



Grivalia Properties REIC

CONDENSED CONSOLIDATED AND COMPANY INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2017

This financial report has been translated from the original report that has been prepared in the Greek language. Reasonable care has been taken to ensure that this report represents an accurate translation of the original text. In the event that differences exist between this translation and the original Greek language financial report, the Greek language financial report will prevail over this document.

Table of Contents	page
CONSOLIDATED AND COMPANY BALANCE SHEET	3
CONSOLIDATED AND COMPANY INCOME STATEMENT.....	4
CONSOLIDATED AND COMPANY STATEMENT OF COMPREHENSIVE INCOME.....	5
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	6
COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.....	7
CONSOLIDATED AND COMPANY CASH FLOW STATEMENT	8
1 GENERAL INFORMATION.....	9
2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	9
3 ACCOUNTING POLICIES	9
4 SEGMENT ANALYSIS	10
5 INVESTMENT PROPERTY	11
6 INVESTMENT IN SUBSIDIARIES.....	14
7 PARTICIPATION IN ASSOCIATES AND JOINT VENTURES	14
8 OTHER LONG TERM RECEIVABLES	14
9 TRADE AND OTHER RECEIVABLES.....	15
10 CASH AND CASH EQUIVALENTS	15
11 SHAREHOLDERS' EQUITY	16
12 BORROWINGS INCLUDING OBLIGATIONS UNDER FINANCE LEASES	17
13 TRADE AND OTHER PAYABLES.....	18
14 PROPERTY TAXES.....	19
15 OTHER INCOME	19
16 TAXES	19
17 DIVIDENDS PER SHARE	20
18 EARNINGS PER SHARE.....	20
19 CONTINGENT LIABILITIES.....	20
20 CAPITAL EXPENDITURES.....	20
21 RELATED PARTY TRANSACTIONS	21
22 EVENTS AFTER THE BALANCE SHEET DATE.....	25

Consolidated and Company Balance Sheet

		Group		Company	
	Note	31/03/2017	31/12/2016	31/03/2017	31/12/2016
ASSETS					
Non-current assets					
Investment property	5	869.760	849.978	716.780	696.998
Property, plant and equipment		3.815	3.729	3.388	3.296
Intangible Assets		345	347	4	5
Investment in subsidiaries	6	-	-	94.374	96.374
Investment in associates and joint ventures	7	33.466	3.232	32.047	2.250
Deferred tax asset		252	252	-	-
Other long term receivables	8	3.526	3.455	10.922	10.873
		911.164	860.993	857.515	809.796
Current assets					
Trade and other receivables	9	14.273	10.404	15.933	8.765
Cash and cash equivalents	10	93.710	61.917	86.118	54.789
		107.983	72.321	102.051	63.554
TOTAL ASSETS		1.019.147	933.314	959.566	873.350
SHAREHOLDERS' EQUITY AND LIABILITIES					
Capital and reserves					
Share Capital	11	215.684	215.684	215.684	215.684
Share premium	11	571.234	571.234	571.234	571.234
Own shares	11	(25.964)	(25.957)	(25.964)	(25.957)
Share based payment reserve	11	4.038	3.682	4.038	3.682
Other reserves	11	12.761	12.596	11.817	11.830
Retained earnings	11	79.433	85.886	48.114	54.281
Total shareholders' equity		857.186	863.125	824.923	830.754
Non-current liabilities					
Borrowings, including finance leases	12	117.990	43.460	95.915	21.095
Tenant deposits		3.314	3.279	3.314	3.279
Other non-current liabilities		196	223	196	223
		121.500	46.962	99.425	24.597
Current liabilities					
Trade and other payables	13	8.409	9.785	7.427	8.699
Dividends payable		18.528	40	18.528	40
Current tax liabilities		4.789	4.486	4.224	4.045
Borrowings, including finance leases	12	8.592	8.783	4.896	5.082
Tenant deposits		143	133	143	133
		40.461	23.227	35.218	17.999
Total liabilities		161.961	70.189	134.643	42.596
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1.019.147	933.314	959.566	873.350

Consolidated and Company Income Statement

	Note	Group		Company	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
Revenue					
Rental income		16.030	15.434	13.144	12.612
		16.030	15.434	13.144	12.612
Net gain/(loss) from fair value adjustments on investment property	5	1.015	(577)	1.015	(577)
Other direct property relating expenses		(402)	(424)	(368)	(399)
Property taxes	14	(1.407)	(1.137)	(1.170)	(882)
Company Social Responsibility		(50)	(50)	(50)	(50)
Employee benefit expense- BoD		(822)	(927)	(712)	(917)
Depreciation of assets		(30)	(29)	(24)	(23)
Other income	15	-	5	3.400	5.097
Other expenses		(397)	(958)	(789)	(814)
Operating profit		13.937	11.337	14.446	14.047
Finance income		192	58	298	169
Finance costs		(826)	(406)	(644)	(186)
Gain/ (loss) from loss of control in subsidiary	7	253	-	(253)	-
Share of net profit of investments accounted for using the equity method		(70)	-	-	-
Profit before tax		13.486	10.989	13.847	14.030
Taxes	16	(1.775)	(418)	(1.526)	(234)
Profit for the period		11.711	10.570	12.321	13.796
Earnings per share (expressed in € per share)					
- Basic and Diluted	18	0,12	0,11		

Consolidated and Company Statement of Comprehensive Income

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Profit for the period	11.711	10.570	12.321	13.796
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Exchange rate differences transferred to income/ (loss) after taxes	(1)	(9)	-	-
Items that will not be reclassified to profit or loss				
Actuarial (losses) on post employment benefit obligations net of tax	(13)	-	(13)	-
Total comprehensive (loss) after taxes	(14)	(9)	(13)	-
Total comprehensive income after taxes for the period	11.697	10.561	12.308	13.796
Total comprehensive income for the period attributable to:				
- Shareholders (Owners of the parent)	11.697	10.561	12.308	13.796
- Minority interest	-	-	-	-
Total comprehensive income after taxes for the period	11.697	10.561	12.308	13.796

Consolidated Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2016		215.684	571.234	(12.493)	2.430	12.532	90.417	879.804
Profit for the period		-	-	-	-	-	10.570	10.570
Foreign exchange differences		-	-	-	-	(9)	-	(9)
Total comprehensive income for the period		-	-	-	-	(9)	10.570	10.561
Transactions with shareholders:								
Acquisition of own shares		-	-	(5.598)	-	-	-	(5.598)
Equity settled share based payments		-	-	-	534	-	-	534
Dividend relating to 2015 approved by the shareholders		-	-	-	-	-	(30.884)	(30.884)
Balance March 31, 2016		215.684	571.234	(18.091)	2.964	12.523	70.103	854.417
Balance January 01, 2017		215.684	571.234	(25.957)	3.682	12.596	85.886	863.125
Profit for the period		-	-	-	-	-	11.711	11.711
Foreign exchange differences		-	-	-	-	(1)	-	(1)
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(13)	-	(13)
Total comprehensive income for the period		-	-	-	-	(14)	11.711	11.697
Transactions with shareholders:								
Acquisition of own shares	11	-	-	(7)	-	-	-	(7)
Change in the percentage of ownership in a subsidiary		-	-	-	-	-	503	503
Formation of statutory reserve of local subsidiary		-	-	-	-	179	(179)	-
Equity settled share based payments	11	-	-	-	356	-	-	356
Dividend relating to 2016 approved by the shareholders	17	-	-	-	-	-	(18.488)	(18.488)
Balance March 31, 2017		215.684	571.234	(25.964)	4.038	12.761	79.433	857.186

Company Statement of Changes in Shareholders' Equity

	Note	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2016		215.684	571.234	(12.493)	2.430	11.903	62.394	851.152
Profit for the period		-	-	-	-	-	13.796	13.796
Foreign exchange differences		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	13.796	13.796
Transactions with shareholders:								
Acquisition of own shares		-	-	(5.598)	-	-	-	(5.598)
Equity settled share based payments		-	-	-	534	-	-	534
Dividend relating to 2015 approved by the shareholders		-	-	-	-	-	(30.884)	(30.884)
Balance March 31, 2016		215.684	571.234	(18.091)	2.964	11.903	45.306	829.000
Balance January 01, 2017		215.684	571.234	(25.957)	3.682	11.830	54.281	830.754
Profit for the period		-	-	-	-	-	12.321	12.321
Actuarial (losses) on post employment benefit obligations net of tax		-	-	-	-	(13)	-	(13)
Total comprehensive income for the period		-	-	-	-	(13)	12.321	12.308
Transactions with shareholders:								
Acquisition of own shares	11	-	-	(7)	-	-	-	(7)
Equity settled share based payments	11	-	-	-	356	-	-	356
Dividend relating to 2016 approved by the shareholders	17	-	-	-	-	-	(18.488)	(18.488)
Balance March 31, 2017		215.684	571.234	(25.964)	4.038	11.817	48.114	824.923

Consolidated and Company Cash Flow Statement

		Group		Company	
		01/01 - 31/03/2017	01/01 - 31/03/2016	01/01 - 31/03/2017	01/01 - 31/03/2016
Note					
Cash flows from operating activities					
		11.711	10.570	12.321	13.796
		-	(8)	-	(5.097)
		26	724	533	759
		(192)	(58)	(298)	(169)
		826	406	644	186
	16	1.775	418	1.526	234
		(1.015)	577	(1.015)	577
		30	29	24	23
Changes in working capital:					
		(4.300)	(694)	(6.398)	(224)
		1.064	(2.717)	325	(3.146)
		9.925	9.247	7.662	6.939
		(1.421)	(401)	(1.233)	(178)
		(3.744)	(1.065)	(3.172)	(507)
		4.760	7.781	3.257	6.254
Cash flows from investing activities					
		(28.050)	-	(28.050)	-
		(563)	(194)	(563)	(194)
		(18.729)	(11.352)	(18.729)	(11.352)
		(142)	(95)	(142)	(95)
		231	65	340	51
		(47.253)	(11.576)	(47.144)	(11.590)
Cash flows from financing activities					
		(7)	(5.334)	(7)	(5.334)
	12	75.750	-	75.750	-
		(528)	(537)	(240)	(240)
		(287)	(1.657)	(287)	(1.657)
		-	(30.884)	-	(30.884)
		74.928	(38.412)	75.216	(38.115)
Net increase/ (decrease) in cash and cash equivalents for the period					
		32.435	(42.207)	31.329	(43.451)
	10	61.917	111.755	54.789	92.020
		(643)	-	-	-
		1	9	-	-
	10	93.710	69.557	86.118	48.569

Notes to Consolidated and Company Financial Statements

1 General information

The present Condensed Consolidated and Company Interim Financial Statements include the financial statements of Grivalia Properties Real Estate Investment Company (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the period ended March 31, 2017.

The Company and the Group is an investment property group with a majority of its portfolio located in Greece and in Central Eastern Europe. Its business is leasing out investment property under operating leases and is classified as a real estate investment company under Greek Law 2778/1999 with effect from September 29, 2005. Furthermore, pursuant to the decision 7/708/17.03.2015 of the Board of Directors of the Hellenic Capital Markets Commission, the Company has been licenced as an Alternative Investment Fund with internal management pursuant to article 6 and paragraphs 1 & 5 of article 53 of Law 4209/2013 as currently in force.

The Company is incorporated and domiciled in Maroussi, Greece. The address of its registered office is 117 Kifisias Avenue & Ag. Konstantinou, Maroussi, Greece (General Comm. Registry 000239101000) and is listed in the Athens Stock Exchange.

The total number of employees of the Company and the Group as at March 31, 2017 was 29 and 32 respectively (31.03.2016: 28 and 31 respectively).

These Condensed Consolidated and Company Interim Financial Statements (the “Financial Statements”) have been approved for issue by the Board of Directors on May 22, 2017.

2 Summary of significant accounting policies

These Condensed Consolidated and Company Interim Financial Statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Group’s annual financial statements as at December 31, 2016.

3 Accounting Policies

The accounting policies adopted in the preparation of the Condensed Consolidated and Company Interim Financial Statements for the three month period ended March 31, 2017 are consistent with those followed in the preparation of Group’s annual financial statements for the year ended December 31, 2016.

Rental Income is not subject to seasonality.

Amendments to standards and new interpretations adopted by the Group

There are no new standards, amendments to standards and interpretations issued by the International Accounting Standard Board (IASB) and endorsed by the European Union (EU) applicable to the Group from January 01, 2017.

Notes to Consolidated and Company Financial Statements

4 Segment analysis

A) Group's Operating segments

For the period ended March 31, 2017:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	5.863	1.182	5.177	2.757	1.075	16.054
(Expenses) from service charges	(23)			(1)		(24)
Total	5.840	1.182	5.177	2.756	1.075	16.030
RESULTS						
Net gain from fair value adjustments on investment property	-	-	807	208	-	1.015
Other direct property relating expenses	(148)	(33)	(109)	(82)	(30)	(402)
Property taxes	(511)	(105)	(452)	(243)	(96)	(1.407)
Finance costs	(788)	(19)	(1)	(18)	-	(826)
Profit relating to investment property	4.393	1.025	5.422	2.621	949	14.410
Reconciliation of net profit for the period:						
Profit relating to investment property						14.410
Finance income						192
Other expenses						(1.369)
Gain from loss of control in subsidiary						253
Taxes						1.775
Net profit for the period						11.711

For the period ended March 31, 2016:

	Offices	Logistics	Retail	Mixed use	Special use	Total
REVENUE						
Rental revenue	5.788	1.123	4.882	2.477	1.180	15.450
(Expenses) from service charges	(15)	-	-	(1)	-	(16)
Total	5.773	1.123	4.882	2.476	1.180	15.434
RESULTS						
Net (loss) from fair value adjustments on investment property	-	-	-	(577)	-	(577)
Other direct property relating expenses	(161)	(36)	(111)	(79)	(37)	(424)
Property taxes	(413)	(79)	(387)	(186)	(72)	(1.137)
Finance costs	(379)	(7)	-	(20)	-	(406)
Profit relating to investment property	4.820	1.001	4.384	1.614	1.071	12.890
Reconciliation of net profit for the period:						
Profit relating to investment property						12.890
Finance income						58
Other expenses						(1.965)
Other income						5
Taxes						(418)
Net profit for the period						10.570

Notes to Consolidated and Company Financial Statements

B) Group's Geographical segments

For the period ended March 31, 2017:

	Revenue	Non-current assets
Greece	14.622	821.608
Romania	1.220	75.543
Serbia	188	13.761
	16.030	910.912

For the period ended March 31, 2016:

	Revenue	Non-current assets
Greece	13.999	754.342
Romania	1.223	75.565
Serbia	212	13.723
	15.434	843.630

5 Investment Property

	Group	
	31/03/2017	31/12/2016
Balance at the beginning of the period	849.978	825.598
Additions:		
Acquisition of investment property	18.767	32.850
Subsequent capital expenditure on investment property	-	5.123
Net gain/(loss) from fair value adjustments on investment property	1.015	(13.593)
Balance at the end of the period	869.760	849.978

	Company	
	31/03/2017	31/12/2016
Balance at the beginning of the period	696.998	673.347
Additions:		
Acquisition of investment property	18.767	32.850
Subsequent capital expenditure on investment property	-	5.123
Net gain/(loss) from fair value adjustments on investment property	1.015	(14.322)
Balance at the end of the period	716.780	696.998

On February 10, 2017 the Company, completed the acquisition of two commercial assets, located in 340, Syngrou Avenue in Kallithea & 49, Kifissias Avenue in Maroussi, Attica. More specifically, the company acquired:

Notes to Consolidated and Company Financial Statements

- 50% of an undivided interest over the property located in 340, Syngrou Avenue in Kallithea. It is a contemporary mixed-use, multi-storey building with excellent promotion. The total area is approximately 31,100sqm, of which 13,950sqm are office & retail areas and 17,150sqm comprise 400 parking spaces on four underground levels and other auxiliary & common areas. The asset is partially leased to a prominent multinational electrical & electronic equipment chain.

- Part of a commercial asset located in 49, Kifissias Avenue and Ziridi Str. in Maroussi. It consists of horizontal properties – ground floor retail units with a total area of 1,116sqm, plus 1,300sqm of underground main & auxiliary use areas, 5,734sqm of 503 parking spaces, and additional common areas on two underground levels. The asset is partially leased to a prominent multinational electrical & electronic equipment chain.

The acquisition price paid amounted to €18.479 (excluding acquisition costs amounting to €288).

Group's investment property is measured at fair value. The following table analyses Group's investment property per operating and geographical segment:

Country	Greece	Greece	Greece	Greece	Greece	Romania	Romania	Serbia	Serbia	31.03.2017	31.12.2016
Segment	Offices	Logistics	Retail	Mixed use	Special use	Retail	Offices	Mixed use	Retail	Total	Total
Fair value hierarchy	3	3	3	3	3	3	3	3	3		
Fair value at the beginning	262.886	52.487	241.570	157.339	47.403	10.950	63.668	12.512	1.163	849.978	825.598
Additions:											
-Acquisition of investment property			5.379	13.388						18.767	32.850
-Subsequent capital expenditure on investment property										-	5.123
Net gain from fair value adjustments on investment property			807	208						1.015	(13.593)
	262.886	52.487	247.756	170.935	47.403	10.950	63.668	12.512	1.163	869.760	849.978

Notes to Consolidated and Company Financial Statements

Information about the fair value measurements of the investment property per operating and geographical segment:

Country	Segment	Fair Value	Valuation technique	Monthly Rent	Discount rate (%)
Greece	Offices	262.886	80% discounted cash flows (DCF) & 20% sales comparison or income method	1.870	9,25% -13,27%
Greece	Logistics	52.487	80% discounted cash flows (DCF) & 20% sales comparison or sales comparison	379	10,75% -11,5%
Greece	Retail	247.756	80% discounted cash flows (DCF) & 20% sales comparison	1.780	9% -11%
Greece	Mixed use	170.935	80% discounted cash flows (DCF) & 20% sales comparison	1.158	9% -10,2%
Greece	Special use	47.403	80% discounted cash flows (DCF) & 20% income method	405	12,10% - 12,87%
Romania	Retail	10.950	80% discounted cash flows (DCF) & 20% sales comparison	72	10%
Romania	Offices	63.668	80% discounted cash flows (DCF) & 20% sales comparison	412	10%-10,7%
Serbia	Mixed use	12.512	80% discounted cash flows (DCF) & 20% sales comparison	95	10,7%
Serbia	Retail	1.163	80% discounted cash flows (DCF) & 20% sales comparison	8	11,2%
	Σύνολο	869.760			

Company's investment property valuation is performed taking into consideration the high and best use (HABU) of each asset wherever possible, legally permissible and financially possible. This valuation is based on physical characteristics of each asset, the allowed usage and the opportunity cost of each investment.

The net carrying amount of investment property held under finance leases as at 31.03.2017 amounts to €15.325 (31.12.2016: €15.325).

In accordance with existing Greek REIC legislation, property valuations are mandatory performed twice per year on June 30 and December 31 by independent valuers. Valuations are based on two methods according to valuation standards, and for this portfolio the comparative or income method in conjunction with the method of discounted cash flow method are used. It is noted that the income method has been used only for the 14 assets leased to the Hellenic Republic.

Investment properties have been pledged for finance leases and bank borrowings in the event of a default (please refer to note 12).

Notes to Consolidated and Company Financial Statements

6 Investment in Subsidiaries

	Country of incorporation	Percentage of interest	31/03/2017	31/12/2016	Unaudited tax fiscal years
Reco Real Property A.D.	Serbia	100%	17.240	17.240	2011-2016
Eliade Tower S.A.	Romania	99,99%	9.037	9.037	2011-2016
Retail Development S.A.	Romania	99,99%	4.561	4.561	2011-2016
Seferco Development S.A.	Romania	99,99%	21.486	21.486	2011-2016
Cloud Hellas Ktimatiki S.A.	Greece	100%	42.000	42.000	2010, 2016
Grivalia Hospitality S.A.	Luxembourg	100%	-	2.000	2015-2016
Grivalia New Europe S.A.	Luxembourg	100%	50	50	2015-2016
			94.374	96.374	

7 Participation in associates and joint ventures

On February 17, 2017, following a relative agreement between the Company, sole shareholder, and Eurolife Life Insurance Limited, a share capital increase in Grivalia Hospitality of €58.000 was concluded, of which €28.000 were covered by the Company and € 30.000 from Eurolife.

Following the above increase, the share capital of Grivalia Hospitality amounted to €60.000 paid equally by both shareholders. Furthermore, on the same day, a relative agreement between the two shareholders was signed, which provides for all important decisions by consensus. As a result the Company lost the control of the subsidiary. The Company now owns 50% of Grivalia Hospitality which is consolidated as a joint venture through the equity method.

The loss of control of the subsidiary resulted in a loss of €253 for the Company and a profit of €253 at Group level.

8 Other long term receivables

“Other long term receivables” for the period ended March 31, 2017, includes a shareholders loan of €8.070 (31.12.2016: €8.070) receivable from the foreign subsidiary Retail Development S.A.. Furthermore, the said item includes accrual requirement amount of rent €2.732 (31.12.2016: €2.803). Intra-group loan is interest-bearing and interest is recognized in financial income.

Group’s “Other long term receivables” for the period ended March 31, 2017, includes accrued rental receivable of €3.406 (31.12.2016: €3.455).

Notes to Consolidated and Company Financial Statements

9 Trade and other receivables

The analysis of trade and other receivables is as follows:

	Note	Group		Company	
		31/03/2017	31/12/2016	31/03/2017	31/12/2016
Trade receivables		11.432	7.189	10.386	6.808
Receivables from related parties	21	313	226	3.579	215
Other receivables		2.528	2.989	1.968	1.742
Trade and other receivables		14.273	10.404	15.933	8.765

Trade receivables of the Company and the Group as at March 31, 2017, increased mainly due to the delayed rental payment from the Greek Public Sector.

The Group's trade receivables as at March 31, 2017, include provisions for bad debts amounting to €2.129 (31.12.2016: €3.146), of which an amount of €1.017 was reversed during the period for receivables from the companies Marinopoulos SA General Trade and Marinopoulos Brothers Holdings for four commercial real estate leases.

As at March 31, 2017, the Company and Group's other receivables mainly included post-dated cheques.

The ageing analysis of trade receivables is as follows:

	Group		Company	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Trade receivables				
Due within due date	4.479	3.515	4.211	3.317
Past due but not impaired:				
- 4 to 6 months	6.954	3.674	6.174	3.491
- over 6 months	-	-	-	-
Doubtful debts	2.129	3.146	1.662	2.228
Less: Provision for doubtful debts past due	(2.129)	(3.146)	(1.662)	(2.228)
	11.432	7.189	10.386	6.808

10 Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	Group		Company	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Cash in hand	2.926	994	1.275	482
Cash at bank and short-term deposits	90.784	60.923	84.843	54.307
Cash and cash equivalents	93.710	61.917	86.118	54.789

The Company can make use of its own funds freely as long as it upholds its articles of association and the limitations set by Law 2778/1999 as in force.

Notes to Consolidated and Company Financial Statements

11 Shareholders' Equity

Group's shareholder equity is analysed as follows:

	Number of shares (thousands)	Share capital	Share premium	Own shares	Share based payment reserve	Other reserves	Retained earnings	Total Equity
Balance January 01, 2016	99.095	215.684	571.234	(12.493)	2.430	12.532	90.417	879.804
Acquisition of own shares	(773)	-	-	(5.598)	-	-	-	(5.598)
Profit for the period	-	-	-	-	-	-	10.570	10.570
Foreign exchange differences	-	-	-	-	-	(9)	-	(9)
Equity settled share based payments	-	-	-	-	534	-	-	534
Dividend relating to 2015 approved by the shareholders	-	-	-	-	-	-	(30.884)	(30.884)
Balance March 31, 2016	98.322	215.684	571.234	(18.091)	2.964	12.523	70.103	854.417
Balance January 01, 2017	97.214	215.684	571.234	(25.957)	3.682	12.596	85.886	863.125
Acquisition of own shares	(1)	-	-	(7)	-	-	-	(7)
Profit for the period	-	-	-	-	-	-	11.711	11.711
Foreign exchange differences	-	-	-	-	-	(1)	-	(1)
Change in the percentage of ownership in a subsidiary	-	-	-	-	-	-	503	503
Actuarial (losses) on post employment benefit obligations net of tax	-	-	-	-	-	(13)	-	(13)
Formation of statutory reserve of local subsidiary	-	-	-	-	-	179	(179)	-
Equity settled share based payments	-	-	-	-	356	-	-	356
Dividend relating to 2016 approved by the shareholders	-	-	-	-	-	-	(18.488)	(18.488)
Balance March 31, 2017	97.213	215.684	571.234	(25.964)	4.038	12.761	79.433	857.186

The total authorised number of ordinary shares as at March, 31, 2017, is 101.260.000 (December 31, 2016 – 101.260.000) with a par value of (amount in €) €2,13 per share. All shares are fully paid up amounting to €215.684 and are listed on the main market of the Athens Stock Exchange. The Company's shares are ordinary shares with voting rights.

The Company's shareholder structure with stakes of over 5% as at March 31, 2017, is as follows:

•	Fairfax Financial Holdings Limited	41,50%
•	Eurobank Ergasias A.E.	20,00%
•	Wellington Management Company LLP	11,16%
•	Brandes Investment Partners	5,00%

The percentage (above) belonging to Fairfax Financial Holdings Limited includes Odyssey Reinsurance (a subsidiary of Fairfax Financial Holdings Limited) which directly owns 9.596.988 common shares amounting to 9,48% of the Company's Share Capital.

Note that the above percentages are in accordance with the TR1 disclosures notified by the above shareholders (for Eurobank Ergasias SA's announcement dated 04.08.2016 has also been taken into account).

The Company during the current period purchased 948 own shares of a total cost of €7 with an average price of (amount in €) €7,61 per share, according to the Extraordinary General Meeting of the Shareholders dated on July 30, 2015, which approved the purchase of own shares for an additional period of two years. The maximum number of treasury shares to be acquired approved to be up to 10% of Company's Share Capital, with a maximum purchase price of (amount in €) €10 per share and a minimum purchase price of (amount in €) €0,25 per share, in accordance with article 16 of Law 2190/1920 as in force.

As at March 31, 2017 the Company owned 4.046.489 own shares of a total cost of €27.806 with an average price of (amount in €) €6,87 per share. As at March 31, 2016 the Company owned 2.937.367 own shares of a total cost of €19.932 with an average price of (amount in €) €6.79 per share.

Notes to Consolidated and Company Financial Statements

Share based payment reserve

Share based payment reserve includes an amount of €4.038 relating to equity settled share based payments to key management, of which €274 was recognized as an expense in the account "Employee benefit expense- BoD" in the current period. The cost of these benefits is determined based on the fair value of these rights at the granting date and are recognized as an expense over the period between the granting and the maturity date with an equal increase in equity.

Additionally, this reserve includes an amount of €192 relating to additional benefits granted to key management of the Company in 2016, whose payment is deferred for three years.

Other reserves

Other reserves mainly include statutory reserves and special tax income reserves relating to gains from sale of not listed shares, of Immobiliare Rio Nuovo S.p.A in the year 2002.

12 Borrowings including obligations under finance leases

All borrowings are at variable interest rates. The Group takes an exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest costs may increase or decrease as a result of such fluctuations.

	Group		Company	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Non-current				
Bank borrowings	114.932	40.120	92.857	17.755
Finance lease liabilities	3.058	3.340	3.058	3.340
Non-current borrowings, including finance leases	117.990	43.460	95.915	21.095
Current				
Bank borrowings	7.454	7.640	3.758	3.939
Finance lease liabilities	1.138	1.143	1.138	1.143
Current borrowings, including finance leases	8.592	8.783	4.896	5.082
Total borrowings, including finance leases	126.582	52.243	100.811	26.177

The maturity of loans is as follows:

	Group		Company	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Up to 1 year	8.592	8.783	4.896	5.082
From 1 to 5 years	92.115	43.460	70.040	21.095
Over 5 years	25.875	-	25.875	-
	126.582	52.243	100.811	26.177

On March 09, 2017, an amount of € 32,000 was disbursed from the loan granted by the International Finance Corporation.

On March 14, 2017 the Company issued two common bond loans secured with pledges, of an amount of €50.000 and €10.000 respectively. Both bond loans were fully covered by Eurobank Ergasias (90%) and Eurobank Private Bank Luxembourg (10%). On March 15, 2017, an amount of €33.750 and an amount of €10.000 were disbursed respectively from the above two bond loans.

Notes to Consolidated and Company Financial Statements

The exposure of Group's borrowings to interest rate changes and the contractual reprising dates are limited to a maximum period of 6 months.

The fair value of current borrowings approximates their carrying amount on reporting dates, as the impact of discounting is not material. Fair values are based on discounted cash flows using a rate based on current variable interest rates.

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

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Three mortgages amounting to €4.660 have been registered in favor of Eurobank A.D. Serbia over a property belonging to the subsidiary Reco Real Property A.D. located at 7-9 Terazije Street, Belgrade, Serbia.

A mortgage of €22.000 has been registered in favor of Eurobank Ergasias S.A. over the property of the subsidiary Seferco Development S.A., located at Bd. Dimitrie Pompeiu, Nr. 6A Bucharest, Romania.

A mortgage of €12.000 has been registered in favor of Eurobank Ergasias S.A. over the property of the subsidiary Eliade Tower S.A., located at 18 Mircea Eliade Blvd Bucharest, Romania.

A prenotation of a mortgage of €29.900 has been registered in favor of Alpha Bank S.A. over the property of the parent Company located in Tavros, 25 Martiou & Thessalonikis Street and in Athens, at 49 Stadiou Street.

A mortgage of €12.000 has been registered in favor of Eurobank Ergasias S.A. over the property of the parent Company located in Maroussi, Attica, in B.B. 507, enclosed by Amarousiou-Chalandriou No 18-20, Delfon, Sarantaporou and Dervenakion streets.

A prenotation of a mortgage of €17.500 has been registered in favor of the International Finance Corporation (IFC) over the property of the parent company located in Nea Ionia, at the crossing of Iolkou Street 8, Siniosoglou, Filiki Etaireia and Panagoulis (horizontal property under the BUILDING A ').

A prenotation of a mortgage of €27.000 has been signed in favor of the International Finance Corporation (IFC) on the property of the parent company located in Nikaia, at 96-98 Kifissou Street.

Finally, a prenotation of a mortgage of €12.000 was signed in favor of Piraeus Bank SA on the property owned by the 50% joint venture Piraeus Port Plaza 1 S.A. which is located in Piraeus, BB. 128 enclosed by the Gravias, Mavromichalis, Dragatsaniou and Vlachakou streets.

13 Trade and other payables

The analysis of trade and other payables is as follows:

	Note	Group		Company	
		31/03/2017	31/12/2016	31/03/2017	31/12/2016
Trade payables		1.405	1.645	1.209	1.164
Other payables and accruals		6.793	7.888	6.025	7.283
Amounts due to related parties	21	211	252	193	252
Trade and other payables		8.409	9.785	7.427	8.699

Notes to Consolidated and Company Financial Statements

14 Property Taxes

“Property taxes” for both the Company and the Group as at March 31, 2017, amount to €1.170 and €1.406 respectively (31.03.2016: €882 and €1.137 respectively). This item mainly includes the aggregate tax on property (ENFIA), which for the Company and Group for the period ended March 31, 2017, amounted to €1.126 and €1.254 respectively (31.03.2016: €829 and €964). The increase in the aggregate tax on property (ENFIA), is due to the increase in additional property tax from the change in the tax law as well the incorporation of 2016 investments.

Note that in the previous period property taxes were included in taxes (note 16), which were reclassified to be comparable with the current period.

15 Other Income

On March 31, 2017 Company’s figure “ Other income” includes dividends receivable from its subsidiary Cloud Hellas Ktimatiki S.A. amounting to €3.400.

16 Taxes

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Current tax	1.776	421	1.526	234
Deferred tax	(1)	(3)	-	-
Taxes	1.775	418	1.526	234

According to the provisions of art. 31 L. 2778/1999, Real Estate Investment Companies (REIC) are taxed at a rate equal to 10% of the intervention interest rate (Euribor rate) set by the European Central Bank increased by one (1) point. The tax is calculated on the REIC’s average semi-annual investments plus cash and cash equivalents, at current values, as presented in the relevant Investment Statements of par. 1 art. 25 L. 2778/1999. In the event the intervention rate changes, the new tax base applies from the first day of the month following the month in which the change was effected. The respective rate cannot fall below the threshold of 0,375% applied on the average semi-annual investments plus cash and cash equivalents, at current rates as they are included in the above-mentioned Investment Statements. In case that REIC receives dividends, the respective withholding tax is offset against the tax payable as submitted in their tax statement within July. Any credit balance is transferred to be offset in special tax returns of the following periods. This tax is considered as final for both the company and its shareholders. Any real estate investment property held directly or indirectly by the REIC’s subsidiaries is not taken into consideration when calculating the aforementioned tax, provided that it is presented separately in their Investment Statements.

Current tax liabilities include the above-mentioned current tax payable. Management periodically evaluates its position on issues related to the tax authorities and establishes provisions where appropriate on the amounts expected to be paid.

Due to the fact that taxation of the company applied on its investments plus cash and cash equivalents, at current values and not on its taxable profits, no temporary differences and consequently no deferred tax asset and/or liabilities arise in this respect.

The figure “Current tax” for the Company and the Group, for the period ended March 31, 2017 includes provision for tax on total assets of €1.526 and €1.652 respectively (31.03.2016: €234 and €253 respectively). Asset tax for the Group includes the Company and its subsidiary Cloud Hellas Ktimatiki S.A., which is incorporated in Greece and taxed under REICs’ tax regime.

Company’s foreign subsidiaries are taxed on their taxable income based on tax rates of 16% (Romania) and 10% (Serbia), applicable to each respective tax jurisdiction. For the period ended March 31, 2017 for the subsidiaries¹⁹

Notes to Consolidated and Company Financial Statements

located in Romania the income tax amounted to €118 (31.03.2016: €148), whereas for the subsidiary located in Serbia no significant taxes arose.

Note that in the previous period taxes also included property taxes which were reclassified to be comparable with the current period (note 14).

17 Dividends per share

On March 22, 2017, Company's Shareholders Meeting approved the distribution of dividend from profits of the year 2016 amounting to €18.488 ([amount in €] €0,182 per share).

The payment of dividend commenced on April 03, 2017, through the paying Bank, Eurobank Ergasias S.A..

18 Earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Basic and diluted earnings per share for the period ended March 31, 2017 amounted to €0,12 (31.03.2016: €0,11).

19 Contingent Liabilities

The tax authorities issued final tax assessments for the Company during November 2005 for additional income taxes, and penalties totalling €1.191 for the open tax years up to December 31, 2004. The Company's Management, based on the opinion of its legal advisors, disputed these amounts and made appeals in regards to the cancellation for additional income tax and fines of up to amount €1.191. The hearing of the case took place on April 1, 2014, and the Administrative Court of Athens issued its decision 4324/2015, cancelling the additional income tax and fines to the amount referred to above, which was served to the Company on March 8, 2016. Although the Greek State filed for a revision of the decision 4324/2015 before the Council of State on 12.05.2016 (file number 994/2016) in which the Greek State requests the annulment of the Administrative Court of Athens decision and the rejection of the legal appeal of the Company (no 170/30.11.2015), Management believes that no provision needs to be made for the above amount as no significant obligations are expected to arise.

Finally, the Company has been audited by a certified auditor according to Law 4174/2013 article 65 A and the POL no. 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance and has received a tax certificate for the year 2011, 2012, 2013, 2014 and 2015, while it is expected to receive a tax certificate for the year 2016. Management does not believe that any significant additional taxes will be finally assessed.

20 Capital expenditures

On March 31, 2017 Group's capital expenditure relating to improvements on investment property amounted to €2.496.

Notes to Consolidated and Company Financial Statements

21 Related party Transactions

The Company is controlled by Eurobank Ergasias S.A. (which is incorporated in Athens and is listed on the Athens Stock Exchange, Greece). Following the completion of the Company's Share Capital Increase on January 31, 2014, and the listing of the new shares on the Athens Stock Exchange on February 06, 2014, the participation of Eurobank Ergasias S.A. in the Company's Share Capital was 33,95%.

On June 25, 2014, Eurobank Ergasias S.A. sold institutional investors 13.636.848 in common shares with voting rights on the Athens Stock Exchange, which correspond to approximately 13,47% of the Company's Share Capital. Following the completion of this transaction, the participation of Eurobank Ergasias S.A. in the Company's Share Capital reduced from 33,95% to 20,48%.

During the first half 2016, the Group Eurobank Ergasias A.E. acquired 0,45% shareholding in the Company through companies Eurolife ERB General Insurance S.A. and Eurolife ERB Asigurari Generale S.A. In August 2016, the total share of the Group Eurobank Ergasias S.A. in the Company decreased from 20,93% to 20,00%, due to the sale of their insurance operations.

On May 2014, following the completion of the Bank's share capital increase, the percentage of ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF), the controlling shareholder of the Bank until that date, decreased from 95,23% to 35,41%. Accordingly, as of that date HFSF was considered to have significant influence over the Bank. On November 2015, following the completion of the Bank's share capital increase, the percentage of ordinary shares with voting rights held by the HFSF decreased to 2,38%.

Despite the aforementioned significant decrease in the participation rate, HFSF continues to have significant influence on the Bank. More specifically, in the context of Law 3864/2010, as it is in force, the HFSF exercises its voting rights at the Bank's General Assembly only in regards to decisions concerning any amendment of the Bank's Articles of Association, including an increase or decrease in the Bank's capital or the granting of a corresponding authorization to the Bank's Board, as well as decisions concerning the mergers, divisions, conversions, revivals, extension of duration or dissolution of the Bank, the transfer of assets, or any other issue requiring approval from an increased majority as provided for in Company Law 2190/1920. In addition, the Bank entered into a new Relationship Framework Agreement (RFA) with the HFSF on December 4, 2015, which replaced the previous agreement, signed on August 26, 2014.

According to the shareholders agreement executed on October 17, 2014, between Fairfax Financial Holdings Limited and Eurobank Ergasias S.A., the two parties undertook the responsibility to jointly control the Company. Furthermore, Fairfax Financial Holdings Limited has a 41,50% participation in the Company's Share Capital and owns 100% of the share capital of Praktiker Hellas S.A. As a result, the Company has an indirect relationship with Praktiker, as a related All transactions with related parties are entered into in the normal course of business on an arm's length basis.

The following transactions were carried out with related parties:

a) Rental income received and sale of services

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Rental income				
Subsidiary (Cloud Hellas Ktimatiki S.A.)	-	-	7	7
Parent (Bank Eurobank Ergasias S.A.)	3.033	2.893	3.033	2.893
Other related parties	4.136	4.043	1.747	1.746
	7.169	6.936	4.787	4.646

Group's rental revenues from leases with Eurobank Ergasias S.A. amount to 19% for the period ended March 31, 2017 (31.03.2016: 19%).

Notes to Consolidated and Company Financial Statements

b) Purchase of services

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Technical service fees				
Subsidiary of parent company (Eurobank Property Services S.A.[Romania])	5	5	-	-
Subsidiary of parent company (ERB Property Services d.o.o. Beograd)	3	2	-	-
	8	7	-	-

c) Insurance expenses for investment properties

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Insurance expense				
Subsidiary of parent company (Eurolife ERB General Insurance S.A.)	105	99	95	89
Subsidiary of parent company (Eurolife ERB Asigurari Generale S.A.)	7	7	-	-
Other related parties	(13)	(13)	(7)	(6)
	99	93	88	83

d) Insurance expenses for personnel

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Other employee benefits				
Subsidiary of parent company (Eurolife ERB Life Insurance S.A.)	58	57	58	57
	58	57	58	57

e) Other Income from dividends

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Subsidiary (Cloud Hellas Ktimatiki S.A.)	-	-	3.400	-
Subsidiary (Reco Real Property A.D.)	-	-	-	2.631
Subsidiary (Seferco Development S.A.)	-	-	-	2.463
	-	-	3.400	5.094

Notes to Consolidated and Company Financial Statements

f) Finance costs

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Bank Borrowings				
Parent (Bank Eurobank Ergasias S.A.)	418	76	356	8
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	108	132	7	1
Subsidiary of parent company (Eurobank A.D. Beograd)	6	7	-	-
Subsidiary of parent company (SC Bancpost S.A.)	1	1	-	-
Subsidiary of parent company (New Europe Funding B.V.)	11	13	-	-
Finance lease liabilities				
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	19	32	19	32
	563	261	382	41

g) Interest income earned on cash and cash equivalents

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Subsidiary (Retail Development S.A.)	-	-	121	122
Parent (Bank Eurobank Ergasias S.A.)	19	47	16	47
Subsidiary of parent company (Eurobank A.D. Beograd)	-	4	-	-
Subsidiary of parent company (SC Bancpost S.A.)	-	1	-	-
	19	52	137	169

h) Property related taxes (property duties re-invoiced from tenants)

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Other related parties	7	7	3	3
	7	7	3	3

i) Key management compensation

	Group		Company	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Key management compensation	1.009	993	1.009	993
Equity settled share based payments	274	264	274	264
	1.283	1.257	1.283	1.257

As at March 31, 2017 interest bearing loans advanced to key management were €174.

Notes to Consolidated and Company Financial Statements

j) Period-end balances arising from transactions with related parties

	Group		Company	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Other long term receivables				
Subsidiary (Retail Development S.A.)	-	-	8.070	8.070
Parent (Bank Eurobank Ergasias S.A.)	1.466	1.356	1.466	1.356
Other related parties	476	491	435	450
	1.942	1.847	9.971	9.876
Trade and other receivables from related parties				
Subsidiary (Cloud Hellas Ktimatiki S.A.)	-	-	3.400	-
Subsidiary (Retail Development S.A.)	-	-	121	124
Parent (Bank Eurobank Ergasias S.A.)	1	1	1	1
Other related parties	312	225	57	90
	313	226	3.579	215
Trade payables to related parties				
Parent (Bank Eurobank Ergasias S.A.)	59	37	59	37
Other related parties	152	215	134	215
	211	252	193	252
Long-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	1.853	1.852	1.853	1.852
Other related parties	335	334	335	334
	2.188	2.186	2.188	2.186
Other non-current liabilities				
Parent (Bank Eurobank Ergasias S.A.)	196	223	196	223
	196	223	196	223
Short-term tenant deposits				
Parent (Bank Eurobank Ergasias S.A.)	18	18	18	18
	18	18	18	18
Long-term borrowings, including finance leases				
Parent (Bank Eurobank Ergasias S.A.)	39.015	-	39.015	-
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	26.239	22.194	4.335	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	3.058	3.340	3.058	3.340
Subsidiary of parent company (Eurobank A.D. Beograd)	100	100	-	-
Subsidiary of parent company (New Europe Funding B.V.)	70	70	-	-
	68.482	25.704	46.408	3.340
Short-term borrowings, including finance leases				
Parent (Bank Eurobank Ergasias S.A.)	2.147	1.738	2.147	1.738
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	1.271	1.228	48	-
Subsidiary of parent company (Eurobank Ergasias Leasing S.A.)	1.138	1.143	1.138	1.143
Subsidiary of parent company (Eurobank A.D. Beograd)	102	102	-	-
Subsidiary of parent company (New Europe Funding B.V.)	2.370	2.370	-	-
	7.028	6.581	3.333	2.881
Cash and cash equivalents				
Parent (Bank Eurobank Ergasias S.A.)	22.191	4.357	19.688	3.225
Subsidiary of parent company (Eurobank Private Bank Luxembourg S.A.)	20.207	1.622	19.770	432
Subsidiary of parent company (Eurobank A.D. Beograd)	909	814	-	-
Subsidiary of parent company (SC Bancpost S.A.)	410	655	1	-
	43.717	7.448	39.459	3.657

It is noted that "other long term receivables" for the Group include receivable arising from the recognition, during the lease term, from various incentives offered to tenants.

Notes to Consolidated and Company Financial Statements

k) Commitments and contingent liabilities

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

22 Events after the balance sheet date

There are no significant events after March 31, 2017, that affect the financial position of the Group or the Company that need to be mentioned according to the International Financial Reporting Standards.

The Condensed Consolidated and Company Interim Financial Statements for the period ended March 31, 2017 were approved by the Board of Directors on May 22, 2017 and were signed on its behalf by:

Nikolaos A. Bertzos

Georgios Chryssikos

Panagiotis - Aristeidis Varfis

Evangelos Tentis

Chairman of the BoD

Chief Executive Officer

Chief Financial Officer

Chief Accountant

Non-executive member of the BoD

Executive member of the BoD