NBG FACTORS

Annual Financial Report

31 December 2020

In accordance with the International Financial Reporting Standards

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Board of Directors Annual Report

Board of Directors Annual Report on the Financial Statements of Ethniki Factors S.A. for the financial year 2020

According to the provisions of Company's Act and Company's Articles of Association, the activities of the Company during its twelfth financial year which covers the period from 1 January to 31 December 2020 are presented below.

Company's strategy for the period from January 1 to December 31, 2020 was substantially focused on weathered the storm of the global coronavirus ("COVID-19") pandemic, aiming to adapt swiftly and effectively its activities to the new conditions and to ensure the health and the safety of its employees, partners and customers. Specifically, the Company, during the fiscal year of 2020 actively supported the clientele basis who are facing short-term liquidity issues due to COVID-19.

On 31 December 2020 Company's net loans and advances to customers amounted to €462,991.9 thousand recording an increase of 5.4% compared to the corresponding figures of fiscal year of 2019, were reached to €439,212.4 thousand and despite the negative impact of COVID-19 crisis. Total factoring volume amounted to €2,851,251.3 thousand against €2,711,457.8 thousand in 2019 resulting an increase of 5.2%. Profit before tax for the period amounted to €12,539.6 thousand against €13,482.2 thousand in 2019 resulting a decrease of 7.0% mainly due to the reduced NII compared to 2019. Profit after tax resulted to €9,429.1 thousand against €10,400.0 thousand in 2019 (decrease 9.3%), reflecting the aforementioned reduction of NII.

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collecting necessary reporting data, in accordance with the Bank of Greece Governor's Act 2640/18.01.2011 (as it has been replaced by Bank of Greece Governor's Act 2651/20.1.2012).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 monitoring framework of Basel II.

In 2020 the Company's capital adequacy ratios of basic and total equity amounted to 20.17% against 18.90% in 2019.

The Company during its twelfth financial year charged additional credit provisions of €157.3 thousand whereas reversed credit provisions amounted to €1,367.2 thousand due to successful outcome in recovery plans of borrowers. Total credit provisions charged in statement of financial position amounted to €3,853.6 thousand. Management believes that the accumulated allowance for loan losses clearly reflect the real situation as at 31 December 2020.

The Company's net interest income in 2020 amounted to €9,635.3 thousand against €11,134.6 thousand of 2019 resulting a decrease of 13.5% mainly as a result of the conversion of clientele to offered payment moratoria through banks in order to face liquidity issues due to COVID-19, whereas net commission income amounted to €4,313.3 thousand against €4,216.6 thousand of 2019 resulting in a small increase of 2.3%, reflecting the significant effort on operations specially on Q4 of 2020. As a result, total income amounted to €13,563.5 thousand against €15,385.8 thousand of 2019 recording a significant decrease of 11.8%. Total expenses, amounted to €2,233.7 thousand (decrease 0.6%) of which €1,010.1 thousand (increase 1.1%) relate to personnel expenses and the remaining amount of €1,223.6 thousand (decrease 2.1%) relates to other administrative and operating expenses (premiums, 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 reached 16.5% compared to 14.6% in 2019.

Going Concern

The Company as a 100.0% 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 at 31 March 2021, parent Bank funding from the ECB increased by €1,1 billion through longer-term refinancing operations (''LTROs'') at €11,6 billion compared to €10,5 billion, solely TLTROs, at 31 December 2020. Furthermore, as of 31 March 2021 the Bank's secure interbank transactions with foreign financial institutions amounted to €0.5 billion, while the parent Bank's liquidity buffer stood at €18,8 billion (cash value).

Macroeconomic developments

The COVID-19 pandemic and the enforcement of containment measures to control the spread of the disease continued to weigh significantly on the Greek macroeconomic conditions in FY.2020 and 1Q.2021. Greek Gross Domestic Product ("GDP") declined by 8.0% year-over-year ("y-o-y") in 2020 (seasonally adjusted data), against a backdrop of recurrent surges of the pandemic and repeated tightening of restrictions on mobility and economic activities. State support measures remained the key instrument for mitigating the fallout of the health crisis on the labor market and for providing support to COVID-19 affected businesses.

The worsening of key health indicators in late-January 2021 led to a new tightening of restrictions in Attica and some other regions of the country, from 30 January 2021 until mid-April 2021, when a gradual easing of restrictions started. This tightening is estimated to have led to a new contraction in 1Q.2021 GDP. However, the latest conjunctural indicators data for 1Q.2021 show that the decline in activity is slowing – retail sales volume decreased by 1.7% y-o-y in 2M.2021 against -4.0% y-o-y, on average, in FY.2020 and manufacturing production increased by 2.6% y-o-y in 1Q.2021 following an annual drop of 1.6% in 2020.

The labor market remains resilient, supported by the extension of protective measures, such as additional payments for allowances to the affected employees and businesses, coverage of social security contributions and support for the unemployed.

A closer look at the available high frequency data of macroeconomic indicators for March and April 2021 points to a pick-up in activity, on a monthly basis, which is more evident in the sectors, where the easing of protective restrictions already started, namely retail trade and part of the services sector. The manufacturing sector shows additional signs of resilience, with the PMI (Purchasing Managers' Index for manufacturing) entering expansion territory since March (54.4 in April 2021), whereas construction confidence increased to a 15-year high in April, due to the positive prospects regarding the contribution of the Recovery Fund. Moreover, the measures helped cushion the recession, providing considerable support to the labor market. The unemployment rate increased modestly to 17.0% in 2Q.2020 – decreasing to 16.7% in 3Q.2020 and 16.1% in 4Q.2020 – and averaged to 16.5% in FY.2020 compared with 17.3% in FY.2019, whereas employment decreased by 0.9% y-o-y in FY.2020.

The persistence of the pandemic led to the activation of additional fiscal support measures of more than €6.0 billion for 1Q.2021, following €18.0 billion of fiscal and liquidity measures activated in FY.2020. Inevitably, the General Government primary deficit (ESA 2010) surged to €11.2 billion (or -6.7% of GDP) in FY.2020, from a primary surplus of €7.6 billion in 2019. Greece's Stability Programme for the period 2021-2024 submitted to the EU Commission in April 2021, indicates that fiscal policy will remain supportive in FY.2021, with the primary deficit increasing to 7.2% of GDP, as a significant part of support measures remains in place in H1.2021 and additional targeted stimulus is provided through the suspension of the special solidarity surcharge in personal income tax and the reduction of the social security contributions rates for employers and employees by 3.0 percentage points. Nonetheless, supportive cyclical factors and the non-renewal of support measures is expected to lead to a rebalancing of the fiscal position, with the primary deficit declining to 0.3% of GDP in 2022 and turning to surpluses of 2.0% and 2.9% of GDP in 2023 and 2024, respectively.

General Government debt increased to 205.6% of GDP in 2020, it is anticipated to decline slightly to 204.8% of GDP in 2021 and return on a steady downward trend from 2022 onwards. All major rating agencies acknowledged that the significant size of the Greek State's cash buffer (about 8.0% of gross public debt), along with the very long maturity of the debt (c. 20 years) and affordable debt-servicing terms, offset the risks from the temporary increase in the debt ratio to GDP due to the COVID-19 pandemic. Accordingly, the expectations of a rapid improvement in Greece's economic and budgetary performance as the adverse impacts of the COVID-19 pandemic subside, along with EU fiscal support and Greece's creditworthiness based on the government's significant fiscal buffers and the favourable government debt structure, led major rating agencies to upgrade the Hellenic Republic's sovereign rating. Specifically, Moody's upgraded Greece's sovereign rating by one notch, to "Ba3" from "B1", on 6 November 2020, maintaining a stable outlook for the country, while S&P upgraded Greece's sovereign credit rating by one notch, to "BB" from "BB-", on 23 April 2021, with a positive outlook (from stable), bringing the country's long-term sovereign rating 2-3 notches away from an "investment grade" rating.

Looking forward, activity is expected to accelerate rapidly during the final three quarters of 2021 to 9.0% y-o-y, on average. The main catalysts will be: (i) the gradual easing of restrictions on economic activities, compounded by strong base effects starting from 2Q.2021, (ii) the continued fiscal support, including rollover effects from 2020, (iii) the latent demand and the built-up of liquidity buffers related to accumulated household savings and increased corporate borrowing, and (iv) the gradual recovery in tourism as vaccinations begin to stem the pandemic, with an opening started on 15 May 2021. Moreover, the first inflows of funding from the EU Recovery Fund are expected to begin in the summer of 2021, amounting to c. €4.0 billion, providing additional impetus to public investment and business activity from 3Q.2021 onwards, with the impact on GDP growth peaking in 2022.

Although the COVID-19 pandemic is still ongoing in 2Q.21 and restrictions apply to a significant part of economic activities, the speeding-up of the vaccination program in Greece bodes well for an effective containment of the pandemic spread by end-2Q.21 and a gradual normalization of most economic activities during 2021.

Against this backdrop, the EU Commission (European Commission 2021, Spring Forecast) projects that Greece's GDP will increase by 5.1% y-o-y, on average, in 2021-2022, incorporating, for the first time, an estimate of the direct impact of the inflows from the EU Recovery Fund starting in 2021.

However, uncertainty remains significant, reflecting, inter alia, the risks surrounding the effectiveness of the vaccination process in the presence of COVID-19 mutations globally and divergences in the pace of the pandemic control internationally, which could delay the normalization of international mobility, thus weakening the improvement in the tourism sector. Furthermore, the inability of smaller and less efficient firms to compete effectively with larger firms, which take advantage of their more developed digital sales channels, implies that the continued contraction in overall turnover in Q1.2021 could widen the gap in business performance (depending on the size, efficiency and specific segment in which firms operate). The said divergences are likely to widen further during the rest of 2021, due to the varying speeds of recovery in demand across the sectors of the economy. These risks could be partly offset by the extension of fiscal measures.

The activation of the "Recovery Plan for Europe" ("NGEU") could act as an important catalyst for Greece's economic recovery. Greece is among the top beneficiaries of the plan, with the maximum amount of grants under the NGEU reaching €17.8 billion in 2021-2026 (c. 1.5% of GDP, on average, per annum in 2021-2026) while loans could amount up to €12.7 billion (c. 1.0% of GDP, on average, per annum in 2021-2026).

For a list of measures that have been adopted in 2020, in order to provide support to the European banking system and the Greek economy in dealing with COVID-19, see below "Response to COVID-19 crisis".

Going concern conclusion

Management of the parent Bank concluded that a going concern issue does not exist after considering (a) the current level of European Central Bank ("ECB") funding mainly from Targeted Long-term Refinancing Operations ("TLTROs") and the current access to the Eurosystem facilities with significant collateral buffer and Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") well above 100%, (b) the parent Bank's and the Group's CET1 ratio of 31 March 2021 which exceeded Supervisory Review and Evaluation Process "SREP" requirements, (c) the unprecedented response to Coronavirus ("COVID-19") from European and Greek authorities to provide both fiscal and monetary support.

Management of the Company taking into account the strong profitability, the capital adequacy ratio, the positive cash flows from operating activities and the fact that the parent Bank prepares its financial statements with the going concern assumption, that is well positioned to adequately support its business plan over the coming year (2021) and for this reason prepared its own financial statements on a going concern basis.

Management actions during 2020 and for the first five months of 2021

As stated above, during the twelfth financial year Company's strategy was substantially focused on weathered the storm of the global coronavirus ("COVID-19") pandemic, aiming to adapt swiftly and effectively its activities to the new conditions and to ensure the health and the safety of its employees, partners and customers.

Specifically, the Company, during the fiscal year of 2020 actively supported the clientele basis who are facing short-term liquidity issues due to COVID-19.

The Company's course of business is mainly developed through notificated Factoring aiming to provide customers liquidity while maintaining credit risk in acceptable low levels. From total factoring turnover, approximately 70.0% concerns notificated Factoring (i.e. €1,998,007.2 thousand of a total €2,851,251.3 thousand), a fact which certifies the significant acceptance of product in domestic and international market, respecting the credit protection of the Company against risks arising from third party rights.

Company's turnover related to international factoring amounted to €615,869.3 thousand against €400,752.4 thousand of 2019 recording a significant increase of 53.7% reflecting the effort to expand export activities and strengthen cooperation's with strategic clients. As a result export factoring turnover reached to 21.6% of total turnover compared to 14.8% of 2019. Moreover, an amount of €528,164.7 thousand (2019: €336,061.8 thousand) relates to direct export factoring and €87,704.6 thousand (2019: €64,690.6 thousand) relates to factoring was executed via the two-factor system.

Moreover, regarding credit risk against debtors, 61.5% of the total factoring turnover (i.e. €1,754,421.6 thousand) concerns Factoring with recourse and 38.5% concerns Factoring without recourse. It is also be noticed that for a significant part of the credit risks against debtors the Company maintains cooperation with a credit insurance company to mitigate those risks.

Finally, out of total Company's turnover, reverse factoring turnover amounted to €151,500.9 thousand against €139,878.4 thousand of 2019 resulting an increase of 8.3%.

In first months of 2015, Company also applied a detailed pricing model for corporate customers while processing on further optimization during 2021.

During 2020 the NBG Group Internal Audit Division performed internal audit concerning AML Procedures and Corporate Governance. The reports of the aforementioned audits and the progress on findings' settlement are periodically communicated to Board of Directors.

Also, within 2020, new credit facilities was activated by the European Bank for Reconstruction and Development ("EBRD") and Black Sea Trade and Development Bank ("BSTDB"). More information about the aforementioned credit facilities is stated to Note 16.

At the operational level, the Company has carried out significant tests and adjustments by implementing upgraded procedures for interconnecting its infrastructure with customer ERP's, which have adopted e-billing in order to increase productivity, reduce operational risk and operating costs.

In the context of the significant development of activities in Northern Greece, the Company established an office in Thessaloniki within 2019, which is located in parent bank headquarters of financing Medium Corporates.

Since November 2009 the Company is, an inaugural member of Hellenic Factors Association represented in its Board of Directors. Furthermore, the Company is a full member of international factoring association "Factors Chain International" "FCI", since 2009, which counts more than 350 members in 90 different countries.

Factoring market evolution

According to Hellenic Factoring Association "HFA", during 2020 factoring turnover in Greece amounted to €14.4 billion against €15.0 billion of 2019 resulting in a decrease of 4.0% reflecting the COVID-19 impact. However, it is noted, that the reduction of factoring turnover in Greek market is milder in relation to the reduction of the GDP. Regarding the distribution of factoring turnover in Greek market based on the criteria of domestic or international Factoring, with or without recourse and notificated or non notificated, 86.6% concerns domestic Factoring (2019: 87.3%), 61.1% refers to Factoring with recourse (2019: 66.3%), and the notificated Factoring occupies 78.1% of the total turnover (2019: 79.6%). For 2020 Ethniki's Factors market share stood to 19.8% against 18.0% of 2019.

According to "EU Federation for the Factoring and Commercial Finance Industry" "EUF" factoring turnover in Greece reached to 8.0% remaining essentially unchanged compared to 2019. The stabilization of factoring turnover despite the negative impact of COVID-19 crisis to major sectors of economy reflects the strong demand for factoring as financial instrument providing continuous liquidity and exploitation of total assets.

For 2020 the global market according to "FCI" preliminary data managed a decrease of 5.6% in factoring turnover amounted to €2.7 trillion, (2019: €2.9 trillion). Regarding the European market, according to EUF data, the total turnover decreased by 5.1% to €1.8 trillion. against €1.9 trillion of 2019. However, it is noted, that due to the comparatively larger contraction of the size of European Union economies, factoring turnover increased as a percentage of GDP penetration and stood at 12% (2019: 11.3%). As far as Greece, this indicator remains low compared to the corresponding average of the European Union, with a slight improvement in 2020 amounting to 8.5% from about 8% in 2019.

Response to COVID 19 crisis

In the first quarter of 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The short-term effects of the pandemic on Company' s operations were mild and summarized as a) growth of the factoring turnover stood at an upper level than expected and b) advances to customers are slightly reduced as a result of the conversion of clientele to offered payment moratoria. Respectively, the negative impact on the company's revenues was restricted (commission fees increased in 2020) and, finally, there were no systemic delays in the repayments, except for those regulated by emergency legislation programs of Greek Authorities for post –dated cheques.

The future impacts of the COVID-19 pandemic on the Greek and/or global economy and the business, results of operations and financial position of the Company and parent Bank remain uncertain. Due to COVID-19 pandemic, authorities implement numerous measures attempting to contain its spread and impact, such as travel bans and restrictions, quarantines, shelter in place orders, and limitations on business activity, including closures. These measures severely restrict economic activity, businesses, market participants, our counterparties and customers, as well as the Greek and/or global economy for a prolonged period of time. These restrictions took place in March 2020, while in May 2020 the restrictions were slowly eased. However, worsened epidemic trends in October-November 2020 led to a reintroduction of protective restrictions on economic and social activity at a national level from November 7th 2020 until the beginning of May 2021. This poses significant downside risks to Gross Domestic Product ("GDP") growth in 2021 and could amplify the recessionary hit on households and businesses. These risks will be partly offset by a new set of fiscal measures as described below ("Response to COVID-19 crisis from Greek authorities").

Key Focus on Employee, Customer Support, in response to COVID-19 crisis

Company's primary importance and key priority was the health and safety of its employees, as well as, ensuring the servicing of customers without disruption. This was achieved through the cooperation with parent Bank "Management Crisis Committee" and other related departments. Main measures were taken summarized as follows:

Work remotely access

With parent Bank IT Department assistance our employees were able to work remotely, in order to decongest critical site-based operations. More specifically, more than c. 50% of our staff have been working remotely throughout the pandemic, with the percentage exceeding c. 80% during full lockdowns, efficiently and cyber-securely.

Health and safety of employees

- Cooperation with the parent Bank "Measures Taking Committee" which convenes on a daily basis, comprising of parent Bank senior executives as well as a dedicated Bacteriologist - Clinical Pathologist with specialized knowledge on COVID-19.
- Ensuring required protective and cleaning material.
- Issuing multiple communications to educate the staff on COVID-19, providing instructions on how to protect themselves, communicating limitations in traveling and meetings, informing them on the process to follow in the event that they feel ill or believe they have been in contact with the coronavirus.

Operations

- Guidelines of the implementation of Business Continuity Plan.
- Ensuring uninterrupted operations by redesigning critical processes and by implementing controls to facilitate remote work while mitigating emerging risks.
- Posting instructions for customers (suppliers) and debtors (buyers) on the Company's website (http://www.nbgfactors.gr/Content/Files/pdf/COVID-19.pdf).
- Adoption of digital signatures for Company's legal representatives.
- Operational risk management in accordance with the Operational Risk Management Program, and Business Continuity Plan.

Corporate Social Responsibility

- Donation of € 45,000 to the Ministry of Health for masks & vaccine storage boxes

Customers Support measures in response to COVID-19 crisis

COVID-19 moratoria

EBA published on 25 March 2020 a "Statement on the application of the prudential framework regarding Default, Forbearance and IFRS 9 in light of COVID-19 measures" which states that "institutions are expected to use a degree of judgment and distinguish between borrowers whose credit standing would not be significantly affected by the current situation in the long term, and those who would be unlikely to restore their creditworthiness (see below "Response to COVID-19 crisis from Greek and European authorities - European Banking Authority"). In this context, the Group performed portfolio reviews and applied this regulatory guidance to its clients. EBA also states that "the public and private moratoria, as a response to COVID-19 pandemic, do not have to be automatically classified as forbearance if the moratoria are not borrower specific, based on the applicable national law or on an industry or sector-wide private initiative agreed and applied broadly by relevant credit institutions". The Group has also adopted this guidance, incorporating it into its processes and policies.

Under these moratoria, the parent Bank has granted a postponement of interest and/or principal payments, extensions of loan terms as well as renewal of credit lines, depending on the program.

Parent Bank COVID-19 support schemes summarized as follows:

- Interest subsidy program II offered by the Ministry of Development for the period 1 January 2021 to 31 March 2021, applicable to SMEs holding a loan or revolving credit line prior to 1 January 2021 and less than 90 days in arrears by 30 September 2020 or by the day of the application to the program; and turnover decline of more than 20% in 2020 compared to 2019.
- "Gefyra II" program, initiated in April 2021, aims to support small and medium-sized enterprises that have been proven to be affected by the COVID-19 pandemic, i.e., that have suffered a 20% reduction in turnover in 2020 compared to 2019. It also provides a State subsidy for business loans, for 8 months, at a rate up to 90%.
- Extension of 30 days according to emergency legislation for cheques. The said measure addressed cheques of qualifying entities maturing from 1 April to 30 April 2021.

- State Guarantee working capital Program with the participation of Hellenic Development Bank S.A. (“HDB”), exclusively for very small businesses with turnover up to €200.000: 80% of the loan is guaranteed by HDB, with a total duration of up to five years, and the amount can reach the lesser of the following, €50.000 or 25% of 2019 turnover.
- Loan Guarantee Program –EaSI COVID-19 for very small businesses with the participation of European Investment Fund (“EIF”) up to €50.000. The 68.8% of the loan is guaranteed by EIF.
- Extension of moratoria for capital or instalment payments for:
  - performing Small Businesses.
  - businesses with performing exposures as at 30 September 2020 and not included, so far, in moratoria for capital or instalment payments that have been proven to be affected by the COVID-19 pandemic, were eligible to apply for their inclusion in a relevant program by 31 March 2021 and for a maximum duration of up to nine months from the date of inclusion in the moratorium.
  - businesses affected by the COVID-19 pandemic and have already been included in moratoria for capital or instalment payments, were eligible to apply by 31 March 2021 for an extension of their instalment suspension program, provided that their total participation in the program does not exceed the period of nine months.

Response to COVID-19 crisis from Greek authorities

In response to the economic and market conditions resulting from the COVID-19 pandemic, the Greek government has provided, among others, the following measures:

Financial state aid measures

The measures for the qualifying businesses include:

- Granting of guarantees on working capital.
- Subsidising the interest cost for performing loans initially for April, May and June and subsequently up to August 2020.
- New loans through the Hellenic Fund for Entrepreneurship & Development S.A. with a 100% interest rate subsidy for the first two years.
- The granting of a new State loan (“Repayable Advance”) which is conditioned upon turnover loss in March until August 2020, and the total amount to be granted for the three phases will amount to €3.5 billion. Phase 4 took place during November and December 2020 and amounted to €2.2 billion. Phase 5 and 6 took place on Q1 2021 and amounted to €0.8 billion. Phase 7 took place during May 2021 and amounted to €0.2 billion.
- A subsidy provided by the Greek state for loan payments, on loans collateralized by the principal residency of the eligible borrower, for up to nine months following the approval of the application. A borrower is eligible as soon as the borrower, their spouse or dependent are affected by the COVID-19 crisis and they meet the eligibility criteria for the subsidy.

Tax measures

The measures for the qualifying businesses and the individuals that were affected by the COVID-19 crisis include:

- Extension of tax obligation payments until 31 December.
- Extension of Value Added Tax (“VAT”) payments due during November 2020 until 30 April 2021.
- Suspension of Social Security Contributions (“SSC”) payments until 31 December 2021.
- Postponement of the payment of any instalments of debts owed to the tax authorities by qualifying businesses and for employees, whose employment contracts have been suspended.
- 25% discount on tax and social security contributions instalment schemes for April, in case they are paid on time. Following the amendment the measure extended to cover the month of June. Only for tax liabilities paid between 30 March and 30 April 2020, for employees of halted firms as well as for self-employed, freelancers and firms.
- Advance tax payment reduction for qualifying businesses with turnover decrease in March, April and May 2020 under certain conditions.

- Provision of a set off on certified tax liabilities with payment date from 1 May 2020 onwards, equal to 25% of VAT payable in April, in case the latter is paid in due time. Only for VAT payable in April, for qualifying businesses.
- Provision of Income Tax payment in eight installments and provision for 2% tax credit for individuals on the total amount of tax and other settling debt, provided that the tax due will be paid in a single lump sum payment on the basis of the timely filing.
- Accelerated refunds of up to €30,000 for income tax and VAT for all open tax audit cases, as on 20 March 2020 for all legal entities for income tax and VAT refunds and all individuals for VAT refunds.
- Reduction of the VAT on certain goods and services from a rate of 24% to a rate of 13% for the period from 1 June 2020 to 30 April 2021 and reduction of the VAT to 6%, from 24%, for sanitary products (masks, gloves, etc.) until 31 December 2020.
- Relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of the COVID-19 crisis until 31 July 2020 for legal persons or individuals, provided. However, such items shall be made available free of charge to beneficiaries specified in decision.
- The calculation of the Tax on Ownership of Real Estate Property ("ENFIA") will be based on the currently applicable "deemed" property values for 2020.
- Owners of real estate property rented to affected businesses, may also benefit from offsetting part of the revenue lost against their tax liabilities arising after July 2020.
- R&D expenses will have a deduction of 100% instead of the current 30% for expenses incurred as of 1 September 2020 onwards.
- Tourist packages from 80/20 (80% taxable at 13%, 20% taxable at 24%) to 90/10 (90% taxable at 13%, 10% taxable at 24%) for the period from 1 June 2020 to 31 October 2020.

Labor protection measures

- Special allowance of 800 euro:

  (1) for short period of time for qualifying self-employed, freelancers and individual businesses affected by the COVID-19 crisis;

  (2) during the suspension period for employees of firms affected by the COVID-19 crisis, whose labor contract has been suspended based on specific Economic activities in the European Community (NACE) codes;

  (3) for short period of time for employers (with up to 20 employees) affected by the COVID-19 crisis. This allowance was reduced to 534 Euros or 300 Euros depending on specific criteria during May until October and was increased again to 800 Euros as part of the measures announced in November 2020.
- Special allowance of 600 euro for a short period of time for economists/accountants, engineers, lawyers, doctors, teachers and researchers.
- Unemployment benefit of 400 euro. Lump sum payment for 155,000 individuals that became long term unemployed since April 2019. Second lump sum payment for 130,000 individuals that became long term employees since 1 March 2020 was announced in November 2020.
- Extension of the regular unemployment benefit payment, as well as extension of the long-term unemployment benefit.
- Lump sum payment to those eligible for minimum guaranteed income for December 2020. The payment will be given to 256,562 households and the amount will depend on the number of people in the household, with a minimum of 200 euro.
- Introduction of special purpose leave, only for workers with children attending to schools (while schools are closed), the cost of which will be shared between the state, the firm and the employee.
- 40% reduction in commercial rent since March 2020 for businesses affected by the COVID-19 crisis. A subsidy in relation to the reduction will be provided to the lessor.
- 40% reduction in primary and student residence rent since March 2020 for employees of firms affected by COVID-19 crisis. A subsidy in relation to the reduction will be provided to the lessor.
- Ability to suspend contracts of employment of part or all of the staff for a continuous period of 45 days, while prohibiting employees' dismissal. It can be applied for short period of time for qualifying businesses affected by the COVID-19 crisis. The right to suspend employment contracts, the provision

of the special purpose compensation, as well as the social security coverage will be extended for a prolonged period.

- Ability of transfer staff to other companies within the same group, following a relevant intra company agreement. For qualifying businesses affected by the COVID-19 crisis. Duration of measure is to be determined.
- Possibility for employers to pay the Easter bonus at a later time and until 30 June 2020 for qualifying businesses affected by the COVID-19 crisis.

Hellenic Factors Association

The Board of Directors of the Hellenic Factoring Association receiving information and know-how from national factoring associations of European countries and in collaboration with Greek Government and domestic business associations, examines the contribution of factoring in order to relief the effects on the economy from COVID-19 impact. Moreover, in correspondence with the aforementioned associations is expected to be continued investigation, planning and implementation of actions and initiatives aimed at relieving businesses from the effects of COVID-19 pandemic.

Until now, Factoring has not been included in the scope of the moratoria measures that the Government announces for the support of Greek companies in the context of reducing the effects of the pandemic.

Events after the reporting period

New Definition of Default

The objective of the European Banking Authority (EBA) published Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No. 575/2013 (EBA/GL/2016/07), applicable from 1 January 2021, and Regulation (EU) 2018/1845 of the European Central Bank (ECB) in relation to the threshold for assessing the materiality of credit obligations past due is to harmonise the definition of default across the European Union, thus contributing to improving consistency in the way EU banks apply regulatory requirements to their capital positions. For more information on new definition of default please see Note 30.

Corporation tax rate reduction

In accordance with Article 120 of Greek Law 4799/2021 (Government Gazette #A78/18.5.2021), effective from 01.01.2021, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 22% from 24%. (please see Note 9).

Risk Management

The Company adopts the Risk Management Policies of the NBG 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 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 Company. Ethniki Factors faces a concentration of credit risk as far as cash and cash equivalents and loans and advances to customers arising from factoring contracts. This is the most important risk for the Company. Credit risk processes are conducted in cooperation with parent Bank under the framework of the contractual management of this risk. The credit risk procedures established for the Company 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 Standardized Approach.

During 2019 the annual cycle of ORMF was implemented using the "Open Pages" application developed by IBM Corp.

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

- The identification, assessment and monitoring of operational risks (Risk Control Self-Assessment "RCSA").
- 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.

Corporate Social Responsibility

The Company since April 2014, has developed and implemented actions of Corporate Social Responsibility regarding donations, sponsorships and charitable contributions, aiming at ensuring high level of ethics on donations, complying with the applicable legal and regulatory, as well as adopting procedures that promote transparency in Company's donations. It should be noted that all actions are approved by the Board of Directors and completed in cooperation with parent Bank and especially with Corporate Governance and Corporate Social Responsibility Department of NBG Group.
The Company shall not undertake and/or participate in actions to support political organizations, parties or movements.
Furthermore, in accordance with international best practices related to donations, sponsorships and other related actions and in compliance with the provisions of Article 6 of Greek Law 4374/2016 regarding transparency in the relationships between banks and media companies and sponsored persons, the Company discloses information on all payments made within the relevant fiscal year, to media companies and sponsored persons. In the context of compliance with the above policy, the Company reports analytically the donations to NBG Group on a quarterly basis.

The Company during 2016-2021 donated €141,086 to the following non-profit organizations:

Date	Actions of Corporate Social Responsibility	Amounts in €
February 2016	Medical care and humanitarian aid at frontier islands of the Eastern Aegean via the crowdfunding program of the online platform act4Greece	4,000
February 2016	''Digital Archive'': Creation of an online educational and research platform on the Greek Revolution 1821 via the crowdfunding program of the online platform act4Greece	4,000
April 2016	Support of research and educational needs of the A' Psychiatric Clinic of the University of Athens / Department of Psychotherapy Center	4,000
May 2016	Donation to Chatzikiriakeio Foundation of Child Support	4,000
May 2016	Donation to voluntary non-profit organization of mother and child protection ''Ark of the World''	4,000
March 2017	Construction of a model playground for children with vision problems and additional disabilities in Amymoni via the crowdfunding program of the online platform act4Greece	4,000
March 2017	Support of Hellenic Book Club's initiative with creation of quality lending libraries in 20 Greek schools via the crowdfunding program of the online platform act4Greece	3,000
March 2017	Provision of school meals to primary schoolchildren in the Municipalities of Trikala and Kavala via the crowdfunding program of the online platform act4Greece.	8,000
December 2017	Renovation works and furnishing of Pedopolis – Vocational School ''Agia Varvara''of the Center of Social Welfare of Attica	15,000
March 2018	''I Care & Act'': Educational visits for experiential volunteer actions via the crowdfunding program of the online platform act4Greece	15,000
March 2018	Epikentro: Supporting vulnerable social groups in the municipality of Athens via the crowdfunding program of the online platform act4Greece	5,000
December 2018	Donation to Standard National Nursery School of Kallithea	20,000
December 2019	Publication of the calendar for 2020 of the Association of Shareholders of National Bank of Greece	3,000
December 2019	Coverage of material and technical equipment in PC of Gymnasium. Anafi island	5,800
January 2020	Educational & Cultural Association "To Anthos" and Hellenic Society for the Protection of Autistic People	500
April 2020	Supply of 14,000 FFP2 type masks to National Health System	30,100
June 2020	Support for the charity project Association of Friends of Children with Cancer "Storgi"	5,000
November 2020	Earthquake support of the Municipality of Eastern Samos	300
February 2021	Supply (1,400) of new 40-seat statos, (1,400) of new internal cartons (boxes) and (95) complete isobox OPT322323VX20 (80 vials) to the National Health System	4,986
February 2021	Association of friends of children with cancer "Elpida"	400
March 2021	"Ark of the World" non-profit organization for special care and protection of mother and child	1,000
Total		**141,086**

2021 Perspectives

The COVID-19 impact is expected to be significant for the global economy and for the fiscal year of 2021. Considerable parameters that will determine factoring turnover entirely will be supply chain finance operations in receivables financing, the increase of credit risk due to the deterioration of the financial position of entities, and the consequent policy pursued by credit insurance companies where concerns the maintenance or limitation of debtors' insurance limits and the occurrence of fraud in commercial transactions. Respectively, COVID-19 effects are also expected to be negative on short term–basis for Greek economy and consequently Greek companies. Despite the fact that the forecasts for GDP growth present a significant growth, taking into consideration the endurance shown by the industry during the years of economic recession in Greece, we consider that the total factoring turnover in 2021 will present positive up to significantly positive trends.

Board of Directors Annual Report

Among the strategic goals of the Company for the financial year 2021 are the following:

1. To maintain the extremely low NPL's rate to a temporary under economic recession environment for entities.
2. To expand factoring operations to existing or new clientele and facilitate entities, whose operations have been impacted by the COVID-19 in cooperation with parent Bank.
3. To increase robust profitability and enhance market share.
4. To improve the cost to income ratio (C/I).
5. To develop international and selective reverse factoring activities in the direction of Supply Chain Financing solutions.
6. To maintain and improve the high quality services tailored to the specific needs of client.
7. To invest in modernize IT platforms and processes in order to improve productivity.
8. To complete e-services to business clientele, in order to maximize factoring transactions carried out digitally.
9. To focus on employees development and training according to international trends and modernized Factoring solutions and generally the Supply Chain Financing.
10. To adopt a policy and elaborate a strategy for more effective management concerning Environmental, Social and Corporate Governance Risks, the strengthening of the integration of the relevant operations in the Company and finally the compliance with the current regulatory framework.

Dividend Policy

The Management will propose to the Annual General Assembly of the shareholders to approve the appropriation of amount €471.5 thousand as a statutory reserve according to provisions of Law 4548/2018 and no distribution of dividend from current year profits.

Athens, 3 June 2021

The Chairman of the Board of Directors	The Chief Executive Officer
Charalampos Vovos	Alexandros Kontopoulos

[Translation from the original text in Greek]

Independent Auditor's Report

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

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of "ETHNIKI FACTORS SINGLE MEMBER S.A." (Company) which comprise the statement of financial position as of 31 December 2020, the statements of total comprehensive income, changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' Report for the year ended at 31 December 2020 is consistent with the financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the "Other Information" section of our report.

Athens, 4 June 2021

The Certified Auditor

PricewaterhouseCoopers S.A.
Certified Auditors
268 Kifissias Avenue
152 32 Halandri
Soel Reg. No 113

Marios Psaltis
Soel Reg. No 38081

Statement of Total Comprehensive Income
For the period ended 31 December 2020

Amounts in €	Note	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
Interest and similar income	4	16,410,616	19,944,119
Interest expense and similar charges	4	(6,775,366)	(8,809,473)
Net Interest Income		**9,635,250**	**11,134,646**
Fee and commission income	5	7,425,501	7,251,223
Commission expense	5	(3,112,153)	(3,034,612)
Net fee and commission income		**4,313,348**	**4,216,611**
Net trading income	6	(385,090)	34,559
Net Operating Income		**13,563,508**	**15,385,816**
Personnel expenses	7	(1,010,070)	(998,557)
General, administrative and other operating expenses	8	(1,112,855)	(1,131,450)
Amortization of intangible assets	12	(39,957)	(39,957)
Depreciation of property and equipment	13	(70,835)	(77,609)
Credit provisions		1,209,856	343,970
Total Expenses		**(1,023,861)**	**(1,903,603)**
Profit before tax		**12,539,647**	**13,482,213**
Tax expense	9	(3,109,865)	(3,082,199)
Profit for the period		**9,429,782**	**10,400,014**
Other comprehensive income, net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits	19	1,091	(14,538)
Other comprehensive income for the period, net of tax:		**1,091**	**(14,538)**
Total comprehensive income for the period		**9,430,873**	**10,385,476**

Athens, 3 June 2021

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE MANAGER OF FINANCIAL SERVICES
CHARALAMPOS VOVOS No of Pol. Identity AK226323	ALEXANDROS KONTOPOULOS No of Pol. Identity X549459	PANAGIOTIS MAVRAGANIS No of Pol. Identity X010495

The notes on pages 19 to 54 form an integral part of these financial statements

Statement of Financial Position
as at 31 December 2020

Amounts in €	Note	31.12.2020	31.12.2019
ASSETS			
Cash and balances with banks	10	18,558,162	21,417,013
Loans and advances to customers	11	462,991,890	439,212,404
Software and other intangible assets	12	306,247	346,204
Property and equipment	13	351,226	562,455
Current income tax asset	9	300,501	546,414
Other assets	15	80,670	46,591
Total assets		**482,588,696**	**462,131,081**
LIABILITIES			
Due to banks	16	62,458,448	67,526,535
Debt securities in issue	17	324,728,336	299,976,667
Due to customers	18	8,669,163	10,919,048
Deferred tax liabilities	14	5,652,311	4,574,158
Retirement benefit obligations	19	164,593	150,725
Other liabilities	20	2,638,269	3,337,245
Total liabilities		**404,311,120**	**386,484,378**
SHAREHOLDERS' EQUITY			
Share capital	21	20,000,000	20,000,000
Share premium	21	30,000,000	30,000,000
Reserves	22	4,103,861	3,582,769
Retained earnings	23	24,173,715	22,063,934
Total Shareholders' Equity		**78,277,576**	**75,646,703**
Total Liabilities and Equity		**482,588,696**	**462,131,081**

Athens, 3 June 2021

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE MANAGER OF FINANCIAL SERVICES
CHARALAMPOS VOVOS No of Pol. Identity AK226323	ALEXANDROS KONTOPOULOS No of Pol. Identity X549459	PANAGIOTIS MAVRAGANIS No of Pol. Identity X010495

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Statement of Changes in Equity

for the period ended 31 December 2020

Amounts in €	Share Capital	Share Premium	Defined benefit plans	Statutory Reserve	Retained earnings	Total
Balance at 1 January 2019	**20,000,000**	**30,000,000**	**(19,408)**	**3,132,081**	**18,848,554**	**71,961,227**
Other comprehensive income	-	-	(14,538)	-	-	(14,538)
Profit for the period	-	-	-	-	10,400,014	10,400,014
Dividends paid	-	-	-	-	(6,700,000)	(6,700,000)
Statutory reserve	-	-	-	484,634	(484,634)	-
Balance at 31 December 2019 & at 1 January 2020	**20,000,000**	**30,000,000**	**(33,946)**	**3,616,715**	**22,063,934**	**75,646,703**
Other comprehensive income	-	-	1,091	-	-	1,091
Profit for the period	-	-	-	-	9,429,782	9,429,782
Dividends paid	-	-	-	-	(6,800,000)	(6,800,000)
Statutory reserve	-	-	-	520,001	(520,001)	-
Balance at 31 December 2020	**20,000,000**	**30,000,000**	**(32,855)**	**4,136,716**	**24,173,715**	**78,277,576**

Athens, 3 June 2021

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE MANAGER OF FINANCIAL SERVICES
CHARALAMPOS VOVOS No of Pol. Identity AK226323	ALEXANDROS KONTOPOULOS No of Pol. Identity X549459	PANAGIOTIS MAVRAGANIS No of Pol. Identity X010495

The notes on pages 19 to 54 form an integral part of these financial statements

Cash Flow Statement
For the period ended 31 December 2020

Amounts in €	Note	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
Cash Flows from operating activities			
Profit before tax		**12,539,647**	**13,482,213**
Non cash items included in statement of total comprehensive income and other adjustments:		**5,691,606**	**6,961,479**
Depreciation of property and equipment	13	70,835	77,609
Amortization of intangible assets	12	39,957	39,957
Credit provisions	8	(1,209,856)	(343,970)
Provision for employee benefits	19	15,304	13,881
Interest expense and similar charges	4	6,775,366	7,174,002
Net (increase)/decrease in operating assets :		**(24,853,594)**	**(11,195,274)**
Due from / to customers		(24,819,515)	(11,187,071)
Other assets		(34,079)	(8,203)
Net increase/(decrease) in operating liabilities:		**(2,275,329)**	**(2,910,246)**
Other Liabilities		(489,185)	194,543
Income tax paid		(1,786,144)	(3,104,789)
Net Cash flows from/(for)operating activities		**(8,897,670)**	**6,338,172**
Cash flows from investing activities:			
Purchase of property and equipment	13	(950)	-
Net Cash flows from/(for) investing activities		**(950)**	**-**
Cash flows from financing activities:			
Proceeds from debt securities		178,191,371	34,838,983
Repayment of debt securities		(153,487,137)	(81,208,374)
Due to banks	16	(5,155,366)	54,335,841
Repayment of debt securities interest expenses		(5,871,954)	(6,926,022)
Repayment of interest expenses of ROU assets		(11,196)	(13,923)
Principal elements of lease payments		(68,447)	(68,415)
Interest paid		(757,502)	(51,347)
Dividends paid		(6,800,000)	(6,700,000)
Net cash flows from/(for) financing activities		**6,039,769**	**(5,793,257)**
Net increase/(decrease) in cash and cash equivalents		**(2,858,851)**	**544,915**
Cash and balances with the banks at beginning of period		21,417,013	20,872,098
Cash and balances with the banks at end of period		**18,558,162**	**21,417,013**

Athens, 3 June 2021

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE MANAGER OF FINANCIAL SERVICES
CHARALAMPOS VOVOS No of Pol. Identity AK226323 THE CHAIRMAN	ALEXANDROS KONTOPOULOS No of Pol. Identity X549459 THE CHIEF EXECUTIVE	PANAGIOTIS MAVRAGANIS No of Pol. Identity X010495 THE HEAD

The notes on pages 19 to 54 form an integral part of these financial statements

Notes to the Financial Statements

NOTE 1: General information

The Company was founded on 19 May 2009 and operates until today under the name "ETHNIKI FACTORS SINGLE MEMBER 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) and register number G.E.MH. 008805601000. 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. The Company's financial statements are consolidated in the financial statements of National Bank of Greece S.A. under the full consolidation method.

The Board of Directors, whose term expires at 23 December 2022 according to the art. 13 of the Company's Article of Association, consists of the following members:

Charalampos K. Vovos	The Chairman of the Board of Directors
Alexandros V. Kontopoulos	Chief Executive Officer and Executive Member
Effrosyni K. Griza, Non-executive Member	Member
Panteleimon D. Maraveas	Member
Ioanna I. Sapountzi	Member
Eleni A. Kappatou	Member
Dimitrios G. Katsikavelis	Independent Member

These annual financial statements have been approved for issue by the Company's Board of Directors on 3 June 2021.

The financial statements are subject to approval by the Company's 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 2020 (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 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. 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 100.0% 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 at 31 March 2021, parent Bank funding from the ECB increased by €1,1 billion through longer-term refinancing operations (''LTROs'') at €11,6 billion compared to €10,5 billion, solely TLTROs, at 31 December 2020. Furthermore, as of 31 March 2021 the Bank's secure interbank transactions with foreign financial institutions amounted to €0.5 billion, while the parent Bank's liquidity buffer stood at €18,8 billion (cash value).

Macroeconomic developments

The COVID-19 pandemic and the enforcement of containment measures to control the spread of the disease continued to weigh significantly on the Greek macroeconomic conditions in FY.2020 and 1Q.2021. Greek Gross Domestic Product ("GDP") declined by 8.0% year-over-year ("y-o-y") in 2020 (seasonally adjusted data), against a backdrop of recurrent surges of the pandemic and repeated tightening of restrictions on mobility and economic activities. State support measures remained the key instrument for mitigating the fallout of the health crisis on the labor market and for providing support to COVID-19 affected businesses.

The worsening of key health indicators in late-January 2021 led to a new tightening of restrictions in Attica and some other regions of the country, from 30 January 2021 until mid-April 2021, when a gradual easing of restrictions started. This tightening is estimated to have led to a new contraction in 1Q.2021 GDP. However, the latest conjectural indicators data for 1Q.2021 show that the decline in activity is slowing – retail sales volume decreased by 1.7% y-o-y in 2M.2021 against -4.0% y-o-y, on average, in FY.2020 and manufacturing production increased by 2.6% y-o-y in 1Q.2021 following an annual drop of 1.6% in 2020.

The labor market remains resilient, supported by the extension of protective measures, such as additional payments for allowances to the affected employees and businesses, coverage of social security contributions and support for the unemployed.

A closer look at the available high frequency data of macroeconomic indicators for March and April 2021 points to a pick-up in activity, on a monthly basis, which is more evident in the sectors, where the easing of protective restrictions already started, namely retail trade and part of the services sector. The manufacturing sector shows additional signs of resilience, with the PMI (Purchasing Managers' Index for manufacturing) entering expansion territory since March (54.4 in April 2021), whereas construction confidence increased to a 15-year high in April, due to the positive prospects regarding the contribution of the Recovery Fund. Moreover, the measures helped cushion the recession, providing considerable support to the labor market. The unemployment rate increased modestly to 17.0% in 2Q.2020 – decreasing to 16.7% in 3Q.2020 and 16.1% in 4Q.2020 – and averaged to 16.5% in FY.2020 compared with 17.3% in FY.2019, whereas employment decreased by 0.9% y-o-y in FY.2020.

The persistence of the pandemic led to the activation of additional fiscal support measures of more than €6.0 billion for 1Q.2021, following €18.0 billion of fiscal and liquidity measures activated in FY.2020. Inevitably, the General Government primary deficit (ESA 2010) surged to €11.2 billion (or -6.7% of GDP) in FY.2020, from a primary surplus of €7.6 billion in 2019. Greece's Stability Programme for the period 2021-2024 submitted to the EU Commission in April 2021, indicates that fiscal policy will remain supportive in FY.2021, with the primary deficit increasing to 7.2% of GDP, as a significant part of support measures remains in place in H1.2021 and additional targeted stimulus is provided through the suspension of the special solidarity surcharge in personal income tax and the reduction of the social security contributions rates for employers and employees by 3.0 percentage points. Nonetheless, supportive cyclical factors and the non-renewal of support measures is expected to lead to a rebalancing of the fiscal position, with the primary deficit declining to 0.3% of GDP in 2022 and turning to surpluses of 2.0% and 2.9% of GDP in 2023 and 2024, respectively.

General Government debt increased to 205.6% of GDP in 2020, it is anticipated to decline slightly to 204.8% of GDP in 2021 and return on a steady downward trend from 2022 onwards. All major rating agencies acknowledged that the significant size of the Greek State's cash buffer (about 8.0% of gross public debt), along with the very long maturity of the debt (c. 20 years) and affordable debt-servicing terms, offset the risks from the temporary increase in the debt ratio to GDP due to the COVID-19 pandemic. Accordingly, the expectations of a rapid improvement in Greece's economic and budgetary performance as the adverse impacts of the COVID-19 pandemic subside, along with EU fiscal support and Greece's creditworthiness based on the government's significant fiscal buffers and the favourable government debt structure, led major rating agencies to upgrade the Hellenic Republic's sovereign rating. Specifically, Moody's upgraded Greece's sovereign rating by one notch, to "Ba3" from "B1", on 6 November 2020, maintaining a stable outlook for the country, while S&P upgraded Greece's sovereign credit rating by one notch, to "BB" from "BB-", on 23 April 2021, with a positive outlook (from stable), bringing the country's long-term sovereign rating 2-3 notches away from an "investment grade" rating.

Looking forward, activity is expected to accelerate rapidly during the final three quarters of 2021 to 9.0% y-o-y, on average. The main catalysts will be: (i) the gradual easing of restrictions on economic activities, compounded by strong base effects starting from 2Q.2021, (ii) the continued fiscal support, including rollover effects from 2020, (iii) the latent demand and the built-up of liquidity buffers related to accumulated household savings and increased corporate borrowing, and (iv) the gradual recovery in tourism as vaccinations begin to stem the pandemic, with an opening started on 15 May 2021. Moreover, the first inflows of funding from the EU Recovery Fund are expected to begin in the summer of 2021, amounting to c. €4.0 billion, providing additional impetus to public investment and business activity from 3Q.2021 onwards, with the impact on GDP growth peaking in 2022.

Although the COVID-19 pandemic is still ongoing in 2Q.21 and restrictions apply to a significant part of economic activities, the speeding-up of the vaccination program in Greece bodes well for an effective containment of the pandemic spread by end-2Q.21 and a gradual normalization of most economic activities during 2021.

Against this backdrop, the EU Commission (European Commission 2021, Spring Forecast) projects that Greece's GDP will increase by 5.1% y-o-y, on average, in 2021-2022, incorporating, for the first time, an estimate of the direct impact of the inflows from the EU Recovery Fund starting in 2021.

However, uncertainty remains significant, reflecting, inter alia, the risks surrounding the effectiveness of the vaccination process in the presence of COVID-19 mutations globally and divergences in the pace of the pandemic control internationally, which could delay the normalization of international mobility, thus weakening the improvement in the tourism sector. Furthermore, the inability of smaller and less efficient firms to compete effectively with larger firms, which take advantage of their more developed digital sales channels, implies that the continued contraction in overall turnover in Q1.2021 could widen the gap in business performance (depending on the size, efficiency and specific segment in which firms operate). The said divergences are likely to widen further during the rest of 2021, due to the varying speeds of recovery in demand across the sectors of the economy. These risks could be partly offset by the extension of fiscal measures.

The activation of the "Recovery Plan for Europe" ("NGEU") could act as an important catalyst for Greece's economic recovery. Greece is among the top beneficiaries of the plan, with the maximum amount of grants under the NGEU reaching €17.8 billion in 2021-2026 (c. 1.5% of GDP, on average, per annum in 2021-2026) while loans could amount up to €12.7 billion (c. 1.0% of GDP, on average, per annum in 2021-2026).

For a list of measures that have been adopted in 2020, in order to provide support to the European banking system and the Greek economy in dealing with COVID-19, see on Board of Directors Annual Report "Response to COVID-19 crisis".

Going concern conclusion

Management of the parent Bank concluded that a going concern issue does not exist after considering (a) the current level of European Central Bank ("ECB") funding mainly from Targeted Long-term Refinancing Operations ("TLTROs") and the current access to the Eurosystem facilities with significant collateral buffer and Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") well above 100%, (b) the parent Bank's and the Group's CET1 ratio of 31 March 2021 which exceeded Supervisory Review and Evaluation Process "SREP" requirements, (c) the unprecedented response to Coronavirus ("COVID-19") from European and Greek authorities to provide both fiscal and monetary support.

Management of the Company taking into account the strong profitability, the capital adequacy ratio, the positive cash flows from operating activities and the fact that the parent Bank prepares its financial statements with the going concern assumption, that is well positioned to adequately support its business plan over the coming year (2021) and for this reason prepared its own financial statements on a going concern basis.

2.3 Adoption of International Financial Reporting Standards (IFRS)

Amendments to existing standards and the conceptual framework effective from 1 January 2020

-Definition of a Business - Amendments to IFRS 3 (effective for annual periods beginning on 1 January 2020, as issued by the International Accounting Standards Board ("IASB")). In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements or processes and continuing to produce outputs, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. The adoption of the amendments did not have an impact on the Company's Annual Financial Statements.

-Definition of Material - Amendments to IAS 1 and IAS 8 (effective for annual periods beginning on 1 January 2020, as issued by the IASB). In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information' is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The adoption of the amendments did not have an impact on the Company's Annual Financial Statements.

-Conceptual Framework. In March 2018, the IASB issued a revised version of its Conceptual Framework for Financial Reporting (the "Framework"), which became effective for annual periods beginning on 1 January 2020. The Framework sets out the fundamental concepts of financial reporting that guide the IASB in developing IFRS Standards. The Framework underpins existing IFRS Standards but does not override them. Preparers of financial statements use the Framework as a point of reference to develop accounting policies in rare instances where a particular business transaction is not covered by existing IFRS Standards. The IASB and the IFRS Interpretations Committee will begin to use the new Framework immediately in developing new, or amending existing, financial reporting standards and interpretations. The adoption of the revised conceptual framework did not have an impact on the Company's Annual Financial Statements.

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The amendments to existing standards and the Framework effective from 1 January 2020 have been endorsed by the EU.

New standards and amendments to existing standards effective after 1 January 2020

New standard

-IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2023, as issued by the IASB). IFRS 17 was issued in May 2017, including amendments issued in June 2020 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

The Company is not expected to be affected by the adoption of the Standard and the proposed amendments.

Amendments

-IFRS 16 (Amendment): COVID-19-Related Rent Concessions (effective for annual periods beginning on or after 1 June 2020 and effective for the consolidated and separate financial statements from 1 January 2021). The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment is mandatory for annual reporting periods beginning on or after 1 June 2020 and thus for the consolidated and separate financial statements from 1 January 2021. The adoption of this amendment is not expected to have an impact on the Company's Annual Financial Statements.

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments): Interest Rate Benchmark Reform — Phase 2 (effective for annual periods beginning on 1 January 2021, as issued by the IASB). The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The adoption of these amendments is not expected to have a material effect on Company's Annual Financial Statements.

-Reference to the Conceptual Framework - Amendments to IFRS 3 Business Combinations (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

-Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in the Income Statement.

-Onerous Contracts: Cost of Fulfilling a Contract - Amendments to IAS 37 (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments specify which costs a company includes when assessing whether a contract will be loss-making.

- IFRS 4 (Amendment): Extension of the Temporary Exemption from Applying IFRS 9 (effective for annual periods beginning on or after 1 January 2023). The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

-IAS 1 (Amendment): Classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2023). The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment "Classification of liabilities as current or non-current" was issued in January 2020 and is effective for annual reporting periods beginning on or after 1 January 2022. However, in response to the COVID-19 pandemic, the IASB has deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from those amendments. Classification of Liabilities as Current or Non-current is now effective for annual reporting periods beginning on or after 1 January 2023. Although the consolidated and separate Statement of Financial Position of the Group is presented on a liquidity basis, this amendment makes clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- IAS 1 and IFRS Practice Statement 2 (Amendments): Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after 1 January 2023). The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process'».

-IAS 8 (Amendment): Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023). The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The amendments to existing standards effective after 2020 have not yet been endorsed by the EU, except for the IFRS 16 amendment for COVID-19-Related Rent Concessions, the IFRS 4 amendment for extension of the Temporary Exemption from Applying IFRS 9 and the IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amendment for Interest Rate Benchmark Reform — Phase 2 which have been endorsed by the EU.

2.4 Foreign currency transactions

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 statement of total comprehensive income.

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 statement of total comprehensive income.

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 is recognized directly in Equity. The Company does not enter into derivative financial instruments used for hedging and trading.

2.6 Classification of financial assets

The Company uses the measurement category "Debt instruments at amortised cost" for its financial assets on the basis of:

a) the Company's business model for managing the financial asset and

b) the contractual cash flow characteristics of the financial asset.

Business model assessment

The business models reflect how the Company manages its debt financial assets in order to generate cash flows. This assessment is performed on the basis of scenarios that the Company reasonably expects to occur. The assessment is based on all relevant and objective information that is available at the time of the business model assessment. The Company has identified the business model **"Held to collect contractual cash flows ("HTC")"** for debt its financial assets. The Company's objective is to hold the financial assets and collect the contractual cash flows. All the assets in this business model give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Debt instruments classified in this business model are measured at amortised cost. Loans within this category may be sold to manage the concentration of the Company's credit risk to a particular obligor, country or industrial sector, without an increase in the asset's credit risk. Such sales are consistent with the business model objective if they are infrequent (even if significant in value) or insignificant in value both individually and in the aggregate (even if frequent).

Contractual cash flow characteristics

The Company assesses the characteristics of its financial assets' contractual cash flows at initial recognition in order to determine whether they are SPPI. This is referred to as the "SPPI test". Interest amount within a basic lending arrangement, is typically the consideration for the time value of money and the credit risk. Interest may also include consideration for other basic lending risks such as liquidity and costs (e.g. administration associated with holding the financial asset for a particular period of time), as well as a profit margin. Interest may also be negative if the Company decides to effectively pay a fee for the safekeeping of its money for a particular period of time. The Company considers that an originated or a purchased financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form and irrespective if it was purchased at a deep discount.

Non-recourse loans

When a financial instrument's contractual cash flows are specifically derived from specified assets of the borrower (seller), the Company assesses whether the cash flows arising from the debt instrument are SPPI. In order to conclude whether the loan represents a basic factoring agreement and its return does not vary based on the performance of the underlying asset or project, the Company assesses whether there is an adequate buffer to absorb credit losses.

2.6.1 Measurement of financial assets

Financial assets measured at amortised cost

A debt financial asset is measured at amortised cost if it is held in a business model that has an objective to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset result in cash flows that pass the SPPI test.

The financial assets classified within this category, mainly include the following asset classes:

- Sight and time deposits with banks.
- Loans and advances to customers.
- Other receivables included in line item "other assets".

Subsequent to initial recognition, the debt financial asset is measured at amortised cost using the effective interest rate ("EIR") method for the allocation and recognition of interest revenue in line item "interest and similar income" of the income statement over the relevant period. The amortised cost is the amount at which the financial asset is measured at initial recognition minus any principal repayments, plus or minus the cumulative amortisation using the EIR method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount is the amortised cost of a financial asset before adjusting for any loss allowance. Interest income on debt financial assets is calculated on the gross carrying amount if the asset is classified in stage 1 or 2. When a debt financial asset becomes credit-impaired (classified in stage 3), interest income is calculated on the amortised cost (i.e. the gross carrying amount adjusted for the impairment allowance).

The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's gross carrying amount. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (e.g. prepayment, extension, call and similar options). The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the EIR, transaction costs, and all other premiums or discounts. Fees that are an integral part of the EIR of a financial instrument are treated as an adjustment to the EIR.

Except for purchased or originated financial assets that are credit-impaired ("POCI") on initial recognition, expected credit losses ("ECL") are not considered in the calculation of the EIR. For a POCI financial asset, the credit-adjusted EIR is applied when calculating the interest revenue and it is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's amortised cost. The Company includes the initial ECL in the estimated cash flows when calculating the credit-adjusted EIR for such assets.

2.6.2 Impairment - Expected Credit Losses

ECL are recognised for all financial assets measured at amortised cost, debt financial assets measured at FVTOCI, lease receivables, financial guarantees and certain loan commitments. ECL represent the difference between contractual cash flows and those that the Company expects to receive, discounted at the EIR. For loan commitments and other credit facilities in scope of ECL, the expected cash shortfalls are determined by considering expected future draw downs.

Recognition of expected credit losses

At initial recognition, an impairment allowance is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL), weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in Stage 1. For instruments with a remaining maturity of less than 12 months, ECL are determined for this shorter period.

In the event of a significant increase in credit risk (“SICR”), an ECL allowance is required, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of the financial instrument (“lifetime ECL”), weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in Stage 2.

Lifetime ECL are always recognised on financial assets for which there is objective evidence of impairment, that is they are considered to be in default or otherwise credit-impaired. Such instruments are referred to as instruments in Stage 3.

POCIs are classified as credit impaired. An instrument is POCI if it has been purchased with a material discount to its par value that reflects the incurred credit losses or is originated with a defaulted counterparty.

For POCI financial assets, the Company recognises adverse changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the income statement. POCI are initially recognised at fair value with interest income subsequently being recognised based on a credit-adjusted EIR. POCI may also include financial instruments that are newly recognised following a substantial modification and remain a separate category until maturity. Any favourable changes for POCI assets are impairment gain even if the resulting expected cash flows exceed the estimated cash flows on initial recognition.

ECL are recognised in the income statement with a corresponding ECL allowance reported as a decrease in the carrying value of financial assets measured at amortised cost on the statement of financial position. For financial assets measured at FVTOCI, the carrying value is not reduced, but the ECL allowance is recognised in OCI. For off-balance sheet financial instruments, the ECL allowance is reported as a provision in “other liabilities”. ECL are recognised within the income statement in “credit provisions and other impairment charges”.

Write-off

A write-off is made when the Company does not have a reasonable expectation to recover all or part of a financial asset. Write-offs reduce the principal amount of a claim and are charged against previously established allowances for credit losses. Recoveries, in part or in full, of amounts previously written off are generally credited to “credit provisions and other impairment charges”. Write-offs and partial write-offs represent derecognition or partial derecognition events.

Definition of default

The Company has aligned the definition of default for financial reporting purposes, with the non performing exposures (NPE) definition used for regulatory purposes, as per EBA Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures, as adopted by the Commission Implementing Regulation (EU) 2015/227 of 9 January 2015 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (“EBA ITS”). The definition of default for financial reporting purposes is consistent with the one used for internal credit risk management purposes.

Measurement of expected credit losses

The Company assesses on a forward-looking basis the ECL associated with all financial assets subject to impairment under IFRS 9. The Company recognises an ECL allowance for such losses at each reporting date. The measurement of ECL reflect:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The Company uses three macroeconomic scenarios and estimates the ECL that would arise under each scenario. A weighting is allocated to each scenario, such that the weighted probabilities of all three scenarios are equal to one. The distribution of possible ECL may be non-linear, hence three distinct calculations are performed, where the associated ECLs are multiplied by the weighting allocated to the respective scenario. The sum of the three weighted ECL calculations represents the probability-weighted ECL.
- The time value of money.
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For the purposes of measuring ECL, the estimate of expected cash shortfalls reflects the cash proceeds expected from collateral liquidation (if any) and other credit enhancements that are part of the contractual terms and are not recognised separately by the Company. The estimate of expected cash shortfalls on a collateralized loan exposure reflects the assumptions used regarding the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether the foreclosure is probable.

The ECL calculations are based on the following factors:

- **Exposure at Default ("EAD"):** This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.
- **Credit Conversion Factor ("CCF"):** The CCF converts the amount of a credit line and other off-balance sheet amounts to an EAD amount.
- **Probability of Default ("PD"):** Represents the likelihood of a borrower/issuer defaulting on its financial obligation, assessed on the prevailing economic conditions at the reporting date, adjusted to take into account estimates of future economic conditions that are likely to impact the risk of default either over the next 12 months for Stage 1 financial assets, or over the remaining lifetime, for Stage 2 and 3 financial assets.
- **Loss given default ("LGD"):** Represents the Company's expectation of the extent of loss on a defaulted exposure. The LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. The determination of LGD takes into account expected future cash flows from collateral and other credit enhancements, or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims. LGD is expressed as a percentage loss per unit of EAD.
- **Discount Rate:** The implied discount factor based on the original EIR of the financial asset or an approximation thereof.

The PD and LGD are determined for three different scenarios whereas EAD projections are treated as scenario independent.

The ECL is determined by projecting the PD, LGD and EAD for each time step between future cash flow dates and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival, if appropriate. This effectively calculates an ECL for each future period, which is then discounted back to the reporting date and summed.

Forward looking economic inputs

Forward looking information (FLI) is incorporated in the ECL measurement of collectively assessed loans and debt securities through the PD and LGD models. The expected recoveries (cash flow recoveries or liquidation of collateral) used in the ECL calculation of corporate lending exposures individually assessed, takes into account FLI based on the Company's forecasts of the relevant macroeconomic factors.

The Company applies three scenarios, i.e. baseline, optimistic, pessimistic, developed by the parent Bank Economic Research and Analysis Division. The macroeconomic scenarios used for measuring ECL are the same with the ones used for evaluating SICR.

The main macroeconomic variable utilized by the Company, affecting the level of ECL is GDP growth rate.

Significant increase of credit risk

A financial asset is considered as non-credit impaired, when the definition for Stage 3 classification is not met. The exposure is classified as Stage 2 if it has suffered a SICR, otherwise it is classified as Stage 1.

At each reporting date, the Company performs the SICR assessment comparing the risk of a default occurring over the remaining expected lifetime of the exposure with the expected risk of a default as estimated at origination.

The Company's process to assess SICR has three main components:

- **a quantitative element**, i.e. reflecting a quantitative comparison of PD or credit rating at the reporting date versus the respective metric at initial recognition (see below,
- **a qualitative element**, i.e. all Forborne Performing Exposures (FPE), in accordance with EBA ITS, internal watch list for corporate obligors; and
- **"backstop" indicators**. The Company applies on all lending exposures the IFRS 9 presumption that a SICR has occurred when the financial asset is more than 30 days past due.

Notes to the Financial Statements

The Company in cooperation with parent Bank assesses SICR based on changes in the obligor's internal credit rating since origination.

2.7 Derecognition

2.7.1. 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.

2.7.2 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 statement of total comprehensive income.

2.8 Offsetting

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

2.9 Interest income and expense

Interest income and expense are recognised in the statement of total 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.

2.10 Fees and commissions

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

2.11 Property & Equipment

Property and equipment include mainly equipment, held by the Company 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, is 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.

2.12 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.

2.13 Leases

2.13.1 The Company is the lessee

The Company applies a single recognition and measurement approach for all leases. The Company recognizes lease liabilities representing the obligation to make lease payments and right-of-use (RoU) assets representing the right to use the underlying assets.

2.13.2 RoU assets

The Company recognizes RoU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of RoU assets includes the amount of lease liabilities recognized, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. RoU assets are depreciated on a straight-line basis over the lease term.

The RoU assets are presented in “property and equipment”.

2.13.3 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the Company’s estimate of the amounts expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the RoU asset, or is recorded in the Income Statement if the carrying amount of the RoU asset has been reduced to zero.

2.14 Cash and cash equivalents

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

2.15 Provisions

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

2.16 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 total 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.

2.17 Income taxes

Income tax payable on profits, based on the applicable tax law, is recognised as an expense in the period in which profits arise. Deferred tax is accounted for using the balance sheet liability method. The temporary differences arise 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 income tax advances against current income 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 income 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 statement of total comprehensive income together with the deferred gain or loss.

2.18 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 statement of total comprehensive income over the period of borrowings using the effective interest rate method. Interest expenses are recognized on an accrual basis.

The mid-long term borrowed funds of the Company consists of bond loan issued according to Law 3156/2003 and overdraft accounts.

2.19 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.

2.20 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 related party transactions are made on substantially the same terms, including interest rates and collateral, as with those prevailing at the same time for comparable transactions with non-related parties and do not involve inherent risk.

Notes to the Financial Statements

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 2020. The most significant areas, for which judgments, estimates and assumptions are required in applying the Company's accounting policies, are the following:

Measurement uncertainty in determination of ECL estimates

The calculation of ECL requires management to apply significant judgment and make estimates and assumptions that involve significant uncertainty at the time they are determined. Changes to these estimates and assumptions can result in significant changes to the amount and timing of ECL to be recognised. The most significant sources of measurement uncertainty relate to the following ECL factors:

Determination of a significant increase of credit risk

The Company assesses whether a SICR has occurred since initial recognition based on qualitative and quantitative criteria that include significant management judgment. Refer to Note 2.6 for further information on the criteria applied. More stringent criteria could significantly increase the number of instruments being classified into Stage 2. All staging criteria and thresholds determined based on FLI are subject to validation by the parent Bank Model Validation Unit ("MVU"). Changes in the staging criteria are approved by the parent Bank Executive Committee and Board Risk Committee.

Model risk inherent in the IFRS 9 models

Compliance with the IFRS 9 impairment model requires the use of a variety of models. The complexity of the models as well as dependency to other model-based inputs is high therefore any changes in inputs and data (e.g. internal credit ratings, behavioural scores etc.), as well as new or revised models, may significantly affect ECL. The models are validated by the parent Bank MVU, in accordance with the parent Bank Model Validation Framework.

Forward looking information

FLI is incorporated in the ECL measurement of collectively assessed loans and debt securities through the PD and LGD models. Management selects forward-looking scenarios and judges the suitability of respective weights to be applied. Each of the scenarios is based on Management's assumptions around future economic conditions in the form of macroeconomic, market and other factors. The Company applies three forward-looking macroeconomic scenarios, i.e. baseline, optimistic and pessimistic, with a probability weighting of 55%, 20% and 25%, respectively, developed by the parent Bank Economic Research and Analysis Division on a quarterly basis The macroeconomic scenarios and weighting of probabilities are approved by the parent Bank Financial Assets Impairment Provision and Write-off Committee and validated by the MVU at least on annual basis.

The macroeconomic variables utilised by the parent Bank, relate to Greek economic factors and the ECL allowance is mainly driven by the change in gross domestic product (GDP), The annual average 2021-2025 forecasts for each key variable and macroeconomic scenario are the following:

	Baseline	Optimistic	Pessimistic
GDP growth rate	3,6%	5,3%	-0,3%

If the assigned probability weighting of the pessimistic scenario was increased from 25% to 50%, with a corresponding decrease of the baseline scenario from 55% to 30%, the ECL allowance would increase by €59,7 thousand. If the assigned probability weighting of the optimistic scenario was increased from 20% to 40%, with a corresponding decrease of the baseline scenario from 55% to 35%, the ECL allowance would decrease by €16,1 thousand.

Pension benefits - Defined benefit obligation

The present value of defined benefit obligation is determined on an actuarial basis, using a number of assumptions such as discount rates, salary changes and benefits. These assumptions are ultimately determined based on the Company's salary increases each year.

Notes to the Financial Statements

NOTE 4: Net interest income

The net interest income is analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Interest earned on		
Amounts due from banks	3,417	4,501
Amounts due from customers	16,407,199	19,939,618
Total	**16,410,616**	**19,944,119**
Interest payable on		
Amounts due to banks	(796,933)	(190,723)
Amounts due to other financial institutions	(232,292)	-
Debt securities in issue	(5,734,945)	(6,969,356)
Lease liability	(11,196)	(13,923)
Contribution of L.4607/2019	-	(1,635,471)
Total	**(6,775,366)**	**(8,809,473)**
Net interest income	**9,635,250**	**11,134,646**

On April 24, 2019, Law 4607 activated and according to Article 63 the contribution of Article 1 of law 128/1975 (A'178) is imposed to all credit facilities of financial institutions. The aforementioned amendment is effective from 1 May 2019. On December 12, 2019, Law 4646 activated and in article 67 par. 1 the aforementioned provision of Law 4607 was repealed starting from January 1, 2020 onwards.

NOTE 5: Net fee and commission income

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

Amounts in €	31.12.2020	31.12.2019
Commission income		
Business loans	7,425,501	7,251,223
Total	**7,425,501**	**7,251,223**
Commission expense		
Business loans	(172,874)	(131,414)
Other	(2,939,279)	(2,903,198)
Total	**(3,112,153)**	**(3,034,612)**
Net fee and commission income	**4,313,348**	**4,216,611**

Other commission expense of €2,939,279, includes a fee of €2,768,870 to the parent company National Bank of Greece S.A. for client recommendation services (2019: €2,837,170).

NOTE 6: Net trading income

Net trading income is calculated mainly from valuations of financial assets and liabilities and particularly from loans and advances to customers, current accounts and bond loans in foreign currencies.

Notes to the Financial Statements

NOTE 7: Personnel expenses

The personnel expenses are analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Salaries	(760,291)	(742,732)
Social security costs	(189,726)	(199,952)
Defined benefit plans (Note 19)	(15,304)	(13,881)
Other staff related benefits	(44,749)	(41,992)
Total	**(1,010,070)**	**(998,557)**

The average number of employees for the Company during the period 1 January 2020 up to 31 December 2020 was 34 (2019: 35).

NOTE 8: General, administrative & other operating expenses

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

Amounts in €	31.12.2020	31.12.2019
Rentals & software expenses	(81)	(81)
Duties and taxes	(2,032)	(2,083)
Promotion & advertising expenses	(89,835)	(84,188)
Insurance costs	(267,527)	(263,669)
Third party fees	(631,905)	(659,877)
Legal expenses	(2,985)	(3,033)
Travel expenses	(27,386)	(44,164)
Other operating expenses	(91,104)	(74,355)
Total	**(1,112,855)**	**(1,131,450)**

NOTE 9: Tax expense

The tax expense is analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Current tax	2,031,057	2,331,697
Occupational tax	1,000	1,000
Adjustment in respect of income tax of previous years	-	3,614
Deferred taxes (Note 14)	1,077,808	745,888
Total	**3,109,865**	**3,082,199**

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

Amounts in €	31.12.2020	31.12.2019
Profit before tax	**12,539,647**	**13,482,213**
Tax calculated based on the current tax rate 24%	3,009,515	3,235,731
Increase/(Decrease) arising from:		
Expenses not deductible for tax purposes	99,350	(1,910)
Adjustment in respect of income tax of previous years	-	3,614
Effect of changes in tax rates	-	(156,236)
Occupational tax	1,000	1,000
Income tax expense	**3,109,865**	**3,082,199**
Effective tax rate for the period	**24.8%**	**22.9%**

Notes to the Financial Statements

The current income tax liability as of 31 December 2020 and 2019 is analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Current income tax liability	2,031,057	2,331,697
Increase/(Decrease) arising from:		
Income tax prepayment for the year	(2,331,558)	(2,878,111)
Current income tax advance	-	-
Total income tax liability	**(300,501)**	**(546,414)**

The nominal corporation tax rate for the Company for 2020 and 2019 is 24%. Furthermore, following the law 4646/2019, the withholding tax on dividends to the same persons distributed from 1 January 2020 onwards is decreased from 10% to 5%. Profit distributions to parent company National Bank of Greece S.A. are not surcharged to additional withholding tax (article 82 of Law 4172/2013).

In accordance with Article 120 of Greek Law 4799/2021 (Government Gazette #A78/18.5.2021), effective from 01.01.2021, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 22% from 24%.

The unaudited tax year of the Company is 2020 and is currently being audited by the audit firm “PricewaterhouseCoopers S.A.” that, also conducts the statutory audit of the Company’s financial statements. During the future tax audits from the tax authorities, additional tax liabilities may arise, but it is not expected that they will have material effect on the Company’s financial statements. The years 2011-2016 were audited by the independent auditors of the Company, the “Deloitte Certified Public Accountants S.A.”, in accordance with article 82 of Law 2238/1994 and subsequently with article 65A of Law 4174/2013 and the related tax audit certificates, were unqualified and issued on 19 July 2012, 24 September 2013, 8 July 2014, 25 September 2015, 20 September 2016, 23 October 2017, 9 October 2018, 3 October 2019 and 1 October 2020 respectively. The right of the Greek tax authority to issue an income tax statement until the fiscal year of 2012 was time-barred as at 31.12.2018. From tax years from 2014 onwards, according to Ministerial Decision 1006/2016 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 future tax audits from the tax authorities, 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 €	31.12.2020	31.12.2019
Cash in hand	384	465
Sight deposits	18,557,778	21,416,548
Total	**18,558,162**	**21,417,013**

NOTE 11: Loans and advances to customers

Loans and advances to customers are analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Domestic Factoring with recourse	196,245,942	239,067,465
Domestic Factoring without recourse	126,882,046	127,712,125
Invoices discounting	39,196,808	41,097,647
International Factoring	104,520,708	36,398,637
Total	**466,845,504**	**444,275,874**
Less: Allowance for impairment on loans and advances to customers	(3,853,614)	(5,063,470)
Total loans and advances to customers	**462,991,890**	**439,212,404**

Loans and advances to customers at amortised cost 2020

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired Individually assessed	Stage 3 Impaired Collectively assessed	Total
Large corporate					
Gross carrying amount	282,355,515	17,416,496	981,651	12,149,420	312,903,082
ECL allowance	(180,184)	(112,202)	(981,549)	(1,265,948)	(2,539,883)
Net carrying amount	**282,175,331**	**17,304,294**	**102**	**10,883,472**	**310,363,199**
SME's					
Gross carrying amount	139,178,306	7,105,772	755,698	589,780	147,629,556
ECL allowance	(86,583)	(39,062)	(755,552)	(62,984)	(944,181)
Net carrying amount	**139,091,723**	**7,066,710**	**146**	**526,796**	**146,685,375**
Small Business Lending					
Gross carrying amount	5,951,787	-	361,079	-	6,312,866
ECL allowance	(8,651)	-	(360,899)	-	(369,550)
Net carrying amount	**5,943,136**	**-**	**180**	**-**	**5,943,316**
Total loans and advances to customers					
Gross carrying amount	427,485,608	24,522,268	2,098,428	12,739,200	466,845,504
ECL allowance	(275,418)	(151,264)	(2,098,000)	(1,328,932)	(3,853,614)
Net carrying amount	**427,210,190**	**24,371,004**	**428**	**11,410,268**	**462,991,890**

Loans and advances to customers at amortised cost 2019

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired Individually assessed	Stage 3 Impaired Collectively assessed	Total
Large corporate					
Gross carrying amount	252,183,983	1,187,227	965,528	27,322,446	281,659,184
ECL allowance	(182,339)	(6,104)	(965,400)	(1,522,079)	(2,675,922)
Net carrying amount	**252,001,644**	**1,181,123**	**128**	**25,800,367**	**278,983,262**
SME's					
Gross carrying amount	146,943,537	4,077,671	1,659,508	3,947,645	156,628,361
ECL allowance	(78,138)	(25,536)	(1,659,232)	(223,724)	(1,986,630)
Net carrying amount	**146,865,399**	**4,052,135**	**276**	**3,723,921**	**154,641,731**
Small Business Lending					
Gross carrying amount	5,627,553	-	360,776	-	5,988,329
ECL allowance	(40,319)	-	(360,599)	-	(400,918)
Net carrying amount	**5,587,234**	**-**	**177**	**-**	**5,587,411**
Total loans and advances to customers					
Gross carrying amount	404,755,073	5,264,898	2,985,812	31,270,091	444,275,874
ECL allowance	(300,796)	(31,640)	(2,985,231)	(1,745,803)	(5,063,470)
Net carrying amount	**404,454,277**	**5,233,258**	**581**	**29,524,288**	**439,212,404**

Notes to the Financial Statements

Loans and advances to customers that are classified in Stage 3 due to an objective indication of impairment (i.e. an increased credit risk) and for which no individual impairment has been received, are subjected as “performing” exposures, as they are mostly collaterized by highly rated debtors receivables liquidated within the approved resource period.

As at 31 December 2020 the Company retained collaterals secured the credit risk exposure of loans and advances to customers derives from factoring contracts. The aforementioned collaterals mainly consists of clients invoices and receivable cheques and secondarily of Greek State government bonds. More information about the nominal value of collaterals are stated to Note 27.2.

Movement in the ECL allowance on loans and advances to customers 2020

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Balance 31.12.2019 and 01.01.2020	**300.796**	**31.640**	**4.731.034**	**5.063.470**
Transfer to stage 1 (from 2 or 3)	1,717	(269)	(1,448)	-
Transfer to stage 2 (from 1 or 3)	(89,199)	124,596	(35,397)	-
Transfer to stage 3 (from 1 or 2)	(147,619)	(713,300)	860,919	-
Net remeasurement of loss allowance (a)	106,292	671,771	(2,129,021)	(1,350,958)
Impairment losses on new assets (b)	103,431	36,826	845	141,102
Impairment losses on loans (a+b)	**209,723**	**708,597**	**(2,128,176)**	**(1,209,856)**
Balance 31.12.2020	**275,418**	**151,264**	**3,426,932**	**3,853,614**

Movement in the ECL allowance on loans and advances to customers 2019

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Balance 31.12.2018 and 01.01.2019	**584,307**	**988,489**	**3,834,644**	**5,407,440**
Transfer to stage 1 (from 2 or 3)	74,180	(74,180)	-	-
Transfer to stage 2 (from 1 or 3)	(4,572)	4,572	-	-
Transfer to stage 3 (from 1 or 2)	(47,978)	(711,079)	759,057	-
Net remeasurement of loss allowance (a)	(346,652)	(178,544)	55,147	(470,049)
Impairment losses on new assets (b)	41,511	2,382	82,186	126,079
Impairment losses on loans (a+b)	**(305,141)**	**(176,162)**	**137,333**	**(343,970)**
Balance 31.12.2019	**300,796**	**31,640**	**4,731,034**	**5,063,470**

NOTE 12: Software and other intangible assets

Software and other intangible assets are analyzed as follows:

Amounts in €	Software	Total
Cost at 1 January 2019	**606,542**	**606,542**
Additions	-	-
Cost at 31 December 2019	**606,542**	**606,542**
Accumulated depreciation at 1 January 2019	(220,381)	(220,381)
Depreciation	(39,957)	(39,957)
Accumulated depreciation at 31 December 2019	**(260,338)**	**(260,338)**
Net book amount at 31 December 2019	**346,204**	**346,204**
Cost at 1 January 2020	606,542	606,542
Additions	-	-
Cost at 31 December 2020	**606,542**	**606,542**
Accumulated depreciation at 1 January 2020	**(260,338)**	**(260,338)**
Depreciation expense for the period	(39,957)	(39,957)
Accumulated depreciation at 31 December 2020	**(300,295)**	**(300,295)**
Net book amount at 31 December 31.12.2020	**306,247**	**306,247**

Notes to the Financial Statements

NOTE 13: Property and equipment

Property and equipment is analyzed as follows:

Amounts in €	Equipment	Buildings – RoU Asset	Vehicles – RoU Asset	Total
Cost at 1 January 2019	**58,777**	**-**	**-**	**58,777**
First time adoption of IFRS 16	-	409,960	107,359	517,319
Additions	-	114,769	-	114,769
Modifications / Remeasurements	-	2,436	-	2,436
Cost at 31 December 2019	**58,777**	**527,165**	**107,359**	**693,301**
Accumulated depreciation at 1 January 2019	(53,237)	-	-	(53,237)
Depreciation expense for the period	(1,264)	(50,825)	(25,520)	(77,609)
Accumulated depreciation at 31 December 2019	**(54,501)**	**(50,825)**	**(25,520)**	**(130,846)**
Net book amount at 31 December 2019	**4,276**	**476,340**	**81,839**	**562,455**
Cost at 1 January 2020	58,777	527,165	107,359	693,301
Additions	950	-	-	950
Modifications / Remeasurements	-	(118,355)	(22,989)	(141,344)
Cost at 31 December 2020	**59,727**	**408,810**	**84,370**	**552,907**
Accumulated depreciation at 1 January 2020	(54,501)	(50,825)	(25,520)	(130,846)
Depreciation expense for the period	(1,128)	(48,292)	(21,415)	(70,835)
Accumulated depreciation at 31 December 2020	**(55,629)**	**(99,117)**	**(46,935)**	**(201,681)**
Net book amount at 31 December 2020	**4,098**	**309,693**	**37,435**	**351,226**

NOTE 14: Deferred tax assets and liabilities

Deferred tax assets and liabilities are analyzed as follows:

Amounts in €	Balance 31/12/2019	Recognition in Total Comprehensive Income	Recognition in Other Comprehensive Income	Recognition in Equity	Balance 31/12/2020
Deferred tax assets:					
Share capital issue costs	9,639	(3,840)	-	-	5,799
Retirement benefit obligations	36,174	3,673	(345)	-	39,502
RoU assets	-	702	-	-	702
Total deferred tax assets	1,903	531	-	-	2,434
Deferred tax assets:	**47,716**	**1,066**	**(345)**	**-**	**48,437**
Deferred tax liabilities:					
Loans and advances to customers	(4,561,578)	(1,094,162)	-	-	(5,655,740)
Long term amortization expenses	(54,598)	9,590	-	-	(45,008)
Debt securities issue costs	(5,698)	5,698	-	-	-
Total deferred tax liabilities	**(4,621,874)**	**(1,078,874)**	**-**	**-**	**(5,700,748)**
Net deferred tax liability	**(4,574,158)**	**(1,077,808)**	**(345)**	**-**	**(5,652,311)**

Amounts in €	Balance 31/12/2018	Recognition in Total Comprehensive Income	Recognition in Other Comprehensive Income	Recognition in Equity	Balance 31/12/2019
Deferred tax assets:					
Share Capital issue costs	15,030	(5,391)	-	-	9,639
Retirement benefit obligations	29,514	2,410	4,250	-	36,174
RoU assets	-	1,903	-	-	1,903
Total deferred tax assets	**44,544**	**(1,078)**	**4,250**	**-**	**47,716**
Deferred tax liabilities:					
Loans and advances to customers	(3,796,321)	(765,257)	-	-	(4,561,578)
Long term amortization expenses	(66,379)	11,781	-	-	(54,598)
Debt securities issue costs	(14,364)	8,666	-	-	(5,698)
Total deferred tax liabilities	**(3,877,064)**	**(744,810)**	**-**	**-**	**(4,621,874)**
Net deferred tax liability	**(3,832,520)**	**(745,888)**	**4,250**	**-**	**(4,574,158)**

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, resulting from main income tax expense.

NOTE 15: Other assets

Other assets are analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Prepaid expenses	71,690	37,611
Vendors' prepayments	8,980	8,980
Total	**80,670**	**46,591**

Other assets consist of prepaid expenses for subscriptions, premiums, fees for IT services and vendors' prepayments.

NOTE 16: Due to banks (or financial institutions)

Due to banks (or financial institutions) are analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Due to banks	12,410,601	67,526,535
Due to financial institutions	50,047,847	-
Total	**62,458,448**	**67,526,535**

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

On 19 December 2019 the Company entered into a revolving credit facility agreement with European Bank for Reconstruction and Development ("EBRD"), matured at six month period with a renewal right, Under this agreement the Company applies a revolving credit facility amounting to €10,000,000. Interest rate is calculated with three (3) or six (6) month Euribor at the discretion of the issuer, plus margin. On 20 July 2020 the Company activated the aforementioned credit facility.

On 13 July 2020 the Company entered into a revolving credit facility agreement with Black Sea Trade and Development Bank (''BSTDB''), matured annualy with a renewal right. Under this agreement the Company applies a revolving credit facility amounting to €40,000,000. Interest rate is calculated with one (1) month Euribor, plus margin. On 30 July and 6 November 2020 the Company activated the aforementioned credit facility.

Notes to the Financial Statements

Movement of due to banks (or financial institutions)

Amounts in €	2020	2019
Balance at 1 January	**67,526,535**	**13,051,318**
Additions within the period	50,000,000	54,455,794
Redemptions within the period	(55,155,365)	(119,954)
Accrued interest	87,278	139,377
Balance at 31 December	**62,458,448**	**67,526,535**

NOTE 17: Debt securities in issue

Bond Loans

On 9 July 2018 the Company entered into a bond loan agreement with its parent company National Bank of Greece S.A., matured at 9 July 2021 in accordance with the provisions of Laws 3156/2003 and 4548/2018. Under this agreement the Company has the right to issue a bond loan amounting to €300,000,000, divided into 300 million bonds with nominal amount of €1 per bond. Interest rate is calculated with the OVERNIGHT rate or the one-month, three-month or six month Euribor at the discretion of the issuer, plus margin.

On 31 December 2020 the Company issued the bond loan amounted to €280,000,000 according to the referred agreement. The fair value of the aforementioned bond loan was calculated to €278,770,947 according to Level 3 valuation, based on a cash flow discounting model, with reference to market rates for financial instruments of a similar maturity.

On 9 July 2018 the Company entered into a bond loan agreement with its parent company National Bank of Greece S,A,, matured at 9 July 2021 in accordance with the provisions of Laws 3156/2003 and 4548/2018, Under this agreement the Company has the right to issue a bond loan amounting to $120,000,000, divided into 120 million bonds with nominal amount of $1 per bond, Interest rate is calculated with the OVERNIGHT rate or the one-month, two-month, three-month or six month Libor at the discretion of the issuer, plus margin.

On 31 December 2020 the Company issued the bond loan amounted to $55,000,000 according to the referred agreement. The fair value of the aforementioned bond loan was calculated to €254,931,554 according to Level 3 valuation, based on a cash flow discounting model, with reference to market rates for financial instruments of a similar maturity.

Movement of debt securities in issue

Amounts in €	2020	2019
Balance at 1 January	**299,976,667**	**346,302,724**
Additions within the period	178,191,371	34,838,983
Redemptions within the period	(153,487,137)	(81,208,374)
Accrued interest	20,768	16,667
Debt securities issue costs	26,667	26,667
Balance at 31 December	**324,728,336**	**299,976,667**

The bond loans are fully payable at the maturity date (10 July 2021). The issuer has the right to redeem the bond loans during the contract period provided that will repay the capital and the respective accrued interests. The accrued interest at 31 December 2020 for the bond loan amounted to €20,768.

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 2020 and 2019 are analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Overdraft accounts	2,757,579	3,337,585
Collection-only accounts	5,911,584	7,581,463
Total	**8,669,163**	**10,919,048**

Notes to the Financial Statements

NOTE 19: Retirement benefit obligations

In accordance with Law 2112/1920 employees are entitled to a lump sum payment in case of redundancy or retirement, The lump sum benefit is based 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

	31.12.2020	31.12.2019
Service cost	13,797	11,815
Net interest expense on the net defined benefit liability/(asset)	1,507	2,066
Regular charge in the Total Comprehensive Income	**15,304**	**13,881**

Reconciliation of defined benefit obligation

	31.12.2020	31.12.2019
Defined benefit obligation at the beginning of the period	150,725	118,056
Service cost	13,797	11,815
Interest cost	1,507	2,066
- Loss/(Gain) - financial assumptions	14,922	23,493
- Loss/(Gain) – experience adjustments	(16,358)	(4,705)
Defined benefit obligation recognized at SOFP	**164,593**	**150,725**

Movement in net liability

	31.12.2020	31.12.2019
Net liability at the beginning of the period	150,725	118,056
Total expense recognized in the statement of total comprehensive income	15,304	13,881
Amount recognized in the OCI	(1,436)	18,788
Net liability at the end of the period	**164,593**	**150,725**

Remeasurements on the net liability

	31.12.2020	31.12.2019
Liability (gain)/loss due to changes in assumptions	(14,922)	(23,493)
Liability experience (gain)/loss arising during the year	16,358	4,705
Total amount recognized in OCI	**1,436**	**(18,788)**

The actuarial report was developed by the accredited company "AON Hewitt" after the year end of 2020. The key assumptions used for the calculation of the pension costs of the defined benefits plans for 2020 and 2019 are the following:

Weighted average assumptions	2020	2019
Discount rate	0,50%	1,00%
Price inflation	1,50%	1,50%
Rate of compensation increase	1,50%	0,75% for the year 2020 1,50% from 2021
Plan duration	19,15 years	20,35 years

No compensation costs are expected to occur in 2021.

Notes to the Financial Statements

NOTE 20: Other liabilities

Other liabilities are analyzed as follows:

Amounts in €	31.12.2020	31.12.2019
Taxes payable – (other than income taxes)	126,623	244,827
Social security funds	42,007	45,422
Creditors	2,091,591	2,270,698
Amounts due to Bank of Greece (contribution of L,4607/2019)	-	206,305
Accrued expenses and deferred income	19,200	-
Payroll related accruals	1,280	3,884
Lease liability	357,268	566,109
Other	300	-
Total	**2,638,269**	**3,337,245**

Creditors amounted €2,091,591, includes €1,790,796 (2019: €1,917,718) to the parent company National Bank of Greece S.A. for client recommendation services. This liability was fully repaid on 25 January 2021.

Movement of lease liability

Amounts in €	2020	2019
Balance at 1 January		**-**
First time adoption of IFRS 16	-	517,319
Additions	950	114,769
Modifications / Remeasurements	(141,344)	2,436
Interest Expense	11,196	13,923
Lease payments during the year	(79,643)	(82,338)
Balance at 31 December	**357,268**	**566,109**

NOTE 21: Share capital and share premium

The share capital of the Company as at 31 December 2020 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,

The Company did not hold any own shares,

NOTE 22: Reserves

Statutory reserve:
Reserves include statutory reserve which is formed in accordance with article 5 of Company's Articles of Association and article 158 of Greek Law 4548/2018, under which the company is required to withhold from its profits 5% per year for statutory reserve. The aforementioned obligation ceases until this reserve equals to at least one-third of the Company's share capital, According to the aforementioned Article this reserve is used exclusively to cover cumulative debit balance of account "Retained earnings" and cannot be distributed throughout the entire life of the Company.

At 29 June 2019 the annual General Assembly of Shareholders decided to form statutory reserve of €520,001 derived from the profits of financial year 2019.

The total statutory reserve for the period ended at 31 December 2020 amounted to €4,136,716.

NOTE 23: Retained earnings

Retained earnings at 31 December 2020 and 2019 amounted to €24,173,715 and €22,063,934 respectively.

Retained earnings as of 31 December 2020 are analyzed as follows:

Amounts in €	
Retained earnings	24,337,615
Capital issue costs, net of tax	(163,900)
Total	**24,173,715**

The capital issue costs were realized at fiscal year of 2009 and 2013 accordingly.

For the financial year ended at 31 December 2020, the Board of Directors will propose to the Annual General Assembly of Shareholders the formation of statutory reserve amounting to €471,489 according to Greek Law 4548/2018, and non-dividend distribution.

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

Amounts in €	From 1.1 until 31.12.2020			From 1.1 until 31.12.2019		
	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	1,436	(345)	1,091	(18,788)	4,250	(14,538)
Total of items that will not be reclassified subsequently to profit or loss	**1,436**	**(345)**	**1,091**	**(18,788)**	**4,250**	**(14,538)**
Other comprehensive income/(expense) for the period	**1,436**	**(345)**	**1,091**	**(18,788)**	**4,250**	**(14,538)**

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 bear floating interest rate.

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 litigations cases that are expected to have a material adverse effect on the financial position of the Company.

b) Pending Tax audits
The nominal corporation tax rate for the Company for 2020 and 2019 is 24%. Furthermore, following the law 4646/2019, the withholding tax on dividends to the same persons distributed from 1 January 2020 onwards is decreased from 10% to 5%. Profit distributions to parent company National Bank of Greece S.A. are not surcharged to additional withholding tax (article 82 of Law 4172/2013).

In accordance with Article 120 of Greek Law 4799/2021 (Government Gazette #A78/18.5.2021), effective from 01.01.2021, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 22% from 24%.

The unaudited tax year of the Company is 2020 and is currently being audited by the audit firm "PricewaterhouseCoopers S.A." that, also conducts the statutory audit of the Company's financial statements. During the future tax audits from the tax authorities, additional tax liabilities may arise, but it is not expected that they will have material effect on the Company's financial statements The years 2011-2016 were audited by the independent auditors of the Company, the "Deloitte Certified Public Accountants S.A.", in accordance with article 82 of Law 2238/1994 and subsequently with article 65A of Law 4174/2013 and the related tax audit certificates, were unqualified and issued on 19 July 2012, 24 September 2013, 8 July 2014, 25 September 2015, 20 September 2016, 23 October 2017, 9 October 2018, 3 October 2019 and 1 October 2020 respectively. The right of the Greek tax authority to issue an income tax statement until the fiscal year of 2012 was time-barred as at 31.12.2018. From tax years from 2014 onwards, according to Ministerial Decision 1006/2016 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 future tax audits from the tax authorities, additional tax liabilities may arise, but it is not expected that they will have material effect on the Company's financial statements.

c) Unutilized credit limits and credit coverage limits

Contingent liabilities of the Company from unutilized credit limits and credit coverage limits as at 31 December 2020 amounted to €924,940,594 (2019: €925,286,097).

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 outsourcing 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 contractual 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 non-performing loans followed by the Parent Company National Bank of Greece S.A.

The segregation 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.

The following tables represent the scenario of Company's credit risk exposure as at 31 December 2020 and 2019, taking account the accumulated provisions for impairment losses on loans and advances to customers, before any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out below are based on net carrying amounts as reported in the statement of financial position.

Maximum exposure to credit risk as at 31.12.2020 before collateral and other credit enhancements

Amounts in €	Portfolio Credit exposures (w/o impairments)	Impairments	Portfolio net Credit exposures
Cash and balances with banks	18,558,162	-	18,558,162
Loans and advances to customers	466,845,504	(3,853,614)	462,991,890
Total	**485,403,666**	**(3,853,614)**	**481,550,052**

Notes to the Financial Statements

Maximum exposure to credit risk as at 31.12.2019 before collateral and other credit enhancements

Amounts in €	Portfolio Credit exposures (w/o impairments)	Impairments	Portfolio net Credit exposures
Cash and balances with banks	21,417,013	-	21,417,013
Loans and advances to customers	444,275,874	(5,063,470)	439,212,404
Total	**465,692,887**	**(5,063,470)**	**460,629,417**

Credit quality of loans and advances to customers 2020

A breakdown of the portfolio by range of probability of default is summarized as follows:

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Large corporate				
0,01%-2,00%	211,559,149	-	-	211,559,149
2,01%-10,00%	70,796,366	16,815,624	-	87,611,990
10,01%-20,00%	-	-	-	-
20,01% and above	-	600,872	13,131,071	13,731,943
Total Gross carrying amount	**282,355,515**	**17,416,496**	**13,131,071**	**312,903,082**
SME’s				
0,01%-2,00%	122,754,662	-	-	122,754,662
2,01%-10,00%	16,423,644	5,247,239	-	21,670,883
10,01%-20,00%	-	-	-	-
20,01% and above	-	1,858,533	1,345,478	3,204,011
Total Gross carrying amount	**139,178,306**	**7,105,772**	**1,345,478**	**147,629,556**
Small Business Lending				
0,01%-2,00%	-	-	-	-
2,01%-10,00%	5,951,787	-	-	5,951,787
10,01%-20,00%	-	-	-	-
20,01% and above	-	-	361,079	361,079
Total Gross carrying amount	**5,951,787**	**-**	**361,079**	**6,312,866**
Total loans and advances to customers				
0,01%-2,00%	334,313,811	-	-	334,313,811
2,01%-10,00%	93,171,797	22,062,863	-	115,234,660
10,01%-20,00%	-	-	-	-
20,01% and above	-	2,459,405	14,837,628	17,297,033
Total Gross carrying amount	**427,485,608**	**24,522,268**	**14,837,628**	**466,845,504**

Notes to the Financial Statements

Credit quality of loans and advances to customers 2019

A breakdown of the portfolio by range of probability of default is summarized as follows:

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Large corporate				
0,01%-2,00%	225,995,743	-	-	225,995,743
2,01%-10,00%	26,188,240	1,187,227	-	27,375,467
10,01%-20,00%	-	-	-	-
20,01% and above	-	-	28,287,974	28,287,974
Total Gross carrying amount	**252,183,983**	**1,187,227**	**28,287,974**	**281,659,184**
SME's				
0,01%-2,00%	132,311,340	-	-	132,311,340
2,01%-10,00%	14,632,197	3,565,743	-	18,197,940
10,01%-20,00%	-	-	-	-
20,01% and above	-	511,928	5,607,153	6,119,081
Total Gross carrying amount	**146,943,537**	**4,077,671**	**5,607,153**	**156,628,361**
Small Business Lending				
0,01%-2,00%	-	-	-	-
2,01%-10,00%	5,627,553	-	-	5,627,553
10,01%-20,00%	-	-	-	-
20,01% and above	-	-	360,776	360,776
Total Gross carrying amount	**5,627,553**	**-**	**360,776**	**5,988,329**
Total loans and advances to customers				
0,01%-2,00%	358,307,083	-	-	358,307,083
2,01%-10,00%	46,447,990	4,752,970	-	51,200,960
10,01%-20,00%	-	-	-	-
20,01% and above	-	511,928	34,255,903	34,767,831
Total Gross carrying amount	**404,755,073**	**5,264,898**	**34,255,903**	**444,275,874**

Notes to the Financial Statements

Ageing analysis of loans and advances to customers 2020

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Large corporate				
Current	282,355,515	17,416,496	12,149,420	311,921,431
91-180 days	-	-	-	-
Past due over 180 days	-	-	981,651	981,651
Gross Balance 31.12.2020	**282,355,515**	**17,416,496**	**13,131,071**	**312,903,082**
ECL allowance	(180,184)	(112,202)	(2,247,497)	(2,539,883)
Net carrying amount as at 31.12.2020	**282,175,331**	**17,304,294**	**10,883,574**	**310,363,199**
SME's				
Current	139,178,306	7,105,772	589,780	146,873,858
91-180 days	-	-	-	-
Past due over 180 days	-	-	755,698	755,698
Gross Balance 31.12.2020	**139,178,306**	**7,105,772**	**1,345,478**	**147,629,556**
ECL allowance	(86,583)	(39,062)	(818,536)	(944,181)
Net carrying amount as at 31.12.2020	**139,091,723**	**7,066,710**	**526,942**	**146,685,375**
Small Business Lending				
Current	5,951,787	-	-	5,951,787
91-180 days	-	-	-	-
Past due over 180 days	-	-	361,079	361,079
Gross Balance 31.12.2020	**5,951,787**	**-**	**361,079**	**6,312,866**
ECL allowance	(8,651)	-	(360,899)	(369,550)
Net carrying amount as at 31.12.2020	**5,943,136**	**-**	**180**	**5,943,316**
Total loans and advances to customers				
Current	427,485,608	24,522,268	12,739,200	464,747,076
91-180 days	-	-	-	-
Past due over 180 days	-	-	2,098,428	2,098,428
Gross Balance 31.12.2020	**427,485,608**	**24,522,268**	**14,837,628**	**466,845,504**
ECL allowance	(275,418)	(151,264)	(3,426,932)	(3,853,614)
Net carrying amount as at 31.12.2020	**427,210,190**	**24,371,004**	**11,410,696**	**462,991,890**

Ageing analysis of loans and advances to customers 2019

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Large corporate				
Current	252,183,983	1,187,227	27,322,446	280,693,656
91-180 days	-	-	-	-
Past due over 180 days	-	-	965,528	965,528
Gross Balance 31.12.2019	**252,183,983**	**1,187,227**	**28,287,974**	**281,659,184**
ECL allowance	(182,339)	(6,104)	(2,487,479)	(2,675,922)
Net carrying amount as at 31.12.2019	**252,001,644**	**1,181,123**	**25,800,495**	**278,983,262**
SME's				
Current	146,943,537	4,077,671	4,007,508	155,028,716
91-180 days	-	-	8	8
Past due over 180 days	-	-	1,599,637	1,599,637
Gross Balance 31.12.2019	**146,943,537**	**4,077,671**	**5,607,153**	**156,628,361**
ECL allowance	(78,138)	(25,536)	(1,882,956)	(1,986,630)
Net carrying amount as at 31.12.2019	**146,865,399**	**4,052,135**	**3,724,197**	**154,641,731**
Small Business Lending				
Current	5,627,553	-	-	5,627,553
91-180 days	-	-	-	-
Past due over 180 days	-	-	360,776	360,776
Gross Balance 31.12.2019	**5,627,553**	**-**	**360,776**	**5,988,329**
ECL allowance	(40,319)	-	(360,599)	(400,918)
Net carrying amount as at 31.12.2019	**5,587,234**	**-**	**177**	**5,587,411**
Total loans and advances to customers				
Current	404,755,073	5,264,898	31,329,954	441,349,925
91-180 days	-	-	8	8
Past due over 180 days	-	-	2,925,941	2,925,941
Gross Balance 31.12.2019	**404,755,073**	**5,264,898**	**34,255,903**	**444,275,874**
ECL allowance	(300,796)	(31,640)	(4,731,034)	(5,063,470)
Net carrying amount as at 31.12.2019	**404,454,277**	**5,233,258**	**29,524,869**	**439,212,404**

Notes to the Financial Statements

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

Amounts in €	31.12.2020	31.12.2019
Industry & mining	176,625,044	152,861,227
Small scale industry	7,091,488	156,626
Trade and services (excl, tourism)	280,523,175	288,719,194
Construction and real estate development	-	-
Transportation and telecommunications (excl, shipping)	2,605,797	2,538,827
Less: Credit provisions and other impairment charges	(3,853,614)	(5,063,470)
Total	**462,991,890**	**439,212,404**

As at 31 December 2020 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 the above mentioned collaterals amounted to €436,140,322 (2019: €439,979,370). These collaterals do not include customer receivables for factoring loans without recourse and credit balance as at 31 December 2020.

27.2 Market risk

27.2.1 Currency risk

The Company's exposure to foreign exchange risk, is presented in the following table. The net exposure to each foreign currency is maintained at low levels and within the pre-approved limits. The Company's exposure to foreign exchange risk as of 31 December 2020 and 2019 are analyzed as follows:

Foreign exchange risk concentration 2020

amounts in €	EURO	USD	GBP	Total
Assets				
Cash and balances with banks	17,234,750	1,302,943	20,469	18,558,162
Loans and advances to customers	414,938,604	48,053,286	-	462,991,890
Software and other intangible assets	306,247	-	-	306,247
Property and equipment	351,226	-	-	351,226
Current income tax asset	300,501	-	-	300,501
Other assets	80,670	-	-	80,670
Total assets	**433,211,998**	**49,356,229**	**20,469**	**482,588,696**
Liabilities				
Due to banks	62,458,448	-	-	62,458,448
Debt securities in issue	280,002,223	44,726,113	-	324,728,336
Due to customers	8,666,779	2,259	125	8,669,163
Deferred tax liabilities	5,652,311	-	-	5,652,311
Retirement benefit obligations	164,593	-	-	164,593
Other liabilities	2,638,269	-	-	2,638,269
Total liabilities	**359,582,623**	**44,728,372**	**125**	**404,311,120**
Net on balance sheet position	**73,629,375**	**4,627,857**	**20,344**	**78,277,576**

Foreign exchange risk concentration 2019

amounts in €	EURO	USD	GBP	Total
Assets				
Cash and balances with banks	19,250,640	2,115,338	51,035	21,417,013
Loans and advances to customers	439,204,723	7,681	-	439,212,404
Software and other intangible assets	346,204	-	-	346,204
Property and equipment	562,455	-	-	562,455
Other assets	546,414	-	-	548,728
Total assets	46,591	-	-	46,591
Assets	**459,957,027**	**2,123,019**	**51,035**	**462,131,081**
Liabilities				
Due to banks	67,526,535	-	-	67,526,535
Debt securities in issue	299,976,667	-	-	299,976,667
Due to customers	10,612,576	262,288	44,184	10,919,048
Deferred tax liabilities	4,574,158	-	-	4,574,158
Retirement benefit obligations	150,725	-	-	150,725
Current income tax liabilities	3,337,245	-	-	3,337,245
Other liabilities	**386,177,906**	**262,288**	**44,184**	**386,484,378**
Total liabilities	**73,779,121**	**1,860,731**	**6,851**	**75,646,703**

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 total comprehensive income.

Notes to the Financial Statements

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 31.12.2020

Amounts in €	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	>5 years	Non Interest bearing	Total
ASSETS							
Cash & balances with banks	-	-	18,474,913	-	-	83,249	18,558,162
Loans and advances to customers	462,991,890	-	-	-	-	-	462,991,890
Other assets	-	-	-	-	-	80,670	80,670
Total assets	**462,991,890**	**0**	**18,474,913**	**-**	**-**	**163,919**	**481,630,722**
LIABILITIES							
Debt securities in issue	(324,659,721)	-	-	-	-	(68,615)	(324,728,336)
Due to customers	-	-	-	-	-	(8,669,163)	(8,669,163)
Other liabilities	-	-	-	-	-	(2,091,591)	(2,091,591)
Lease liability	(4,466)	(13,521)	(36,393)	(239,229)	(63,659)	-	(357,268)
Due to banks	-	-	(62,458,448)	-	-	-	(62,458,448)
Total Liabilities	**(324,664,187)**	**(13,521)**	**(62,494,841)**	**(239,229)**	**(63,659)**	**(10,829,369)**	**(398,304,806)**
Total interest gap of assets & liabilities	**138,327,703**	**(13,521)**	**(44,019,928)**	**(239,229)**	**(63,659)**	**(10,665,450)**	**83,325,916**

Interest rate risk (Gap Analysis) as at 31.12.2019

Amounts in €	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	>5 years	Non Interest bearing	Total
ASSETS							
Cash & balances with banks	-	-	21,259,022	-	-	157,991	21,417,013
Loans and advances to customers	439,212,404	-	-	-	-	-	439,212,404
Other assets	-	-	-	-	-	46,591	46,591
Total assets	**439,212,404**	**-**	**21,259,022**	**-**	**-**	**204,582**	**460,676,008**
LIABILITIES							
Debt securities in issue	(299,960,000)	-	-	-	-	(16,667)	(299,976,667)
Due to customers	-	-	-	-	-	(10,919,048)	(10,919,048)
Other liabilities	-	-	-	-	-	(2,270,698)	(2,270,698)
Lease liability	(6,199)	(18,757)	(50,569)	(341,762)	(148,822)	-	(566,109)
Due to banks	-	-	(67,526,535)	-	-	-	(67,526,535)
Total Liabilities	**(299,966,199)**	**(18,757)**	**(67,577,104)**	**(341,762)**	**(148,822)**	**(13,206,413)**	**(381,259,057)**
Total interest gap of assets & liabilities	**139,246,205**	**(18,757)**	**(46,318,082)**	**(341,762)**	**(148,822)**	**(13,001,831)**	**79,416,951**

Notes to the Financial Statements

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

The monitoring of Liquidity risk is focused in the Company's ability to retain sufficient liquidity to meet its liabilities with the support of parent Bank. 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.

The following tables represent the contractual non discounted cash flows from financial liabilities, through which the Company monitors liquidity risk. Since the amount of contractual non discounted cash flows is highly related to floating rate rather than fixed rate, the amount presented is determined by reference to the conditions prevailing at the reporting date, i.e. the determination of non - discounted cash flows using the actual interest rates that were in effect at 31 December 2020 and 2019, respectively.

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

Amounts in €	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	>5 years	Total
31.12.2020						
Debt securities in issue	45,192,896	1,370,825	281,120,000	-	-	327,683,721
Due to customers	8,669,163	-	-	-	-	8,669,163
Other liabilities	2,091,591	-	-	-	-	2,091,591
Lease liability	4,466	13,521	36,393	239,229	63,659	357,268
Due to banks	12,410,601	50,047,847	-	-	-	62,458,448
Total	**68,368,717**	**51,432,193**	**281,156,393**	**239,229**	**63,659**	**401,260,191**
31.12.2019						
Debt securities in issue	516,667	1,516,667	4,100,000	303,183,333	-	309,316,667
Due to customers	10,919,048	-	-	-	-	10,919,048
Other liabilities	2,270,698	-	-	-	-	2,270,698
Due to banks	6,199	18,757	50,569	341,762	148,822	566,109
Total	67,526,535	-	-	-	-	67,526,535
Debt securities in issue	**81,239,147**	**1,535,424**	**4,150,569**	**303,525,095**	**148,822**	**390,599,057**

Liquidity risk analysis as at 31.12.2020

Amounts in €	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	>5 years	Total
ASSETS						
Cash & balances with banks	18,558,162	-	-	-	-	18,558,162
Loans and advances to customers	187,861,568	170,205,164	104,186,060	739,097	-	462,991,890
Other assets	-	-	80,670	-	-	80,670
Total	**206,419,730**	**170,205,164**	**104,266,730**	**739,097**	**-**	**481,630,722**
LIABILITIES						
Debt securities in issue	-	-	-	(324,728,336)	-	(324,728,336)
Due to customers	(8,669,163)	-	-	-	-	(8,669,163)
Other liabilities	(2,091,591)	-	-	-	-	(2,091,591)
Lease liability	(4,466)	(13,521)	(36,393)	(239,229)	(63,659)	(357,268)
Due to banks	(52,433,101)	-	(10,025,347)	-	-	(62,458,448)
Total	**(63,198,321)**	**(13,521)**	**(10,061,740)**	**(324,967,565)**	**(63,659)**	**(398,304,806)**
Liquidity gap	**143,221,409**	**170,191,643**	**94,204,990**	**(324,228,468)**	**(63,659)**	**83,325,916**

Liquidity risk analysis as at 31.12.2019

Amounts in €	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	>5 years	Total
ASSETS						
Cash & balances with banks	21,417,013	-	-	-	-	21,417,013
Loans and advances to customers	169,455,629	157,914,814	111,069,548	772,413	-	439,212,404
Other assets	-	-	46,591	-	-	46,591
Total	**190,872,642**	**157,914,814**	**111,116,139**	**772,413**		**460,676,008**
LIABILITIES						
Debt securities in issue	-	-	-	(299,976,667)		(299,976,667)
Due to customers	(10,919,048)					(10,919,048)
Other liabilities	(2,270,698)					(2,270,698)
Lease liability	(6,199)	(18,757)	(50,569)	(341,762)	(148,822)	(566,109)
Due to banks	(67,526,535)	-	-	-		(67,526,535)
Total	**(80,722,480)**	**(18,757)**	**(50,569)**	**(300,318,429)**	**(148,822)**	**(381,259,057)**
Liquidity gap	**102,728,687**	**157,896,057**	**111,065,570**	**(299,546,016)**	**(148,822)**	**79,416,951**

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 failed internal processes, from insufficient management of Human Resources or from external events.

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 Standardized Approach.

During 2020, the annual cycle of ORMF was implemented using the Open Pages application developed by IBM Corp, Especially, in the context of ORMF implementation, the following procedures were concluded:

- 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

27.5 Capital adequacy

The Company manages actively its capital base, in cooperation with its parent Company National Bank of Greece S.A., 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 2020 and 2019 was calculated as follows:

Amounts in € '000	31.12.2020	31.12.2019
Basic and total regulatory capital	78,278	68,503
Total risk weighted assets	388,040	362,543
Total ratio	**20,17%**	**18,90%**

NOTE 28: Independent auditor's fees

On 29 June 2020 the Annual General Assembly Meeting of the shareholders appointed the audit firm "PricewaterhouseCoopers S.A." as a principal independent public accountant for the year ended 31 December 2020. The following table presents the aggregate fees for professional audit and audit-related services for the years ended at 31 December 2020 and at 31 December 2019 rendered by the Company's principal accounting firm "PricewaterhouseCoopers S.A.":

Amounts in €	31.12.2020	31.12.2019
Audit fees	23,000	23,000
Audit related fees	18,000	18,000
Total	**41,000**	**41,000**

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 companies of NBG Group, at arm's length.

The terms of cooperation do not substantially differ from the usual terms of course of business, at market rates. These transactions are approved by the appropriate level of management.

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

Amounts in €	31.12.2020	31.12.2019
Expenses	339,010	279,768
Board of Directors and management fees	**339,010**	**279,768**

Notes to the Financial Statements

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

Amounts in €	31 December 2020	31 December 2019
ASSETS		
a) Balances with banks		
National Bank of Greece S.A.	18,450,744	21,335,452
b) Loans to customers		
National Bank of Greece S.A.	8,517,371	8,689,391
Total	**26,968,115**	**30,024,843**
LIABILITIES		
a) Due to banks		
National Bank of Greece S.A.	12,410,601	67,526,535
b) Debt securities in issue		
National Bank of Greece S.A.	324,741,669	300,016,667
c) Other Liabilities		
National Bank of Greece S.A.	2,391,415	2,686,272
Ethniki Leasing S,A,	38,363	83,183
Total	**339,582,048**	**370,312,657**
STATEMENT OF TOTAL COMPREHENSIVE INCOME		
INCOME		
a)) Interest income		
National Bank of Greece S.A.	248,246	312,982
Total	**248,246**	**312,982**
EXPENSES		
a) Fee & commission expenses		
National Bank of Greece S.A.	6,541,917	7,172,243
Ethniki Leasing S,A,	1,158	1,759
b) Commission expense		
National Bank of Greece S.A.	2,939,279	2,903,198
c) Personnel expenses		
Ethniki Hellenic General Insurance S.A.	29,428	31,827
d) General, administrative and other operating expenses		
National Bank of Greece S.A.	368,611	561,556
Ethniki Leasing S.A.	23,726	25,520
Total	**9,904,119**	**10,696,103**
OFF BALANCE SHEET ACCOUNTS		
a) Received guarantees		
National Bank of Greece S.A.	296,000,000	296,000,000
b) Approved unused credit limits		
National Bank of Greece S.A.	142,847,730	112,456,798
Total	**438,847,730**	**408,456,798**

Notes to the Financial Statements

Note 30: Events after the reporting period

New Definition of Default

The objective of the European Banking Authority (EBA) published Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No. 575/2013 (EBA/GL/2016/07), applicable from 1 January 2021, and Regulation (EU) 2018/1845 of the European Central Bank (ECB) in relation to the threshold for assessing the materiality of credit obligations past due is to harmonise the definition of default across the European Union, thus contributing to improving consistency in the way EU banks apply regulatory requirements to their capital positions.

In particular, they clarify all aspects relating to the application of the definition of default, including conditions for a return to non-defaulted status (introduction of a probation period for non-forborne exposures), explicit criteria for classification of restructured loans as defaulted, and the introduction of specific materiality thresholds (absolute and relative) to count the days past due and to identify a default event.

The Company in cooperation with parent Bank Risk Department, under the standardised approach, will implement these new provisions from 1 January 2021, from which date onwards the calculation of expected credit losses will be adjusted.

Classification in Stage 3 under new definition of default

The new definition of default results in classification of loans into Stage 3 according to the following main criteria:

a) Unpaid payments over 500 euro for more than 90 consecutive days, representing at least 1% of the total exposure of the customer, taking also in place the total exposure of the customer across the Group. Only missed payments related to business litigations, specific contractual features or IT failures (i.e. 'technical past due' situations) may avoid automatic transfer into Stage 3 after 90 days.

b) A 3-month probation period for non-forborne exposures, during which no default trigger applies.

c) Identification of other criteria that evidence, even in the absence of missed payments, that it is unlikely that the counterparty could meet all its financial obligations (UTPs), including indicatively the following:

- the granting of concessions towards debtors facing or about to face difficulties in meeting their financial commitments that result in a decrease in the present value of cash flows of more than 1% of its initial value (a distressed restructuring resulting in a diminished financial obligation);
- the partial or full sale of credit obligations at a material credit-related economic loss, i.e. >5%;
- losses recognized in the profit or loss account for instruments measured at fair value that represent credit risk impairment.

The Company's preliminary assessments indicate that the changes brought about by the implementation of these new regulatory default provisions will not have a material effect on the Financial Statements.

COVID-19 developments

For measures taken by the authorities after the reporting period relating to COVID-19 please see on Board of Directors Annual Report "Response to COVID-19 crisis".

Corporation tax rate reduction

In accordance with Article 120 of Greek Law 4799/2021 (Government Gazette #A78/18.5.2021), effective from 01.01.2021, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 22% from 24%. (please see Note 9).

Athens, 3 June 2021

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE MANAGER OF FINANCIAL SERVICES
CHARALAMPOS VOVOS	ALEXANDROS KONTOPOULOS	PANAGIOTIS MAVRAGANIS
No of Pol. Identity AK226323	No of Pol. Identity X549459	No of Pol. IdentityX010495