis based on the following ratios, which are widely used in the sector in which the Group operates.

	30.06.2018	31.12.2017
Current ratio[1] (Current assets / Current liabilities)	0.43x	0.87x
Gearing ratio (Borrowings / Total assets)	27.2%	26.3%
LTV (Borrowings / Fair value of properties)	28.6%	28.2%
Net LTV [Net Borrowings (Borrowings less Cash and Cash equivalents) / Fair value of properties]	25.5%	25.1%

[1] The decrease of current ratio is mainly due to the fact that Group's loans totally amounted to €104,874 as of June 30, 2018, was transferred in their whole to short term borrowings at the aforementioned reference date, as they expire on June 30, 2019. It is noted that the Group until the end of 2018 and in accordance with the terms of the existing loan agreements, has the flexibility to evaluate the available options either for refinancing or extension of these loans for an additional two year period.

The Company's Management defines as Net Asset Value (NAV) the total shareholders' equity taking into account the difference between the fair value and the net book value of the owneroccupied property at each reporting date (30.06.2018: €(173), 31.12.2017: €(214)).

Net Asset Value (NAV)	**30.06.2018**	**31.12.2017**
NAV	**1,236,070**	**1,227,639**
No. of shares at year end (in thousands)	255,495	255,495
NAV (per share)	**4.84**	**4.80**

	From 01.01. to		
	30.06.2018	**30.06.2017**	**% Change**
Profit for the period	64,749	41,242	
Plus: Depreciation of property and equipment	12	12	
Plus: Amortization of intangible assets	14	14	
Plus / (Less): Net Finance costs / (Interest Income)	10,694	10,563	
Plus: Taxes	5,884	5,540	
EBITDA	**81,353**	**57,371**	
Plus / (Less): Net change in fair value of financial instruments at fair value through profit or loss	(101)	(628)	
(Less) / Plus : Net (gain) / loss of fair value adjustment of investment properties	(29,675)	(6,918)	
Adjusted EBITDA	**51,577**	**49,825**	**3.5%**

Funds from Operations (FFO)	From 01.01. to		
	30.06.2018	**30.06.2017**	**% Change**
Profit for the period	64,749	41,242	
Plus: Depreciation of property and equipment	12	12	
Plus: Amortization of intangible assets	14	14	
Less: Net change in fair value of financial instruments at fair value through profit or loss	(101)	(628)	
(Less) / Plus : Net (gain) / loss of fair value adjustment of investment properties	(29,675)	(6,918)	
FFO	**34.999**	**33,722**	**3.8%**

SIGNIFICANT EVENTS DURING THE FIRST SEMESTER OF 2018

A. CORPORATE EVENTS

1. On April 23, 2018 the Annual General Meeting of the Company's shareholders, approved the distribution of a total amount of €56,209 (i.e. €0.22 per share – amount in €), as dividend to its shareholders for the year 2017. Due to the distribution of interim dividend of a total amount of €22,995 (i.e. €0.09 per share – amount in €), following the relevant decision of the Board of Directors dated December 12, 2017, the remaining dividend to be distributed amounted to €33,214 (i.e. €0.13 per share – amount in €).

B. INVESTMENTS

1. During the first semester of 2018, the Group proceeded in total investments in real estate of €43,846 (total investments of €51,046), which contributed to the dispersion of the Group's real estate portfolio, as presented below:

   - On June 26, 2018 the Group proceeded with the acquisition of 100% of the share capital of the company Lasmane Properties Ltd. in Cyprus, which owns an under development hotel of a total area of 13 thousand sq.m. in Nicossia. The consideration amounted to €11,200 (taking into account the liabilities and assets of Lasmane Properties), out of which an amount of €7,560 was paid in cash while an amount of €3,640 recognized as a liability. The acquisition value of the property amounted to €11,200. Lasmane Properties will undertake the complete restoration of the property with an estimated cost of the additional investment of €5,900 (total investment of €17,100).

   - On June 19, 2018 the Company concluded on the acquisition of two properties which are located at 66-68 Mitropoleos and Kapnikareas str., Athens, and 66 Adrianou and 4 Aiolou str., Athens, for a final consideration of €7,200. The total area of the properties is approximately 2.3 thousand sq.m..

   - On May 21, 2018 the Company proceeded with the acquisition of a 5* city hotel in Thessaloniki, of a total area of approximately 7,892 sq.m., for a total consideration of €6,996.

   - 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 Ermou str. and Agias Irinis str., Athens, for a consideration of €5,700. The Company will undertake the complete restoration of the property with an estimated cost of the additional investment of €1,300 (total investment of €7,000).

   - PNG Properties EAD, subsidiary of the Company in Bulgaria, participated in a public sale procedure which was carried out within the period from October 27, 2017 to November 27, 2017 in relation to 63 units and the land plot forming an, under development, shopping centre in Sofia (the abovementioned "property"). On November 28, 2017 PNG Properties was announced as the successful bidder and the transfer of the abovementioned property was concluded within March 2018 with effective date January 8, 2018. The consideration for the acquisition of the property amounted to € 9,000.

   - On February 28, 2018, the Company acquired a listed building of high visibility which is used as 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.

2. Moreover, the Group during the first semester of 2018 proceeding with the signing of preliminary agreements for the acquisition of investment properties of €17,363, as presented below:

   - On April 24, 2018, the Company agreed on the acquisition of a commercial property of high visibility, of a total area of 562 sq.m., which is located at 51 Ermou str., Athens. The total consideration for the acquisition amounted to €4,306. From this amount the Company paid a total amount of €381 as prepayment. The signing of the final agreement is, among others, conditional on the successful completion of legal and technical due diligence.

   - On February 16, 2018, the Company proceeded with the signing of a preliminary agreement for the acquisition of three warehouses under development with modern specifications in Aspropyrgos, Attica for a final consideration of €13,057. On the same date, the Company paid an amount of €2,611 as prepayment. The total area of the properties will be upon completion of the construction 27.2 thousand sq.m.. The properties are already leased to creditworthy tenants and will be delivered for use to them gradually from the middle until the end of 2018. The signing of the final agreement is expected to take place upon completion of the construction of the properties and their delivery for use to the tenants, i.e. at the end of 2018.

EVENTS AFTER THE REPORTING PERIOD

On September 4, 2018, the Company proceeded with the signing of preliminary agreements for the acquisition of a property which is located in Thessaloniki, for a total consideration of €1,260. On the same date the Company paid an amount of €126 as prepayment. The total area of the property is 6.3 thousand sq.m..

On July 25, 2018, the Company proceeded with the signing of a preliminary agreement for the acquisition of a land plot which is in Maroussi, Attica, for a total consideration of €4,200. On the same date the Company paid an amount of €840 as prepayment. The total area of the land plot is 5.2 thousand sq.m..

There are no other significant events subsequent to the date of the interim financial statements relating to the Group or the Company for which disclosure is required by International Financial Reporting Standards (hereinafter 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 lease agreements consists of long-term operating leases with creditworthy tenants, for a period between 20 and 25 years. Additionally, for the vast majority of the leases, the annual rental adjustment is associated with either the Consumer Price Index (CPI) of the country in which each Group company operates or the European Harmonized CPI and in the event of deflation, there is no negative impact on the rents.

The Group is governed by an institutional framework (Law 2778/1999, as in force) 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% of the final commercial value after the completion of works and
d) the value of each property must not exceed 25% 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 (30.06.2018: 55.3%, 30.06.2017: 58.7% of the total revenue).

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. Additionally, for the vast majority of the leases, the annual rental adjustment is associated with either the Consumer Price Index (CPI) of the country in which each Group company operates or the European Harmonized CPI and in the event of deflation, there is no negative impact on the rents.

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.

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.

As of June 30, 2018 the Group's current liabilities include borrowings of €104,874 which were reclassified from non-current liabilities to current liabilities since these amounts are repayable on June 30, 2019. It is noted that the Group until the end of 2018 and in accordance with the terms of the existing loan agreements, has the flexibility to evaluate the available options either for refinancing or extension of these loans for an additional two year period.

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 the capital structure on the basis of gearing ratio (or debt ratio). This ratio is calculated as total borrowings divided by total assets, as depicted in the statement of financial position. The regulatory regime governing Real Estate Investment Companies (hereinafter REICs) in Greece permits to Greek REICs to borrow up to 75.0% of their total assets, for acquisitions and improvements on properties.

All amounts expressed in € thousand, unless otherwise stated

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 (or debt ratio) as at June 30, 2018 and December 31, 2017.

	Group		Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Borrowings	473,411	446,880	347,764	334,616
Total assets	1,743,555	1,699,244	1,598,578	1,592,157
Gearing ratio	**27.2%**	**26.3%**	**21.8%**	**21.0%**

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial covenants. It is noted that throughout the six-month period ended June 30, 2018 and the year 2017 the Group has complied with this obligation.

External factors and international investments

The Group has investments in Italy, Romania, Cyprus and Bulgaria. External factors which may affect the Group's financial position and results are the economic conditions prevailing in the above-mentioned countries, as well as any changes in the tax framework.

RELATED PARTY TRANSACTIONS

All transactions with related parties have been carried out on the basis of the "arm's length" principle (under normal market conditions for similar transactions with third parties). The significant transactions with related parties as defined by International Accounting Standard 24 "Related Party Disclosures" (IAS 24) are thoroughly described in Note 21 of the Interim Condensed Financial Statements for the six-month period ended June 30, 2018.

PROSPECTS

The declining uncertainty, the recovering economy and the improving fiscal credibility resulted from the successful completion of the second review of the Program during the first semester of 2017, led to the activation of investors' interest in relation to the Greek real estate market and especially for commercial properties with remarkable investment characteristics, which is expected to continue during the 2018.

The Group's revenue for 2018, is expected to present a further increase mainly due to the new investments of the Group in real estate property carried out during 2018.

Finally, it is noted that the Company considers the possibility of raising funds from the equity market, as soon as the market conditions permit it, 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.

Athens, September 14, 2018

The Chief Executive Officer

Aristotelis Karytinos

[Translation from the original text in Greek]

Report on Review of six-month financial report

To the Board of Directors of NBG Pangaea Real Estate Investment Company

Introduction

We have reviewed the accompanying condensed interim company and consolidated statements of financial position of the company "NBG Pangaea Real Estate Investment Company" as of 30 June 2018 and the related condensed company and consolidated statements of income, comprehensive income, changes in equity and cash flow statements for the six-month period then ended and the selected explanatory notes, that comprise the condensed interim financial information and the other data of the six-month financial report. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34") and of the other data of the six-month financial report. Our responsibility is to express a conclusion on this six-month financial report based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information and the other data of the six-month financial report are not prepared, in all material respects, in accordance with IAS 34 and article 5 of Law 3556/2007.

Athens, 14 September 2018

The Certified Auditor

PricewaterhouseCoopers S.A.
268 Kifissias Avenue,
Halandri 152 32
SOEL Reg. No. 113

Marios Psaltis
SOEL Reg. No. 38081

All amounts expressed in € thousand, unless otherwise stated

		Group		Company	
	Note	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
ASSETS					
Non-current assets					
Investment property	5	1,655,707	1,580,698	1,341,518	1,309,775
Investment in subsidiaries	7	-	-	175,781	178,824
Property and equipment		2,171	2,058	2,171	2,216
Intangible assets		116	130	116	130
Deferred tax assets		26	4	-	-
Other long-term assets	8	2,894	9,088	12,868	9,807
		1,660,914	**1,591,978**	**1,532,454**	**1,500,752**
Current assets					
Trade and other assets	9	31,806	57,931	28,220	55,097
Cash and cash equivalents	10	50,835	49,335	37,904	36,308
		82,641	**107,266**	**66,124**	**91,405**
Total assets		**1,743,555**	**1,699,244**	**1,598,578**	**1,592,157**
SHAREHOLDERS' EQUITY					
Share capital	11	766,484	766,484	766,484	766,484
Share premium	11	15,890	15,890	15,970	15,970
Reserves	12	342,092	339,152	341,750	338,894
Retained Earnings		111,777	106,327	98,934	117,788
Total equity		**1,236,243**	**1,227,853**	**1,223,138**	**1,239,136**
LIABILITIES					
Long-term liabilities					
Borrowings	13	311,969	344,668	292,771	234,979
Retirement benefit obligations		196	197	196	197
Deferred tax liability		318	223	-	-
Other long-term liabilities		3,522	3,477	3,348	3,302
		316,005	**348,565**	**296.315**	**238,478**
Short-term liabilities					
Trade and other payables	14	23,768	14,452	18,363	9,262
Borrowings	13	161,442	102,212	54,993	99,637
Derivative financial instruments		292	480	-	-
Current tax liabilities		5,805	5,682	5,769	5,644
		191,307	**122,826**	**79.125**	**114,543**
Total liabilities		**507,312**	**471,391**	**375,440**	**353,021**
Total shareholders' equity and liabilities		**1,743,555**	**1,699,244**	**1,598,578**	**1,592,157**

Athens, September 14, 2018

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

	Note	Group From 01.01. to 30.06.2018	Group From 01.01. to 30.06.2017	Company From 01.01. to 30.06.2018	Company From 01.01. to 30.06.2017
Revenue		60,704	57,907	52,844	50,760
		60,704	**57,907**	**52,844**	**50,760**
Net gain / (loss) from the fair value adjustment of investment property	5	29,675	6,918	6,978	16,531
Direct property related expenses		(1,817)	(1,640)	(1,462)	(1,267)
Property taxes - levies	16	(4,609)	(4,345)	(3,824)	(3,529)
Personnel expenses		(1,117)	(1,202)	(1,117)	(1,202)
Depreciation of property and equipment		(12)	(12)	(12)	(12)
Amortisation of intangible assets		(14)	(14)	(14)	(14)
Net change in fair value of financial instruments at fair value through profit or loss		101	628	-	615
Net impairment gain / (loss) on financial assets		(123)	-	(92)	-
Other income		183	352	2,580	3,736
Other expenses		(1,402)	(1,206)	(1,068)	(906)
Corporate Responsibility		(242)	(41)	(242)	(41)
Operating Profit		**81,327**	**57,345**	**54,571**	**64,671**
Interest income		34	23	229	21
Finance costs	17	(10,728)	(10,586)	(8,571)	(8,604)
Profit before tax		**70,633**	**46,782**	**46,229**	**56,088**
Taxes	18	(5,884)	(5,540)	(5,769)	(5,486)
Profit for the period		**64,749**	**41,242**	**40,460**	**50,602**
Attributable to:					
Non-controlling interests		-	-	-	-
Company's equity shareholders		**64,749**	**41,242**	**40,460**	**50,602**
Earnings per share (expressed in € per share) - Basic and diluted	19	0.25	0.16	0.16	0.20

Athens, September 14, 2018

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

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profit for the period	**64,749**	**41,242**	**40,460**	**50,602**
Other comprehensive income / (expense):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	1	16	-	-
Cash flow hedges	83	83	-	-
Total of items that may be reclassified subsequently to profit or loss	**84**	**99**	**-**	**-**
Other comprehensive income for the period	**84**	**99**	**-**	**-**
Total comprehensive income for the period	**64,833**	**41,341**	**40,460**	**50,602**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**64,833**	**41,341**	**40,460**	**50,602**

Athens, September 14, 2018

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

	Group		Company	
	From 01.04. to		From 01.04. to	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Revenue	30,218	29,198	26,262	25,354
	30,218	**29,198**	**26,262**	**25,354**
Net gain / (loss) from the fair value adjustment of investment property	38,849	6,918	17,124	16,531
Direct property related expenses	(898)	(733)	(714)	(514)
Property taxes - levies	(2,352)	(2,162)	(1,943)	(1,734)
Personnel expenses	(579)	(660)	(579)	(660)
Depreciation of property and equipment	(6)	(6)	(6)	(6)
Amortisation of intangible assets	(7)	(7)	(7)	(7)
Net change in fair value of financial instruments at fair value through profit or loss	25	263	-	313
Net impairment gain / (loss) on financial assets	(149)	-	(118)	-
Other income	96	273	2	200
Other expenses	(687)	(711)	(523)	(566)
Corporate Responsibility	(213)	(14)	(213)	(14)
Operating Profit	**64,297**	**32,359**	**39,285**	**38,897**
Interest income	5	17	103	16
Finance costs	(5,394)	(5,388)	(4,332)	(4,437)
Profit before tax	**58,908**	**26,988**	**35,056**	**34,476**
Taxes	(2,906)	(2,819)	(2,914)	(2,778)
Profit for the period	**56,002**	**24,169**	**32,142**	**31,698**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**56,002**	**24,169**	**32,142**	**31,698**
Earnings per share (expressed in € per share) - Basic and diluted	0.22	0.09	0.13	0.12

Athens, September 14, 2018

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

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
	From 01.04. to		From 01.04. to	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profit for the period	**56,002**	**24,169**	**32,142**	**31,698**
Other comprehensive income / (expense):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	3	3	-	-
Cash flow hedges	42	42	-	-
Total of items that may be reclassified subsequently to profit or loss	**45**	**45**	**-**	**-**
Other comprehensive income for the period	**45**	**45**	**-**	**-**
Total comprehensive income for the period	**56,047**	**24,214**	**32,142**	**31,698**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**56,047**	**24,214**	**32,142**	**31,698**

Athens, September 14, 2018

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

	Note	Attributable to Company's shareholders				
		Share capital	Share premium	Reserves	Retained Earnings / (Losses)	Total
Balance January 1, 2017		**766,484**	**15,890**	**336,119**	**76,448**	**1,194,941**
Other comprehensive income for the period		-	-	99	-	**99**
Profit for the period		-	-	-	41,242	**41,242**
Total comprehensive income after tax		**-**	**-**	**99**	**41,242**	**41,341**
Transfer to reserves		-	-	2,720	(2,720)	-
Dividends relating to 2016	15	-	-	-	(51,099)	**(51,099)**
Balance June 30, 2017		**766,484**	**15,890**	**338,938**	**63,871**	**1,185,183**
Movements to December 31, 2017		-	-	214	42,456	**42,670**
Balance December 31, 2017		**766,484**	**15,890**	**339,152**	**106,327**	**1,227,853**
Balance January 1, 2018		**766,484**	**15,890**	**339,152**	**106,327**	**1,227,853**
Adjustment due to adoption of IFRS 9 (Note 23)		-	-	-	(234)	**(234)**
Balance January 1, 2018 as adjusted		**766,484**	**15,890**	**339,152**	**106,093**	**1,227,619**
Other comprehensive income for the period		-	-	84	-	**84**
Profit for the period		-	-	-	64,749	**64,749**
Total comprehensive income after tax		**-**	**-**	**84**	**64,749**	**64,833**
Transfer to reserves		-	-	2,856	(2,856)	**-**
Dividends relating to 2017	15	-	-	-	(56,209)	**(56,209)**
Balance June 30, 2018		**766,484**	**15,890**	**342,092**	**111,777**	**1,236,243**

All amounts expressed in € thousand, unless otherwise stated

	Note	Share capital	Share premium	Reserves	Retained Earnings / (Losses)	Total
Balance January 1, 2017		**766,484**	**15,970**	**336,182**	**80,241**	**1,198,877**
Profit for the period		-	-	-	50,602	**50,602**
Total comprehensive income after tax		**-**	**-**	**-**	**50,602**	**50,602**
Transfer to reserves		-	-	2,720	(2,720)	**-**
Dividends relating to 2016	15	-	-	-	(51,099)	**(51,099)**
Balance June 30, 2017		**766,484**	**15,970**	**338,902**	**77,024**	**1,198,380**
Movements to December 31, 2017				(8)	40,764	**40.756**
Balance December 31, 2017		**766,484**	**15,970**	**338,894**	**117,788**	**1,239,136**
Balance January 1, 2018		**766,484**	**15,970**	**338,894**	**117,788**	**1,239,136**
Adjustment due to adoption of IFRS 9 (Note 23)		-	-	-	(249)	**(249)**
Balance January 1, 2018 as adjusted		**766,484**	**15,970**	**338,894**	**117,539**	**1,238,887**
Profit for the period		-	-	-	40,460	**40,460**
Total comprehensive income after tax		**-**	**-**	**-**	**40,460**	**40,460**
Transfer to reserves		-	-	2,856	(2,856)	-
Dividends relating to 2017	15	-	-	-	(56,209)	**(56,209)**
Balance June 30, 2018		**766,484**	**15,970**	**341,750**	**98,934**	**1,223,138**

All amounts expressed in € thousand, unless otherwise stated

	From 01.01. to	
	30.06.2018	**30.06.2017**
Cash flows from operating activities		
Profit before tax	70,633	46,782
Adjustments for:		
- Provisions for employee benefits	(1)	9
- Other provisions	9	-
- Depreciation of property and equipment	12	12
- Amortization of intangible assets	14	14
- Net (gain) / loss from the fair value adjustment of investment property	(29,675)	(6,918)
- Interest income	(34)	(23)
- Finance cost	10,728	10,586
- Net change in fair value of financial instruments at fair value through profit or loss	(101)	(628)
- Net impairment (gain) / loss on financial assets	123	-
Changes in working capital:		
- (Increase) / Decrease in receivables	2,741	18,706
- Increase / (Decrease) in payables	5,721	3,991
Cash flows from operating activities	60,170	72,531
Interest paid	(9,633)	(9,177)
Tax paid	(5,683)	(5,368)
Net cash flows from operating activities	**44,854**	**57,986**
Cash flows from investing activities		
Acquisition of investment property	(24,782)	(72,831)
Subsequent capital expenditure on investment property	(418)	(65)
Prepayments and expenses related to future acquisition of investment property	(2,859)	(1)
Purchases of property and equipment	-	(7)
Acquisition of subsidiaries (net of cash acquired)	(7,560)	-
Interest received	37	23
Net cash flows used in investing activities	**(35,582)**	**(72,881)**
Cash flows from financing activities		
Proceeds from the issuance of bond loans and other borrowed funds	75,000	47,430
Expenses related to the issuance of bond loans and other borrowed funds	(1,242)	-
Repayment of borrowings	(48,316)	(5,538)
Dividends paid	(33,214)	(33,981)
Net cash flows from / (used in) financing activities	**(7,772)**	**7,911**
Net increase / (decrease) in cash and cash equivalents	**1,500**	**(6,984)**
Cash and cash equivalents at the beginning of the period	49,335	54,732
Effect of foreign exchange currency changes on cash and cash equivalents	-	(1)
Cash and cash equivalents at the end of the period	**50,835**	**47,747**

All amounts expressed in € thousand, unless otherwise stated

	From 01.01. to 30.06.2018	30.06.2017
Cash flows from operating activities		
Profit before tax	46,229	56,088
Adjustments for:		
- Provisions for employee benefits	(1)	9
- Other provisions	9	-
- Depreciation of property and equipment	12	12
- Amortization of intangible assets	14	14
- Net (gain) / loss from the fair value adjustment of investment properties	(6,978)	(16,531)
- Interest income	(229)	(21)
- Finance costs	8,571	8,604
- Net change in fair value of financial instruments at fair value through profit or loss	-	(615)
- Net impairment (gain) / loss on financial assets	92	-
Changes in working capital:		
- (Increase) / Decrease in receivables	3,518	7,841
- Increase / (Decrease) in payables	5,450	3,995
Cash flows from operating activities	56,687	59,396
Interest paid	(7,768)	(7,489)
Tax paid	(5,644)	(5,340)
Net cash flows from operating activities	**43,275**	**46,567**
Cash flows from investing activities		
Acquisition of investment property	(24,320)	(47,829)
Subsequent capital expenditure on investment property	(418)	(65)
Prepayments and expenses related to future acquisition of investment property	(2,859)	(1)
Purchases of property and equipment	-	(7)
Acquisition of subsidiaries	(7,560)	-
Participation in subsidiaries' capital increase	-	(14,400)
Proceeds from subsidiaries' capital decrease	14,300	-
Interest received	36	21
Net cash flows used in investing activities	**(20,821)**	**(62,281)**
Cash flows from financing activities		
Proceeds from the issuance of bond loans and other borrowed funds	60,000	47,430
Expenses related to the issuance of bond loans and other borrowed funds	(831)	
Repayment of borrowings	(46,813)	(4,348)
Dividends paid	(33,214)	(33,981)
Net cash flows from / (used in) financing activities	**(20,858)**	**9,101**
Net increase / (decrease) in cash and cash equivalents	**1,596**	**(6,613)**
Cash and cash equivalents at the beginning of the period	36,308	40,624
Cash and cash equivalents at the end of the period	**37,904**	**34,011**

All amounts expressed in € thousand, unless otherwise stated

NOTE 1: General Information

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

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

The Company together with its subsidiaries (hereinafter the "Group") operates in real estate investments both in Greece and abroad, such as Italy, Romania, Cyprus and Bulgaria.

As of June 30, 2018, the Group's and the Company's number of employees was 27 (December 31, 2017 and June 30, 2017: 27 employees for the Group and the Company).

The current Board of Directors has a term of three years which expires upon the election of the new Board of Directors by the Annual General Meeting of Shareholders, which will take place within 2019. The Board of Directors was elected by the Extraordinary General Meeting of Shareholders held on September 25, 2015 and was constituted as a body in its same day meeting. On February 24, 2017, the Board of Directors was reconstituted as a body and currently has the following composition:

Christos I. Protopapas	Chairman, Economist – Banker	Non Executive Member
Ioannis P. Kyriakopoulos	Vice-Chairman A', NBG Group CFO	Non Executive Member
Christophoros N. Papachristophorou	Vice-Chairman B', Businessman	Executive Member
Aristotelis D. Karytinos	CEO	Executive Member
Thiresia G. Messari	CFO / COO	Executive Member
Nikolaos M. Iatrou	Business Executive	Non Executive Member
Athanasios D. Karagiannis	Investment Advisor	Non-Executive Member
Prodromos G. Vlamis	Associate at the University of Cambridge & Visiting Professor at Athens University of Economics and Business	Independent - Non Executive Member
Spyridon G. Makridakis	Professor at the INSEAD Business School	Independent - Non Executive Member

These Interim Consolidated and Separate Financial Statements have been approved by the Company's Board of Directors on September 14, 2018 and are available on the website address http://www.nbgpangaea.gr.

NOTE 2: Summary of Significant Accounting Policies

2.1 Basis of Preparation

The interim condensed financial information of the Group and the Company for the six-month period ended June 30, 2018 (the "Interim Financial Statements") have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

These Interim Financial Statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the Interim Financial Statements should be read in conjunction with the annual consolidated and separate Financial Statements of NBG Pangaea REIC as at and for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period, except for the adoption of new and amended standards as set out below.

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 current period's presentation. Management believes that such adjustments do not have a material impact in the presentation of financial information.

The Interim Financial Statements have been prepared based on the going concern principle, applying the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value.

2.2 Adoption of International Financial Reporting Standards (IFRS)

2.2.1. New standards, amendments and interpretations to existing standards applied from 1 January 2018:

- **IFRS 9 Financial Instruments** On January 1 2018, the Group adopted IFRS 9, *Financial Instruments*, which replaces IAS 39 *Financial Instruments: Recognition and Measurement* and changes the requirements for impairment on the Group's financial assets, including the individual payments under operating leases currently due and payable by the lessee. IFRS 9 introduces a forward-looking expected credit loss (ECL) approach, which is intended to result in an earlier recognition of credit losses based on an ECL impairment approach compared with the incurred-loss impairment approach for financial instruments under IAS 39. As permitted by IFRS 9, the Group elected not to restate prior-period information. IFRS 9 includes an accounting policy choice to continue IAS 39 hedge accounting, which the Group has exercised. The impact from adoption of IFRS 9 in the Interim Financial Statements of the Group and the Company was not material. Further information on the accounting policy applied by the Group related to impairment under IFRS 9, is included in Note 2.2.2. The IFRS 9 impact upon transition is provided in Note 23.

- **IFRS 15 (new standard)** "**Revenue from Contracts with Customers**" (effective for annual periods beginning on or after January 1, 2018, as issued by the IASB). IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 superseded 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.

There was no impact from the amendment of IFRS 15 in the Interim Financial Statements of the Group and the Company, since the Group's revenue arises from operating leases which are recognized under IFRS 16 "Leases".

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration "**(effective for annual periods beginning on or after January 1, 2018, as issued by the IASB). The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or payed at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. The Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

  Consensus*:* The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

  There was no impact from the aforementioned interpretation in the Interim Financial Statements of the Group and the Company.

- **IFRS 40 (Amendment) "Transfers to Investment Property"** (effective for annual periods beginning on or after January 1, 2018, as issued by the IASB). The amendment to IAS 40 *Investment Property*:

  - Amends paragraph 57 to state that an entity shall transfer a property to, or from investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
  - The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

  There was no impact from the amendment of IAS 40 in the Interim Financial Statements of the Group and the Company.

2.2.2 Update to significant accounting policies disclosed in Note 2 to the annual financial statements of NBG Pangaea REIC related to IFRS 9

The adoption of IFRS 9 *Financial Instruments* resulted in changes to the Group's impairment policy applicable from January 1, 2018. The accounting policies set out below replace item 12 in Note 2 to the consolidated annual Financial Statements of NBG Pangaea REIC for the year ended 31 December 2017. As permitted by the transition provisions of IFRS 9, the Group elected not to restate comparative period information, and the accounting policies as set out in Note 2 of the Group's consolidated and separate financial statements for the year ended December 31, 2017 apply to comparative periods.

“**Note 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 effect of discounting is not material, less an allowance for expected credit losses (ECL). ECL represent the difference between contractual cash flows and those that the Group expects to receive.

ECL are recognized on the following basis:

–12-month ECL are recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring. Receivables in this category are referred to as instruments in stage 1.

– Lifetime ECL are recognized if a significant increase in credit risk (SICR) is detected subsequent to the instrument’s initial recognition, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of a financial instrument, weighted by the risk of a default occurring. Receivables in this category are referred to as instruments in stage 2.

The Group’s receivables (including those arising from operating leases) are short term in nature and in general are due in a period less than 12-months, hence ECL are determined for this shorter period where applicable, irrespective of their classification in stage 1 or 2.

– Lifetime ECL are always recognized for credit-impaired trade and other receivables, referred to as instruments in stage 3. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.”

2.3 Critical Accounting Estimates and Judgments

In preparing these Interim Financial Statements, the significant estimates, judgments and assumptions made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were similar to those applied to the consolidated and separate Financial Statements for the year ended December 31, 2017.

NOTE 3: Financial Risk Management

3.1 Financial Risk Management

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

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

As of June 30, 2018 the Group’s current liabilities include borrowings of €104,874 which were reclassified from non-current liabilities to current liabilities since these amounts are repayable on June 30, 2019. It is noted that the Group until the end of 2018 and in accordance with the terms of the existing loan agreements, has the flexibility to evaluate the available options either for refinancing or extension of these loans for an additional two year period.

All amounts expressed in € thousand, unless otherwise stated

The Interim Financial Statements do not include all information regarding the financial risk management and the relevant disclosures required in the annual financial statements and should be read in conjunction with the published consolidated and separate Financial Statements for the year ended December 31, 2017.

3.2 Fair Value Estimation of Financial Assets and Liabilities

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

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

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

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

- *Financial instruments carried at fair value*

The table below analyses financial assets and liabilities of the Group carried at fair value, by valuation method, as at June 30, 2018 and December 31, 2017, respectively.

June 30, 2018		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	-	292	-	**292**

December 31, 2017		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	-	480	-	**480**

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

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

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

- *Financial instrument not carried at fair value*

The tables below analyse financial assets and liabilities of the Group not carried at fair value as at June 30, 2018 and December 31, 2017, respectively:

June 30, 2018		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	-	473,411	**473,411**

December 31, 2017		**Valuation hierarchy**		
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	-	446,880	**446,880**

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

As at June 30, 2018 and December 31, 2017, the carrying value of cash and cash equivalents, trade and other receivables as well as trade and other payables approximate their fair value.

NOTE 4: Segment Reporting

The Group has recognized the following business segments, depending on the origin of the revenues per geography (country) and type of properties:

- Greece – Retail,
- Greece – Offices,
- Greece – Other (include city hotels, storage space, archives, petrol stations and parking spaces),
- Italy – Offices,
- Italy – Retail,
- Italy – Other (relates to a land plot and storage space),
- Romania – Retail,
- Romania – Offices,
- Cyprus – Retail,
- Cyprus – Offices,
- Cyprus – Other (relates to city hotels),
- Bulgaria – Retail.

All amounts expressed in € thousand, unless otherwise stated

From 01.01. to 30.06.2018

Country	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Italy**	**Romania**	**Romania**	**Cyprus**	**Cyprus**	**Cyprus**	**Bulgaria**	
Segment	**Retail**	**Offices**	**Other**	**Offices**	**Retail**	**Other**	**Retail**	**Offices**	**Retail**	**Offices**	**Other**	**Retail**	**Total**
Revenue	27,828	24,396	790	6,155	449	-	70	236	731	49	-	-	**60,704**
Total segment revenue	**27,828**	**24,396**	**790**	**6,155**	**449**	**-**	**70**	**236**	**731**	**49**	**-**	**-**	**60,704**
Net gain/(loss) from the fair value adjustment of investment properties	3,796	2,986	419	6,284	296	13,822	116	39	986	359	-	572	**29,675**
Direct property related expenses (incl. property taxes – levies)	(2,071)	(2,943)	(290)	(848)	(44)	(171)	(5)	(15)	(23)	(2)	-	(14)	**(6,426)**
Net impairment gain / (loss) on financial assets	63	(162)	(8)	(19)	(6)	(3)	-	-	-	-	-	-	**(135)**
Total segment operating profit	**29,616**	**24,277**	**911**	**11,572**	**695**	**13,648**	**181**	**260**	**1,694**	**406**	**-**	**558**	**83,818**
Unallocated operating income													**195**
Unallocated operating expenses													**(2,686)**
Operating Profit													**81,327**
Unallocated interest income													**34**
Unallocated finance costs													**(11,234)**
Allocated finance costs	-	506	-	-	-	-	-	-	-	-	-	-	**506**
Profit before tax													**70,633**
Taxes													**(5,884)**
Profit for the period													**64,749**
Segment assets as at June 30, 2018													
Segment assets	727,738	608,973	28,591	189,011	14,659	55,716	1,350	5,270	23,761	2,119	11,200	10,100	**1,678,488**
Unallocated assets													**65,067**
Total assets													**1,743,555**
Segment liabilities as at June 30, 2018													
Segment liabilities	5,567	11,205	3,952	2,553	172	2,327	13	55	1	-	-	-	**25,845**
Unallocated liabilities													**481,467**
Total liabilities													**507,312**
Non-current assets additions as at June 30, 2018	16,427	1,105	7,233	-	-		-	-	-	-	11,200	9,528	**45,493**

All amounts expressed in € thousand, unless otherwise stated

From 01.01. to 30.06.2017

Country	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Italy**	**Romania**	**Romania**	**Cyprus**	**Cyprus**	
Segment	**Retail**	**Offices**	**Other**	**Offices**	**Retail**	**Other**	**Retail**	**Offices**	**Retail**	**Offices**	**Total**
Revenue	25,683	24,521	736	5,837	444	18	69	231	345	23	57,907
Total segment revenue	**25,683**	**24,521**	**736**	**5,837**	**444**	**18**	**69**	**231**	**345**	**23**	**57,907**
Net gain / (loss) from the fair value adjustment of investment properties	11,240	4,980	598	3,491	(251)	(12,282)	(211)	141	(922)	134	**6,918**
Direct property related expenses (incl. property taxes – levies)	(1,887)	(2,734)	(182)	(915)	(54)	(160)	(7)	(35)	(10)	(1)	**(5,985)**
Total segment operating profit / (loss)	**35,036**	**26,767**	**1,152**	**8,413**	**139**	**(12,424)**	**(149)**	**337**	**(587)**	**156**	**58,840**
Unallocated operating income											**352**
Unallocated operating expenses											**(1,847)**
Operating Profit											**57,345**
Unallocated interest income											**23**
Unallocated finance costs											**(8,643)**
Allocated finance costs	-	(1,943)	-	-	-	-	-	-	-	-	**(1,943)**
Profit before tax											**46,782**
Taxes											**(5,540)**
Profit for the period											**41,242**
Segment assets as at December 31, 2017											
Segment assets	711,509	605,083	18,167	182,273	14,375	41,931	1,230	5,228	22,768	1,759	**1,604,323**
Unallocated assets											**94,921**
Total assets											**1,699,244**
Segment liabilities as at December 31, 2017											
Segment liabilities	2,970	55,207	243	2,354	178	2,203	10	43	-	-	**63,208**
Unallocated liabilities											**408,183**
Total liabilities											**471,391**
Non-current assets additions as at December 31, 2017	48,007	373	-	-	-	-	-	-	23,400	1,604	**73,384**

All amounts expressed in € thousand, unless otherwise stated

In relation to the above segment analysis we state that:

(a) There are no transactions between business segments.
(b) Segment assets include investment properties and trade receivables.
(c) Unallocated assets include property and equipment, intangible assets, cash and cash equivalents, deferred tax assets, derivative financial instruments and other receivables.
(d) Unallocated liabilities as of June 30, 2018 and December 31, 2017 mainly include borrowings amounted to €473,411 and €400,054, respectively.

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

Concentration of customers

NBG and the company Sklavenitis Hellenic Hypermarket S.A., lessees of the Group, represent, each one individually, more than 10% of Group's revenue. Rental income from NBG for the six-month period ended June 30, 2018 amounted to €33,582, i.e. 55.3% (six-month period ended June 30, 2017: €33,992, i.e. 58.7%) and rental income from the company Sklavenitis Hellenic Hypermarket S.A. for the six-month period ended June 30, 2018 amounted to €6,146 i.e. 10.1% (six-month period ended June 30, 2017: €4,247, i.e. 7.3%).

NOTE 5: Investment Property

	Group		Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Balance at the beginning of the period	**1,580,698**	**1,490,000**	**1,309,775**	**1,235,590**
Additions:				
- Direct acquisition of investment property	33,875	72,830	24,347	47,828
- Acquisitions through business combinations (Note 6)	11,200	-	-	-
- Subsequent capital expenditure on investment property	418	554	418	552
- Transfer from property and equipment	-	148	-	148
- Transfer to property and equipment	(159)	-	-	-
Net gain / (loss) from the fair value adjustment of investment property	29,675	17,166	6,978	25,657
Balance at the end of the period	**1,655,707**	**1,580,698**	**1,341,518**	**1,309,775**

On June 26, 2018 the Group proceeded with the acquisition of 100% of the share capital of the company Lasmane Properties Ltd. in Cyprus, which owns an under development hotel of a total area of 13 thousand sq.m. in Nicossia. The consideration amounted to €11,200 (taking into account the liabilities and assets of Lasmane Properties), out of which an amount of €7,560 was paid in cash while an amount of €3,640 recognized as a liability. The property is leased to Zeus International group (Note 6).

On June 19, 2018 the Company concluded on the acquisition of two properties which are located at 66-68 Mitropoleos and Kapnikareas str., Athens, and 66 Adrianou and Aiolou str., Athens, for a final consideration of €7,200 (not including acquisition expenses of €206). The total area of the properties is approximately 2.3 thousand sq.m..

On May 21, 2018 the Company proceeded with the acquisition of a city hotel in Thessaloniki, of a total area of approximately 7,892 sq.m., for a total consideration of €6,996 (not including acquisition expenses of €237). The property is leased to Zeus International group.

On April 24, 2018, the Company agreed on the acquisition of a commercial property of high visibility, of a total area of 562 sq.m., which is located at 51 Ermou str., Athens. The total consideration for the acquisition amounted to €4,306. From this amount the Company paid a total amount of €381 as prepayment. The signing of the final agreement is, among others, conditional on the successful completion of legal and technical due diligence.

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 Ermou str. and Agias Irinis str., Athens, for a consideration of €5,700 (not including acquisition expenses of €120).

PNG Properties EAD, subsidiary of the Company in Bulgaria, participated in a public sale procedure which was carried out within the period from October 27, 2017 to November 27, 2017 in relation to 63 units and the land plot forming an, under development, shopping centre in Sofia, Bulgaria (the abovementioned “property”). On November 28, 2017 PNG Properties was announced as the successful bidder and the transfer of the abovementioned property was concluded within March 2018 with effective date January 8, 2018. The consideration for the acquisition of the property amounted to € 9,000 (not including acquisition expenses of €65).

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 (not including acquisition expenses of €138). The property is a listed building of high visibility and is fully leased to retail and F&B companies.

On February 16, 2018, the Company proceeded with the signing of a preliminary agreement for the acquisition of three warehouses under development with modern specifications in Aspropyrgos, Attica for a final consideration of €13,057. On the same date, the Company paid an amount of €2,611 as prepayment (Note 8). The total area of the properties will be upon completion of the construction 27.2 thousand sq.m.. The properties are already leased to creditworthy tenants and will be delivered for use to them gradually from the middle until the end of 2018. The signing of the final agreement is expected to take place upon completion of the construction of the properties and their delivery for use to the tenants, i.e. at the end of 2018.

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

All amounts expressed in € thousand, unless otherwise stated

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

Country	Greece	Greece	Greece	Italy	Italy	Italy	Romania	Romania	Cyprus	Cyprus	Cyprus	Bulgaria	30.06.2018	31.12.2017
Segment	**Retail**	**Offices**	**Other[1]**	**Offices**	**Retail**	**Other[2,3]**	**Retail**	**Offices**	**Retail**	**Offices**	**Other[4]**	**Retail**	**Total**	**Total**
Level	3	3	3	3	3	3	3	3	3	3	3	3		
Fair value at the beginning of the period	**697,233**	**600,129**	**16,723**	**179,790**	**14,210**	**41,768**	**1,230**	**5,218**	**22,646**	**1,751**	**-**	**-**	**1,580,698**	**1,490,000**
Additions:														
Direct acquisition of investment property	16,292	822	7,233	-	-	-	-	-	-	-	-	9.528	**33,875**	**72,830**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-	11,200	-	**11,200**	
Subsequent capital expenditure on investment property	135	283	-	-	-	-	-	-	-	-	-	-	**418**	**554**
Transfer from property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**148**
Transfer to property and equipment	-	(159)	-	-	-	-	-	-	-	-	-	-	**(159)**	
Net gain / (loss) from the fair value adjustment of investment property	3,796	2,986	419	6,284	296	13,822	116	39	986	359	-	572	**29,675**	**17,166**
Fair value at the end of the period	**717,456**	**604,061**	**24,375**	**186,074**	**14,506**	**55,590**	**1,346**	**5,257**	**23,632**	**2,110**	**11,200**	**10,100**	**1,655,707**	**1,580,698**

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 city hotels, storage space, archives, petrol stations and parking spaces.
[2] The segment «Other» in Italy relates to land plot and storage space.
[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.
[4] The segment «Other» in Cyprus relates to city hotel.

All amounts expressed in € thousand, unless otherwise stated

In accordance with existing Greek REIC legislation, property valuations are supported by appraisals performed by independent professionally 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 as of 30.06.2018 per business segment and geographical area:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail	717,456	15%-20% market approach and 80%-85% discounted cash flows (DCF)	3,648	7.43% - 10.64%	6.00% - 9.25%
Greece	Offices	604,061	15%-20% market approach and 80%-85% DCF	3,251	8.04% - 10.65%	7.00% - 9.50%
Greece	Other[1]	24,375	0%-15%-20% market approach and 80%-85%-100% DCF	56	9.75% - 12.54%	8.25% - 12.00%
Italy	Offices	186,074	0% market approach and 100% DCF (see note below)	1,028	5.86% - 7.98%	5.10% - 6.90%
Italy	Retail	14,506	0% market approach and 100% DCF (see note below)	77	5.45% - 6.75%	5.00% - 6.35%
Italy	Other[2]	55,100	100% residual method and 0% market approach (see note below)	-	-	-
Italy	Other[3]	490	0% market approach and 100% direct capitalization (see note below)	2	-	4.50%
Romania	Retail	1,346	20% market approach and 80% DCF	10	10.76% - 12.44%	8.25% - 9.75%
Romania	Offices	5,257	20% market approach and 80% DCF	37	10.76%	8.25%
Cyprus	Retail	23,632	20% market approach and 80% DCF	88	7.50%	6.25%
Cyprus	Offices	2,110	20% market approach and 80% DCF	8	7.50%	6.25%
Cyprus	Other[4]	11,200	0% market approach and 100% DCF	-	9.97%	7.50%
Bulgaria	Retail	10,100	0% depreciated replacement cost method and 100% DCF	126	9.60%	8.10%

[1] The segment «Other» in Greece includes city hotels, storage space, archives, petrol stations and parking spaces.
[2] The segment «Other» in Italy relates to land plot.
[3] The segment «Other» in Italy relates to storage space.
[4] The segment «Other» in Cyprus relates to city hotel.

The last valuation of the Group’s properties was performed at June 30, 2018 by independent valuers, as stipulated by the relevant provisions of L.2778/1999, as in force. For the Group’s portfolio the comparative method and the discounted cash flow (DCF) method were used. For properties in Italy, which constitute commercial properties (offices and, retail), the independent valuers used two methods, according to the data depicted in the above table. According to the valuers’ reports, the fair value of these properties is based on the latter method (DCF), as a) the method of discounted cash flows reflects more effectively the manner in which investment properties, as the appraised ones, transact in the market and represents the common appraisal practice and b) the value derived by using the market approach is very close to the one derived by using the DCF method.

Specifically for the property in Torvaianica area, in the municipality of Pomezia, Rome, which is a land plot with development potential, the residual method and the market approach were used according to the the data depicted in the above table. According to the valuer’s report, the fair value of the property in based on the residual method, taking into consideration the current development plan and that the value derived by using the market approach is very close to the one derived by using the residual method. According to the above, the fair value of the land plot as of June 30, 2018 increased by €13,900 in comparison to the fair value as of December 31, 2017.

Finally, with regards to the property located on Via Vittoria 12, Ferrara, which is used as storage space, the market approach and the direct capitalization method were used, according to the data depicted in the above table. The property’s fair value is based on the direct capitalization method, taking into consideration that at the date of the valuation the property was vacant.

All amounts expressed in € thousand, unless otherwise stated

Information about fair value measurements of investment property as of 31.12.2017 per business segment and geographical area:

Country	Segment	Fair Value	Valuation Method	Monthly market rent	Discount rate (%)	Capitalization rate (%)
Greece	Retail	697,233	15%-20% market approach and 80%-85% discounted cash flows (DCF)	3,577	7.67% - 11.65%	6.60% - 10.25%
Greece	Offices	600,129	15%-20% market approach and 80%-85% DCF	3,446	8.55% - 11.52%	7.25% - 10.00%
Greece	Other[1]	16,723	0%-15%-20% market approach and 80%-85%-100% DCF	53	9.67% - 12.23%	8.50% - 12.00%
Italy	Offices	179,790	0% market approach and 100% DCF (see note above)	1,002	6.50% - 7.20%	4.66% - 5.35%
Italy	Retail	14,210	0% market approach and 100% DCF (see note above)	69	6.20% - 7.20%	4.22% - 5.30%
Italy	Other[2]	41,200	100% market approach and 0% residual method (see note above)	-	-	-
Italy	Other[3]	568	100% market approach and 0% direct capitalization (see note above)	3	-	7.00%
Romania	Retail	1,230	20% market approach and 80% DCF	10	9.85% - 12.12%	8.00% - 10.50%
Romania	Offices	5,218	20% market approach and 80% DCF	32	9.85%	8.00%
Cyprus	Retail	22,646	15% market approach and 85% DCF	126	8.33%	6.75%
Cyprus	Offices	1,751	15% market approach and 85% DCF	8	8.33%	6.75%

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

All amounts expressed in € thousand, unless otherwise stated

The abovementioned valuation had as a result a net gain from fair value adjustment of investment property amounted to €29,675 (six-month period ended June 30, 2017: net gain of €6,918).

Were the discount rate as at June 30, 2018, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €101,145 lower or €118,189 higher, respectively.

Were the capitalization rate as at June 30, 2018, used in the DCF analysis, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €64,780 lower or €78,298 higher, respectively.

Were the sales price/rental value of the development as at June 30, 2018, used in the valuation to determine the fair value of the land plot in Italy, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €42,400 higher or €45,000 lower, respectively.

Were the construction cost of the development as at June 30, 2018, used in the valuation to determine the fair value of the land plot in Italy, to increase or decrease by +/-10% from Management estimates, the carrying amount of investment property would be an estimated €54,760 lower or €51,600 higher, respectively.

NOTE 6: Acquisition of Subsidiaries

(a) Business combinations

The Company proceeded to the following acquisition during the six month period June 30, 2018 as part of its investment policy to strengthen its position in the real estate markets where it operates:

- On June 26, 2018 the Company acquired 100% of the share capital of the company Lasmane Properties Ltd., in Cyprus. Lasmane Properties Ltd. owns an under development hotel of a total area of 13 thousand sq.m. in Nicossia. The property is leased to Zeus International group.

  The aforementioned acquisition was accounted for as a business combination, therefore all transferred assets and liabilities of Lasmane Properties Ltd. were valued at fair value.

  The following table summarizes the fair value of assets and liabilities of Lasmane Properties Ltd. as of the date of acquisition, which is June 26th, 2018:

	26.06.2018
ASSETS	
Investment property (Note 5)	11,200
Total assets	**11,200**
Fair value of acquired interest in net assets	**11,200**
Goodwill	-
Total purchase consideration	**11,200**

  Source: Unaudited financial information

  The consideration for the acquisition of Lasmane Properties Ltd. was equal to the fair value of the net assets at the date of the acquisition, i.e. €11,200, out of which an amount of €7,560 was paid in cash and an amount of €3,640 was recognized as a liability.

  The subsidiary acquired contributed no rental income and profit for the period of Nil from the day of its acquisition until June 30, 2018. If the above acquisition had occurred on January 1, 2018, with all other variables held constant, Group's revenue for the year 2019 would remain stable (€60,704) and Group profit for the six month period ended June 30, 2018 would have been €64,733.

All amounts expressed in € thousand, unless otherwise stated

NOTE 7: Investment in Subsidiaries

Subsidiaries	Country of incorporation	Acquisition Cost	Unaudited tax years	Group 30.06.2018	Group 31.12.2017	Company 30.06.2018	Company 31.12.2017	Consolidation Method
Nash S.r.L.	Italy	69,378	2013 – 2017	100.00%	100.00%	100.00%	100.00%	Full Consolidation
Picasso Fund	Italy	80,752	2013 – 2017	100.00%	100.00%	100.00%	100.00%	Full Consolidation
Egnatia Properties S.A.	Romania	20	2012 – 2017	99.96%	99.96%	99.96%	99.96%	Full Consolidation
Quadratix Ltd.	Cyprus	10,802	2016 – 2017	100.00%	100.00%	100.00%	100.00%	Full Consolidation
Karolou S.A. (1)	Greece	3,546	2012 – 2017	100.00%	100.00%	100.00%	100.00%	Full Consolidation
PNG Properties EAD(2)	Bulgaria	26	-	100.00%	100.00%	100.00%	100.00%	Full Consolidation
Pangaea UK Finco Plc(3)	United Kindgom	57	-	100.00%	-	100.00%	-	Full Consolidation
Lasmane Properties Ltd.(4)	Cyprus	11,200	2016-2017	100.00%	-	100.00%	-	Full Consolidation
		175,781						

(1) The Company acquired 100% of the share capital of this subsidiary on December 21, 2016. The financial years 2012 – 2014 have not been audited for tax purposes from the Greek tax authorities and consequently the tax obligations for these years are not considered as final. The years 2015 and 2016 have been audited by the elected under C.L. 2190/1920 statutory auditor, in accordance with article 82 of L. 2238/1994 and the article 65A of L. 4174/2013 and the relevant tax audit certificates were issued with no qualification. According to POL. 1006/05.01.2016, the companies for which a tax audit certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company. Until the date of the approval of the Interim Financial Statements, the tax audit for the year 2017 had not been completed by the statutory auditor.

(2) This subsidiary was incorporated on November 10, 2017, for the acquisition of properties. As of June 30, 2018 and December 31, 2017, its share capital amounted to €26.

(3) On May 9, 2018 the Company, in accordance with article 26 of L. 2778/1999, established a subsidiary in United Kingdom named Pangaea UK Finco Plc owning 100% of its share capital (amounted to €57). The scope of Pangaea UK Finco Plc is the issuance of a loan and the use of the loan funds for the financing of the Company and/or its subsidiaries. It is noted that up to June 30, 2018 Pangaea UK Finco Plc had no activity.

(4) The Company acquired 100% of the share capital of this subsidiary on June 26, 2018.

It is noted that the financial statements of the consolidated non-listed subsidiaries of the Group are available on the Company's website address (http://www.nbgpangaea.gr).

NOTE 8: Other Long-Term Assets

The decrease of the item "Other Long-Term Assets" of the Group as of June 30, 2018 in comparison to December 31, 2017 is mainly due to the transfer to "Investment property" of the prepayment of €9,000 plus related acquisition expenses of €65 resulting from the conclusion of the acquisition of a property by the subsidiary PNG Properties EAD in Bulgaria (Note 5).

The above decrease was partially offset mainly due to the following:

- The prepayment of €2,611 for the acquisition of three warehouses under development with modern specifications in Aspropyrgos, Attica, and
- The prepayment of €175 for the acquisition of a commercial property of high visibility, of a total area of 562 sq.m., which is located at 51 Ermou str., Athens,

as described in Note 5 above.

All amounts expressed in € thousand, unless otherwise stated

NOTE 9: Trade and Other Assets

	Group		Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Trade receivables	16,500	15,360	12,821	12,226
Trade receivables from related parties (Note 21)	2	2	2	2
Receivables from Greek State	8,184	8,179	8,184	8,179
Prepaid expenses	994	414	871	372
Preliminary dividend paid	-	22,995	-	22,995
Other receivables	5,123	9,974	4,997	9,821
Other receivables from related parties (Note 21)	1,003	1,007	1,345	1,502
Total	**31,806**	**57,931**	**28,220**	**55,097**

The classification of the item “Trade and Other Assets” of the Group and the Company to financial and non-financial assets and the ECL allowance for financial assets as of June 30, 2018 and January 1, 2018 is presented below:

Group				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 30.06.2018	6,506	829	544	**7,879**
ECL allowance	(38)	-	(319)	**(357)**
Net carrying amount 30.06.2018	**6,468**	**829**	**225**	**7,522**
Non-financial assets 30.06.2018				24,284
Total Trade and other assets 30.06.2018				**31,806**

Company				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 30.06.2018	6,076	829	487	**7,392**
ECL allowance	(44)	-	(291)	**(335)**
Net carrying amount 30.06.2018	**6,032**	**829**	**196**	**7,057**
Non-financial assets 30.06.2018				21,163
Total Trade and other assets 30.06.2018				**28,220**

Group				
Total Trade and other assets 31.12.2017				**57,931**
Adjustment due to adoption of IFRS 9 (Note 23)				(234)
Total Trade and other assets 01.01.2018				**57,697**
out of which:				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 01.01.2018	14,762	1,116	1,457	**17,335**
ECL allowance	(136)	-	(98)	**(234)**
Net carrying amount 01.01.2018	**14,626**	**1,116**	**1,359**	**17,101**
Non-financial assets 01.01.2018				40,596
Total Trade and other assets 01.01.2018				**57,697**

All amounts expressed in € thousand, unless otherwise stated

Company				
Total Trade and other assets 31.12.2017				**55,097**
Adjustment due to adoption of IFRS 9 (Note 23)				(243)
Total Trade and other assets 01.01.2018				**54,854**
out of which:				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 01.01.2018	12,740	1,077	1,364	**15,181**
ECL allowance	(145)	-	(98)	**(243)**
Net carrying amount 01.01.2018	**12,595**	**1,077**	**1,266**	**14,938**
Non-financial assets 01.01.2018				39,916
Total Trade and other assets 01.01.2018				**54,854**

The Group's and the Company's trade receivables as at June 30, 2018 include an amount of €8,565 and €8,044 respectively (December 31, 2017: €7,726 and €7,375 for the Group and the Company respectively) relating to lease incentives under certain lease agreements. The accounting treatment of these incentives, according to the relevant accounting standards, provides for their partial amortization over the life of each lease.

Receivables from Greek State mainly relate to capital accumulation tax paid by NBG Pangaea at April 14, 2010, September 16, 2014 and September 17, 2014. Upon the payment of this tax, the Company expressed its reservation on the obligation to pay the tax and at the same time it requested the refund of this amount as a result of paragraph 1, article 31 of L.2778/1999, which states that "the shares issued by a REIC and the transfer of properties to a REIC are 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 payment of the aforementioned tax, because of the lack of response of the relevant authority after a three months period, the Company filed an appeal. The Company's Management, based on the advice of its legal advisors, believes that the reimbursement of the amounts is in essence certain.

The analysis of other receivables is as follows:

	Group		**Company**	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Pledged deposits	3,009	3,007	3,009	3,007
Receivables from Italian State	70	105	-	-
Other	2,044	6,862	1,988	6,814
Total	**5,123**	**9,974**	**4,997**	**9,821**

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

On September 30, 2015, the Company entered into a preliminary agreement with Stirling Properties Bulgaria EOOD and other entities related to it, for the purchase of the companies named "Plaza West A.D." and "Plaza West 2 A.D.", which owned an area of approximately 23 thousand sq.m. of the shopping mall West Plaza in Sofia, Bulgaria, for a consideration of €33,000, out of which the Company has paid in advance an amount of €6,600. The signing of the final agreement was conditional, among others, on the successful and time demanding completion of construction and commencement of the shopping mall's operation. However, the Company proceeded with the unwinding of the transaction, as certain terms of the agreement were not met by the seller, Stirling Properties Bulgaria EOOD. On March 22, 2018 the Company received part of the abovementioned receivable of €4,776. It is finally noted that the Company has received a corporate guarantee (joint liability) from Marinopoulos Holding Sarl, located in Luxembourg.

All amounts expressed in € thousand, unless otherwise stated

NOTE 10: Cash and Cash Equivalents

	Group		Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Cash in hand	1	-	1	-
Sight and time deposits	50,834	49,335	37,903	36,308
Total	**50,835**	**49,335**	**37,904**	**36,308**

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

Group's and Company's sight and time deposits include restricted cash amounting to €2,474 and €537, respectively (December 31, 2017: €3,449 and €1,779, respectively), in accordance with the provisions of the loan agreements.

NOTE 11: Share Capital & Share Premium

			Group	Company
	No. of shares	**Share Capital**	**Share Premium**	
Balance at December 31, 2017 & June 30, 2018	**255,494,534**	**766,484**	**15,890**	**15,970**

As of June 30, 2018 and December 31, 2017, the total paid up share capital of the Company amounted to €766,484 divided into 255,494,534 common shares with voting rights with a par value of €3.00 per share.

The Company does not hold own shares.

NOTE 12: Reserves

	Group		Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Statutory reserve	17,995	15,139	17,716	14,860
Special reserve	323,987	323,987	323,987	323,987
Other reserves	110	26	47	47
Total	**342,092**	**339,152**	**341,750**	**338,894**

According to article 44 of C.L.2190/1920, as in force, the Company is required to withhold from its net profit a percentage of 5% per year as statutory reserve until the total statutory reserve amounts to the 1/3 of the paid share capital. The statutory reserve cannot be distributed throughout the entire life of the Company.

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

All amounts expressed in € thousand, unless otherwise stated

NOTE 13: Borrowings

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

It is noted that in accordance with the terms of loans, the Group has entered into interest rate swaps for hedging the Group's exposure to variations in variable rate.

On February 20, 2018, the Company signed a bond loan agreement for a total amount of €60,000 with Piraeus Bank S.A. as representative on its own behalf and on behalf of the other bondholder, Alpha Bank S.A.. From this amount, an amount of €46,813 was used for the refinancing of current short term borrowings and the remaining amount of €13,187 will be used for investments and the overall development of the Company's operations. It is noted that the bonds bear interest of 3-month Euribor plus a margin of 3.50% and their maturity is five years.

On January 31, 2018 the subsidiary Quadratix Ltd. signed a loan agreement with the Bank of Cyprus Ltd. for an amount of €15,000, bearing interest of 6-month Euribor plus a margin of 3.65%. The loan has seven years maturity and will be used for the financing of investments.

It is also noted that according to the terms of the Group's loan agreements, the Group shall comply, among others, with specific financial covenants.

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

	Group		**Company**	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Long term				
Bond loans	292,771	234,979	292,771	234,979
Other borrowed funds	19,198	109,689	-	-
Long term borrowings	**311.969**	**344,668**	**292,771**	**234,979**
Short term				
Bond loans	4,417	49,056	4,417	49,056
Other borrowed funds	157,025	53,156	50,576	50,581
Short term borrowings	**161,442**	**102,212**	**54,993**	**99,637**
Total	**473,411**	**446,880**	**347,764**	**334,616**

The increase of the Group's short term borrowings as of June 30, 2018 in comparison to December 31, 2017 is mainly due to the fact that Group's loans totally amounted to €104,874 were reclassified from non-current liabilities to current liabilities since these amounts are repayable on June 30, 2019. It is noted that the Group until the end of 2018 and in accordance with the terms of the existing loan agreements, has the flexibility to evaluate the available options either for refinancing or extension of these loans for an additional two year period.

As of June 30, 2018, short-term borrowings of the Group and the Company include an amount of €2,183 which relates to accrued interest expense on the bond loans (December 31, 2017: €2,242 for the Group and the Company) and also an amount of €853 for the Group and €576 for the Company, which relate to accrued interest expense on other borrowed funds (December 31, 2017: €866 and €581, respectively).

All amounts expressed in € thousand, unless otherwise stated

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

	Group		Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Up to 1 year	161,442	102,212	54,993	99,637
From 1 to 5 years	296,094	339,567	292,771	234,979
More than 5 years	15,875	5,101	-	-
Total	**473,411**	**446,880**	**347,764**	**334,616**

The contractual re-pricing dates are limited to a maximum period up to 6 months.

The Group is not exposed to foreign exchange risk in relation to the borrowings, as all borrowings are denominated in the functional currency.

The borrowings are secured on properties. More specifically:

- In accordance with the terms of the bond loan program dated August 11, 2014, as amended on August 20, 2014, for the issuance of the bonds totally amounting to €237,500, 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. The fair value of the 77 properties as of June 30, 2018 amounted to €555,396.

- On one property of the Company a prenotation of mortgage was established in favour of Piraeus Bank S.A. (the representative of the bondholders) for an amount of €78,000. The outstanding balance of the bond loan as of June 30, 2018 amounted to €60,000 and the fair value of the property as of June 30, 2018 amounted to €125,276. In addition, all rights of the Company, arising from the lease with Cosmote, have been assigned in a favour of the bondholders.

- Four properties owned by subsidiary Picasso Fund are burdened with first class mortgage in favour of Banca IMI S.p.A. for an amount of €204,000. The outstanding balance of the loan as of June 30, 2018 amounted to €95,880 and the fair value of the properties as of June 30, 2018 amounted to €178,500. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

- 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. The outstanding balance of the loan as of June 30, 2018 amounted to €9,550 and the fair value of the properties as of June 30, 2018 amounted to €22,570. Finally, all rights of Picasso Fund arising from the lease agreements have been assigned in favour of the lender.

- One property owned by subsidiary Quadratix Ltd. Is burdened with mortgage in favour of Bank of Cyprus Ltd. for an amount of €16,500. In addition, all rights of Quadratix Ltd. arising from the lease agreement with Sklavenitis Cyprus Limited have been assigned in favour of the lender. It is noted that the Company has given corporate guarantee up to the amount of €5,000 for liabilities of Quadratix Ltd. under the abovementioned loan agreement. The outstanding balance of the loan as of June 30, 2018 amounted to €14,688 and the fair value of the properties as of June 30, 2018 amounted to €25,742.

All amounts expressed in € thousand, unless otherwise stated

NOTE 14: Trade and Other Payables

The analysis of trade and other receivables is as follows:

	Group		Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Trade payables	4,350	674	4,044	235
Amounts due to related parties (Note 21)	195	468	195	466
Taxes – levies	12,481	7,172	9,904	4,756
Deferred revenues	5,500	5,195	2,965	2,921
Other payables and accrued expenses	520	341	476	282
Other payables and accrued expenses due to related parties (Note 21)	722	602	779	602
Total	**23,768**	**14,452**	**18,363**	**9,262**

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

The analysis of taxes – levies is as follows:

	Group		Company	
	30.06.2018	**31.12.2017**	**30.06.2018**	**31.12.2017**
Stamp duty on leases	3,891	2,627	3,891	2,627
Unified Property Tax (ENFIA)	3,764	6	3,749	-
Foreign real estate tax	2,343	2,203	-	-
Other	2,483	2,336	2,264	2,129
Total	**12,481**	**7,172**	**9,904**	**4,756**

The category "Other" of the item "Taxes-levies" as of June 30, 2018 and December 31, 2017 includes provision for Special Real Estate Levy (EETA) of L.4152/2013 and for Electricity Powered Surfaces Levy (EETHDE) of L.4021/2011 totally amounted to €1,388. It is noted that the Unified Property Tax (ENFIA) from January 1, 2014 replaced the Real Estate Tax of L.3842/2010 and the EETA of L. 4152/2013 (ex EETHDE of L.4021/2011).

Deferred revenues relate to deferred income for the period following June 30, 2018 and December 31, 2017, respectively, according to the relevant lease agreements of the Group and the Company.

NOTE 15: Dividends per Share

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

On April 23, 2018 the Annual General Meeting of the Company's shareholders, approved the distribution of a total amount of €56,209 (i.e. €0.22 per share – amount in €), as dividend to its shareholders for the year 2017. Due to the distribution of interim dividend of a total amount of €22,995 (i.e. €0.09 per share – amount in €), following the relevant decision of the Board of Directors dated December 12, 2017, the remaining dividend to be distributed amounted to €33,214 (i.e. €0.13 per share – amount in €). As of December 31, 2017, the amount of the preliminary dividend is included in trade and other assets.

On May 9, 2017 the Annual General Meeting of the Company's shareholders, approved the distribution of a total amount of €51,099 (i.e. 0.20 per share – amount in €) as dividend to its shareholders for the year 2016. Due to the distribution of interim dividend of a total amount of €17,118 (i.e. €0.067 per share – amount in €), following the relevant decision of the Board of Directors dated November 14, 2016, the remaining dividend to be distributed amounted to €33,981 (i.e. €0.133 per share – amount in €). As of December 31, 2016, the amount of the preliminary dividend is included in trade and other assets. The commencement date of dividend payment was May 17, 2017 as set by the Annual General Meeting of the Company's shareholders.

All amounts expressed in € thousand, unless otherwise stated

NOTE 16: Property taxes – levies

For the six-month period ended June 30, 2018 property taxes and levies amounted to ποσό €4,609 and €3,824 for the Group and the Company, respectively (six-month period ended June 30, 2017: €4,345 and €3,529 respectively) and includes Unified Property Tax (ENFIA) of €3,764 and €3,749 for the Group and the Company respectively (six-month period ended June 30, 20117: €3,434 και €3,430 respectively). The increase of Unified Property Tax (ENFIA) is due to the properties acquired by the Company during 2018, given that ENFIA is calculated for the properties owned as of January 1ST of each year.

NOTE 17: Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Interest Expense	9,435	9,218	7,606	7,562
Finance and Bank Charges (incl. amortization of discount)	1,287	1,344	962	1,042
Foreign Exchange Differences	6	24	3	-
Total	**10,728**	**10,586**	**8,571**	**8,604**

NOTE 18: Taxes

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
REICs’ tax	5,786	5,502	5,769	5,486
Other tax	26	37	-	-
Deferred tax	72	1	-	-
Total	**5,884**	**5,540**	**5,769**	**5,486**

As a REIC, in accordance with article 31, par. 3 of L.2778/1999, as in force, the Company is subject to an annual tax based on its investments and cash and cash equivalents. More specifically, the tax is determined by reference to the average fair value of its investments and cash and cash equivalents (as depicted on the Company’s biannual investment schedule) at current prices at the tax rate of 10.0% of the European Central Bank reference rate plus 1.0% (the taxation formula is as follows: 10.0% * (ECB reference rate + 1.0%)). The above tax relieves the Company and its shareholders of any further tax liabilities. It is noted that in accordance with par. 2 of article 45 of L.4389/2016, a minimum tax threshold of 0.375% on its average investments plus cash was imposed for each semester (i.e. 0.75% annually). KAROLOU S.A., as a Company’s subsidiary in Greece, has the same tax treatment.

The Company's foreign subsidiaries, Nash S.r.L., Egnatia Properties S.A., Quadratix Ltd., Lasmane Properties Ltd. and PNG Properties EAD are taxed on their income, assuming a tax rate of 27.9% in Italy, 16.0% in Romania, 12.5% in Cyprus and 10.0% in Bulgaria, respectively. The Company's subsidiary, Picasso Fund, in Italy, is not subject to income tax. No significant foreign income tax expense was incurred for the six-month period ended June 30, 2018 and 2017, respectively.

NOTE 19: Earnings per Share

Basic Earnings per share ratio is calculated by dividing the profit 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 June 30	**2018**	**2017**	**2018**	**2017**
Profit attributable to equity shareholders	64,749	41,242	40,460	50,602
Weighted average number of ordinary shares in issue (thousands)	255,495	255,495	255,495	255,495
Earnings per share (expressed in € per share) - Basic and diluted	**0.25**	**0.16**	**0.16**	**0.20**

The dilutive Earnings per share are the same as the basic Earnings per share for the six-month period ended June 30, 2018 and 2017, as there were no dilutive potential ordinary shares.

NOTE 20: Contingent Liabilities and Commitments

Group companies have not been audited yet for tax purposes for certain financial years and consequently their tax obligations for those years may not be considered final. Additional taxes and penalties may be imposed as a result of such tax audits, however the amount cannot be determined. As at June 30, 2018 and December 31, 2017 the Group has not accounted for provisions for unaudited tax years. It is estimated that additional taxes and penalties that may be imposed will not have a material effect on the statement of financial position of the Group and the Company.

The tax authorities have not audited the books and records of the of the absorbed by the Company with same legal name NBG Pangaea REIC for the year ended December 31, 2010 and consequently the tax obligations for that year are not considered as final. In a future tax audit, additional taxes and penalties may be imposed, the amount of which cannot be determined accurately at present. However, Management estimates that they will not have a material effect on the financial position of the Company. The financial years 2011 - 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor, 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 within 2018 the tax audit was completed by the competent tax authorities with no findings and therefore no additional taxes were imposed.

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.

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.

It is noted that according to POL. 1006/05.01.2016, the companies for which a tax certificate with no qualifications is issued, are not exempted from tax audit for offenses of tax legislation by the tax authorities. Therefore the tax authorities may come back and conduct their own tax audit. However, Management estimates that the results of future tax audits may conducted by the tax authorities, will not have a material effect on the financial position of the Company.

All amounts expressed in € thousand, unless otherwise stated

Up until June 30, 2018, 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.

Until the date of the approval of the Interim Financial Statements, the tax audit for the year 2017 had not been completed by the statutory auditor.

On June 30, 2018 Group's capital expenditure relating to improvements on investment property amounted to €8,285 (not incl. VAT).

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 into fourteen (14) Company's properties in Greece, which were the subject of the tender "sale and leaseback" by HRADF, in favour of Alpha Bank S.A.. The power of attorney shall expire automatically, either with the full and complete settlement of all Company's obligations under the credit agreement, or the moment that Alpha Bank S.A. covers entirely the debentures of a bond loan, as it may be issued in the future by the Company, and it will be subject to full and complete settlement of any amount under the aforementioned credit agreement.

There are no pending lawsuits against the Group, nor other contingent liabilities resulting from commitments at June 30, 2018, which would affect the Group's financial position.

NOTE 21: Related Party Transactions

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

The Company's shareholding structure is as follows:

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

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

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

i. Balances arising from transactions with related parties

	Group		**Company**	
Trade receivables from related parties	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Parent company	1	-	1	-
Other shareholders	1	1	1	1
Companies related to other shareholders	-	1	-	1
Total	**2**	**2**	**2**	**2**

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
Other receivables from related parties	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Picasso Fund, Company's subsidiary	-	-	-	150
KAROLOU S.A., Company's subsidiary	-	-	355	361
Other shareholders	1,003	1,007	990	991
Total	**1,003**	**1,007**	**1,345**	**1.502**

	Group		Company	
Preliminary dividends	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Parent company	-	7,509	-	7,509
Other shareholders	-	15,060	-	15,060
Total	**-**	**22,569**	**-**	**22,569**

	Group		Company	
Prepaid expenses	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Hellenic National Insurance Company, a company of NBG Group	226	269	211	262
Total	**226**	**269**	**211**	**262**

	Group		Company	
Cash and cash equivalents	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Parent company	7,752	10,566	7,727	10,477
NBG Cyprus, a company of NBG Group	1,087	1,042	-	-
Total	**8,839**	**11,608**	**7,727**	**10,477**

	Group		Company	
Other long-term assets	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
PNG Properties EAD, Company's subsidiary	-	-	9,974	9,784
Total	**-**	**-**	**9,974**	**9,784**

	Group		Company	
Amounts due to related parties	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Parent company	-	319	-	319
Hellenic National Insurance Company, a company of NBG Group	195	145	195	143
Ethniki Leasing, a company of NBG Group	-	4	-	4
Total	**195**	**468**	**195**	**466**

	Group		Company	
Other Liabilities	**30.06.2018**	**31.12.2017**	**30.06.2018**	**31.12.2017**
Parent company	58	1	58	1
Hellenic National Insurance Company, a company of NBG Group	8	-	8	-
Pangaea UK Finco Plc., Company's subsidiary	-	-	57	-
Companies related to other shareholders	635	598	635	598
Total	**701**	**599**	**758**	**599**

All amounts expressed in € thousand, unless otherwise stated

ii. Rental income

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Parent company	33,582	33,992	33,582	33,992
National Insurance Brokers, a company NBG Group [1]	-	2	-	2
Other shareholders	1	1	1	1
Companies related to other shareholders	1	1	1	1
Total	**33,584**	**33,996**	**33,584**	**33,996**

iii. Other direct property related expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Hellenic National Insurance Company, a company of NBG Group	262	207	250	199
Companies related to other shareholders	731	706	731	706
Total	**993**	**913**	**981**	**905**

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

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Parent company	-	109	-	109
Total	**-**	**109**	**-**	**109**

v. Personnel Expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Hellenic National Insurance Company, a company of NBG Group	17	17	17	17
Total	**17**	**17**	**17**	**17**

vi. Other income

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	**30.06.2017**	**30.06.2018**	**30.06.2017**
Picasso Fund, Company's subsidiary	-	-	2,578	3,535
Hellenic National Insurance Company, a company of NBG Group	-	1	-	1
Total	**-**	**1**	**2,578**	**3,536**

[1] Includes the rental income for the period 01.01.2017 – 19.01.2017, as the sale of National Insurance Brokers, a company of NBG Group, was completed on 20.01.2017.

All amounts expressed in € thousand, unless otherwise stated

vii. Other expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Parent company	58	28	58	28
Ethniki Leasing, a company of NBG Group	25	22	25	22
Total	**83**	**50**	**83**	**50**

viii. Interest income

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Parent company	12	21	12	21
PNG Properties EAD, Company's subsidiary	-	-	196	-
Total	**12**	**21**	**208**	**21**

ix. Finance costs

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Parent company	5	342	5	342
NBG Cyprus, a company of NBG Group	-	3	-	-
Total	**5**	**345**	**5**	**342**

x. Due to key management

	Group		Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
BoD, its committees and Senior Management compensation	17	-	17	-
Other liabilities to BoD its committees and Senior Management-	3	3	3	3
Retirement benefit obligations	15	14	15	14
Total	**35**	**17**	**35**	**17**

xi. Key management compensation

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
BoD, its committees and Senior Management compensation	736	744	735	744
Total	**736**	**744**	**735**	**744**

xii. Commitment and contingent liabilities

In the context of the new loan agreement signed by the subsidiary Quadratix Ltd. with the Bank of Cyprus Ltd. on January 31, 2018 (Note 13), the Company has given a corporate guarantee up to the amount of €5,000 thousand for liabilities of Quadratix Ltd. under the abovementioned loan agreement.

All amounts expressed in € thousand, unless otherwise stated

NOTE 22: Events after the Date of Financial Statements

On September 4, 2018, the Company proceeded with the signing of a preliminary agreement for the acquisition of a property which is located in Thessaloniki, for a total consideration of €1.260. On the same date the Company paid an amount of €126 as prepayment. The total area of the property is 6.3 thousand sq.m..

On July 25, 2018, the Company proceeded with the signing of preliminary agreementS for the acquisition of a land plot which is located in Maroussi, Attica, for a total consideration of €4,200. On the same date the Company paid an amount of €840 as prepayment. The total area of the land plot is 5.2 thousand sq.m..

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

NOTE 23: Impact from IFRS 9

The adoption of IFRS 9 on January 1 2018, had a negative impact on the Group's and the Company's shareholders' equity due to the changes in impairment requirements by approximately €234 and €249 respectively. The Group elected to recognise any difference between the previous and the new carrying amount directly in the opening retained earnings as of January 1, 2018 instead of restating the comparative information. The adjustments arising from the new impairment rules are therefore not reflected in the restated statement of financial position as at December 31, 2017, and are recognised in the opening balance sheet on January 1, 2018.

The following table shows the adjustments recognized for each individual line item on January 1, 2018. Line items that were not affected by the impairment requirements of IFRS 9 have not been included. As a result, the totals and sub-totals disclosed cannot be recalculated based on the numbers provided.

	Group			Company		
	01.01.2018 As adjusted (IFRS 9)	**31.12.2017 As published (IAS 39)**	**IFRS 9 Impact**	**01.01.2018 As adjusted (IFRS 9)**	**31.12.2017 As published (IAS 39)**	**IFRS 9 Impact**
ASSETS						
Non-current assets						
Other long-term assets	9,088	9,088	-	9,801	9,807	(6)
Total Non- current assets	**1,591,978**	**1,591,978**	**-**	**1,500,746**	**1,500,752**	**(6)**
Current assets						
Trade and other assets	57,697	57,931	(234)	54,854	55,097	(243)
Total current assets	**107,032**	**107,266**	**(234)**	**91,162**	**91,405**	**(243)**
Total assets	**1,699,010**	**1,699,244**	**(234)**	**1,591,908**	**1,592,157**	**(249)**
SHAREHOLDERS' EQUITY						
Retained Earnings	106,093	106,327	(234)	117,539	117,788	(249)
Total equity	**1,227,619**	**1,227,853**	**(234)**	**1,238,887**	**1,239,136**	**(249)**
Total shareholders' equity and liabilities	**1,699,010**	**1,699,244**	**(234)**	**1,591,908**	**1,592,157**	**(249)**