



NBG FACTORS

Financial Statements as of 31.12.2009

(In accordance with the International Financial Reporting Standards – “IFRS”)

Athens, May 2010

Table of Contents

Board of Directors' report.....	3	NOTE 12: Deferred tax assets and liabilities	23
Auditor's Report.....	6	NOTE 13: Other assets	23
Statement of Comprehensive Income	8	NOTE 14: Due to banks	23
Statement of Financial Position	9	NOTE 15: Debt securities in issue	24
Statement of Changes in Equity	10	NOTE 16: Due to customers	24
Cash Flow Statement	11	NOTE 17: Retirement benefit obligations	24
NOTE 1: General Information	12	NOTE 18: Other liabilities	24
NOTE 2: Summary of significant accounting policies	12	NOTE 19: Share capital and share premium	24
2.1 Basis of Preparation	12	NOTE 20: Retained earnings.....	25
2.2 Adoption of International Financial Reporting Standards (IFRS).....	13	NOTE 21: Fair value of financial instruments	25
2.3 Foreign currency transactions	14	NOTE 22: Contingent liabilities and commitments	25
2.4 Financial assets and liabilities.....	15	NOTE 23: Risk management	26
2.5 Customer receivables	15	23.1 Credit risk.....	26
2.6 Impairment losses on customer receivables	15	23.2 Market risk	27
2.7 Derecognition.....	16	23.2.1 Currency risk	27
2.8 Offsetting	16	23.2.2 Interest rate risk	27
2.9 Interest income and expense.....	16	23.2.3 Pricing risk.....	27
2.10 Fees and commissions	16	23.3 Liquidity risk	28
2.11 Property and equipment	17	23.4 Operational risk	29
2.12 Software and other intangible assets	17	23.5 Capital adequacy	29
2.13 Leases.....	17	NOTE 24: Related party transactions	29
2.14 Cash and cash equivalents.....	17	NOTE 25: Events after reporting period	31
2.15 Provisions	18		
2.16 Retirement benefit obligations.....	18		
2.17 Income taxes.....	18		
2.18 Share capital.....	18		
2.19 Related party transactions.....	18		
2.20 Debt securities in issue	19		
NOTE 3: Critical judgments and estimates	19		
NOTE 4: Net interest income	20		
NOTE 5: Net fee and commission income	20		
NOTE 6: Personnel expenses	20		
NOTE 7: General, administrative & other operating expenses	21		
NOTE 8: Tax expense	21		
NOTE 9: Cash and cash equivalents.....	22		
NOTE 10: Customers' receivables.....	22		
NOTE 11: Property and equipment	22		

Board of Directors' Report on the Financial Statements of Ethniki Factors S.A. for the financial year 2009

According to the provisions of Companies' Act and Company's Articles of Association, are presented below the activities of the Company during its first fiscal year which was the period from 19 May 2009 to 31 December 2009.

Financial position and comprehensive income of the Company

The Company was established on 19 May 2009 and the period until 31 December 2009 was its first financial year. Main activities focused on personnel selection process, development at appropriate accounting and factoring software infrastructure and also circulating manuals, policies and procedures.

On 31 December 2009 Company's corporate portfolio amounted to €85.647.652, while the factoring turnover and the profit for the period amounted to €138.012.771 and €131.674 respectively. In its first financial year the Company did not make any provisions because, as referred to in Note 3 of the financial statements, management believes that no impairment provisions are required at this time in respect of its receivables from customers .

Company's total income in 2009 amounted to €633.195 of which €346.743 relates to net interest income and €286.452 relates to net fee and commission income. Total expenses amounted to €461.240 of which €298.080 relates to personnel expenses and the remaining amount of €163.160 relates to general administrative and other operating expenses (rentals, marketing, establishment costs and other expenses, depreciation of property and equipment).

Management actions

At its first financial year management adopted a marketing strategy in order to communicate the establishment of the Company to the corporate community. In that direction the Company developed its own extensive web site and also sponsored ICAP's 2nd Credit Risk Management Conference.

The Company is an inaugural member of the Hellenic Factors Association (HFA) since November 2009 and is also represented on HFA's Board of Directors.

The development of factoring market

In 2009, the economic growth of factoring market in Greece was increased by 21% compared with 2008 according to Factors Chain International data. During 2009, the total turnover of factoring activities in Greece, according to the same source, amounted to €12,2 bn.

Over the last years an increasing number of financial institutions are active in factoring operations either through their factoring departments or under factoring subsidiaries, resulting to a heavily competitive environment..

Events after the reporting period

There are no significant events after the reporting period.

Risk management

The Company has outsourced its risk management operations to its parent company is corresponding division. Therefore the Company adopts the Risk Management Policies of the Group. The National Bank of Greece Group operates in a fast growing and changing environment and acknowledges its exposure to banking risks as well as the need for effective risk management.

Credit risk

The Group pays particular attention to implementing the highest standards of credit risk management and control. Credit risk arises from an obligor's (or group of obligors) failure to meet the terms of any contract established with the Bank or a Bank's subsidiary. The Group employs for all facilities credit risk rating and measurement systems, specifically designed to meet the particular characteristics of its various loan exposures

The objective of such credit risk rating systems is to appropriately classify an obligor to a particular credit rating class and estimate the parameters of expected and unexpected loss, with the ultimate goal of protecting the profitability and the capital base of the Group. Active credit risk management is achieved through:

- The application of appropriate limits for exposures to a particular obligor, a group of associated obligors, obligors that belong in the same economic sector, etc.;
- The use of credit risk mitigation techniques (such as collateral and guarantees);
- The risk adjusted pricing of products and services;
- The participation of Risk Management in the credit decision process.

Market risk

To effectively measure market risk, the risk of loss attributed to adverse changes in market driven factors such as foreign exchange rates, interest rates, equity prices and prices of derivative products, the Group applies Value at Risk (VaR) models to all Trading and Available For Sale (AFS) positions in all currencies. The Group established a framework of VaR limits in order to control and efficiently manage the assumed market risks, capturing both individual risk factors (interest rates, foreign exchange rates, equity price risk) and the total level of market risk exposure.

Operational risk

Operational risk management is implemented adopting policies and procedures which National Bank of Greece has developed, through which operational risks for all subsidiaries are assessed. Proper implementation of these policies is randomly assessed by the parent Company on a yearly basis. The aim is, after completing the assessment of proper implementation of operating risk management policies from some subsidiaries, for a second consecutive year, to fully comply all subsidiaries' Business Processes Policies Compliance with the respective ones of the Bank through the standardized process. Also, during 2009 the Algorithmic' OpVar software solution was selected by the Bank in order to support the Group wide Operational Risk Management Framework implementation from next year onwards.

Interest rate risk in the banking book and liquidity risk

The Group systematically measures and manages the interest rate risk arising from its banking book items as well as liquidity risk, through:

- The analysis of repricing and liquidity gaps arising from its balance sheet structure;
- The measurement of economic value of equity and net interest income sensitivity under normal and exceptional changes in interest rates;
- The broadening and diversification of its liquidity sources;
- The maintenance of adequate stock of liquid assets;
- The establishment of relevant limits.

2010 perspectives

In 2010 the demand for factoring services is expected to be increased. The lack of liquidity in the market, the long term credit periods and the high rate of post dated checks in arrears made the need for improving the debtors' credit control imperative and are the main reasons for which the Factoring turnover is expected to increase due to the high demand from Greek corporations.

Company's Strategic targets for 2010 focus on:

1. Maintain and improve the methods for monitoring and mitigating all types of Financial Risks.
2. Improve market share.
3. Expansion of corporate portfolio with wide diversification.
4. Maintain credit portfolio quality.
5. Substantially improve operating profit.
6. Develop synergies with the other factoring companies of the Group.
7. Improve services quality using latest technologies and procedures.
8. Adopt methods resulting in economies of scales with the Group aiming to profit maximization and cost control.
9. Develop IT systems and platforms

Dividend policy and profits' appropriation

The Company will not distribute any dividend for the financial year 2009. This decision is subject to the approval from the Annual General Meeting of the shareholders. Also Management will propose to the Annual General Meeting of the shareholders to approve the appropriation of amount €6.584 as a statutory reserve according to the provisions of Company Law 2190/1920.

Athens, 7 May 2010

The Chairperson of the Board of Directors

Eleni Tzakou Labropoulou

TRUE TRANSLATION

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "ETHNIKI FACTORS S.A."

Report on the Financial Statements

We have audited the accompanying financial statements of "ETHNIKI FACTORS S.A." (the "company"), which comprise the statement of financial position as at December 31, 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as these have been adopted by the European Union, as well as for the internal controls that management considers necessary for the preparation of company financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making this risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Report on Other Legal Requirements

We have agreed and confirmed the content and consistency of the Director's Report to the accompanying financial statements according to the provisions of the article 43a and 37 of the Codified Law 2190/1920.

Athens, 10 May 2010

The Certified Public Accountant

Alexandra Kostara
Reg. No SOEL 19981

Deloitte.
Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services
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151 25 Marousi
Reg. No. SOEL: E 120

Statement of Comprehensive Income

For the period ended 31 December 2009

Amounts in €		19 May -31 December 2009
Interest and similar income	4	360.641
Interest expense and similar charges	4	(13.898)
Net Interest Income		346.743
Fee and commission income	5	287.362
Commission expense	5	(910)
Net fee and commission income		286.452
Total Income		633.195
Personnel expenses	6	(298.080)
General, administrative and other operating expenses	7	(160.158)
Depreciation of property and equipment	11	(3.002)
Total expenses		(461.240)
Profit before tax		171.955
Tax expense	8	(40.281)
Profit for the period		131.674
Total comprehensive income for the period, net of tax		131.674

THE CHAIRPERSON

THE CHIEF EXECUTIVE
OFFICER

THE CHIEF FINANCIAL
OFFICER

ELENI TZAKOU LAMPROPOULOU

ALEXANDROS KONTOPOULOS

MARIA POLITOU
LOUKREZI

Statement of Financial Position

as at 31 December 2009

Amounts in €		31 December 2009
ASSETS		
Cash & cash equivalents	9	19.606.366
Customer receivables (net)	10	85.647.652
Current income tax advance		8.868
Other assets	13	17.129
Total assets		105.280.015
LIABILITIES		
Due to banks	14	5.003.345
Debt securities in issue	15	49.950.000
Due to customers	16	5.247
Deferred tax liabilities	12	28.662
Retirement benefit obligations	17	12.567
Other liabilities	18	187.020
Total liabilities		55.186.841
SHAREHOLDERS' EQUITY		
Share capital	19	5.000.000
Share premium	19	45.000.000
Retained earnings	20	93.174
Total Shareholders' Equity		50.093.174
Total Liabilities and Equity		105.280.015

THE CHAIRPERSON

THE CHIEF EXECUTIVE
OFFICER

THE CHIEF FINANCIAL
OFFICER

ELENI TZAKOU LAMPROPOULOU

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LOUKREZI

Statement of Changes in Equity

For the period ended 31 December 2009

Amounts in €	Share Capital	Share Premium	Retained earnings	Total
Issuance of Share Capital	5.000.000	45.000.000	-	50.000.000
Share capital issue costs, net of tax	-		(38.500)	(38.500)
Total comprehensive income	-	-	131.674	131.674
Balance at 31 December 2009	5.000.000	45.000.000	93.174	50.093.174

Cash Flow Statement

For the period ended 31 December 2009

Amounts in €	19 May -31 December2009
Cash Flows from operating activities	
Profit before tax	171.955
Adjustments for:	
Non cash items included in statement of comprehensive income and other adjustments	29.349
Depreciation of property and equipment	3.002
Provision for employee benefits	12.567
Interest from financing activities	13.780
Net (increase)/decrease in operating assets :	(85.668.521)
Due from / to customers (net amount)	(85.642.405)
Other assets	(26.116)
Net increase/(decrease) in operating liabilities:	187.020
Other Liabilities	187.020
Net Cash flows from / (used in) operating activities	(85.280.197)
Cash flows from investing activities:	
Acquisition of property and equipment	(3.002)
Net Cash flows from/ (used in) investing activities	(3.002)
Cash flows from financing activities:	
Proceeds from debt securities	50.000.000
Debt securities issue costs	(50.000)
Repayment of debt securities interest expenses	(6.717)
Proceeds from borrowings	10.000.000
Repayment of borrowings	(5.000.000)
Interest paid	(3.718)
Proceeds from issue of share capital and share premium	50.000.000
Share capital issue costs	(50.000)
Net cash flows from / (used in) financing activities	104.889.565
Net increase / (decrease) in cash and cash equivalents	19.606.366
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	19.606.366

Notes to the Financial Statements

NOTE 1: General information

The Company was founded on 19 May 2009 and operates under the name “ETHNIKI FACTORS S.A.” (hereinafter the “Company”). The Company’s headquarters are located at 128-132 Athinon Av. & Ifigeneias Str. Athens, Greece, (Reg. 68123/01/B/09/166). The Company’s duration has been set to be fifty (50) years and may be extended by resolution of its Shareholders’ General Meeting.

The Company’s purpose is to provide all types of factoring services according to the provisions of law 1905/1990. The Company is a subsidiary of National Bank of Greece S.A., which owns 100% of the Company’s share capital. The Board of Directors of the Company, whose term expires at the first General Meeting of the Shareholders that will be called in the first half of 2010 according to article 20 of the Articles of Association and the meeting held on 21/05/2009, consists of the following members:

Eleni A. Tzakou, The Non-Executive Chairperson of the Board of Directors

Dimitrios G. Dimopoulos, Non – Executive Member

Theofanis Th. Panagiotopoulos, Non – Executive Member

Ioannis P. Kiriakopoulos, Non – Executive Member

Garifallia V. Spiroiuni, Non – Executive Member

Petros D. Fourtounis, Non – Executive Member

Georgios P. Skotidas, Non – Executive Member

Panagiotis – Ioannis A. Dasmanoglou, Non – Executive Member

Vasileios D. Gavroglou, Non – Executive Member *

Alexandros V. Kontopoulos, Chief Executive Officer

* On 7 May 2010, Mr Vasileios D.Gavroglou was elected as a member of the Board of Directors following the resignation of Mr Avraam E. Moisis.

Mrs Alexandra V. Kostara (Reg. No. SOEL 19981) of Deloitte Hadjipavlou Sofianos & Cambanis S.A. is the Certified Public Accountant of the Company.

These financial statements have been approved for issue by the Company’s Board of Directors on 7 May 2010.

NOTE 2: Summary of significant accounting policies

2.1 Basis of Preparation

The financial statements of the Company for the year ended 31 December 2009 (the “financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as endorsed by the E.U. E.U.-endorsed IFRSs may differ from IFRSs as issued by the International Accounting Standards Board (“IASB”) if, at any point in time, new or amended IFRSs have not been endorsed by the E.U. At 31 December 2009, there were no unendorsed standards effective for the year ended 31 December 2009, which affect these financial statements, and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to the Company. Accordingly, Ethniki’s Factors financial statements for the year ended 31 December 2009 are prepared in accordance with IFRSs as issued by the IASB. The amounts are stated in Euro, (unless otherwise stated).

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Use of available information and application of judgment are inherent in the formation of estimates in

Notes to the Financial Statements

the following areas: retirement benefits obligation, impairment of loans and receivables, liabilities from unaudited tax years. Actual results in the future may differ from those reported

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Adoption of International Financial Reporting Standards (IFRS)

New standards, amendments and interpretations to existing standards applied from 1 January 2009

IFRS 3 “Business Combinations” and **IAS 27 “Consolidated and Separate Financial Statements”** (Amendment) (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). The main changes are:

- Partial acquisitions: Non-controlling interests are measured either as their proportionate interest in the net identifiable assets (which is the original IFRS 3 requirement) or at fair value.
- Step acquisitions: The requirement to measure at fair values every asset and liability at each step for the purposes of calculating a portion of goodwill has been removed. Instead, goodwill is measured as the difference at acquisition date between the sum of the fair value of any investment in the business held before the acquisition and the consideration transferred, and the net assets acquired.
- Acquisition-related costs: Acquisition-related costs are generally recognised as expenses (rather than included in goodwill).
- Contingent consideration: Contingent consideration must be recognised and measured at fair value at the acquisition date. Subsequent changes in fair value are recognised in accordance with other IFRSs, usually in the income statement (rather than by adjusting goodwill).
- Transactions with non-controlling interests: Changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions.

These amendments will not affect the Company’s financial statements.

IAS 39 “Financial Instruments: Recognition and Measurement” (Amendment “Eligible Hedged Items”) (effective for annual periods beginning on or after 1 July 2009). The amendment clarifies how the existing principles underlying hedge accounting should be applied in the designation of:

- (a) a one-sided risk in a hedged item, and
- (b) inflation in a financial hedged item.

The Company will apply this amendment for the annual period beginning on 1 January 2010, and does not expect that it will have any impact on the financial statements

IFRIC 17 “Distributions of Non-cash Assets to Owners” (effective for annual periods beginning on or after 1 July 2009). The Interpretation clarifies that:

- a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity,
- an entity should measure the dividend payable at the fair value of the net assets to be distributed,
- an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in the income statement.

The Interpretation also requires an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation.

IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions.

The Company will apply this Interpretation for the annual period beginning on 1 January 2010, and does not expect that it will have any impact on the financial statements

IFRS 9 “Financial Instruments (effective for annual periods beginning on or after 1 January 2013). IFRS 9 specifies how an entity should classify and measure financial assets, including some hybrid contracts. The new standard requires all financial assets to be:

- (a) classified on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.
- (b) initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs.
- (c) subsequently measured at amortised cost or fair value.

The Company has not applied this Standard and is currently evaluating the impact of IFRS 9 on the financial statements.

Notes to the Financial Statements

- **Improvements to IFRSs, April 2009** (effective for annual periods beginning on or after 1 July 2009, except amendments to IAS 18 that are effective for 2009). The Company will apply these amendments for the annual period beginning on 1 January 2010 (except the amendment to IAS 18) and did not have an impact on the financial statements of the Company.

- **IFRS 2 “Share-based Payment”** (Amendment) (effective from 1 January 2010). The amendments clarify:

- the scope of IFRS 2: An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.
- the interaction of IFRS 2 and other standards: The Board clarified that in IFRS 2 a ‘group’ has the same meaning as in IAS 27 “Consolidated and Separate Financial Statements”, that is, it includes only a parent and its subsidiaries.
- the accounting for some group and treasury share-based payment transactions: An entity must measure the goods or services it received as either an equity-settled or a cash-settled share-based payment transaction assessed from its own perspective, which may not always be the same as the amount recognised by the consolidated group.

This amendment is not expected to have an impact on the Company’s financial statements

- **IFRS 1 “First-time Adoption of International Financial Reporting**

Standards” (Amendment) (effective from 1 January 2010). The amendments address the retrospective application of IFRSs to particular situations. This amendment will not have an impact on the Company’s financial statements.

- **IFRIC 14 “IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.”** (Amendment “Prepayments of a Minimum Funding Requirement” November 2009) (effective for annual periods beginning on or after 1 January 2011). This amendment will not have an impact on the Company’s financial statements.

- **IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”** (effective for annual periods beginning on or after 1 July 2010). This amendment will not have an impact on the Company’s financial statements.

- **IAS 32 “Financial Instruments: Presentation”** and **IAS 1 “Presentation of Financial Statements”** (Amendment) (effective for annual periods beginning on or after 1 February 2010). The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. This amendment will not have an impact on the Company’s financial statements.

- **IAS 24 “Related parties”** (Revised) (effective from 1 January 2011). The revised standard provides a partial exemption for government-related entities and a revised definition of a related party. This amendment will not have an impact on the Company’s financial statements.

2.3 Foreign currency transactions

The items included in the financial statements of the Company are measured and presented in Euro (€), which is the functional currency of the Company.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

When preparing the financial statements, monetary items are translated at the exchange rates prevailing at the reporting date. Foreign exchange gains and losses resulting from the translation of monetary items at the preparation of financial statements are recognised in the income statement.

Notes to the Financial Statements

2.4 Financial assets and liabilities

This category includes cash and cash equivalents, customer receivables, other assets and liabilities and finally debt securities issued and other bank borrowings.

Financial instruments are presented as assets, liabilities or equity in accordance with the substance of the contractual arrangements from which they derive. Interests, dividends, gains or losses derive from financial instruments characterized as assets or liabilities are recognized as income or expenses respectively. Dividends' distribution to shareholders is recognized directly in Equity.

The Company does not enter into derivative financial instruments used for hedging and trading purposes.

2.5 Customer receivables

Customer receivables include financing to customers.

Customer receivables are recognised when cash is advanced to customers. Customer receivables are initially recorded at fair value, which is usually the net amount disbursed at inception including directly attributable origination costs and are subsequently measured at amortised cost using the effective interest rate method.

Interest income is recorded to interest and similar income and recognized when being accrued.

2.6 Impairment losses on customer receivables

An allowance for impairment is established if there is objective evidence that the Company will be unable to collect all amounts due according to the original contractual terms. The term "receivables" includes discounting receivables from corporate customers and approved credit limits to customers.

The impairment loss is reported on the statement of financial position as a deduction from "Customer receivables". Provisions regarding off balance sheet items, such as a contractual obligation, are recorded as "Other liabilities". The Company assesses whether objective evidence of impairment exists individually for receivables that are considered individually significant and collectively for receivables that are not considered individually significant.

If there is objective evidence that an impairment loss on customer receivables from has been incurred, the amount of the loss is measured as the difference between the customer receivables carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at a) the customer receivables original effective interest rate, if the customer receivables bears a fixed interest rate, or b) current effective interest rate, if the customer receivables bears a variable interest rate.

The calculation of the present value of the estimated future cash flows of a collateralised receivable reflects the cash flows that may result from obtaining and selling the collateral, whether or not confiscation is probable.

For the purposes of a collective evaluation of impairment, receivables are grouped on the basis of similar credit risk characteristics. Receivables from corporate customers are grouped based on days in arrears, product type, economic sector, size of business, collateral type and other relevant credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for pools of receivables by being indicative of the customers' ability to pay all amounts due and together with historical loss experience for receivables with credit risk characteristics similar to those in the pool form the foundation of the loss allowance computation. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects and conditions in the historical period that do not currently exist.

The Company reviews regularly the impairment losses on customer receivables and reassesses the existing estimations at least once a year. Any changes occurred to the expected future cash flows in relation to the previous estimations are considered for the evaluation of impairments on customer receivables and debited or credited to account "impairment losses on customer receivables". The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

When a customer receivables is deemed to be uncollectible or forgiven, is written off against the related provision for customer receivables impairment. Subsequent recoveries are credited to "impairment losses on customer receivables" in the Statement of Comprehensive Income.

Notes to the Financial Statements

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the Statement of Comprehensive Income as part of impairment losses on customer receivables.

2.7 Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.8 Offsetting

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

2.9 Interest income and expense

Interest income and expense are recognised in the Statement of Comprehensive Income for all interest bearing instruments using the effective interest rate method. Interest income mainly includes interest earned from customer receivables and secondly interests earned from banks.

Fees and direct costs relating to financing clients or to receivable commitments are deferred and amortised to interest income over the life of the instrument using the effective interest rate method.

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

2.10 Fees and commissions

Fees and commissions are generally recognised on an accrual basis over the period the factoring services are provided.

2.11 Property & Equipment

Notes to the Financial Statements

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

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

Depreciation of an item of property and equipment begins when it is available for use and ceases only when the asset is derecognised. Therefore, the depreciation of an item of property and equipment that is retired from active use does not cease unless it is fully depreciated. Property and equipment are depreciated a) on a straight-line basis over their estimated useful life (but its useful life is reassessed) and b) fully within the fiscal year if the acquisition cost of the equipment is less than €600.

At each reporting date the Company assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

2.12 Software and other intangible assets

This category includes mainly software products that initially recorded at cost. The amortization is calculated on a straight-line basis over their estimated useful lives.

Expenditure on starting up an operation or branch, training personnel, advertising and promotion is recognised as an expense when it is incurred.

2.13 Leases

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

The Company is the lessee

Finance lease: Leases where the Company has substantially all the risks and rewards of ownership of the asset are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other liabilities. The interest element of the finance cost is charged to the income statement over the lease period. All assets acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating lease: Leases where a significant portion of the risks and rewards of ownership of the asset are retained by the lessor, are classified as operating leases. The total payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.14 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, and amounts due from other banks with original maturities of less than three months from the date of acquisition, which are subject to insignificant risk of changes to fair value and are used by the Company in the management of its short-term commitments.

Notes to the Financial Statements

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.16 Retirement benefit obligations

Defined contribution plans relates to fixed payments in Social Security Funds. The Company's contributions to these funds are charged to the Statement of Comprehensive Income in the year to which they relate and are included in staff costs.

Defined benefit plans are pension plans that define an amount to be provided as pension, usually as a function of one or more factors such as years of service, age and salary. The difference with the defined contribution plans is that the employer is responsible for the payment obligation to the employee. The only existing defined benefit plan for the Company is the one imposed by Greek law relating to compensation under C.L. 2112/90. This defined benefit plan is not sponsoring itself. For defined benefit plans, the liability is the present value of the defined benefit obligation as at the reporting date, including any adjustments for unrecognised actuarial gains/losses and past service cost. The Company follows the "corridor" approach of IAS 19 "Employee Benefits" according to which a certain amount of actuarial gains and losses remains unrecognised and is amortised over the average remaining service lives of the employees participating in the plan.

The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis using the projected unit credit method. The present value of the defined obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds and, which have terms to maturity approximating the terms of the related liability. Defined benefit plan costs, as estimated, are charged to the income statement over the service lives of employees.

2.17 Income taxes

Income tax payable on profits, based on the applicable tax law, is recognised as an expense in the period in which profits arise.

Deferred income tax is fully provided, using the liability method, on all temporary differences arising between the carrying amounts of assets and liabilities in the statement of financial position and their amounts as measured for tax purposes.

Deferred tax assets relating to the unused tax losses carried forward are recognised to the extent that it is probable that sufficient taxable profits will be available in the future against which these losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date.

2.18 Share capital

Share and other equity items issue costs: Incremental external costs directly attributable to the issue of shares are deducted from equity net of any related income tax benefit.

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

2.19 Related party transactions

Related parties include entities of National Bank of Greece (NBG) Group. Furthermore, related parties include directors, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating policies. All transactions entered into with related parties are made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with unrelated parties and do not involve more than a normal amount of risk

Notes to the Financial Statements

2.20 Debt securities

The mid-long borrowing of the Company consists of bond loans issued in accordance with the law L.3156/2003. Issued debt securities are initially recognized at cost which is the fair value at the date of issuance less transaction costs that are directly attributable to the issue of the debt securities. After initial recognition, debt securities are measured at amortized cost using the effective interest rate method. Amortized cost is calculated after taking into account the transaction costs and any difference between the initial amount and the maturity amount. Gains or losses related to derecognition are recognized in income statement. Interest expenses are recognized on an accrual basis.

NOTE 3: Critical judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities, income and expense in the Company's financial statements. The Company believes that the judgments, estimates and assumptions used in the preparation of the financial statements are appropriate given the factual circumstances as of 31 December 2009.

The most significant areas, for which judgments, estimates and assumptions are required in applying the Company's accounting policies, are the following:

Allowance for losses on customer receivables

The amount of the allowance set aside for losses on customer receivables is based upon management's ongoing assessments of the probable estimated losses. Assessments are conducted by members of management responsible for various types of customers financing employing a methodology and guidelines, which are continually monitored and improved.

This methodology has two primary components: specific allowances and collective allowances and is described in Note 2.6. Applying this methodology requires management to make estimates regarding the amount and timing of the cash flows, which are expected to be received. In estimating these cash flows, management makes judgements about the counterparty's financial situation and the net realizable value of any underlying collateral or guarantees. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently reviewed.

In assessing the need for collective customer receivables loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made both to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances and provisions depends on the model assumptions and parameters used in determining collective allowances. While this necessarily involves judgment, management believes that the fact that no impairment was recognised, for the first reporting period ended on 31 December 2009, is reasonable and supportable.

Net periodic benefit cost

The net periodic benefit cost is actuarially determined using assumed discount rates and assumed rates of compensation and retirement pensions increase. These assumptions are ultimately determined by reviewing the Company's salary increases each year.

Income Taxes

Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain. The Company due to its first short operating period has not recognised a liability for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Notes to the Financial Statements

NOTE 4: Net interest income

The net interest income is analyzed as follows:

Amounts in €	19 May -31 December 2009
Interest earned on	
Amounts due from banks	89.866
Amounts due from customers	270.775
Total	360.641
Interest payable on	
Amounts due to banks	(7.181)
Debt securities in issue	(6.717)
Total	(13.898)
Net interest income	346.743

NOTE 5: Net fee and commission income

Net fee and commission income is exclusively derived from factoring services.

NOTE 6: Personnel expenses

The personnel expenses are analysed as follows:

Amounts in €	19 May -31 December 2009
Salaries	(258.611)
Social security costs	(26.151)
Defined benefit plans (Note 17)	(12.567)
Other staff related benefits	(751)
Total	298.080

Notes to the Financial Statements

NOTE 7: General, administrative & other operating expenses

General, administrative and other operating expenses are analysed as follows:

Amounts in €	19 May -31 December 2009
Rentals & software expenses	(51.148)
Promotion & advertising expenses	(21.246)
Other administrative expenses	(35.163)
Start up costs	(13.501)
Third party fees	(21.793)
Other operating expenses	(17.307)
Total	(160.158)

NOTE 8:Tax expense

The Tax expense is analyzed as follows:

Amounts in €	19 May -31 December 2009
Current tax	119
Deferred taxes (Note 12)	40.162
Total	40.281

The reconciliation between current and effective tax rate is as follows:

Amounts in €	19 May -31 December 2009
Profit before tax	171.955
Tax calculated based on the current tax rate of 25%	42.989
Increase/Decrease adjusted from:	
Expenses not deductible for tax purposes	240
Effect of changes in tax rates	(2.948)
Income tax expense recognized in income statement	40.281

The Company's statutory income tax rate for 2009 is 25%. On 25 September 2008 a new tax law (Law 3697/2008) was enacted in Greece, according to which the corporation tax rate will be reduced from 25% to 20% declining by 1% each year starting from 2010 to 2014. Based on the new tax rates, the Company examined the timing of the reversal of the temporary differences and adjusted the deferred tax asset / liability amounts accordingly.

The Company has not been tax audited for its first year ended on 31 December 2009.

Notes to the Financial Statements

NOTE 9: Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

Amounts in €	31 December 2009
Cash in hand	491
Sight deposits	4.609.253
Time deposits	14.996.622
Total	19.606.366

NOTE 10: Customer receivables (net)

Customer receivables are analyzed as follows:

Amounts in €	31 December 2009
Domestic Factoring with recourse	41.702.956
Domestic Factoring without recourse	19.381.021
Invoices discounting	19.124.335
Export Factoring	5.439.340
Total	85.647.652
	-
Less: Allowance for impairment on customer receivables	
Total customer receivables (net)	85.647.652

NOTE 11: Property and equipment

Property and equipment is analyzed as follows:

Amounts in €	Equipment	Total
Cost		
Additions	3.002	3.002
At 31 December 2009	3.002	3.002
Accumulated depreciation		
Depreciation	(3.002)	(3.002)
At 31 December 2009	(3.002)	(3.002)
Net book amount at 31 December 2009	-	-

Notes to the Financial Statements

NOTE 12: Deferred tax assets and liabilities

Deferred tax assets and liabilities are analysed as follows:

Amounts in €	Recognition in Statement of Comprehensive Income	Recognition in Equity	Balance 31/12/2009
Deferred tax assets:			
Share Capital issue costs	-	11.500	11.500
Retirement benefit obligations	2.890	-	2.890
Long term amortization expenses	5.888	-	5.888
Total deferred tax assets	8.778	11.500	20.278
Deferred tax liabilities:			
Customer receivables	(42.690)	-	(42.690)
Debt securities issue costs	(6.250)	-	(6.250)
Total deferred tax liabilities	(48.940)	-	(48.940)
Net deferred tax liability	(40.162)	11.500	(28.662)

NOTE 13: Other assets

Other assets are analyzed as follows:

Amounts in €	31 December 2009
Prepaid expenses	15.836
Other customer receivables	1.293
Total	17.129

NOTE 14: Due to banks

Due to banks consist of a loan facility (overdraft account) contracted between the Company and its Parent Company (National Bank of Greece S.A.) with a floating interest of one-month, two-month, three-month or six-month Euribor plus margin.

Notes to the Financial Statements

NOTE 15: Debt securities in issue

On 24 December 2009 the Company signed a bond loan agreement with its parent company National Bank of Greece S.A. and its affiliate company National Bank of Greece (Cyprus) Ltd in accordance with the laws 3156/2003 and 2190/1920 which will mature at 30 November 2010.

Under this agreement the Company can issue a bond loan amounted to €300.000.000 divided in 300 million bonds with a nominal amount of €1 per bond. Interest rate is determined as the OVERNIGHT or the one-month, two-month, three-month or six month Euribor at the discretion of the issuer, plus margin. The bond loan is fully payable at maturity (30 November 2010). The issuer has the right to redeem the loan during the contract period on condition that will repay the capital and the respective accrued interests.

On 28 December 2009 the Company issued a bond loan amounted to €50.000.000 according to the referred agreement and the issuance costs amounted to €50.000.

NOTE 16: Due to customers

Due to customers consist of collections made on behalf of customers which have not been reimbursed to them as at 31 December 2009.

NOTE 17: Retirement benefit obligations

In accordance with law 2112/20 employees are entitled to a lump sum payment in case of redundancy or retirement. The retirement benefit is dependent on each employee's final salary and the years of service upon the retirement date. If the employee remains to the company until the expected retirement date the retirement compensation is calculated at 40% of the total compensation if the employee was redundant at the same date. The Company recognizes the respective provision in accordance with the provisions of IAS 19. As at 31 December 2009 the present value of the relevant obligation amounted to €12.567 which is equal to the respective liability recognized in the statement of financial position. This liability is equal to the current service cost charged to the income statement. The key assumptions used for the calculation of the liability are a) Discount rate 5% and b) Expected rate of salary increases 5%. No such compensation is expected to occur in 2010.

NOTE 18: Other liabilities

Other liabilities are analyzed as follows:

Amounts in €	31 December 2009
Taxes payable – (other than income taxes)	66.653
Social security funds	16.399
Creditors	100.598
Other liabilities	3.370
Total	187.020

NOTE 19: Share capital and share premium

The share capital of the Company as at 31 December 2009 amounted to €5.000.000 divided into 1.000.000 ordinary shares with a nominal value of €5 per share. The share premium at the same date amounted to €45.000.000.

Notes to the Financial Statements

NOTE 20: Retained earnings

Included in the retained earnings are the share capital issue costs, net of tax amounted to €38.500. For the fiscal year ended at 31 December 2009 the Board of Directors will propose to the annual General Meeting of Shareholders no dividend distribution and the appropriation of amount €6.584 as a statutory reserve.

NOTE 21: Fair value of financial instruments

According to IFRS the companies should disclose the fair value of their reported financial assets and financial liabilities

Management consider that the carrying amounts of financial assets and financial liabilities, as presented in the financial statements approximates their fair values, as either their term is less than one year or carry floating interest rate.

NOTE 22: Contingent liabilities and commitments

a) Legal proceedings

In the opinion of the management, after consultation with legal consultant there are not pending cases that expected to have a material effect on the financial position of the Company.

b) Pending Tax audits

The Company has not yet been audited by the tax authorities for its first financial year.

c) Unutilized credit limits and credit coverage limits

Conditional liabilities of the Company from the above mentioned credit limits and credit coverage limits as at 31 December 2009 amounted to € 74.762.904

d) Operating Lease commitments

The operating lease commitments of the Company relates to the operating lease rentals of buildings and vehicles.

The minimum future lease payments are as follows:

Amounts in €	Minimum future rental payments
No later than 1 year	41.220
Later than 1 year and no later than 5 years	142.392
Later than 5 years	12.285
Total	195.897

Notes to the Financial Statements

NOTE 23: Risk management

Risk management is assigned to the specific risk management department of the Parent Company (National Bank of Greece S.A.), according to the relevant contract signed between the two parties.

23.1 Credit risk

Credit risk is defined as current or future risk relating to the failure of a borrower to honour its contractual factoring obligations with the Company.

According to the referred contract agreement, the credit risk valuation for debtors and sellers is coordinated by the relevant departments and the related approval authorities of National Bank of Greece S.A. Furthermore, the management of customer receivables which are past due is in line with the principles of management of nonperforming loans followed by the Parent Company National Bank of Greece S.A.

The separation of offered factoring products (Domestic Factoring with recourse, Domestic Factoring without recourse, Invoices discounting, Export Factoring) relates to the different credit risk exposure for each of them. The separation of factoring products by credit risk exposure mainly relates to Factoring with recourse, where the credit risk derive from debtors, and Factoring without recourse where credit risk derives from sellers. In each case the valuation models of credit risk are accordingly adjusted (debtor or seller).

The Company's credit policy adheres to the Credit Policy for Corporate Portfolio of National Bank of Greece S.A.

The Company's customers credit risk rating system, which adheres to the corresponding system of the Parent Company (National Bank of Greece S.A.), refers to methodologies, processes, controls, IT and database systems supporting the assessment of credit risk and obligors and classification of obligors and credit facilities in risk categories or in groups with similar risk characteristics, as well as the quantification of risk parameters, i.e. default and loss for each obligor and risk rating.

Maximum credit exposures as at 31.12.2009

Amounts in €	Portfolio Credit exposures (wo impairments)
Deposits to NBG	19.606.366
Customer receivables	85.647.652
Total	105.254.018

Credit exposures analysis of customer receivables per industry sector as at 31 December 2009

Amounts in €	
Industry & mining	8.713.103
Small scale industry	1.048.422
Trade and services (excl. tourism)	73.700.302
Construction and real estate development	2.183.329
Transportation and telecommunications (excl. shipping)	2.496
Total	85.647.652

As at 31 December 2009 the fair value of the collaterals of the above mentioned credit exposure of customer receivables amounted to €94.032.673. All credit exposures are not past due and of acceptable credit risk

Notes to the Financial Statements

23.2 Market risk

23.2.1 Currency risk

During the first financial year all the transactions undertaken by the Company were made in Euro. Hence, there were no exposures to exchange rate fluctuations.

23.2.2 Interest rate risk

The Company monitors the gap in maturities between assets and liabilities (Gap Analysis).

Assets and liabilities are classified in time buckets based on next re-pricing date. For assets and liabilities carrying floating interest rate, next re-pricing date is the date of the preparation of financial statements while for assets and liabilities carrying fixed interest rate is the maturity date.

The Company's interest rate risk relating to assets and liabilities based on next re-pricing date is summarized as follows:

Interest rate risk (Gap Analysis) as at 31.12.2009

Amounts in €

ASSETS	Up to 1 month	1 to 3 months	3 to 12 months	Not Interest bearing	Total
Cash & cash equivalents	14.996.622	-	-	4.609.744	19.606.366
Customer receivables (net)	85.647.652	-	-	-	85.647.652
Current income tax advance	-	-	-	8.868	8.868
Other assets	-	-	-	17.129	17.129
Total assets	100.644.274	-	-	4.635.741	105.280.015
Liabilities	Up to 1 month	1 to 3 months	3 to 12 months	Not Interest bearing	Total
Due to banks	(5.003.345)	-	-	-	(5.003.345)
Debt securities in issue	-	-	(49.950.000)	-	(49.950.000)
Due to customers	(5.247)	-	-	-	(5.247)
Deferred tax liabilities	-	-	-	(28.662)	(28.662)
Retirement benefit obligations	-	-	-	(12.567)	(12.567)
Other liabilities	-	-	-	(187.020)	(187.020)
Total Liabilities	(5.008.592)	-	(49.950.000)	(228.249)	(55.186.841)
Total interest gap of assets & liabilities	95.635.682	-	(49.950.000)	4.407.492	50.093.174

23.2.3 Pricing risk

Due to the subject of its business the Company is not exposed to pricing risk. The Company does not hold financial assets traded in stock markets.

Notes to the Financial Statements

23.3 Liquidity risk

Liquidity risk monitoring focused in the Company's ability to retain sufficient liquidity to meet its liabilities. In order to cover its liquidity needs the Company performs Liquidity Gap Analysis.

The management assesses the cash flows arising from all assets and liabilities and classifies them in time buckets, based on their expected maturities. In the following table is presented the liquidity gap analysis.

Contractual non discounted cash flows from financial liabilities are analyzed as follows:

Amounts in €

	On demand	Up to 1 month	1 to 3 months	3 to 12 months	Total
Liabilities Due to banks	5.004.670	-	-	-	5.004.670
Debt securities in issue	-	-	-	50.953.333	50.953.333
Due to customers	-	5.247	-	-	5.247
Other liabilities	-	123.519	-	63.501	187.020
Total	5.004.670	128.766	-	51.016.834	56.150.270

Liquidity risk analysis as at 31.12.2009

Amounts in €

ASSETS	On demand	Up to 1 month	1 to 3 months	3 to 12 months	Total
Cash & cash equivalents	-	19.606.366	-	-	19.606.366
Customer receivables (net)	-	24.188.467	49.708.547	11.750.638	85.647.652
Other assets	-	-	1.293	-	1.293
Total	-	43.794.833	49.709.840	11.750.638	105.255.311
LIABILITIES					
Due to banks	(5.003.345)	-	-	-	(5.003.345)
Debt securities in issue	-	-	-	(50.000.000)	(50.000.000)
Due to customers	-	(5.247)	-	-	(5.247)
Other liabilities	-	(187.020)	-	-	(187.020)
Total	(5.003.345)	(192.267)	-	(50.000.000)	(55.195.612)
Liquidity gap	(5.003.345)	43.602.566	49.709.840	(38.249.362)	50.059.699

Debt securities in issue are presented above based on the agreed contractual terms. However, the Company retains the right to redeem them during the contract period on condition that will repay the capital and the respective accrued interests.

Notes to the Financial Statements

23.4 Operational risk

Operational risk is defined as the current or future risk on the Company's gains and capital arising from inadequate or ineffective internal procedures, from insufficient management of Human Resources or from external factors.

The Company has outsourced to its parent Company, National Bank of Greece S.A, Risk Division all the related procedures in order to meet operational risk. Management has assessed the operational risk as medium and low level of significance.

23.5 Capital adequacy

The Company manages actively its capital base, in cooperation with its parent Company, by taking advantage of the contemporary means for raising capital, with the objective to sustain its capital adequacy ratios well above the minimum regulatory levels and at the same time to improve the weighted average cost of capital. In this framework, both the calculation of the capital requirements and the dynamic management of the capital base are embedded in the business plan and the annual budgeting processes, in accordance with the capital adequacy targets that have been set in the Group's Risk Strategy.

NOTE 24: Related party transactions

The Company, as a subsidiary of the NBG Group, entered into significant transactions with National Bank of Greece and other affiliated companies of NBG Group, during the course of business, at market rates. These transactions are approved by the appropriate management level.

A. The outstanding balances of transactions with members of the Board of Directors and management are as follows:

Amounts in thousand €		19 May -31 December 2009
Expenses		
Board of Directors and management fees		27,3

Notes to the Financial Statements

B. The outstanding balances with National Bank of Greece S.A. and the affiliated companies of NBG Group are as follows:

Amounts in thousand € .	31 December 2009
ASSETS	
Due from banks	
National Bank of Greece S.A.	19.606
LIABILITIES	
a) Due to banks	
National Bank of Greece S.A.	5.003
b) Debt securities in issue	
National Bank of Greece S.A.	5.000
National Bank of Greece S.A. (Cyprus) LTD	45.000
c) Other Liabilities	
National Bank of Greece S.A.	63,5
Total	55.067
Statement of Comprehensive Income	19 May -31 December 2009
INCOME	
Interest income	
National Bank of Greece S.A.	90
EXPENSES	
a) Fee & commission expenses	
National Bank of Greece S.A.	51
National Bank of Greece S.A. (Cyprus) LTD	13
b) Personnel expenses	
National Bank of Greece S.A.	133
c) General, administrative & other operating expenses	
National Bank of Greece S.A.	20
Ethnodata S.A.	3
Total	220

Notes to the Financial Statements

NOTE 25. Events after reporting period

No significant events have occurred since 31 December 2009 up to the date of approval of these financial statements.

Athens, 7 May 2010

THE CHAIRPERSON

THE CHIEF EXECUTIVE OFFICER

THE CHIEF ACCOUNTANT

ELENI TZAKOU - LAMPROPOULOU
No of Pol. Identity AI 091541

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