NBG FACTORS

Annual Financial Report

31 December 2015

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

Athens, May 2016

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Board of Directors Annual Report on the Financial Statements of Ethniki Factors S.A. for the financial year 2015

According to the provisions of Company's Act and Company's Articles of Association, the activities of the Company during its seventh financial year which covers the period from 1 January to 31 December 2015 are presented below.

Financial position and comprehensive income of the Company

The period from 1 January to 31 December 2015 was the seventh financial year for the Company during which the main activities were oriented on maintaining its high quality portfolio, broadening the clientele basis, providing constantly a broad range of Factoring services and supporting corporate customers of National Bank of Greece S.A despite the special conditions were arising due to the imposition of capital controls.

On 31 December 2015 Company's loans and advances to customers, amounted to €408,402.4 thousand, resulting in a decrease by 5.4% compared to 2014, whereas total Factoring volume amounted to €2,480,670.7 thousand against €2,139,703.6 thousand in 2014 (increase 15.9%). Profit for the period amounted to €6,577.2 thousand against €9,640.3 thousand in 2014 (decrease 31.8%) due to increased credit provisions for the elimination of the adverse impact of severe economic and financial disturbance.

Company's capital adequacy is being monitored by Bank of Greece which is responsible for collecting necessary reporting data, in accordance with the Bank of Greece Governor's Act 2640/18.01.2011 (as it has been replaced by Bank of Greece Governor's Act 2651/20.1.2012). The calculation of capital adequacy, from 1 January 2010, regarding Factoring Companies is carried out under the new monitoring framework of Basel II, and the Law 3601/2007 as in force with the Bank of Greece Governor's Act 2622/21.12.2009.

In 2015 the capital adequacy ratios of basic and total equity amounted to 11.22% against 10.95% in 2014.

In its seventh financial year the Company's charged credit provisions of €3,764.1 thousand and as also stated in the financial statements, Management believes that the accumulated allowance for loan losses clearly reflect the real situation at that particular time.

The Company's total income in 2015 amounted to €15,144.7 thousand compared to €15,203.3 thousand resulting a marginal decrease of 0.4% compared with 2014. Moreover, an amount of €10,854.7 thousand relates to net interest income (2014: €11,415.9 thousand decrease 4.9%) and an amount of €4,289.3 thousand relates to net commission income (2014: €3,786.6 thousand increase 13.3%). The fiscal year 2015, the Company charged additional credit provisions amounted to €3,764.1 thousand (2014: €423.2 thousand) for a more effective armor against the constantly deteriorating economic environment. Total expenses, amounted to €1,904.7 thousand (increase 7.4%) of which €847.3 thousand (increase 4.7%) relate to personnel expenses and the remaining amount of €1,057.4 thousand (increase 9.7%) relates to General, administrative and other operating expenses and depreciation (office rentals, marketing expenses, third party expenses, depreciation of property & equipment , amortization of intangible assets etc). Thus the total expenses (excluding credit provisions) over the total income ratio stood at 12.6% compared with 11.7% for 2014.

Going Concern

The Company as a 100% subsidiary of the National Bank of Greece maintains significant synergies both with its parent Bank and also with the other companies of the NBG Group. Those synergies mainly relate to a) Company's funding for new factoring financing, b) business development and client credit assessment and c) various operational issues. As a result the Company highly correlates its operations to its parent Bank strategy.

As a result of the negotiations between the new Greek government and the European Commission, the European Central Bank ("ECB") and International Monetary Fund ("IMF") (collectively the "Institutions") towards reaching a permanent agreement regarding Hellenic Republic's financing needs, the uncertainty regarding the financing needs of the Hellenic Republic increased and led to significant deposits outflows from the Greek banks. Liquidity in the Greek banking system has declined significantly, reflecting a sizeable contraction of the domestic deposit base between November 2014 and July 2015 of €52.7 billion, accompanied by a sharp increase in reliance on ECB and Emergency Liquidity Assistance ("ELA") to above €125.3 billion in July 2015 from €56.0 billion in December 2014, although such funding obligations declined to €107.5 billion in December 2015.
During the first half of 2015, the structure of the parent Bank's liquidity position has changed substantially. The reasons for this change were the economic turbulence and the uncertainty in the Greek banking sector that was caused by the ongoing negotiations between the Greek government and the Institutions. More specifically, parent

Bank faced significant deposit outflows of €8.4 billion, as well as the cancellation of about €3.6 billion of repurchase agreements with financial institutions. This in turn caused an increased dependence on Eurosystem funding and a commensurate deterioration of the parent Bank's counterbalancing capacity. Furthermore, in February 2015, ECB lifted the waiver on accepting notes issued or guaranteed by the Hellenic Republic as collateral for repurchase agreements, which forced the parent Bank to cover its increasing funding shortfall through the ELA. In the height of the liquidity crisis, on 29 June 2015 due to the termination of the negotiations and ECB's decision to freeze the level of ELA, Greek authorities imposed capital controls, in order to prevent a widespread bank run and to preserve the sustainability of the Greek banking system. Moreover, on 7 July 2015, ECB raised the haircuts on the notes issued or guaranteed by the Hellenic Republic, which subsequently further lowered the Bank's buffer for ELA refinancing. In order to mitigate all the above developments, the Bank's Eurosystem funding increased in the first half of 2015 by €13.3 billion and reached €27.6 billion as at 30 June 2015. However, even at that point, the Bank retained adequate buffer of ELA eligible collateral, of around €5.5 billion, in order to cover further outflows.

During the second half of 2015, while the capital controls remained in force, the liquidity position of the parent Bank was improved. Eurosystem funding was reduced by about €3.5 billion and ELA funding decreased by about €6.1 billion. The main driver for these developments was the parent Bank's successful share capital increase that was completed in December 2015. The parent Bank not only enhanced its capital base, but also increased the amount of its ECB eligible collateral by receiving an amount of €2.7 billion of ESM bonds, under the relevant subscription agreement. Additionally, the parent Bank further reduced its liabilities through the LME, by replacing all of its long-term debt, except for the covered bonds, with equity. Finally, the parent Bank liquidity profile was further strengthened by a moderate increase of about €1 billion in its customer deposits and by further deleveraging. In this context, on 31 December 2015, the ECB funding stood at €12.5 billion, while ELA funding was €11.5 billion, amounting to a total exposure to the Eurosystem of €24.0 billion, whereas the parent Bank liquidity buffer stood comfortably at €8.4 billion (cash value), of which €0.1 billion was collateral eligible for funding with the ECB and €8.3 billion was collateral that could be posted in order to draw liquidity from ELA. Total Eurosystem funding amounted to €14.2 billion at 31 December 2014, €20.7 billion at 31 December 2013 and €34.7 billion at 30 June 2012, when it reached the highest amount. Furthermore, as of 10 March 2016, Eurosystem funding has decreased to €23.4 billion, of which €10.9 billion through ELA, while additional financial assets of an estimated cash value €7.7 billion (cash value) were available for further liquidity of which €0.2 billion was collateral eligible for funding with the ECB and €7.5 billion was collateral that could be posted in order to draw liquidity from ELA.

Furthermore, parent Bank's total Eurosystem and ELA funding has been significantly reduced as of 31 March 2016 to €22.8 billion and €10.9 billion, respectively, while the parent Bank's liquidity buffer stood at €8.5 billion (cash value). As of 17 May 2016, Eurosystem funding decreased further to €21.9 billion, while ELA increased to €11.1 billion and the liquidity buffer amounted to €6.3 billion (cash value).

As far as the parent Bank's and Group Common Equity Tier 1 ("CET1") ratio at 31 March 2016 was 14.4% and is expected to increase further upon completion of the disposal of Finansbank, which is anticipated by 30 June 2016.

In 2016, economic activity in Greece continues to be affected by the downside pressures on growth from the GDP contraction in the second half of 2015 and the additional fiscal drag from the implementation of new fiscal measures to support the achievement of a targeted primary surplus in Government budget. Accordingly, GDP is estimated to decline further (–0.3% year-over-year in 2016, in constant prices), with the economy expected to return in positive growth in the second half of 2016.

On 25 May 2016 the Eurogroup reached a full staff-level agreement between Greece and the International Monetary Fund (the "IMF"), the European Central Bank ("ECB"), the European Union ("EU") and the European Stability Mechanism ("ESM") (collectively, the "Institutions"), in line with the Eurogroup statement adopted on 9 May 2016, in particular as regard the adoption of permanent structural measures, including revenue measures and the contingency fiscal mechanism. Accordingly, following the full implementation of all prior actions, the European Stability Mechanism ("ESM") governing bodies are expected to endorse the supplemental Memorandum of Understanding ("MoU") and approve the disbursement of the second tranche of the ESM program. The second tranche under the ESM program amounting to EUR 10.3 billion will be disbursed to Greece in several disbursements, starting with a first disbursement in June 2016 (EUR 7.5 billion) to cover debt servicing needs and to allow a clearance of an initial part of arrears as a means to support the real economy. The subsequent disbursements will be made after the summer of 2016.

Furthermore, against the background of the forthcoming successful completion of the first review and the agreement on debt relief, the Eurogroup agreed on a package of debt measures which will be phased in progressively, as necessary to meet the agreed benchmark on gross financing needs and will be subject to the pre-defined conditionality of the ESM program. These measures are split into short, medium and long term. The short-term measures will be implemented after the closure of the first review up to the end of the program and include the smoothening of the European Financial Stability Facility ("EFSF") repayment profile and the reduction of interest rate risks.

Going concern conclusion

Management of the parent bank concluded that is a going concern after considering (a) its current access to the Eurosystem facilities, (b) agreement reached between the Institutions and the Hellenic republic in 25 May 2016, (c) the parent Bank's and the Group's CET1 ratio of 31 March 2016 and (d) the expected positive impact on the parent Bank CET1 ratio from the remaining actions included in the parent Bank Capital Plan, and in particular the completion of the disposal of Finansbank, expected by 30 June 2016.

Nevertheless, any significant deterioration of the economic environment due to, for example, adverse developments in the completion of the first review of the Program for the financing of the Hellenic Republic, could have a negative impact on the parent Bank, including its ability to raise funding through ELA, which may adversely affect the parent Bank's Group ability to continue as a going concern.

The resolution of these material uncertainties depend, among other factors, on the successful completion of the first review of the Program, a solution for the financing needs of the Greek government, and the re-establishment of the waiver by the ECB to the use of Greek government bonds in the Eurosystem, which would likely result in a positive flow of deposits to the banking system, including NBG, and access to the international financial markets

Due to the fact that the parent Bank prepares its financial statements with the going concern assumption, management of the Company believes that is well positioned to adequately support its business plan over the coming year (2016) and for this reason prepared its own financial statements on a going concern basis.

Management actions during 2015 and for the first five months of 2016

During the seventh financial year the actions of the management were focused on maintaining and expanding Company's "high quality" client portfolio, offering a wide range of "Factoring" services and supporting its existing clients under the special conditions of the capital controls imposition.

The Company's course of business is mainly developed through Recourse Factoring services aiming to provide customers liquidity while maintaining credit risk in acceptable low levels. In addition, regarding the support of export companies, Company's turnover related to international factoring amounted to €418,928.0 thousand of which amount of €103,917.3 thousand was executed via the two-factor system. Although, reverse factoring turnover has increase by 183.8%, amounted to €119,745.4 thousand against €42,193.3 thousand of 2014.

In first months of 2015, Company also applied a detailed pricing model for corporate customers.

During 2015 the NBG Group Internal Audit Division performed an internal audit concerning Credit Procedures and security in IT factoring systems.

The reports of the aforementioned audits and the progress on findings' settlement are periodically communicated to Board of Directors.

Since November 2009 the Company is, an inaugural member of Hellenic Factors Association represented in its Board of Directors.

Factoring market evolution

According to Hellenic Factoring Association, during 2014 factoring turnover in Greece increased by approximately 7.5%. Furthermore, according to "EU Federation for the Factoring and Commercial Finance Industry" factoring turnover dropped approximately by 0.8% to €12.9 billion compared to €13.0 billion in 2014. Despite the continuing shrinking of the size of the Greek Economy (decrease 0.2% in 2015), this trend reflects the strong demand for Factoring as financial tool providing continuous liquidity and exploitation of total assets, both from corporate customers, and from Systemic Banks which operate in this market via their factoring subsidiaries.
In alignment with the aforementioned upward market trend, Ethniki Factors managed to increase its market share from 15.0% in 2013 and 16.4% in 2014 to 19.3% in 2015.

Events after the reporting period

There are no significant events after the reporting period.

Risk Management

The Company adopts Risk Management Policies of the Group. 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. Efficient risk management and control reflect NBG Group and Company's commitment to achieve high returns for its shareholders.

Credit Risk

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. It arises in lending activities as well as in various other activities where we are exposed to the risk of counterparty default, such as capital markets' trading and settlement activities. The risk of counterparty default is the most significant risk that the Group faces. Our credit risk processes are conducted separately by the Bank and each of its subsidiaries. The credit risk procedures established by the subsidiaries are coordinated by the Group Risk Control & Architecture Division. The Group's credit granting processes include:

- Credit-granting criteria based on the particular target market, the borrower or counterparty, as well as the purpose and structure of the credit and its source of repayment.
- Credit limits that aggregate in a comparable and meaningful manner different types of exposure, at various levels.
- Clearly established procedures for approving new credits as well as the amendment, renewal and re-financing of existing credits.

The Group maintains on-going credit administration, measurement and monitoring processes, including in particular:

- Documented credit risk policies.
- Internal risk rating systems.
- Information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities.

The Group's internal controls that are implemented for the credit risk related processes include:

- Proper management of the credit-granting functions.
- Periodical and timely remedial actions on deteriorating credits.
- Independent, ongoing assessment of the credit risk management processes by Internal Audit, covering in particular the credit risk systems/models employed by the Group.

Operational risk

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

The Company, acknowledging the importance of operational risk, has established and maintained a firm wide and effective, high quality framework for its management.

The Company has outsourced to its parent Bank responsibilities related to operational risk management. Since 2010, the Company has developed an Operational Risk Management Framework (ORMF) considering qualitative and quantitative criteria of Standardised Approach.

During 2015 the annual cycle of ORMF was implemented using the OpVar application developed by Algorithmics company.

Especially, in the context of ORMF implementation conducted the following procedures:

- The identification, assessment and monitoring of operational risks (Risk Control Self-Assessment);
- The determination of Action Plans for their mitigation
- The collection of operational risk loss events

Liquidity risk

Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (term liquidity risk) or unexpectedly high outflows (withdrawal/call risk). Liquidity risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner and on reasonable terms.

The Company's principal sources of liquidity are from subordinated bond loans agreements and overdraft accounts with its parent Bank and other affiliate companies of NBG Group.

2016 Perspectives

In 2016, economic activity in Greece will continue to be affected by the downside pressures related to the negative influence on growth from GDP trends in 2015, and the additional fiscal drag from the implementation of new fiscal measures to support the achievement of a targeted primary surplus in Government budget of 0.5% of GDP in 2016 (Source: State Budget 2016). Accordingly, GDP is estimated to decline further (-0.7% y-o-y in FY:2016, in constant prices, EU Commission, Winter Forecast 2016) with the economy returning in positive growth in the second half of 2016 supported by: i) lower energy prices; ii) improving sentiment compared to the previous year; iii) positive tourism and export trends, iv) a gradual normalization of liquidity conditions (reflecting, inter alia, a gradual clearance of government arrears) and v) a further easing of capital controls.

The timely completion of the pending first review of the Program for Greece, in the first months of 2016 is expected to unlock about €5 billion of official funding and contribute to sustainable recovery in economic sentiment and a faster improvement in liquidity conditions especially if compounded by a reinstatement of the ECB waiver on Greece's financial assets and, eventually, the eligibility in the ECB's QE – quantitative easing. On the other hand, a significant delay in the completion of the review could give rise to negative confidence and liquidity effects, delay the relaxation of capital controls and exert additional downward pressures on collateral valuations and ultimately create debt servicing tensions for the Hellenic Republic and the private sector, and impose significant downside risks for economic activity.

Concerning the Factoring market, 2016 is expected to be a year with restrained increase of factoring turnover. As stated below, the timely completion of the pending first review of the Program for Greece should contribute to sustainable recovery in economic conditions. Factoring as a financial instrument for banking groups will continue in 2016 funding business clientele as a popular alternative liquidity solution. Therefore, according to our estimations for 2016, we predict that Greek Factoring market will be further increased to approximately 2.0% - 5.0%.

Among the strategic goals of the Company for the financial year 2016 are the following:

1. To enhance targeted clientele basis according to the parent's company, National Bank of Greece S.A. credit policies, operations and procedures.
2. To maintain limited non performing advances.
3. To further enhance market share and increase robust profitability.
4. To develop International and Reverse Factoring activities.
5. To improve financial risk management practices and minimize financial and operating risks.
6. To maintain an efficient cost to Income ratio.
7. To upgrade and modernize Company's Operations and Processes in order to improve supplied services to business clientele.

Dividend Policy

The Management will propose to the Annual General Assembly of the shareholders to approve the appropriation of amount €328.9 thousand as a statutory reserve according to provisions of Company Law 2190/1920 and the distribution of dividend of €8,000 thousand from current and past years profits. This decision is subject to the approval from the Annual General Assembly of the Shareholders.

Athens, 30 May 2016

The Chairman of the Board of Directors
Theofanis Panagiotopoulos

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 the company "Ethniki Factors S.A.", (the Company), which comprise the Statement of Financial Position as at 31 December 2015, the Statements of Income & Other Comprehensive Income, Changes in Equity and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, as endorsed by the E.U., and for such internal controls as management determines are necessary to enable the preparation of 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 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 Statements is 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as 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 financial statements present fairly, in all material aspects the financial position of the company as at 31 December 2015, its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards, as endorsed by the E.U.

Report on Other Legal and Regulatory Requirements

We verified the agreement and correspondence of the content of the Board of Directors' Annual Report, with the accompanying Financial Statements in the context of the requirements of Articles 43a (paragraph 3a) and 37 of the CL 2190/1920.

Athens, 31 May 2016

The Certified Public Accountant
Dimitrios Gotsis
Reg. No SOEL: 23031
Deloitte Hadjipavlou Sofianos & Cambanis S.A.
3a Fragoklisias & Granikou str., 151 25 Maroussi
Reg. No SOEL: E 120

Statement of Income & Other Comprehensive Income

For the period ended 31 December 2015

Amounts in €	Note	01.01.2015 - 31.12.2015	01.01.2014 - 31.12.2014
Interest and similar income	4	20,812,810	21,141,307
Interest expense and similar charges	4	(9,958,137)	(9,725,355)
Net Interest Income		**10,854,673**	**11,415,952**
Fee and commission income	5	6,969,281	6,567,301
Commission expense	5	(2,679,954)	(2,780,722)
Net fee and commission income		**4,289,327**	**3,786,579**
Net trading income		697	801
Total Income		**15,144,697**	**15,203,332**
Personnel expenses	6	(847,302)	(809,152)
General, administrative and other operating expenses	7	(1,016,298)	(925,909)
Amortization of intangible assets	12	(39,957)	(35,795)
Depreciation of property and equipment	13	(1,190)	(2,539)
Credit provisions	8	(3,764,126)	(423,170)
Total expenses		**(5,668,873)**	**(2,196,565)**
Profit before tax		**9,475,824**	**13,006,767**
Tax expense	9	(2,898,650)	(3,366,472)
Profit for the period		**6,577,174**	**9,640,295**
Other comprehensive income, net of tax :			
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits		7,750	(14,865)
Other comprehensive income for the period, net of tax :		**7,750**	**(14,865)**
Total comprehensive income for the period		**6,584,924**	**9,625,430**

Athens, 30 May 2016

THE CHAIRPERSON	THE CHIEF EXECUTIVE OFFICER	THE SUPERVISOR OF FINANCIAL SERVICES
THEOFANIS PANAGIOTOPOULOS No of Passport ID AE3595802	ALEXANDROS KONTOPOULOS No of Pol. Identity X 549459	PANAGIOTIS MAVRAGANIS No of Pol. Identity X 010495

The notes on pages 14 to 43 form an integral part of these financial statements

Statement of Financial Position

as at 31 December 2015

Amounts in €	Note	31.12.2015	31.12.2014
ASSETS			
Cash and balances with banks	10	9,614,378	6,834,230
Loans and advances to customers	11	408,402,394	431,720,273
Software and other intangible assets	12	378,979	418,936
Property and equipment	13	4,962	3,042
Other assets	15	22,850	7,550
Total assets		**418,423,563**	**438,984,031**
LIABILITIES			
Due to banks	16	4,046,500	1,819,320
Debt securities in issue	17	335,010,174	350,031,753
Due to customers	18	6,615,411	7,773,370
Current income tax liabilities	9	144,499	932,976
Deferred tax liabilities	14	1,773,624	1,801,281
Retirement benefit obligations	19	64,366	61,369
Other liabilities	20	2,096,706	2,476,603
Total liabilities		**349,751,280**	**364,896,672**
SHAREHOLDERS' EQUITY			
Share capital	21	20,000,000	20,000,000
Share premium	21	30,000,000	30,000,000
Reserves & retained earnings	22,23	18,672,283	24,087,359
Total Shareholders' Equity		**68,672,283**	**74,087,359**
Total Liabilities and Equity		**418,423,563**	**438,984,031**

Athens, 30 May 2016

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE SUPERVISOR OF FINANCIAL SERVICES
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Statement of Changes in Equity

For the period ended 31 December 2015

Amounts in €	Share Capital	Share Premium	Defined benefit plans	Reserves	Retained earnings	Total
Balance at 1 January 2014	**20,000,000**	**30,000,000**	**266**	**915,598**	**25,567,844**	**76,483,708**
Other comprehensive income	-	-	(14,865)	-	-	(14,865)
Profit for the period	-	-	-	-	9,640,295	9,640,295
Dividends paid	-	-	-	-	(12,000,000)	(12,000,000)
Transfers in non taxable reserve	-	-	-	21,779	(21,779)	-
Statutory reserve	-	-	-	417,464	(417,464)	-
Non taxable reserve	-	-	-	(21,779)	-	(21,779)
Balance at 31 December 2014 & at 1 January 2015	**20,000,000**	**30,000,000**	**(14,599)**	**1,333,062**	**22,768,896**	**74,087,359**
Other comprehensive income	-	-	7,750	-	-	7,750
Profit for the period	-	-	-	-	6,577,174	6,577,174
Dividends paid	-	-	-	-	(12,000,000)	(12,000,000)
Non taxable reserve	-	-	-	482,015	(482,015)	-
Balance at 31 December 2015	**20,000,000**	**30,000,000**	**(6,849)**	**1,815,077**	**16,864,055**	**68,672,283**

Athens, 30 May 2016

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Cash Flow Statement

For the period ended 31 December 2015

Amounts in €	Note	01.01.2015 - 31.12.2015	01.01.2014 - 31.12.2014
Cash Flows from operating activities			
Profit before tax		**9,475,824**	**13,006,767**
Non cash items included in statement of comprehensive income and other adjustments:		**13,776,489**	**10,190,772**
Depreciation of property and equipment	13	1,190	2,539
Amortization of intangible assets	12	39,957	35,795
Credit provisions	8	3,764,126	423,170
Provision for employee benefits	19	13,079	3,913
Interest expense and similar charges	4	9,958,137	9,725,355
Net (increase)/decrease in operating assets :		**18,380,494**	**(126,119,496)**
Due from / to customers (net amount)		18,395,794	(126,119,496)
Other assets		(15,300)	-
Net increase/(decrease) in operating liabilities:		**(4,097,013)**	**(2,304,775)**
Other Liabilities		(379,897)	505,517
Income tax paid		(3,717,116)	(2,810,292)
Net Cash flows from / (used in) operating activities		**37,535,794**	**(105,226,732)**
Cash flows from investing activities:			
Purchase of software and other intangibles	12	-	(54,488)
Purchase of property and equipment	13	(3,110)	(3,125)
Net Cash flows from/ (used in) investing activities		**(3,110)**	**(57,613)**
Cash flows from financing activities:			
Proceeds from debt securities		665,000,000	365,000,000
Repayment of debt securities		(680,000,000)	(245,000,000)
Debt securities issue costs	17	(30,000)	(1,800)
Due to banks	16	2,227,180	1,819,320
Repayment of debt securities interest expenses		(9,795,446)	(9,638,481)
Interest paid		(154,270)	(1,971)
Dividends paid		(12,000,000)	(12,000,000)
Net cash flows from / (used in) financing activities		**(34,752,536)**	**100,177,068**
Net increase / (decrease) in cash and cash equivalents		**2,780,148**	**(5,107,277)**
Cash and cash equivalents at beginning of period		**6,834,230**	**11,941,507**
Cash and cash equivalents at end of period		**9,614,378**	**6,834,230**

Athens, 30 May 2016

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE SUPERVISOR OF FINANCIAL SERVICES
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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). Company's duration has been set to be fifty (50) years and can be extended with resolution of its Shareholders' General Assembly.

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. Company's Board of Directors, whose term expires at the sixth General Assembly of the Shareholders that will be called in the first half of 2016 according to article 20 of the Articles of Association and the assembly held on 28 June 2013, consists of the following members:

Theofanis Th. Panagiotopoulos	The Non-Executive Chairman of the Board of Directors
Alexandros V. Kontopoulos	Chief Executive Officer and Executive Member
Eleni A. Tzakou	Non – Executive Member
Panagiotis – Ioannis A. Dasmanoglou	Non – Executive Member
Georgios P. Skotidas	Non – Executive Member
Georgios I. Aggelidis	Non – Executive Member
Foteini D. Ioannou	Non – Executive Member
Georgios G. Koutsoudakis	Non – Executive Member
Dimitrios G. Katsikavelis	Independent Member

On 31 July 2015, Mr Dimitrios G. Dimopoulos was resigned from his position as a non-executive member of the Board of Directors without replacement.

These financial statements have been approved for issue by the Company's Board of Directors on 30 May 2016.

These financial statements are subject to approval by the Annual General Assembly of the Shareholders.

NOTE 2: Summary of significant accounting policies

2.1 Basis of Preparation

The financial statements of the Company for the year ended 31 December 2015 (the "financial statements") have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as endorsed by the E.U. The amounts are stated in rounded Euro rounded to the nearest thousand, (unless otherwise stated for ease presentation).

The financial statements have been prepared under the historical cost convention. The preparation of the financial statements in conformity with the 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 revenue and expenses during the reporting period. The use of the available information and application of judgment is inherent in the formation of estimates in the following areas: retirement benefits obligation, impairment of loans and receivables, liabilities from unaudited tax years and contingencies from litigation. Actual results in the future may differ from those reported.
The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Going Concern

The Company as a 100% subsidiary of the National Bank of Greece maintains significant synergies both with its parent Bank and also with the other companies of the NBG Group. Those synergies mainly relate to a) Company's funding for new factoring financing, b) business development and client credit assessment and c) various operational issues. As a result the Company highly correlates its operations to its parent Bank strategy.

As a result of the negotiations between the new Greek government and the European Commission, the European Central Bank ("ECB") and International Monetary Fund ("IMF") (collectively the "Institutions") towards reaching a permanent agreement regarding Hellenic Republic's financing needs, the uncertainty regarding the financing needs of the Hellenic Republic increased and led to significant deposits outflows from the Greek banks. Liquidity in the

Greek banking system has declined significantly, reflecting a sizeable contraction of the domestic deposit base between November 2014 and July 2015 of €52.7 billion, accompanied by a sharp increase in reliance on ECB and Emergency Liquidity Assistance (“ELA”) to above €125.3 billion in July 2015 from €56.0 billion in December 2014, although such funding obligations declined to €107.5 billion in December 2015.
During the first half of 2015, the structure of the parent Bank’s liquidity position has changed substantially. The reasons for this change were the economic turbulence and the uncertainty in the Greek banking sector that was caused by the ongoing negotiations between the Greek government and the Institutions. More specifically, parent Bank faced significant deposit outflows of €8.4 billion, as well as the cancellation of about €3.6 billion of repurchase agreements with financial institutions. This in turn caused an increased dependence on Eurosystem funding and a commensurate deterioration of the parent Bank’s counterbalancing capacity. Furthermore, in February 2015, ECB lifted the waiver on accepting notes issued or guaranteed by the Hellenic Republic as collateral for repurchase agreements, which forced the parent Bank to cover its increasing funding shortfall through the ELA. In the height of the liquidity crisis, on 29 June 2015 due to the termination of the negotiations and ECB’s decision to freeze the level of ELA, Greek authorities imposed capital controls, in order to prevent a widespread bank run and to preserve the sustainability of the Greek banking system. Moreover, on 7 July 2015, ECB raised the haircuts on the notes issued or guaranteed by the Hellenic Republic, which subsequently further lowered the Bank’s buffer for ELA refinancing. In order to mitigate all the above developments, the Bank’s Eurosystem funding increased in the first half of 2015 by €13.3 billion and reached €27.6 billion as at 30 June 2015. However, even at that point, the Bank retained adequate buffer of ELA eligible collateral, of around €5.5 billion, in order to cover further outflows.

During the second half of 2015, while the capital controls remained in force, the liquidity position of the parent Bank was improved. Eurosystem funding was reduced by about €3.5 billion and ELA funding decreased by about €6.1 billion. The main driver for these developments was the parent Bank’s successful share capital increase that was completed in December 2015. The parent Bank not only enhanced its capital base, but also increased the amount of its ECB eligible collateral by receiving an amount of €2.7 billion of ESM bonds, under the relevant subscription agreement. Additionally, the parent Bank further reduced its liabilities through the LME, by replacing all of its long-term debt, except for the covered bonds, with equity. Finally, the parent Bank liquidity profile was further strengthened by a moderate increase of about €1 billion in its customer deposits and by further deleveraging. In this context, on 31 December 2015, the ECB funding stood at €12.5 billion, while ELA funding was €11.5 billion, amounting to a total exposure to the Eurosystem of €24.0 billion, whereas the parent Bank liquidity buffer stood comfortably at €8.4 billion (cash value), of which €0.1 billion was collateral eligible for funding with the ECB and €8.3 billion was collateral that could be posted in order to draw liquidity from ELA. Total Eurosystem funding amounted to €14.2 billion at 31 December 2014, €20.7 billion at 31 December 2013 and €34.7 billion at 30 June 2012, when it reached the highest amount. Furthermore, as of 10 March 2016, Eurosystem funding has decreased to €23.4 billion, of which €10.9 billion through ELA, while additional financial assets of an estimated cash value €7.7 billion (cash value) were available for further liquidity of which €0.2 billion was collateral eligible for funding with the ECB and €7.5 billion was collateral that could be posted in order to draw liquidity from ELA.

Furthermore, parent Bank’s total Eurosystem and ELA funding has been significantly reduced as of 31 March 2016 to €22.8 billion and €10.9 billion, respectively, while the parent Bank’s liquidity buffer stood at €8.5 billion (cash value). As of 17 May 2016, Eurosystem funding decreased further to €21.9 billion, while ELA increased to €11.1 billion and the liquidity buffer amounted to €6.3 billion (cash value).

As far as the parent Bank’s and Group Common Equity Tier 1 (“CET1”) ratio at 31 March 2016 was 14.4% and is expected to increase further upon completion of the disposal of Finansbank, which is anticipated by 30 June 2016.

In 2016, economic activity in Greece continues to be affected by the downside pressures on growth from the GDP contraction in the second half of 2015 and the additional fiscal drag from the implementation of new fiscal measures to support the achievement of a targeted primary surplus in Government budget. Accordingly, GDP is estimated to decline further (−0.3% year-over-year in 2016, in constant prices), with the economy expected to return in positive growth in the second half of 2016.

On 25 May 2016 the Eurogroup reached a full staff-level agreement between Greece and the International Monetary Fund (the “IMF”), the European Central Bank (“ECB”), the European Union (“EU”) and the European Stability Mechanism (“ESM”) (collectively, the “Institutions”), in line with the Eurogroup statement adopted on 9 May 2016, in particular as regard the adoption of permanent structural measures, including revenue measures and the contingency fiscal mechanism. Accordingly, following the full implementation of all prior actions, the European Stability Mechanism (“ESM”) governing bodies are expected to endorse the supplemental Memorandum of Understanding (“MoU”) and approve the disbursement of the second tranche of the ESM program. The second tranche under the ESM program amounting to EUR 10.3 billion will be disbursed to Greece in several disbursements, starting with a first disbursement in June 2016 (EUR 7.5 billion) to cover debt servicing needs and to allow a clearance of an initial part of arrears as a means to support the real economy. The subsequent disbursements will be made after the summer of 2016.

Furthermore, against the background of the forthcoming successful completion of the first review and the agreement on debt relief, the Eurogroup agreed on a package of debt measures which will be phased in progressively, as necessary to meet the agreed benchmark on gross financing needs and will be subject to the pre-defined conditionality of the ESM program. These measures are split into short, medium and long term. The short-term measures will be implemented after the closure of the first review up to the end of the program and include the smoothening of the European Financial Stability Facility ("EFSF") repayment profile and the reduction of interest rate risks.

Going concern conclusion

Management of the parent bank concluded that is a going concern after considering (a) its current access to the Eurosystem facilities, (b) agreement reached between the Institutions and the Hellenic republic in 25 May 2016, (c) the parent Bank's and the Group's CET1 ratio of 31 March 2016 and (d) the expected positive impact on the parent Bank CET1 ratio from the remaining actions included in the parent Bank Capital Plan, and in particular the completion of the disposal of Finansbank, expected by 30 June 2016.

Nevertheless, any significant deterioration of the economic environment due to, for example, adverse developments in the completion of the first review of the Program for the financing of the Hellenic Republic, could have a negative impact on the parent Bank, including its ability to raise funding through ELA, which may adversely affect the parent Bank's Group ability to continue as a going concern.

The resolution of these material uncertainties depend, among other factors, on the successful completion of the first review of the Program, a solution for the financing needs of the Greek government, and the re-establishment of the waiver by the ECB to the use of Greek government bonds in the Eurosystem, which would likely result in a positive flow of deposits to the banking system, including NBG, and access to the international financial markets

Due to the fact that the parent Bank prepares its financial statements with the going concern assumption, management of the Company believes that is well positioned to adequately support its business plan over the coming year (2016) and for this reason prepared its own financial statements on a going concern basis.

2.3 Adoption of International Financial Reporting Standards (IFRS)

2.3.1 New standards, amendments and interpretations to existing standards effective from 1 January 2015

In December 2013, IASB issued "Annual Improvements to IFRSs 2011-2013 Cycle". These improvements are effective from 1 July 2014. The Company has not applied these amendments, but they are not expected to have an impact on the financial statements.

New standards, amendments and interpretations to existing standards effective after 2015

New Standards.

- **IFRS 9 "Financial Instruments"** effective for annual periods beginning on or after 1 January 2018, as issued by the IASB. IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended (a) in October 2010 to include requirements for the classification and measurement of financial liabilities and (b) in November 2013 to include the new requirements for general hedge accounting. In July 2014, the final version of IFRS 9, which supersedes all previous versions, was issued mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9: All recognised financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes) and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI, unless the asset is designated at "fair value through profit or loss (FVTPL) under the fair value option. All other debt instruments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as FVTPL, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized. With the exception of purchased or originated credit-impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with IFRS 15. Purchased or originated credit-impaired financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, an entity would recognize changes in lifetime expected losses since initial recognition as a loss allowance with any changes recognized in profit or loss. Under the requirements, any favorable changes for such assets are an impairment gain even if the resulting expected cash flows of a financial asset exceed the estimated cash flows on initial recognition.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Company has not applied this standard and is currently evaluating the impact of IFRS 9 on the Consolidated and Separate financial statements and the timing of its adoption. Although the application of IFRS 9 in the future may have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

- **IFRS 15 Revenue from Contracts with Customers** (effective for annual periods beginning on or after 1 January 2018 as issued by the IASB)**.** IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue,* IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a five-step approach to revenue recognition:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Company has not applied this standard and is currently evaluating the impact of IFRS 15 on the financial statements and the timing of its adoption. Although the application of IFRS 15 in the future may have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until a detailed review has been completed.

- IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019, as issued by the IASB). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Identifying a lease
A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting by lessees
Upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right of use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. After lease commencement, a lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment, except for certain cases for which fair value or the revaluation model applies. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

Accounting by lessors
Lessors shall classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease. Upon lease commencement, a lessor shall recognize assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. A lessor recognizes finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognizes operating lease payments as income on a straight-line basis or, on another systematic basis if more representative of the pattern in which benefit from use of the underlying asset is diminished.

Sale and leaseback transactions
To determine whether the transfer of an asset is accounted for as a sale an entity applies the requirements of IFRS 15 for determining when a performance obligation is satisfied. If an asset transfer satisfies IFRS 15's requirements to be accounted for as a sale the seller measures the right-of-use asset at the proportion of the previous carrying amount that relates to the right of use retained. Accordingly, the seller only recognizes the amount of gain or loss that relates to the rights transferred to the buyer. If the fair value of the sale consideration does not equal the asset's fair value, or if the lease payments are not market rates, the sales proceeds are adjusted to fair value, either by accounting for prepayments or additional financing.

The Company has not applied this standard and is currently evaluating the impact of IFRS 16 on the financial statements and the timing of its adoption. Although the application of IFRS 16 in the future may have a significant impact on amounts reported in respect of Company's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until a detailed review has been completed.

Amendments

- **IFRS 11 (Amendments) Accounting for Acquisitions of Interests in Joint Operations** (effective for annual periods beginning on or after 1 January 2016). The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations.* Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The Company do not expect that this amendment will have an impact on the financial statements.

- IAS 1 (Amendments) Disclosure initiative (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 1 clarify that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements. An entity need not provide a specific disclosure provided by an IFRS if the information resulting from that disclosure is not material. In the statement of comprehensive income, the amendments require separate disclosures for the share of other comprehensive income of associates and joint ventures accounted for using the equity method based on whether or not it will be reclassified subsequently to profit or loss.

The Company do not expect that this amendment will have an impact on the financial statements.

- Annual Improvements to IFRSs 2010-2012 Cycle (effective for annual periods beginning on or after 1 February 2015, as endorsed by the EU). The amendments impact the following standards:

IFRS 2 Share-based Payment - Amend the definitions of “vesting condition” and “market condition” and adds definitions for “performance condition” and “service condition” which were previously included within the definition of “vesting condition”.
Specifically, for “market condition”, the amendment indicates that is a performance condition that relates to the market price or value of the entity’s equity instruments or the equity instruments of another entity in the same group. A market condition requires the counterparty to complete a specified period of service. For “performance condition”, the amendment specifies that the period over which the performance target is achieved should not extend beyond the service period and that it is defined by reference to the entity’s own operations or activities of another entity in the same group.

IFRS 3 Business Combinations — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value should be recognized in profit or loss.

IFRS 8 Operating Segments — Require disclosure of the judgments made by management in applying the aggregation criteria to operating segments, including a brief description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have similar economic characteristics. Clarify that reconciliations of the total of the reportable segments’ assets to the entity’s assets are only required if the segments’ assets are regularly reported to the chief operating decision maker.

IFRS 13 Fair Value Measurement — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis, if the effect of discounting is not material (amends basis for conclusions only).

IAS 24 Related Party Disclosures — Clarify that a management entity providing key management personnel services to a reporting entity or to the parent of the reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

The Company have not applied these amendments, but they are not expected to have a material impact on the financial statements.

-IAS 27 (Amendment) Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016). The amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Bank does not have the intention to apply this amendment.

- Annual Improvements to IFRSs 2012-2014 Cycle (effective for annual periods beginning on or after 1 January 2016). The amendments impact the following standards:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - The amendment clarifies that, when an asset (or disposal group) is reclassified from “held for sale” to “held for distribution to owners”, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as “held for sale” or “held for distribution to owners” simply because the manner of disposal has changed. The amendment also rectifies an omission in the standard by explaining that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as ‘held for sale’.

IFRS 7 Financial Instruments: Disclosures - There are two amendments to IFRS 7:

Servicing contracts
If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognize the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets. IFRS 7 provides guidance on what is meant by continuing involvement in this context. The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. The amendment is prospective with an option to apply retrospectively.

Interim financial statements
The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34. The amendment is retrospective.

IAS 19 Employee Benefits - The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented.

-IAS 12 (Amendments) Recognition of Deferred Tax Assets for Unrealized Losses (effective for annual periods beginning on or after 1 January 2017, as issued by the EU). This amendment clarifies the following aspects: Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. The carrying amount of an asset does not limit the estimation of probable future taxable profits. Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

- IAS 16 and IAS 38 (Amendments) Clarification of Acceptable Methods of Depreciation and Amortization (effective for annual periods beginning on or after 1 January 2016). The amendment clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property plant and equipment. The amendment introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The Company has adopted the straight line depreciation method both for property plant and equipment and for intangible assets as it considers that this method adequately reflects the consumption of the economic benefits of the assets.

- IAS 7 (Amendments) Disclosure Initiative (effective for annual periods beginning on or after 1 January 2017). The amendment requires that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The Company have not applied these amendments, but they are not expected to have a material impact on the financial statements.

- **IAS 19 (Amendments) Defined Benefit Plans: Employee Contributions** (effective for annual periods beginning on or after 1 February 2015, as endorsed by the EU). Amends the requirements in IAS 19 (2011) "Employee Benefits" for contributions from employees or third parties that are linked to service. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. If the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of IAS 19 for the gross benefit (i.e. either using the plan's contribution formula or on a straight-line basis).

The Company have not applied this amendment, but it is not expected to have a material impact on the financial statements.

There are no other IFRSs or IFRIC interpretations which are not yet effective and would be expected to have a material impact on the financial statements.

2.4 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.

2.5 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.

2.6 Loans and advances to customers

Loans and advances to customer include financing to customers.

Loans and advances to customer are recognised when cash is advanced to customers. Loans and advances to customers 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.

2.7 Allowance for Impairment on loans and advances to customers

An allowance for impairment on loans and advances to customers 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 "Loans and advances to Customers". 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 loans and advances to customers 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 loans and advances to customers has been incurred, the amount of the loss is measured as the difference between the loans and advances to customers carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at a) the loans and advances to customers original effective interest rate, if the loans and advances to customers bears a fixed interest rate, or b) current effective interest rate, if the loans and advances to customers 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, loans and advances to customers are grouped on the basis of similar credit risk characteristics. Loans and advances to customers to 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 loans and advances to customers by being indicative of the customers' ability to pay all amounts due and together with historical loss experience for loans and advances to customers 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 loans and advances to customers 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 loans and advances to customers and debited or credited to account "Allowance for impairment on loans and advances to customers". 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 loans and advances to customers is deemed to be uncollectible or forgiven, is written off against the related provision for customer receivables impairment. Subsequent recoveries are credited to "Credit provisions" in the Statement of Income and Other Comprehensive Income.

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 Income and Other Comprehensive Income as part of impairment losses on loans and advances to customers.

2.8 Derecognition

2.8.1 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.

2.8.2 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.

2.9 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 recognized amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

2.10 Interest income and expense

Interest income and expense are recognised in the Statement of Income and Other Comprehensive Income for all interest bearing instruments using the effective interest rate method. Interest income mainly includes interest earned from loans and advances to customers 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.

2.11 Fees and Commissions

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

2.12 Property & Equipment

Property and equipment include mainly equipment, held by the Company for use in the supply of services or for operating 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, but its useful life is reassessed. Property and equipment are depreciated on a straight-line basis over their estimated useful life (not exceeding a period of 10 years), however if the acquisition cost of the equipment is less than €600, fully depreciated within the financial year.

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.

2.13 Software and other intangible assets

Software includes costs that are directly associated with identifiable and unique software products controlled by the Company that are anticipated to generate future economic benefits exceeding costs beyond one year. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognized as a capital improvement and added to the original cost of the software.

Software is amortized using the straight-line method over the useful life, not exceeding a period of 12 years.

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

2.14 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.

2.14.1 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.

2.15 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.

2.16 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.

2.17 Employee Benefits

A defined benefit plan is a post-employment benefit plan that defines an amount of benefit to be provided, determined using a number of financial and demographic assumptions. The most significant assumptions include age, years of service or compensation salary, life expectancy, the discount rate, expected salary increases and pension rates. For defined benefit plans, the liability is the present value of the defined benefit obligation as at the reporting date minus the fair value of the plan assets.

The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis at the end of each annual reporting period, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or estimates of rates which take into account the risk and maturity of the related liabilities where a deep market in such bonds does not exist. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability/(asset). Service cost (current service cost, past service cost (including the effect of curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset) are charged to Statement of Income and Other Comprehensive Income and are included in personnel expenses. The defined benefit obligation net of plan assets is recorded on the statement of financial position, with changes resulting from remeasurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest)) recognized immediately in OCI, with no subsequent recycling to profit or loss, in order to fully reflect the full value of the plan deficit or surplus.

2.18 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the management intends to settle its current tax assets and liabilities on a net basis.

Deferred tax, related to fair value changes, which are charged or credited to other comprehensive income, is also credited or charged to other comprehensive income where applicable and is subsequently recognized in the income statement together with the deferred gain or loss.

2.19 Debt securities in issue and other borrowed funds

Debt securities issued and other borrowed funds are initially recognized at fair value net of transaction costs incurred. Subsequent measurement is at amortized cost and any difference between net proceeds and the redemption value of debt securities issued and other borrowed funds is recognized in the income statement over the period of borrowings using the effective interest rate method. Interest expenses are recognized as accrued.

The mid-long term borrowed funds of the Company consisted on bond loan issued according to law N.3156/2003.

2.20 Share capital

Share 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 Assembly.

2.21 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.

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 and accompanying notes. 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 2015.

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

Allowance for impairment on loans and advances to customers

The amount of the allowance set aside for losses on loans and advances to customers 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 2.7.

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 received 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 loans and advances to customers 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 impairments where recognised, are 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 pension's increase. These assumptions are ultimately determined by reviewing the Company's salary increases each year.

NOTE 4: Net interest income

The net interest income is analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Interest earned on		
Amounts due from banks	9,211	22,298
Amounts due from customers	20,803,599	21,119,009
Total	**20,812,810**	**21,141,307**
Interest payable on		
Amounts due to banks	(209,571)	(59,677)
Debt securities in issue	(9,748,566)	(9,665,678)
Total	**(9,958,137)**	**(9,725,355)**
Net interest income	**10,854,673**	**11,415,952**

NOTE 5: Net fee and commission income

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

Amounts in €	31.12.2015	31.12.2014
Commission income		
Due to customers	6,969,281	6,567,301
Total	**6,969,281**	**6,567,301**
Commission expense		
Due to banks	(298,287)	(332,199)
Other	(2,381,667)	(2,448,523)
Total	**(2,679,954)**	**(2,780,722)**
Net fee and commission income	**4,289,327**	**3,786,579**

Other commission expense of €2,381,667, includes a fee of €2,338,548 to the parent company National Bank of Greece S.A. for client recommendation services (2014: €2,406,031).

NOTE 6: Personnel expenses

The personnel expenses are analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Salaries	(645,020)	(625,258)
Social security costs	(155,720)	(154,822)
Defined benefit plans (Note 19)	(13,079)	(3,913)
Other staff related benefits	(33,483)	(25,159)
Total	**(847,302)**	**(809,152)**

NOTE 7: General, administrative & other operating expenses

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

Amounts in €	31.12.2015	31.12.2014
Rentals & software expenses	(41,479)	(39,784)
Duties and taxes	(1,196)	(1,172)
Promotion & advertising expenses	(34,336)	(34,017)
Insurance costs	(86,681)	(28,463)
Third party fees	(727,707)	(738,706)
Other operating expenses	(124,899)	(83,767)
Total	**(1,016,298)**	**(925,909)**

NOTE 8: Credit provisions

Amounts in €	31.12.2015	31.12.2014
From loans and advances to customers (Note 11)	(3,764,126)	(423,170)
Total	**(3,764,126)**	**(423,170)**

NOTE 9: Tax expense

The tax expense is analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Current tax credited in the income statement	2,990,232	2,849,078
Occupational tax	1,985	1,000
Adjustment in respect of income tax of previous years	12,177	-
Discount due to lump sum payment of income tax	(75,755)	(41,814)
Deferred taxes (Note 14)	(29,989)	558,208
Total	**2,898,650**	**3,366,472**

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

Amounts in €	31.12.2015	31.12.2014
Profit before tax	**9,475,824**	**13,006,767**
Tax calculated based on the current tax rate of 29% (2014: 26%)	2,747,989	3,381,759
Increase/(Decrease) arising from:		
Expenses not deductible for tax purposes	3,823	25,527
Occupational tax	1,985	1,000
Adjustment in respect of income tax of previous years	12,177	-
Effect of changes in tax rates	208,431	-
Discount due to lump sum payment of income tax	(75,755)	(41,814)
Income tax expense	**2,898,650**	**3,366,472**
Effective tax rate for the period	**30.6%**	**25.9%**

Notes to the Financial Statements

The current income tax liability as of 31 December 2015 and 2014 is analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Current income tax liability	2,990,232	2,849,078
Increase/(Decrease) arising from:		
Income tax prepayment for the year	(2,845,733)	(1,904,718)
Withholding tax on time deposits	-	(3,345)
Other temporary differences	-	(12,177)
Other Taxes – according to article 72 of Tax Law 4172/13	-	4,138
Total income tax liability	**144,499**	**932,976**

The nominal corporation tax rate for the Company for 2015 and 2014 is 29% and 26% respectively. On 16 July 2015, a new Law 4334/2015 was voted, by which the corporation tax rate is increased to 29%. The increase is effective from 1 January 2015 onwards. Furthermore, upon profit distribution to Board of Directors or personnel a 25% withholding tax is imposed on distributed profits. However, for profit distributions approved from 1 January 2014 onwards the withholding tax is reduced to 10%. Profit distributions to parent company National Bank of Greece S.A. are not surcharged to additional withholding tax (article 82 of Law 4172/2013).

The unaudited tax years of the Company are 2010 and 2015. The financial year 2010 will be audited by the tax authorities, whereas the financial year 2015 is currently audited by the audit firm that, also conducts the statutory audit of the Company's financial statements. The financial years 2011-2014 were audited by the statutory auditors of the Company, i.e. the Deloitte Hadjipavlou Sofianos & Cambanis S.A. audit firm, in accordance initially with article 82 of Law 2238/1994 and subsequently with article 65^{A} of Law 4174/2013. Therefore the related tax audit certificates, were unqualified and issued on 19 July 2012, 24 September 2013, 8 July 2014 and 25 September 2015 respectively. Based on Ministerial Decision 1006/05.01.2016 there is no exception from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and its tax audit certificate was unqualified. Therefore, the tax authorities may re-audit the tax books of the Company for previous years for which a tax audit certificate has been issued by the independent auditor. Although, during the tax, audit additional tax liabilities may arise, but it is not expected that they will have material effect on the Company's financial statements.

NOTE 10: Cash and balances with banks

Cash and balances with banks are analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Cash in hand	160	442
Sight deposits	9,614,218	6,833,788
Total	**9,614,378**	**6,834,230**

NOTE 11: Loans and advances to customers

Loans and advances to customers are analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Domestic Factoring with recourse	218,157,744	176,363,850
Domestic Factoring without recourse	153,926,570	178,869,428
Invoices discounting	15,303,163	23,028,914
International Factoring	27,249,977	55,929,015
Total	**414,637,454**	**434,191,207**
Less: Allowance for impairment on loans and advances to customers	(6,235,060)	(2,470,934)
Total loans and advances to customers	**408,402,394**	**431,720,273**

Movement in the allowance for impairment on loans and advances to customers

Amounts in €	2015	2014
Balance at 1 January	**2,470,934**	**2,047,764**
Allowance for impairment on loans and advances to customers credit risk	3,764,126	423,170
Balance at 31 December	**6,235,060**	**2,470,934**

NOTE 12: Software and other intangible assets

Software and other intangible assets are analyzed as follows:

Amounts in €	Software	Total
Cost at 01 January 2014	**425,000**	**425,000**
Additions	54,488	54,488
Cost at 31 December 2014	**479,488**	**479,488**
Accumulated depreciation at 01 January 2014	(24,757)	(24,757)
Depreciation	(35,795)	(35,795)
Accumulated depreciation at 31 December 2014	**(60,552)**	**(60,552)**
Net book amount at 31 December 2014	**418,936**	**418,936**
Cost at 01 January 2015	**479,488**	**479,488**
Additions	-	-
Cost at 31 December 2015	**479,488**	**479,488**
Accumulated depreciation at 01 January 2015	(60,552)	(60,552)
Depreciation	(39,957)	(39,957)
Accumulated depreciation at 31 December 2015	**(100,509)**	**(100,509)**
Net book amount at 31 December 2015	**378,979**	**378,979**

NOTE 13: Property and equipment

Property and equipment is analyzed as follows:

Amounts in €	Equipment	Total
Cost at 01 January 2014	35,725	35,725
Additions	3,125	3,125
Cost at 31 December 2014	**38,850**	**38,850**
Accumulated depreciation at 01 January 2014	(33,269)	(33,269)
Depreciation	(2,539)	(2,539)
Accumulated depreciation at 31 December 2014	**(35,808)**	**(35,808)**
Net book amount at 31 December 2014	**3,042**	**3,042**
Cost at 01 January 2015	38,850	38,850
Additions	3,110	3,110
Cost at 31 December 2015	**41,960**	**41,960**
Accumulated depreciation at 01 January 2015	(35,808)	(35,808)
Depreciation	(1,190)	(1,190)
Accumulated depreciation at December 2015	**(36,998)**	**(36,998)**
Net book amount at 31 December 2015	**4,962**	**4,962**

NOTE 14: Deferred tax assets and liabilities

Deferred tax assets and liabilities are analyzed as follows:

Amounts in €	Balance 31/12/2013	Recognition in Profit or Loss Statement	Recognition in Other Comprehensive Income	Balance 31/12/2014
Deferred tax assets:				
Share Capital issue costs	40,112	(4,290)	-	35,822
Retirement benefit obligations	9,715	1,017	5,223	15,955
Total deferred tax assets	**49,827**	**(3,273)**	**5,223**	**51,777**
Deferred tax liabilities:				
Loans and advances to customers	(1,282,992)	(543,844)	-	(1,826,836)
Long term amortization expenses	(10,581)	(15,368)	-	(25,949)
Debt securities issue costs	(4,550)	4,277	-	(273)
Total deferred tax liabilities	**(1,298,123)**	**(554,935)**	**-**	**(1,853,058)**
Net deferred tax liability	**(1,248,296)**	**(558,208)**	**5,223**	**(1,801,281)**

Amounts in €	Balance 31/12/2014	Recognition in Profit or Loss Statement	Recognition in Other Comprehensive Income	Balance 31/12/2015
Deferred tax assets:				
Share Capital issue costs	35,822	(4,785)	-	31,037
Retirement benefit obligations	15,955	5,043	(2,332)	18,666
Total deferred tax assets	**51,777**	**258**	**(2,332)**	**49,703**
Deferred tax liabilities:				
Loans and advances to customers	(1,826,836)	51,338	-	(1,775,498)
Long term amortization expenses	(25,949)	(19,693)	-	(45,642)
Debt securities issue costs	(273)	(1,914)	-	(2,187)
Total deferred tax liabilities	**(1,853,058)**	**29,731**	**-**	**(1,823,327)**
Net deferred tax liability	**(1,801,281)**	**29,989**	**(2,332)**	**(1,773,624)**

The Company has offset the deferred tax assets and deferred tax liabilities based on the legally enforceable right to set off current tax assets against current tax liabilities.

NOTE 15: Other assets

Other assets are analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Prepaid expenses	22,850	7,550
Total	**22,850**	**7,550**

NOTE 16: Due to banks (or financial institutions)

Due to banks are analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Due to banks	4,046,500	1,819,320
Total	**4,046,500**	**1,819,320**

Due to banks consists of a loan facility (overdraft account) between the Company and its Parent Company (National Bank of Greece S.A.).

NOTE 17: Debt securities in issue

On 28 September 2015 the Company entered into a bond loan agreement with its parent company National Bank of Greece S.A. and its affiliate company NBG Bank Malta LTD, matured at 31 July 2016, with renewal right for one year. This bond loan agreement has been drawn in accordance with the provisions of Laws 3156/2003 and 2190/1920. Under this agreement the Company has the right to issue a bond loan amounting to €380,000,000 divided into 380 million bonds with 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.

On 31 December 2015 the Company issued a bond loan amounted to €335,000,000 according to the referred agreement and the related issuance costs amounted to €30,000. The fair value of the aforementioned bond loan calculated to €333,729,278, according to Level 2 valuation, based on a cash flow discounting model.

On 28 September 2015 the Company received an approval entered into a bond loan agreement with its parent company National Bank of Greece S.A. and its affiliate company NBG Bank Malta LTD, matured at 31 July 2016, with renewal right for one year. This bond loan agreement has been drawn in accordance with the provisions of laws 3156/2003 and 2190/1920. Under this agreement the Company has the right to issue a bond loan amounting to €50,000,000 and divided in 50 million bonds with a nominal amount of €1 per bond. Interest rate is determined by the OVERNIGHT or the one-month, two-month, three-month or six month Euribor at the discretion of the issuer, plus margin.

On 29 September 2015 the Company fully repaid the capital amounted to €380,000,000 and the respective accrued interests of preexisting bond loan agreement which was issued at 30 July 2013.

The bond loans are fully payable at the maturity date (31 July 2016). The issuer has the right to redeem the loans during the contract period on condition that will repay the capital and the respective accrued interests. The accrued interest at 31 December 2015 for the bond loan amounted to €31,174.

NOTE 18: Due to customers

Due to customers account balance consists of the credit amounts of current and other due from customer management accounts which have not been reimbursed to them at the reporting date. Due to customers account balances as of 31 December 2015 and 2014 are analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Overdraft accounts	2,173,093	6,354,499
Collection-only accounts	4,442,318	1,418,871
Total	**6,615,411**	**7,773,370**

NOTE 19: 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 valuation of retirement benefit obligations in accordance with provisions of the revised IAS19. The specific retirement benefit of Company is an unfunded defined benefit plan.

Pension costs – defined benefit plans

	31.12.2015	31.12.2014
Service cost	11,852	2,586
Net interest expense on the net defined benefit liability/(asset)	1,227	1,327
Regular charge in the Income statement	**13,079**	**3,913**

Reconciliation of defined benefit obligation

	31.12.2015	31.12.2014
Defined benefit obligation at the beginning of the period	61,369	37,368
Service cost	11,852	2,586
Interest cost	1,227	1,327
- Loss/(Gain) - financial assumptions	(7,474)	15,455
- Loss/(Gain) – experience adjustments	(2,608)	4,633
Defined benefit obligation at the end of the period	**64,366**	**61,369**

Movement in net liability

	31.12.2015	31.12.2014
Net liability at the beginning of the period	61,369	37,368
Total expense recognized in the Income statement	13,079	3,913
Amount recognized in the OCI	(10,082)	20,088
Net liability at the end of the period	**64,366**	**61,369**

Remeasurements on the net liability

	31.12.2015	31.12.2014
Liability (gain)/loss due to changes in assumptions	7,474	(15,455)
Liability experience (gain)/loss arising during the year	2,608	(4,633)
Total amount recognized in OCI	**10,082**	**(20,088)**

The actuarial report was developed by the accredited company "AON Hewitt" after the year end of 2014. The key assumptions used for the calculation of the pension costs of the defined benefits plans for 2015 and 2014 are:

Weighted average assumptions	2015	2014
Discount rate	2.35%	2.00%
Price inflation	1.50%	1.50%
Rate of compensation increase	0.00% for years 2016-2018 0.50% for years 2019-2020 1.00% for years 2021-2022 1.50% from 2023	0.00% for the year 2015 0.50% for years 2016-2018 1.00% for years 2019-2020 1.50% from 2021
Plan duration	23,49 years	24,53 years

No compensation costs are expected to occur in 2015.

NOTE 20: Other liabilities

Other liabilities are analyzed as follows:

Amounts in €	31.12.2015	31.12.2014
Taxes payable – (other than income taxes)	266,714	369,882
Social security funds	36,628	41,387
Creditors	1,792,543	2,030,946
Dividends paid	-	17,641
Payroll related accruals	800	16,726
Other Liabilities	21	21
Total	**2,096,706**	**2,476,603**

Creditors amounted €1,792,543, includes a liability of €1,356,288 (2014: €1,650,785) to the parent company National Bank of Greece S,A, for client recommendation services, This liability was fully repaid on 28 January 2016.

NOTE 21: Share capital and share premium

The share capital of the Company as at 31 December 2015 amounted to €20,000,000 divided into 4,000,000 ordinary shares with a nominal value of €5,0 per share, The remaining amount of €30,000,000 was credited to share premium.

NOTE 22: Reserves

The Company, in accordance with article 5 of its Articles of Association is required, to allocate (1/20) of its net profits as statutory reserve, The aforementioned obligation ceases until this reserve equals at least one-third of the Company's share capital, According to article 44 of Greek Law 2190/1920 this reserve is used exclusively to cover cumulative debit balance of account "Retained earnings".

At 30 June 2015 the annual General Assembly of Shareholders decided the appropriation of amount €482,015, as a statutory reserve, arising from the net profits of financial year 2014.

The total statutory reserve for the period ended at 31 December 2015 amounted to €1,815,077.

On 31 December 2014, the Extraordinary Shareholders' General Assembly approved a distribution of untaxed reserve of financial year 2012 amounted to €21,779 in accordance with article 72 of Tax Law 4172/2013 and the relevant tax (19%) amounted to €4,138 was paid to the tax authority. The payment of the aforementioned tax exhausted any tax liability of the Company and its Shareholders. The net untaxed reserve finally returned to the parent company National Bank of Greece S.A. amounted to €17,641.

NOTE 23: Retained earnings

Retained earnings at 31 December 2015 and 2014 amounted to €16,864,055 and €22,768,896 respectively.

Retained earnings as of 31 December 2015 are analyzed as follows:

Amounts in €	
Retained earnings	17,027,955
Capital issue costs, net of tax	(163,900)
Total	**16,864,055**

For the financial year ended at 31 December 2015 the Board of Directors will propose to the Annual General Assembly of Shareholders a dividend distribution amounting to €328,859 derived from the retained earnings of the financial year of 2015 and prior years' and the formation of statutory reserve amounting to €8,000,000.

NOTE 24: Tax effects relating to other comprehensive income / (expense) for the period

Amounts in €	From 1.1 to 31.12.2015			From 1.1 to 31.12.2014		
	Gross	Tax	Net	Gross	Tax	Net
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of the net defined benefit liability/ asset	10,082	(2,332)	7,750	(20,088)	5,223	(14,865)
Total of items that will not be reclassified subsequently to profit or loss	**10,082**	**(2,332)**	**7,750**	**(20,088)**	**5,223**	**(14,865)**
Other comprehensive income / (expense) for the period	**10,082**	**(2,332)**	**7,750**	**(20,088)**	**5,223**	**(14,865)**

NOTE 25: Fair value of financial instruments

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

Management considers that the carrying amount of financial assets and financial liabilities, as presented in the financial statements are not materially different from their fair values, as either their maturity is less than one year or they are floating rate instruments.

NOTE 26: Contingent liabilities and commitments

a) Legal proceedings

In the opinion of the management, after consultation with its 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 unaudited tax years of the Company are 2010 and 2015. The financial year 2010 will be audited by the tax authorities, whereas the financial year 2015 is currently audited by the audit firm that, also conducts the statutory audit of the Company's financial statements. The financial years 2011-2014 were audited by the statutory auditors of the Company, ie the Deloitte Hadjipavlou Sofianos & Cambanis S.A. audit firm, in accordance initially with article 82 of Law 2238/1994 and subsequently with article 65^{A} of Law 4174/2013. Therefore the related tax audit certificates, were unqualified and issued on 19 July 2012, 24 September 2013, 8 July 2014 and 25 September 2015 respectively. Based on Ministerial Decision 1006/05.01.2016 there is no exception from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and its tax audit certificate was unqualified. Therefore, the tax authorities may re-audit the tax books of the Company for previous years for which a tax audit certificate has been issued by the independent auditor. Although, during the tax audit, additional tax liabilities may arise, but it is not expected that they will have material effect on the Company's financial statements.

γ c) Unutilized credit limits and credit coverage limits

Contingent liabilities of the Company from the unutilized credit limits and credit coverage limits as at 31 December 2015 amounted to €539,960,853 (2014: €578,935,346).

d) Operating Lease commitments

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

The minimum future lease payments are as follows:

Amounts in €	31.12.2015	31.12.2014
No later than 1 year	35,916	20,313
Later than 1 year and no later than 5 years	168,480	2,220
Later than 5 years	182,520	-
Total	**386,916**	**22,533**

Lease of buildings has duration of 12 years starting from 2015 and will be renewed with new lease contract.

NOTE 27: 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.

27.1 Credit risk

Credit risk is defined as current or future risk to earnings and capital 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, International 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 derives from debtors, and Factoring without recourse where credit risk derives from sellers. In each case the valuation models of credit risk are adjusted (debtor or seller) accordingly.

The Company's credit policy adheres to the Credit Policy for Corporate Portfolio of National Bank of Greece S.A., as provided by the internal manuals, circulars and regulations.

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 31.12.2015

Amounts in €	Portfolio Credit exposures (w/o impairments)	Impairments	Portfolio net Credit exposures
Deposits	9,614,378	-	9,614,378
Loans and advances to customers	414,637,454	(6,235,060)	408,402,394
Total	**424,251,832**	**(6,235,060)**	**418,016,772**

Maximum credit exposures as at 31.12.2014

Amounts in €	Portfolio Credit exposures (w/o impairments)	Impairments	Portfolio net Credit exposures
Deposits	6,834,230	-	6,834,230
Loans and advances to customers	434,191,207	(2,470,934)	431,720,273
Total	**441,025,437**	**(2,470,934)**	**438,554,503**

Credit quality of loans and advances to customers as at 31.12.2015

Amounts in €	Small business lending	Corporate lending	Total customer receivables
Performing nor impaired	5,882,610	402,837,970	408,720,580
Past due but not impaired	-	1,879,542	1,879,542
Impaired	76,249	3,961,083	4,037,332
Total before allowance for impairment	**5,958,859**	**408,678,595**	**414,637,454**
Allowance for impairment	(88,599)	(6,146,461)	(6,235,060)
Total	**5,870,260**	**402,532,134**	**408,402,394**

Credit quality of loans and advances to customers as at 31.12.2014

Amounts in €	Small business lending	Corporate lending	Total customer receivables
Performing nor impaired	7,673,654	424,215,076	431,888,730
Past due but not impaired	-	1,610	1,610
Impaired	80,108	2,220,759	2,300,867
Total before allowance for impairment	**7,753,762**	**426,437,445**	**434,191,207**
Allowance for impairment	(80,600)	(2,390,334)	(2,470,934)
Total	**7,673,162**	**424,047,111**	**431,720,273**

Credit quality loans and advances to customers as at 31.12.2015

Amounts in €	Small business lending	Corporate lending	Total customer receivables
Satisfactory Risk	3,218,944	291,473,720	294,692,664
Watch list or substandard	2,651,316	111,058,414	113,709,730
Total	**5,870,260**	**402,532,134**	**408,402,394**

Credit quality of loans and advances to customers at 31.12.2014

Amounts in €	Small business lending	Corporate lending	Total customer receivables
Satisfactory Risk	5,863,317	348,396,750	354,260,067
Watch list or substandard	1,809,845	75,650,361	77,460,206
Total	**7,673,162**	**424,047,111**	**431,720,273**

Credit exposures analysis of loans and advances to customers per industry sector

Amounts in €	31.12.2015	31.12.2014
Industry & mining	107,018,283	127,918,683
Small scale industry	8,703,534	11,506,575
Trade and services (excl, tourism)	287,517,711	289,916,171
Construction and real estate development	7,549,054	1,412,511
Transportation and telecommunications (excl, shipping)	3,848,872	3,437,267
Less: Credit provisions and other impairment charges	(6,235,060)	(2,470,934)
Total	**408,402,394**	**431,720,273**

As at 31 December 2015 the collaterals secured the credit risk exposure of loans and advances to customers mainly consists of clients invoices and receivable cheques and secondarily of Greek State government bonds. The fair value of above mentioned collaterals amounted to €483,702,825 (2014: €450,362,952). These collaterals are not included to customer receivables for factoring loans without recourse and credit balance as at 31 December 2015.

27.2 Market risk

27.2.1 Currency risk

The majority of transactions undertaken by the Company are made in Euro. Hence, as at 31 December 2015, there were no exposures to exchange rate fluctuations.

27.2.2 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 floating rate financial instruments, next re-pricing date is the date of the preparation of financial statements while for fixed rate financial instruments is the maturity date. In order to provide a hedge for the interest rate risk, the Company determines, in a monthly basis, the rates of financial assets and liabilities (excluding their spreads). According to the aforementioned hedge any possible change of rates risk will not have an impact on the Company's Statement of Comprehensive Income.

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 31.12.2015

Amounts in €

Assets	Up to 1 month	1 to 3 months	3 to 12 months	Non Interest bearing	Total
Cash & balances with banks	-	-	9,422,791	191,587	9,614,378
Loans and advances to customers	408,402,394	-	-	-	408,402,394
Other assets	-	-	-	22,850	22,850
Total assets	**408,402,394**	**-**	**9,422,791**	**214,437**	**418,039,622**
Liabilities					
Debt securities in issue	(334,979,000)	-	-	(31,174)	(335,010,174)
Due to customers	-	-	-	(6,615,411)	(6,615,411)
Other liabilities	-	-	-	(1,792,543)	(1,792,543)
Due to banks	-	-	(4,046,500)	-	(4,046,500)
Total Liabilities	**334,979,000**	**-**	**(4,046,500)**	**(8,439,128)**	**(347,464,628)**
Total interest gap of assets & liabilities	**73,423,394**	**-**	**5,376,291**	**(8,224,691)**	**70,574,994**

Interest rate risk (Gap Analysis) as at 31.12.2014

Amounts in €

Assets	Up to 1 month	1 to 3 months	3 to 12 months	Non Interest bearing	Total
Cash & balances with banks	-	-	6,381,131	453,099	6,834,230
Loans and advances to customers	431,720,273	-	-	-	431,720,273
Other assets	-	-	-	7,550	7,550
Total assets	**431,720,273**	**-**	**6,381,131**	**460,649**	**438,562,053**
Liabilities					
Debt securities in issue	(349,998,950)	-	-	(32,803)	(350,031,753)
Due to customers	-	-	-	(7,773,370)	(7,773,370)
Other liabilities	-	-	-	(2,030,946)	(2,030,946)
Due to banks	-	-	(1,819,320)	-	(1,819,320)
Total Liabilities	**(349,998,950)**	**-**	**(1,819,320)**	**(9,837,119)**	**(361,655,389)**
Total interest gap of assets & liabilities	**81,721,323**	**-**	**4,561,811**	**(9,376,470)**	**76,906,664**

27.2.3 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.

27.3 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 €

31.12.2015	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Debt securities in issue	904,035	1,067,347	347,692,799	-	349,664,181
Due to customers	6,615,411	-	-	-	6,615,411
Other liabilities	1,792,543	-	-	-	1,792,543
Due to banks	4,046,500	-	-	-	4,046,500
Total	**13,358,489**	**1,067,347**	**347,692,799**	**-**	**362,118,635**

31.12.2014	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Debt securities in issue	984,083	1,533,483	393,482,391	-	395,999,957
Due to customers	7,773,370	-	-	-	7,773,370
Other liabilities	2,030,946	-	-	-	2,030,946
Due to banks	1,819,320	-	-	-	1,819,320
Total	**12,607,719**	**1,533,483**	**393,482,391**	**-**	**407,623,593**

Liquidity risk analysis as at 31.12.2015

Amounts in €

Assets	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Cash & balances with banks	9,614,378	-	-	-	9,614,378
Loans and advances to customers	218,388,601	128,476,473	60,867,133	670,187	408,402,394
Other assets	-	22,850	-	-	22,850
Total	**228,002,979**	**128,499,323**	**60,867,133**	**670,187**	**418,039,622**
Liabilities	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
Debt securities in issue	-	-	(335,010,174)	-	(335,010,174)
Due to customers	(6,615,411)	-	-	-	(6,615,411)
Other liabilities	(1,792,543)	-	-	-	(1,792,543)
Due to banks	(4,046,500)	-	-	-	(4,046,500)
Total	**(12,454,454)**	**-**	**(335,010,174)**	**-**	**(347,464,628)**
Liquidity gap	**215,548,525**	**128,499,323**	**(274,143,041)**	**670,187**	**70,574,994**

Liquidity risk analysis as at 31.12.2014

Amounts in €

Assets	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Cash & balances with banks	6,834,230	-	-	-	6,834,230
Loans and advances to customers	237,962,027	146,513,035	45,979,177	1,266,034	431,720,273
Other assets	-	7,550	-	-	7,550
Total	**244,796,257**	**146,520,585**	**45,979,177**	**1,266,034**	**438,562,053**
Liabilities	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
Debt securities in issue	-	-	(350,031,753)	-	(350,031,753)
Due to customers	(7,773,370)	-	-	-	(7,773,370)
Other liabilities	(2,030,946)	-	-	-	(2,030,946)
Due to banks	(1,819,320)	-	-	-	(1,819,320)
Total	**(11,623,636)**	**-**	**(350,031,753)**	**-**	**(361,655,389)**
Liquidity gap	**233,172,621**	**146,520,585**	**(304,052,576)**	**1,266,034**	**76,906,664**

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

27.4 Operational risk

Operational risk is defined as the current or future risk on the Company's earnings 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.

27.5 Capital adequacy

The Company manages actively its capital base, in cooperation with its parent Company, with the objective to maintain 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.

Capital adequacy at 31 December 2015 and 2014 was calculated as follows:

Amounts in € '000	31.12.2015	31.12.2014
Basic and total regulatory capital	47,449	51,934
Total risk weighted assets	423,069	474,204
Total ratio	**11.22%**	**10.95%**

NOTE 28: Independent auditor's fees

Deloitte Hadjipavlou Sofianos & Cambanis S.A. has served as our principal independent public accountant for the years ended 31 December 2015 and 2014. The following table presents the aggregate fees for professional services rendered by the Company's principal accounting firm Deloitte Hadjipavlou Sofianos & Cambanis S.A.:

Amounts in €	31.12.2015	31.12.2014
Audit fees	20,500	20,500
Audit-related fees	21,000	21,000
Total	**41,500**	**41,500**

NOTE 29: 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.

The terms of cooperation are not substantially differ to the usual terms of 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 €	31.12.2015	31.12.2014
Expenses	100,376	113,982
Board of Directors and management fees	**100,376**	**113,982**

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

Amounts in €	31 December 2015	31 December 2014
ASSETS		
a) Balances with banks		
National Bank of Greece S.A.	9,570,209	6,830,072
b) Loans to customers		
ASTIR Palace Vouliagmenis S.A.	397,439	-
c) Property & Equipment		
National Bank of Greece S.A.	-	679
d) Other assets		
National Bank of Greece S.A. (ex Ethnodata S.A.)	-	42,188
Total	**9,967,648**	**6,872,939**
LIABILITIES		
a) Due to banks		
National Bank of Greece S.A.	4,046,500	1,819,320
b) Debt securities in issue		
National Bank of Greece S.A.	318,279,615	35,003,280
National Bank of Greece S.A. (Cyprus) LTD	-	315,029,523
NBG Bank Malta Ltd	16,751,559	-
c) Other Liabilities		
National Bank of Greece S.A.	1,608,557	1,855,485
Ethniki Leasing S.A.	718	46
Ethniki Hellenic General Insurance S.A.	1,658	1,914
Total	**340,688,607**	**353,709,568**

Amounts in €	31 December 2015	31 December 2014
INCOME STATEMENT		
INCOME		
a) Interest income		
National Bank of Greece S.A.	9,211	22,298
Total	**9,211**	**22,298**
EXPENSES		
a) Fee & commission expenses		
National Bank of Greece S.A.	7,972,157	1,042,670
National Bank of Greece S.A. (Cyprus) LTD	1,266,650	8,682,685
National Bank Malta Ltd	719,329	-
b) Commission expense		
National Bank of Greece S.A.	2,411,667	2,450,323
c) Personnel expenses		
National Bank of Greece S.A.	354,396	424,043
d) General, administrative and other operating expenses		
National Bank of Greece S.A.	151,626	101,305
Ethniki Hellenic General Insurance S.A..	28,760	15,551
National Bank of Greece S.A. (ex Ethnodata A.E.)	-	6,238
NBG Pangaea REIC.	13,563	32,551
Ethniki Leasing S.A.	8,174	7,146
Total	**12,926,322**	**12,762,512**

OFF BALANCE SHEET ACCOUNTS		
a) Received guarantees		
National Bank of Greece S.A..	160,000,000	160,200,000
b) Approved unused credit limits		
National Bank of Greece S.A.	140,953,500	178,180,680
Total	**300,953,500**	**338,380,680**

NOTE 30. Events after the reporting period

No significant events have occurred since 31 December 2015 up to the date of approval of these financial statements.

Athens, 30 May 2016

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE SUPERVISOR OF FINANCIAL SERVICES
THEOFANIS PANAGIOTOPOULOS No of Passp. Identity AE3595802	ALEXANDROS KONTOPOULOS No of Pol. Identity X 549459	PANAGIOTIS MAVRAGANIS No of Pol. Identity X 010495