NBG PANGAEA R.E.I.C.

Interim Condensed Consolidated and Separate Financial Information

for the period from January 1 to September 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.

November 2018

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All amounts expressed in € thousand, unless otherwise stated

	Note	Group 30.09.2018	Group 31.12.2017	Company 30.09.2018	Company 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	-	-	176,292	178,824
Property and equipment		2,166	2,058	2,166	2,216
Intangible assets		108	130	108	130
Deferred tax assets		38	4	-	-
Other long-term assets	8	13,092	16,731	22,561	17,099
		1,671,111	**1,599,621**	**1,542,645**	**1,508,044**
Current assets					
Trade and other assets	9	24,338	50,288	20,985	47,805
Cash and cash equivalents	10	64,130	49,335	51,605	36,308
		88,468	**99,623**	**72,590**	**84,113**
Total assets		**1,759,579**	**1,699,244**	**1,615,235**	**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	342,136	339,152	341,750	338,894
Retained Earnings		126,567	106,327	115,262	117,788
Total equity		**1,251,077**	**1,227,853**	**1,239,466**	**1,239,136**
LIABILITIES					
Long-term liabilities					
Borrowings	13	74,811	344,668	55,820	234,979
Retirement benefit obligations		200	197	200	197
Deferred tax liability		324	223	-	-
Other long-term liabilities		3,560	3,477	3,385	3,302
		78,895	**348,565**	**59,405**	**238,478**
Short-term liabilities					
Trade and other payables	14	26,514	14,452	20,933	9,262
Borrowings	13	399,780	102,212	292,484	99,637
Derivative financial instruments		350	480	-	-
Current tax liabilities		2,963	5,682	2,947	5,644
		429,607	**122,826**	**316,364**	**114,543**
Total liabilities		**508,502**	**471,391**	**375,769**	**353,021**
Total shareholders' equity and liabilities		**1,759,579**	**1,699,244**	**1,615,235**	**1,592,157**

Athens, November 30, 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 01.01. to		From 01.01. to	
	Note	**30.09.2018**	**30.09.2017**	**30.09.2018**	**30.09.2017**
Revenue		90,906	87,803	79,326	76,964
		90,906	**87,803**	**79,326**	**76,964**
Net gain from the fair value adjustment of investment property	5	29,298	6,918	6,601	16,531
Direct property related expenses		(3,016)	(2,553)	(2,464)	(2,028)
Property taxes - levies	16	(6,892)	(6,610)	(5,683)	(5,352)
Personnel expenses		(1,918)	(1,792)	(1,918)	(1,792)
Depreciation of property and equipment		(18)	(18)	(18)	(18)
Amortisation of intangible assets		(22)	(22)	(22)	(22)
Net change in fair value of financial instruments at fair value through profit or loss		139	970	-	925
Net impairment loss on financial assets		(152)	-	(110)	-
Other income		268	429	5,879	6,970
Other expenses		(3,696)	(1,723)	(3,188)	(1,284)
Corporate Responsibility		(244)	(42)	(244)	(42)
Operating Profit		**104,653**	**83,360**	**78,159**	**90,852**
Interest income		38	25	332	23
Finance costs	17	(16,316)	(16,420)	(12,986)	(13,355)
Profit before tax		**88,375**	**66,965**	**65,505**	**77,520**
Taxes	18	(8,836)	(8,393)	(8,717)	(8,303)
Profit for the period		**79,539**	**58,572**	**56,788**	**69,217**
Attributable to:					
Non-controlling interests		-	-	-	-
Company's equity shareholders		**79,539**	**58,572**	**56,788**	**69,217**
Earnings per share (expressed in € per share) - Basic and diluted	19	0.31	0.23	0.22	0.27

Athens, November 30, 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	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit for the period	**79,539**	**58,572**	**56,788**	**69,217**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	4	77	-	-
Cash flow hedges	124	124	-	-
Total of items that may be reclassified subsequently to profit or loss	**128**	**201**	**-**	**-**
Other comprehensive income for the period	**128**	**201**	**-**	**-**
Total comprehensive income for the period	**79,667**	**58,773**	**56,788**	**69,217**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**79,667**	**58,773**	**56,788**	**69,217**

Athens, November 30, 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 01.07. to		From 01.07. to	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
Revenue	30,202	29,896	26,482	26,204
	30,202	**29,896**	**26,482**	**26,204**
Net loss from the fair value adjustment of investment property	(377)	-	(377)	-
Direct property related expenses	(1,199)	(913)	(1,002)	(761)
Property taxes - levies	(2,283)	(2,265)	(1,859)	(1,823)
Personnel expenses	(801)	(590)	(801)	(590)
Depreciation of property and equipment	(6)	(6)	(6)	(6)
Amortisation of intangible assets	(8)	(8)	(8)	(8)
Net change in fair value of financial instruments at fair value through profit or loss	38	342	-	310
Net impairment loss on financial assets	(29)	-	(18)	-
Other income	85	77	3,299	3,234
Other expenses	(2,294)	(517)	(2,120)	(378)
Corporate Responsibility	(2)	(1)	(2)	(1)
Operating Profit	**23,326**	**26,015**	**23,588**	**26,181**
Interest income	4	2	103	2
Finance costs	(5,588)	(5,834)	(4,415)	(4,751)
Profit before tax	**17,742**	**20,183**	**19,276**	**21,432**
Taxes	(2,952)	(2,853)	(2,948)	(2,817)
Profit for the period	**14,790**	**17,330**	**16,328**	**18,615**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**14,790**	**17,330**	**16,328**	**18,615**
Earnings per share (expressed in € per share) - Basic and diluted	0.06	0.07	0.06	0.07

Athens, November 30, 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 01.07. to		From 01.07. to	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
Profit for the period	**14,790**	**17,330**	**16,328**	**18,615**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	3	61	-	-
Cash flow hedges	41	41	-	-
Total of items that may be reclassified subsequently to profit or loss	**44**	**102**	**-**	**-**
Other comprehensive income for the period	**44**	**102**	**-**	**-**
Total comprehensive income for the period	**14,834**	**17,432**	**16,328**	**18,615**
Attributable to:				
Non-controlling interests	-	-	-	-
Company's equity shareholders	**14,834**	**17,432**	**16,328**	**18,615**

Athens, November 30, 2018

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

		Attributable to Company's shareholders				
	Note	**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		-	-	201	-	**201**
Profit for the period		-	-	-	58,572	**58,572**
Total comprehensive income after tax		**-**	**-**	**201**	**58,572**	**58,773**
Transfer to reserves		-	-	2,720	(2,720)	-
Dividends relating to 2016	15	-	-	-	(51,099)	**(51,099)**
Balance September 30, 2017		**766,484**	**15,890**	**339,040**	**81,201**	**1,202,615**
Movements to December 31, 2017		-	-	112	25,126	**25,238**
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		-	-	128	-	**128**
Profit for the period		-	-	-	79,539	**79,539**
Total comprehensive income after tax		**-**	**-**	**128**	**79,539**	**79,667**
Transfer to reserves		-	-	2,856	(2,856)	**-**
Dividends relating to 2017	15	-	-	-	(56,209)	**(56,209)**
Balance September 30, 2018		**766,484**	**15,890**	**342,136**	**126,567**	**1,251,077**

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**
Other comprehensive income for the period		-	-	-	-	**-**
Profit for the period		-	-	-	69,217	**69,217**
Total comprehensive income after tax		**-**	**-**	**-**	**69,217**	**69,217**
Transfer to reserves		-	-	2,720	(2,720)	-
Dividends relating to 2016	15	-	-	-	(51,099)	**(51,099)**
Balance September 30, 2017		**766,484**	**15,970**	**338,902**	**95,639**	**1,216,995**
Movements to December 31, 2017		-	-	(8)	22,149	**22,141**
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		-	-	-	56,788	**56,788**
Total comprehensive income after tax		**-**	**-**	**-**	**56,788**	**56,788**
Transfer to reserves		-	-	2,856	(2,856)	-
Dividends relating to 2017	15	-	-	-	(56,209)	**(56,209)**
Balance September 30, 2018		**766,484**	**15,970**	**341,750**	**115,262**	**1,239,466**

All amounts expressed in € thousand, unless otherwise stated

	From 01.01. to	
	30.09.2018	**30.09.2017**
Cash flows from operating activities		
Profit before tax	88,375	66,965
Adjustments for:		
- Provisions for employee benefits	3	13
- Other provisions	9	-
- Depreciation of property and equipment	18	18
- Amortization of intangible assets	22	22
- Net (gain) / loss from the fair value adjustment of investment property	(29,298)	(6,918)
- Interest income	(38)	(25)
- Finance cost	16,316	16,420
- Net change in fair value of financial instruments at fair value through profit or loss	(139)	(970)
- Net impairment loss on financial assets	152	-
Changes in working capital:		
- Decrease in receivables	1,273	3,269
- Increase in payables	8,505	2,722
Cash flows from operating activities	85,198	81,516
Interest paid	(13,700)	(13,121)
Tax paid	(11,488)	(10,909)
Net cash flows from operating activities	**60,010**	**57,486**
Cash flows from investing activities		
Acquisition of investment property	(24,782)	(62,130)
Subsequent capital expenditure on investment property	(795)	(135)
Prepayments and expenses related to future acquisition of investment property	(4,124)	(14)
Purchases of property and equipment	-	(7)
Acquisition of subsidiaries (net of cash acquired)	(7,560)	-
Interest received	39	25
Net cash flows used in investing activities	**(37,222)**	**(62,261)**
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	(48,537)	(6,445)
Dividends paid	(33,214)	(33,981)
Net cash flows from / (used in) financing activities	**(7,993)**	**7,004**
Net increase in cash and cash equivalents	**14,795**	**2,229**
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	-	(2)
Cash and cash equivalents at the end of the period	**64,130**	**56,959**

All amounts expressed in € thousand, unless otherwise stated

	From 01.01. to	
	30.09.2018	**30.09.2017**
Cash flows from operating activities		
Profit before tax	65,505	77,520
Adjustments for:		
- Provisions for employee benefits	3	13
- Other provisions	9	-
- Depreciation of property and equipment	18	18
- Amortization of intangible assets	22	22
- Net gain / (loss) from the fair value adjustment of investment properties	(6,601)	(16,531)
- Interest income	(332)	(23)
- Finance costs	12,986	13,355
- Net change in fair value of financial instruments at fair value through profit or loss	-	(925)
- Net impairment losses on financial assets	110	-
Changes in working capital:		
- (Increase) / Decrease in receivables	2,432	(819)
- Increase in payables	8,057	3,291
Cash flows from operating activities	82,209	75,921
Interest paid	(11,668)	(11,414)
Tax paid	(11,413)	(10,827)
Net cash flows from operating activities	**59,128**	**53,680**
Cash flows from investing activities		
Acquisition of investment property	(24,320)	(47,829)
Subsequent capital expenditure on investment property	(795)	(133)
Prepayments and expenses related to future acquisition of investment property	(4,124)	(14)
Purchases of property and equipment	-	(7)
Acquisition of subsidiaries	(7,560)	-
Participation in subsidiaries' capital increase	(511)	(14,400)
Proceeds from subsidiaries' capital decrease	14,300	-
Interest received	37	23
Net cash flows used in investing activities	**(22,973)**	**(62,360)**
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)	(5,221)
Dividends paid	(33,214)	(33,981)
Net cash flows from / (used in) financing activities	**(20,858)**	**8,228**
Net increase / (decrease) in cash and cash equivalents	**15,297**	**(452)**
Cash and cash equivalents at the beginning of the period	36,308	40,624
Cash and cash equivalents at the end of the period	**51,605**	**40,172**

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 September 30, 2018, the Group's and the Company's number of employees was 29 (December 31, 2017: 27 employees for the Group and the Company, September 30, 2017: 26 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 November 30, 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 nine-month period ended September 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.

As at September 30, 2018 current liabilities exceed current assets by €341,139 and €243,774 for the Group and the Company respectively, due to the reclassification of long term borrowings, which are repayable within the next twelve months, from long term liabilities to current liabilities as more fully described in Note 13. Management believes that it is appropriate to prepare these interim condensed financial information on the going concern basis since it has the ability to refinance these borrowings as more fully disclosed in Note 13.

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 IAS 17 "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.

- **IAS 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.

All amounts expressed in € thousand, unless otherwise stated

Group's non-current borrowings amounted to €104,030 as of December 31, 2017 were reclassified to current liabilities as of September 30, 2018, 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, will proceed to the extension of these loans for an additional two year period. In addition, Group's and Company's non-current borrowings amounted to €234,979 as of December 31, 2017 were reclassified to current liabilities as of September 30, 2018, since these amounts are repayable on July 15, 2019. The Company, based on its strong financial position and solvency, assesses a variety of funding sources in international and domestic financial markets in order to secure the necessary funds for the timely financing of the loan.

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 September 30, 2018 and December 31, 2017, respectively.

September 30, 2018	**Valuation hierarchy**			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Derivative financial instruments	-	350	-	**350**

December 31, 2017	**Valuation hierarchy**			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
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 September 30, 2018 and December 31, 2017, respectively:

All amounts expressed in € thousand, unless otherwise stated

September 30, 2018	Valuation hierarchy			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
Borrowings	-	-	474,591	**474,591**

December 31, 2017	Valuation hierarchy			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities				
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 September 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 30.09.2018

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	41,817	36,485	1,279	9,022	674	-	105	354	1,097	73	-	-	**90,906**
Total segment revenue	**41,817**	**36,485**	**1,279**	**9,022**	**674**	**-**	**105**	**354**	**1,097**	**73**	**-**	**-**	**90,906**
Net gain from the fair value adjustment of investment properties	3,446	2,959	419	6,284	296	13,822	116	39	986	359	-	572	**29,298**
Direct property related expenses (incl. property taxes – levies)	(3,580)	(4,040)	(555)	(1,309)	(57)	(255)	(7)	(22)	(35)	(3)	(4)	(41)	**(9,908)**
Net impairment gain / (loss) on financial assets	43	(170)	(4)	(27)	(2)	(3)	-	-	-	-	-	-	**(163)**
Total segment operating profit / (loss)	**41,726**	**35,234**	**1,139**	**13,970**	**911**	**13,564**	**214**	**371**	**2,048**	**429**	**(4)**	**531**	**110,133**
Unallocated operating income													**279**
Unallocated operating expenses													**(5,759)**
Operating Profit													**104,653**
Unallocated interest income													**38**
Unallocated finance costs													**(15,810)**
Allocated finance costs	-	(506)											**(506)**
Profit before tax													**88,375**
Taxes													**(8,836)**
Profit for the period													**79,539**
Segment assets as at September 30, 2018													
Segment assets	729,208	610,538	28,836	188,847	14,724	55,738	1,349	5,266	23,757	2,119	11,211	10,103	**1,681,696**
Unallocated assets													**77,883**
Total assets													**1,759,579**
Segment liabilities as at September 30, 2018													
Segment liabilities	6,516	11,789	3,970	2,657	185	2,408	14	56	1	-	-	5	**27,601**
Unallocated liabilities													**480,901**
Total liabilities													**508,502**
Non-current assets additions as at September 30, 2018	16,777	1,132	7,233	-	-	-	-	-	-	11,200	9,528	-	**45,870**

All amounts expressed in € thousand, unless otherwise stated

From 01.01. to 30.09.2017

Country	**Greece**	**Greece**	**Greece**	**Italy**	**Italy**	**Italy**	**Romania**	**Romania**	**Cyprus**	**Cyprus**	
Segment	**Retail**	**Offices**	**Other**	**Offices**	**Retail**	**Other**	**Retail**	**Offices**	**Retail**	**Offices**	**Total**
Revenue	39,337	36,794	1,099	8,681	667	18	103	346	711	47	**87,803**
Total segment revenue	**39,337**	**36,794**	**1,099**	**8,681**	**667**	**18**	**103**	**346**	**711**	**47**	**87,803**
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)	(2,914)	(4,169)	(325)	(1,342)	(83)	(244)	(11)	(51)	(22)	(2)	**(9,163)**
Total segment operating profit / (loss)	**47,663**	**37,605**	**1,372**	**10,830**	**333**	**(12,508)**	**(119)**	**436**	**(233)**	**179**	**85,558**
Unallocated operating income											**429**
Unallocated operating expenses											**(2,627)**
Operating Profit											**83,360**
Unallocated interest income											**25**
Unallocated finance costs											**(13,527)**
Allocated finance costs	-	(2,893)	-	-	-	-	-	-	-	-	**(2,893)**
Profit before tax											**66,965**
Taxes											**(8,393)**
Profit for the period											**58,572**
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	-	-	-	-	-	-	23.399	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 and other assets.
(c) Unallocated assets include property and equipment, intangible assets, cash and cash equivalents, deferred tax assets and other long-term and current assets.
(d) Unallocated liabilities as of September 30, 2018 and December 31, 2017 mainly include borrowings amounted to €474,591 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 nine-month period ended September 30, 2018 amounted to €50,135, i.e. 55.2% (nine-month period ended September 30, 2017: €50,823, i.e. 57.9%) and rental income from the company Sklavenitis Hellenic Hypermarket S.A. for the nine-month period ended September 30, 2018 amounted to €9,219 i.e. 10.1% (nine-month period ended September 30, 2017: €7,320, i.e. 8.3%).

NOTE 5: Investment Property

	Group		Company	
	30.09.2018	**31.12.2017**	**30.09.2018**	**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	795	554	795	552
- Transfer from property and equipment		148	-	148
- Transfer to property and equipment	(159)	-	-	-
Net gain- from the fair value adjustment of investment property	29,298	17,166	6,601	25,657
Balance at the end of the period	**1,655,707**	**1,580,698**	**1,341,518**	**1,309,775**

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 (Note 8). The total area of the property is 4.3 thousand sq.m..

On July 25, 2018, the Company proceeded with the signing of preliminary agreement 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 (Note 8). The total area of the land plot is 5.2 thousand sq.m.. On October 30, 2018 the acquisition of the property was concluded (Note 22).

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 5, 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 city hotel in Thessaloniki, of a total area of approximately 7,892 sq.m., for a total consideration of €6,996. 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 563 sq.m., which is located at 51 Ermou str., Athens. The signing of the final agreement was, among others, conditional on the successful completion of legal and technical due diligence. On November 2, 2018, the Company concluded on the acquisition of the property for a consideration of €4,285 (Note 22).

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.

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.

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. 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**	**30.09.2018**	**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	485	310	-	-	-	-	-	-	-	-	-	-	**795**	**554**
Transfer from property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**148**
Transfer to property and equipment	-	(159)	-	-	-	-	-	-	-	-	-		**(159)**	**-**
Net gain from the fair value adjustment of investment property	3,446	2,959	419	6,284	296	13,822	116	39	986	359	-	572	**29,298**	**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. As at March 31 and September 30 each year, the Management estimates, based on the market conditions and any real events in relation to the properties portfolio, if there is a change in these values. If there is a significant change it is taken into consideration for the determination of the fair value of investment property.
Management considers that there were no events or circumstances that could cause a significant diversification in the fair value of investment property portfolio as of September 30, 2018 from the fair value as of June 30, 2018.

Information about fair value measurements of investment property as of 30.09.2018 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 discounted cash flow (DCF) method were used.

For the valuation of properties in Greece, Romania and Cyprus, the method of discounted cash flow (DCF) was assessed by independent valuers to be the most appropriate. For the weighing of the two methods (DCF and market approach), the rates 80%, 85% or 100% for the DCF method and 20%, 15% or 0%, respectively, for the market approach have been applied, as shown in the table above. The increased weighting for the DCF method is due to the fact that this method reflects more effectively the manner in which investment properties, such as the properties of our portfolio, transact in the market.

For the property in Bulgaria, the discounted cash flow (DCF) method and the depreciated replacement cost method were used, as shown in the table above. According to the valuers' report, the fair value of the property is based on the discounted cash flow method (DCF), as this method more effectively reflects the way that investment properties, as the appraised one, transact in the market.

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 September 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

NOTE 6: Acquisition of Subsidiaries

The Company proceeded to the following acquisition during the nine month period September 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 loss for the period of €30 from the day of its acquisition until September 30, 2018. If the above acquisition had occurred on January 1, 2018, with all other variables held constant, Group's revenue for the year 2018 would remain stable (€90,906) and Group profit after tax for the nine month period ended September 30, 2018 would have been €79,519.

NOTE 7: Investment in Subsidiaries

				Group		**Company**	
Subsidiaries	**Country of incorporation**	**Cost of subsidiaries**	**Unaudited tax years**	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
Nash S.r.L.	Italy	69,378	2013 – 2017	100.00%	100.00%	100.00%	100.00%
Picasso Fund	Italy	80,752	2013 – 2017	100.00%	100.00%	100.00%	100.00%
Egnatia Properties S.A.	Romania	20	2013 – 2017	99.96%	99.96%	99.96%	99.96%
Quadratix Ltd.	Cyprus	10,802	2016 – 2017	100.00%	100.00%	100.00%	100.00%
Karolou S.A. (1)	Greece	4,007	2013 – 2017	100.00%	100.00%	100.00%	100.00%
PNG Properties EAD(2)	Bulgaria	26	-	100.00%	100.00%	100.00%	100.00%
Pangaea UK Finco Plc(3)	United Kingdom	57	-	100.00%	-	100.00%	-
Lasmane Properties Ltd.(4)	Cyprus	11,250	2016-2017	100.00%	-	100.00%	-
		176,292					

The subsidiaries are consolidated with the full consolidation method.

(1) The Company acquired 100% of the share capital of this subsidiary on December 21, 2016. The financial years 2013 – 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, 2016 and 2017 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. On September 28, 2018 the Extraordinary General Meeting of the Shareholders of Karolou S.A decided on its share capital increase by the amount of €231 with the issuance of 23,050 new ordinary common shares with a par value of €10 and issue price of €20 each.
(2) This subsidiary was incorporated on November 10, 2017, for the acquisition of properties. As of September 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 September 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. On July 27, 2018, the Extraordinary General Meeting of the Shareholders of Lasmane properties Ltd. approved its share capital increase by the amount of €50 with the issuance of 50,000 ordinary common shares with a par value of €1 each.
(5) On May 21, 2018 the Board of Directors of Quadratix Ltd. resolved on the reduction of its share premium account with a refund of €14,300 to the Company.

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 September 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:

- Lease incentives under certain lease agreements amounted to €8,934 and €8,328 for the Group and the Company, respectively, as of September 30, 2018 (December 31, 2017: €7,643 and €7,292 for the Group and the Company, respectively). The accounting treatment of these incentives, according to the relevant accounting standards, provides for their partial amortization over the life of each lease. It is noted that amounts of €7,643 and €7,292 for the Group and the Company respectively, were reclassified from trade and other assets to other long-term assets in the statements of financial position of the Group and the Company as of December 31, 2017, in order to be comparable with the statements of financial position as of September 30, 2018 (Note 9).
- The prepayment of €2,611 for the acquisition of three warehouses under development with modern specifications in Aspropyrgos, Attica, and
- The prepayment of €381 for the acquisition of a commercial property of high visibility, of a total area of 563 sq.m., which is located at 51 Ermou str., Athens,
- The prepayment of €840 for the acquisition of a land plot of a total area of 5.2 thousand sq.m., which is located in Maroussi, Attica.,
- The prepayment of €126 for the acquisition of a property of total area of 4.3 thousand sq.m., which is located in Thessaloniki.

as described in Note 5 above and in Note 22 below.

All amounts expressed in € thousand, unless otherwise stated

NOTE 9: Trade and Other Assets

	Group		Company	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Trade receivables	7,565	7,717	4,477	4,934
Trade receivables from related parties (Note 21)	2	2	2	2
Receivables from Greek State	8,184	8,179	8,181	8,179
Prepaid expenses	2,435	414	2,334	372
Preliminary dividend paid	-	22,995	-	22,995
Other receivables	5,128	9,974	4,996	9,821
Other receivables from related parties (Note 21)	1,024	1,007	995	1,502
Total	**24,338**	**50,288**	**20,985**	**47,805**

It is noted that amounts of €7,643 and €7,292 for the Group and the Company respectively, were reclassified from trade and other assets to other long-term assets in the statements of financial position of the Group and the Company as of December 31, 2017, in order to be comparable with the statements of financial position as of September 30, 2018 (Note 8).

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 September 30, 2018 and January 1, 2018 is presented below:

Group				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 30.09.2018	11,195	1,060	646	**12,901**
ECL allowance	(37)	-	(349)	**(386)**
Net carrying amount 30.09.2018	**11,158**	**1,060**	**297**	**12,515**
Non-financial assets 30.09.2018				11,823
Total Trade and other assets 30.09.2018				**24,338**

Company				
Financial assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 30.09.2018	8,164	985	589	**9,738**
ECL allowance	(37)	-	(316)	**(353)**
Net carrying amount 30.09.2018	**8,127**	**985**	**273**	**9,385**
Non-financial assets 30.09.2018				11,600
Total Trade and other assets 30.09.2018				**20,985**

Group				
Total Trade and other assets 31.12.2017				**50,288**
Adjustment due to adoption of IFRS 9 (Note 23)				(234)
Total Trade and other assets 01.01.2018				**50,054**
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				32,953
Total Trade and other assets 01.01.2018				**50,054**

All amounts expressed in € thousand, unless otherwise stated

Company				
Total Trade and other assets 31.12.2017				**47,805**
Adjustment due to adoption of IFRS 9 (Note 23)				(243)
Total Trade and other assets 01.01.2018				**47,562**
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				32,624
Total Trade and other assets 01.01.2018				**47,562**

The Group's and the Company's trade receivables as at September 30, 2018 include an amount of €92 (December 31, 2017: €83 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**	
	30.09.2018	**31.12.2017**	**30.09.2018**	**31.12.2017**
Receivables from Italian State	73	105	-	-
Pledged deposits	3,009	3,007	3,009	3,007
Other	2,046	6,862	1,987	6,814
Total	**5,128**	**9,974**	**4,996**	**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	
	30.09.2018	**31.12.2017**	**30.09.2018**	**31.12.2017**
Cash in hand	1	-	1	-
Sight and time deposits	64,129	49,335	51,604	36,308
Total	**64,130**	**49,335**	**51,605**	**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 & September 30, 2018	**255,494,534**	**766,484**	**15,890**	**15,970**

As of September 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	
	30.09.2018	**31.12.2017**	**30.09.2018**	**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	154	26	47	47
Total	**342,136**	**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 thousand 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.

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, amounted to €105,430 as of September 30, 2018, the Group has entered into interest rate swaps for hedging the Group's exposure to variations in variable rate.

All amounts expressed in € thousand, unless otherwise stated

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.

	Group		Company	
	30.09.2018	**31.12.2017**	**30.09.2018**	**31.12.2017**
Long term				
Bond loans	55,820	234,979	55,820	234,979
Other borrowed funds	18,991	109,689	-	-
Long term borrowings	**74,811**	**344,668**	**55,820**	**234,979**
Short term				
Bond loans	241,902	49,056	241,902	49,056
Other borrowed funds	157,878	53,156	50,582	50,581
Short term borrowings	**399,780**	**102,212**	**292,484**	**99,637**
Total	**474,591**	**446,880**	**348,304**	**334,616**

The increase of the Group's short term borrowings as of September 30, 2018 in comparison to December 31, 2017 is mainly due to the fact that:

- Group's loans totally amounted to €104,030 as of December 31, 2017 were reclassified from non-current liabilities to current liabilities since they 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, will proceed to the extension of these loans for an additional two year period, and
- Company's loan amounted to €234,979 as of December 31, 2017 was reclassified from non-current liabilities to current liabilities since it is repayable on July 15, 2019. The Company, based on its strong financial position and solvency, assesses a variety of funding sources in international and domestic financial markets in order to secure the necessary funds for the timely financing of the loan.

As of September 30, 2018, short-term borrowings of the Group and the Company include an amount of €2,262 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 €1,564 for the Group and €582 for the Company, which relate to accrued interest expense on other borrowed funds (December 31, 2017: €866 and €581, respectively).

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

	Group		Company	
	30.09.2018	**31.12.2017**	**30.09.2018**	**31.12.2017**
Up to 1 year	399,780	102,212	292,484	99,637
From 1 to 5 years	59,142	339,567	55,820	234,979
More than 5 years	15,669	5,101	-	-
Total	**474,591**	**446,880**	**348,304**	**334,616**

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

All amounts expressed in € thousand, unless otherwise stated

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 owner-occupied 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.

- 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 September 30, 2018 amounted to €60,000. 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 September 30, 2018 amounted to €95,880. 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 September 30, 2018 amounted to €9,550. 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 September 30, 2018 amounted to €14,500.

NOTE 14: Trade and Other Payables

The analysis of trade and other receivables is as follows:

	Group		Company	
	30.09.2018	**31.12.2017**	**30.09.2018**	**31.12.2017**
Trade payables	5,355	674	4,997	235
Amounts due to related parties (Note 21)	301	468	298	466
Taxes – levies	14,698	7,172	11,821	4,756
Deferred revenues	5,310	5,195	2,962	2,921
Other payables and accrued expenses	475	341	423	282
Other payables and accrued expenses due to related parties (Note 21)	375	602	432	602
Total	**26,514**	**14,452**	**20,933**	**9,262**

It is noted that as of September 30, 2018, trade payables include an amount of €3,640 related to the acquisition of Lasmane Properties Ltd. The acquisition price was determined at €11,200, out of which an amount of €7,560 was paid in cash and an amount of €3,640 will be paid once specific conditions are fulfilled.

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

All amounts expressed in € thousand, unless otherwise stated

The analysis of taxes – levies is as follows:

	Group		Company	
	30.09.2018	**31.12.2017**	**30.09.2018**	**31.12.2017**
Stamp duty on leases	3,469	2,627	3,469	2,627
Unified Property Tax (ENFIA)	5,959	6	5,934	-
Foreign real estate tax	2,689	2,203	-	-
Other	2,581	2,336	2,418	2,129
Total	**14,698**	**7,172**	**11,821**	**4,756**

The category "Other" of the item "Taxes-levies" as of September 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 September 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.

NOTE 16: Property taxes – levies

For the nine-month period ended September 30, 2018 property taxes and levies amounted to €6,892 and €5,683 for the Group and the Company, respectively (nine-month period ended September 30, 2017: €6,610 and €5,352 respectively) and includes Unified Property Tax (ENFIA) of €5,600 and €5,577 for the Group and the Company respectively (nine-month period ended September 30, 2017: €5,211 and €5,189 respectively). The increase of Unified Property Tax (ENFIA) is due to the properties acquired by the Company during 2017, 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	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
Interest Expense	14,306	14,347	11,473	11,826
Finance and Bank Charges (incl. amortization of discount)	2,001	1,984	1,510	1,529
Foreign Exchange Differences	9	89	3	-
Total	**16,316**	**16,420**	**12,986**	**13,355**

NOTE 18: Taxes

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
REICs' tax	8,742	8,327	8,717	8,303
Other tax	29	58	-	-
Deferred tax	65	8	-	-
Total	**8,836**	**8,393**	**8,717**	**8,303**

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. and Lasmane Properties 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 nine-month period ended September 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 September 30,	**2018**	**2017**	**2018**	**2017**
Profit attributable to equity shareholders	79,539	58,572	56,788	69,217
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	**0.31**	**0.23**	**0.22**	**0.27**

The dilutive Earnings per share are the same as the basic Earnings per share for the nine-month period ended September 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 September 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 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, 2013 and 2014 have been audited by the elected under C.L. 2190/1920 statutory auditor, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/2013 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 2013 – 2017 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 year 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.

Up until September 30, 2018, the tax authorities have not notified for any audit order of the Company and for the company KARELA S.A., which was absorbed by the Company, for the fiscal years 2010, 2011 and 2012. 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.

On September 30, 2018 Group’s capital expenditure relating to improvements on investment property amounted to €8,030 (not incl. VAT).

All amounts expressed in € thousand, unless otherwise stated

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 September 30, 2018, which would materially 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	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
Parent company	-	-	-	-
Other shareholders	1	1	1	1
Companies related to other shareholders	1	1	1	1
Total	**2**	**2**	**2**	**2**

	Group		Company	
Other receivables from related parties	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
Parent company	2	-	2	-
Picasso Fund, Company's subsidiary	-	-	-	150
KAROLOU S.A., Company's subsidiary	-	-	-	361
Pangaea UK Finco Plc., Company's subsidiary	-	-	3	-
Other shareholders	1,022	1,007	990	991
Total	**1,024**	**1,007**	**995**	**1.502**

All amounts expressed in € thousand, unless otherwise stated

	Group		Company	
Preliminary dividends	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
Parent company	-	7,509	-	7,509
Other shareholders	-	15,060	-	15,060
Total	**-**	**22,569**	**-**	**22,569**

	Group		Company	
Prepaid expenses	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
Hellenic National Insurance Company, a company of NBG Group	312	269	291	262
Total	**312**	**269**	**291**	**262**

	Group		Company	
Cash and cash equivalents	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
Parent company	16,972	10,566	16,876	10,477
NBG Cyprus, a company of NBG Group	1,061	1,042	-	-
Total	**18,033**	**11,608**	**16,876**	**10,477**

	Group		Company	
Other long-term assets	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
PNG Properties EAD, Company's subsidiary	-	-	10,074	9,784
Total	**-**	**-**	**10,074**	**9,784**

	Group		Company	
Amounts due to related parties	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
Parent company	71	319	71	319
Hellenic National Insurance Company, a company of NBG Group	224	145	221	143
Ethniki Leasing, a company of NBG Group	6	4	6	4
Total	**301**	**468**	**298**	**466**

	Group		Company	
Other Liabilities	**30.09.2018**	**31.12.2017**	**30.09.2018**	**31.12.2017**
Parent company	29	1	29	1
Hellenic National Insurance Company, a company of NBG Group	1	-	1	-
Pangaea UK Finco Plc., Company's subsidiary	-	-	57	-
Companies related to other shareholders	323	598	323	598
Total	**353**	**599**	**410**	**599**

All amounts expressed in € thousand, unless otherwise stated

ii. Rental income

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Parent company	50,135	50,823	50,135	50,823
National Insurance Brokers, a company NBG Group [1]	-	2	-	2
Other shareholders	2	2	2	2
Companies related to other shareholders	2	2	2	2
Total	**50,139**	**50,829**	**50,139**	**50,829**

iii. Other direct property related expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Hellenic National Insurance Company, a company of NBG Group	399	346	378	332
Companies related to other shareholders	1,229	1,130	1,229	1,130
Total	**1,628**	**1,476**	**1,607**	**1,462**

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

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Parent company	-	165	-	165
Total	**-**	**165**	**-**	**165**

v. Personnel Expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Hellenic National Insurance Company, a company of NBG Group	25	26	25	26
Total	**25**	**26**	**25**	**26**

vi. Other income

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Picasso Fund, Company's subsidiary	-	-	5,874	6,769
Hellenic National Insurance Company, a company of NBG Group	-	1	-	1
Total	**-**	**1**	**5,874**	**6,770**

vii. Other expenses

	Group		Company	
	From 01.01. to		From 01.01. to	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Parent company	87	42	87	42
Ethniki Leasing, a company of NBG Group	38	35	38	35
Total	**125**	**77**	**125**	**77**

[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

viii. Interest income

	Group From 01.01. to		Company From 01.01. to	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
Parent company	15	22	15	22
NBG Cyprus, a company of NBG Group	-	-	296	-
Total	**15**	**22**	**311**	**22**

ix. Finance costs

	Group From 01.01. to		Company From 01.01. to	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
Parent company	9	509	9	509
NBG Cyprus, a company of NBG Group	-	3	-	-
Total	**9**	**512**	**9**	**509**

x. Due to key management

	Group		Company	
	30.09.2018	**31.12.2017**	**30.09.2018**	**31.12.2017**
BoD, its committees and Senior Management compensation	17	-	17	-
Other liabilities to BoD its committees and Senior Management-	5	3	5	3
Retirement benefit obligations	16	14	16	14
Total	**38**	**17**	**38**	**17**

xi. Key management compensation

	Group From 01.01. to		Company From 01.01. to	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
BoD, its committees and Senior Management compensation	1,188	1,109	1,186	1,109
Total	**1,188**	**1,109**	**1,186**	**1,109**

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. Management does not expect to incur any financial losses by the subsidiary's loan.

NOTE 22: Events after the Date of Financial Statements

On November 19, 2018, the Company signed an agreement with Bank of Cyprus Public Company Limited for the acquisition of a portfolio of properties in Cyprus and Greece as follows:

1) Acquisition of 100% of the management shares and 88.2% of the investment shares of CYREIT Variable Investment Company PLC (“CYREIT”) based in Cyprus, and
2) Acquisition of two adjacent commercial properties in Athens, one with a total area of approximately 6.9 thousand sq.m. located at Syggrou Avenue and Lagoumitzi street and the other with a total area of approximately 2 thousand sq.m. located at Evridamantos and Lagoumitzi streets.

The final consideration will be determined on the date of the transfer of CYREIT’S shares taking into account the financial position of CYREIT on that date and it is estimated to be in the range of €149,356. The Company has already paid an amount of €1,000 as prepayment. CYREIC owns, through its subsidiaries, 21 commercial properties with a total gross area of more than 120 thousand sq.m. in Cyprus (Nicosia, Limassol, Larnaca and Paphos). The signing of the final agreement is subject to customary conditions precedents, e.g., indicatively, obtaining approval from the competent supervisory authorities of Cyprus, completing the process of financing part of the transaction, confirming the fulfillment of prerequisites with regard to the properties and CYREIT and concluding the legal and technical due diligence of the properties in Greece.

On November 7, 2018 the Company signed an agreement for the acquisition of 100% of the shares of the company I&B Real Estate AD, in Bulgaria. The company owns a fully let office building with a total area of approximately 54 thousand sq.m. in Sofia. The final consideration will be determined on the date of the transfer of I&B Real Estate AD shares taking into account the financial position of I&B Real Estate AD on that date and it is estimated to be in the range of €40,000. The Company has already paid an amount of €5,000 as prepayment and the transaction is expected to be completed within 2018 subject to certain prior approvals.

On November 2, 2018 the Company entered into an agreement for a bridge loan up to the amount of €55,000 with Piraeus Bank S.A., bearing interest of 3-month Euribor plus a margin of 3.25%.

On November 2, 2018, the Company concluded on the acquisition of a commercial property of high visibility, of a total area of 563 sq.m., which is located at 51 Ermou str., Athens. The final consideration for the acquisition amounted to €4,285. From this amount the Company had paid a total amount of €381 as prepayment (Note 8).

On October 30, 2018 the newly established company ANAPTIXI FRAGOKKLISIA REAL ESTATE S.A., subsidiary of the Company, acquired a land plot which is located at Fragkokklisias str. for which the Company had signed a preliminary agreement (Note 5). The total area of the land plot is 5.2 thousand sq.m.. The total consideration for the acquisition amounted to €4.200 out of which the Company had paid an amount of €840 as prepayment (Note 8).

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.

All amounts expressed in € thousand, unless otherwise stated

	Group			Company		
	01.01.2018 As adjusted (IFRS 9)	31.12.2017 (IAS 39)	IFRS 9 Impact	01.01.2018 As adjusted (IFRS 9)	31.12.2017 (IAS 39)	IFRS 9 Impact
ASSETS						
Non-current assets						
Other long-term assets	16,731	16,731	-	17,093	17,099	(6)
Total Non- current assets	**1,599,621**	**1,599,621**	**-**	**1,508,038**	**1,508,044**	**(6)**
Current assets						
Trade and other assets	50,054	50,288	(234)	47,562	47,805	(243)
Total current assets	**99,389**	**99,623**	**(234)**	**83,870**	**84,113**	**(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)**