NBG FACTORS

Annual Financial Report
31 December 2022
in accordance with the International Financial Reporting Standards

Athens, May 2023

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Board of Directors Annual Report
on the Financial Statements of Ethniki Factors Single Member S.A.
for the financial year 2022

According to the provisions of Company's Act and Company's Articles of Association, the activities of the Company during its fourteenth financial year which covers the period from 1 January to 31 December 2022 are presented below.

Company's strategy for the period from January 1 to December 31, 2022 continued mainly on developing an efficient operating model with priorities a) the provision of high level factoring solutions through digital channels b) the expansion of the factoring products and services and c) the modernization of internal operations.

A. Company's financial performance

Company expanded in almost every level of its operations as a result firstly from the strengthen of the synergies with the existing business clientele and secondly of its business expansion. Main characteristic of fiscal year of 2022 was the existence of inflationary trends in global economies with a raise in prices of energy, raw materials and periodically in transport which resulted in an increase of product prices and correspondingly factoring turnover not only in Greek, but also in European Factoring market.

On 31 December 2022 Company's net loans and advances to customers amounted to €689,895.1 thousand., recording a significant increase of 19.3% compared to the corresponding figures of fiscal year of 2021 , were reached at €578,201.3 thousand. Totally, factoring operations during 2020-2022 amounted to 49.0% reflecting company's powerful dynamics development.

Total factoring volume amounted to €4,103,565.7 thousand against €3,429,009.4 thousand in 2021 resulting a remarkable increase of 19.7%. As a result, profit before tax amounted to €14,336.6 thousand against €12,454.3 thousand in 2021 with a significant increase of 15.1%. Profit after tax amounted to €10,956.2 thousand against €11,239.8 thousand of 2021, recording a minor decrease of 2.5% due to the significant reversal of credit provisions of the previous fiscal year.

Specifically, the Company's net interest income in 2022 amounted to €11,215.7 thousand against €9,307.1 thousand of 2021 recording an increase of 20.5%, as a result, firstly due to the major increase from Q3 of 2022 of the base interest rates and, secondly, due to the significant strengthening of the average factoring balances achieved throughout 2022 (approximately 40%).

Net commission income reached at €5,629.5 thousand against €4,937.2 thousand of 2021, resulting in a significant increase of 14% reflecting the considerable effort on business expansion. As a result, total income amounted to €17,286.7 thousand against €14,726.7 thousand of 2021, recording in total an increase of 17.4%.

Total expenses, amounted to €2,950.1 thousand (2021: €2,272.4 thousand) of which €1,083.7 thousand (2021: €1,023.0 thousand) relate to personnel expenses and the remaining amount of €1,866.4 thousand (2021: €1,249.4thousand) 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 17.1% compared to 15.4% of 2021.

The Company during its fourteenth financial year charged additional credit provisions amounted to €406.0 thousand whereas reversed credit provisions amounted to €1,225.8 thousand in 2021, due to the recrudescence of the financial conditions and the parameters in the ECL calculation model and the uncertainty of the economic environment as a result of crisis in Ukraine. Total credit provisions charged in statement of financial position amounted to €3,033.9 thousand. Management believes that the accumulated allowance for loan losses clearly reflect the real situation as in reference day.

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 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.

According to Executive Committee's Act of Bank of Greece 193/2/27.09.2021 (Government Gazette B '4642) Chapter A par. 2 the regulatory total equity may not be less than the minimum initial capital required for the establishment of factoring entity, which amounts to €4,500.0 thousand. The Company was fully complied with the above provision for 2022 and 2021 accordingly.

In 2022 the Company's capital adequacy ratios of basic and total equity amounted to 16.13% against 17.76% in 2021.

Board of Directors Annual Report

B. Economic and financial overview

1. Macroeconomic developments – Greek economy

The global economic recovery lost steam in 2022, with real gross domestic product (“GDP”) increasing by +3.4% from +6.2% in 2021 mainly due to less favorable financial conditions amid faster-than-expected monetary policy tightening to stem elevated inflation. Global inflation accelerated to +8.8% in 2022 (annual average) from +4.7% in 2021, albeit the pace of increase has decelerated in the final quarter of 2022. In addition, lockdown measures in China to control COVID-19 infections contributed significantly to the slowdown of domestic and offshore economic activity. Finally, high energy costs due to the war in Ukraine and related sanctions on Russia took their toll on households’ purchasing power and businesses’ investment decisions.

In that context, the euro area economy has decelerated noticeably in the second half of 2022, though the slowdown of activity was less-than-anticipated, as fiscal support was substantial, households drew down their stock of pandemic-related savings and businesses adapted to the energy shock. Overall, real GDP growth was +3.5% in 2022 compared with +5.3% in 2021. The consumer price index (“CPI”) rose to +8.4% (annual average), with broadening price pressures, after averaging +2.6% in 2021. In the United States (“US”), growth slowed to +2.1% in 2022 from +5.9% in 2021 as, inter alia, fiscal policy turned restrictive and financing conditions tightened considerably. Private consumption and business investment contributed positively. On the other hand, residential investment has recorded seven quarters of contracting activity and net exports subtracted from overall growth, as imports increased faster than exports. CPI Inflation, after rising by +4.7% (annual average) in 2021, continued to post remarkable increases in 2022 (+8.0%). Finally, economic activity in China recorded its second-slowest pace since 1976. Real GDP growth decelerated to +3.0% in 2022 from +8.4% in 2021, mainly due to zero-tolerance policies against COVID-19 and the related drag in activity, as well as the property market slowdown. CPI Inflation increased by +2.0% (annual average) in 2022, from a mean value of +0.9% in 2021.

Monetary policy has tightened in response to surging inflation. The Federal Reserve (“Fed”) increased its main policy interest rate by 425 basis points in 2022, while stepped down the pace of interest rate increases to 25 basis points in February 2023, bringing the target policy rate to a range of 4.5% to 4.75%. The Fed communicated that ongoing increases in the target range will be appropriate. According to the Summary of Economic Projections (“SEP”, December 2022), participants in the Federal Open Market Committee expect an increase in the Federal Funds rate to 5.1% by end-2023. In addition, net large-scale asset purchases ceased in March 2022 and the Fed began reducing US Treasury and agency Mortgage-Backed securities holdings in June 2022. The Fed will continue reducing its holdings by USD 95 billion per month, with the balance sheet standing at USD 8.4 trillion or 33% of 2022 GDP from USD 8.8 trillion in 2021.

In Europe, the ECB increased all three policy interest rates by 250 basis points in 2022 as inflation pressures have been amplified by the war in Ukraine, the recovery of the economy post COVID-19 and tight labor markets. The ECB stayed the course in February 2023 with another 50 basis points increase to 3.0% (Main Refinancing Operations), 3.25% (Marginal Lending Facility) and 2.5% (Deposit Facility Rate). According to the ECB, there is a strong commitment for an additional interest rate hike of 50 basis points in March 2023, and then it will evaluate the subsequent path of monetary policy.

The Greek economy remained on a strong growth trend in 9M.22 and is expected to have outperformed the euro area average by a wide margin in FY.22, for a second consecutive year (GDP growth of 5.9% y-o-y in 9M.22, compared with 4.0% for the euro area average and estimated FY.22 growth of 5.3% and 3.5%, respectively) . Activity losses related to the pandemic have been rapidly reversed, with FY.22 GDP, in constant price terms, expected to exceed its 2019 level by 3.7% . The economy exhibited remarkable resilience to the severe energy-related headwinds and the rapid transmission of imported inflation pressures, capitalizing on i) the adaptability of the private sector; ii) the revival of tourism and services activities in general; iii) the additional fiscal support against energy cost pressures, which exceeded the euro area average in 9M.22; and iv) the substantial liquidity reserves of financially sound firms and households.

Private consumption increased by 9.5% y-o-y and gross fixed capital formation by 10.2% in 9M.22, with the latter climbing to an 11-year high of 13.6% of GDP . Labor market conditions remained highly supportive; offsetting part of the inflation hit on disposable income. Employment increased by 5.4% y-o-y in 12M (+79K additional employees y-o-y in December and +207K on average 12M) and the unemployment rate fell to a 13-year low of 11.6% in December . A modest adjustment in total private sector wages, bolstered by a 9.7% increase in the minimum wage, which is estimated at c. 2.5-3% .

Business turnover increased by 20.5% y-o-y in November 2022 (+42% in 11M.22 or +€102 billion y-o-y in the same period) and exhibited strong growth, even when excluding industrial sectors affected by energy-price volatility such as fuels and electricity (+19.8% y-o-y in November and 27% in 11M.22) . Similar, trends are observed in the euro area suggesting that the impact of energy and inflation shocks on activity has proven less severe than initially feared until end-2022.

The buoyancy of business profits reflects the adaptability and resilience of the competitive corporate sector to sharply rising production costs, combined with strengthened pricing power, aided by favorable demand conditions.

This encouraging performance has been achieved despite a strongly negative terms-of-trade shock which, has been combined with strong demand, leading to a further widening of the current account deficit to the highest level since 2011 (-8.5% of GDP in 11M.22).). This deficit is expected to narrow gradually, as global commodity prices start to subside and import-demand normalizes, following a spike in 2021-22, offsetting the pressure from a potential weakening in external demand. Moreover, FDI inflows to the Greek economy climbed to a new all-time high of €6.2 billion in 11M.22, already exceeding the FY.21 record of €5.4 billion. This trend sets the stage for additional business and economic transformation going forward as well as for increased, growth-enhancing, gross fixed capital formation. A part of these inflows (€1.3 billion in 9M.22) has been directed to real estate investments, adding strength to the market .

Leading indicators of economic activity have exhibited higher-than-expected resilience in 4Q.22 and January 2023. Economic sentiment increased to a 4-month high of 104.9 in January 2023 (101.3 in 4Q.22), exceeding the euro area average for a 9th consecutive month, and reversing the sudden deterioration in October 2022 .

Industrial and retail trade confidence posted healthy m-o-m increases, services exhibited resilience, whereas consumer confidence returned at pre-war levels in December 2022 and January 2023 with an improvement in households' assessment of their financial situation in 2023 and a drop in consumers' inflation expectations to the lowest point since February 2022.

Consumer price inflation, as measured by the Harmonized Index of Consumer Prices ("HICP"), has showed signs of slowing (8.6% y-o-y in 4Q.22 and 7.6% in December 2022, compared with 11.5% in 3Q.22), declining below the euro area average of 10% y-o-y in 4Q.22, for the first time since end-2021. This improvement primarily reflected falling energy prices with early signs of stabilization in core inflation in December 2022 (deceleration to 5.9% y-o-y from 6.8% in November 2022), although food price growth accelerated to a new high of 15.4% y-o-y in December 2022(12.8% y-o-y in 3Q.22) .

Strong cyclical tailwinds bolstered the fiscal performance vis-à-vis the upwardly revised fiscal targets for 2022, despite the additional energy support measures in 4Q.22 and early 2023. Fiscal support to households and firms in FY.22 is estimated at c. €11.5 billion, in gross value terms, mostly comprising of subsidies to electricity bills and other energy-related support . State Budget primary deficit stood at 3.3% of GDP, 0.9 pps (€1.8 billion) in 12M.22 below the annual Budget 2023 target (-2.5% of GDP lower compared with 12M.21 or -36% y-o-y) pointing to further upside risks for 2022 fiscal outcome, which is going to be finalized in April 2023. The Government Budget for 2023 targets to a 0.7% of GDP primary surplus, from an estimated primary deficit of -1.6% in 2022.

This target is achievable with relatively limited impact on activity, due to the fiscal and macroeconomic overperformance in 2022 and related positive carryover effects. Greece's public debt as % of GDP declined by an outstanding 24.7 pps, on an annual basis, in 3Q.22 – the largest improvement among euro area countries – to 178.2% of GDP. For 2023, a further decline to 159.3% is expected according to the 2023 Budget .

Greek banks' deposits and loans recorded further considerable increases in 2022. Private sector deposits increased by €8.6 billion in 12M.22, with the outstanding balance reaching a 12-year high of €189 billion in total, despite the further strengthening of private consumption. Bank lending growth to the private sector accelerated to 6.3% y-o-y in December 2022 – a 14-year high (since July 2009) – buoyed by a new surge in credit to non-financial corporations to 11.8% y-o-y (the highest pace for 2022 next to the +12.3% in September). The cumulative net (of repayments) flow of bank loans to non-financial corporations in 12M.22 amounted to €6.8 billion, which is the highest annual reading in 14 years, aside from the State guarantee driven rebound in 2020 (€6.7 billion) .

10-year Greek government bond yields rose to 4.1% in H2.22, from 2.6% in H1.22 and 0.9% on average in 2021, due to the tightening in monetary policy conditions and a broad-based re-rating of sovereign bond prices to the new inflation conditions. The spread over bund increased to 240 bps in H2.22 from 220 bps in H1.22, declining further to 206 bps in January 2023, with the yield of the German 10-year bond also increasing to 1.8% in H2.22 from 0.6% in H1.22 and -0.33% in 2021. Greece's sovereign securities remained eligible in the context of flexible reinvestments of capital of maturing bonds under PEPP (after its expiration in March 2022).

The combined impact of the above-described supportive factors underpinned Greece's resilient growth performance in 2022, with the annual GDP growth expected to exceed 5% according to NBG, official sector and consensus estimates, accompanied by increasingly positive economic spillovers across firms and households.

2. Ukraine crisis

On 24 February 2022, Russia invaded Ukraine where in addition to the humanitarian crisis it has caused in the region, it has had negative economic consequences for the global economy mainly through higher energy and commodity prices that have fuelled higher inflation which has produced weaker confidence in households and business. The extent of these effects will depend to a great extent on how the conflict evolves. The invasion also escalated tensions between Russia and the U.S., NATO, the EU and the U.K. The US has imposed and is likely to impose material additional, financial and economic sanctions and export controls against certain Russian organizations and/or individuals, with similar actions implemented by the EU and the U.K. and other jurisdictions. In 2022 the U.S., the EU and the U.K., each imposed packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals; transactions in Russian sovereign debt; investment, trade and financing to and from certain regions of Ukraine. The Company, in cooperation with parent Bank, has taken all necessary measures to comply with sanctions imposed by the competent authorities.

The Company has not any factoring exposures in in these countries. The expected impact was deemed immaterial.

The Company, in total, supported by parent Bank is investing in infrastructure to prevent, detect, and mitigate cyber threats. Parent Bank already has in place a robust framework supported by experienced staff and appropriate IT infrastructure to minimize the probability of a cyber intrusion. From the onset of the crisis, parent Bank has proactively augmented this framework with a significant number of preparedness and security enhancement actions which will help reduce the impact of any such attacks.

3. Greek economy perspectives for 2023

Greece's growth performance in the current year, but also in the medium term, is expected to be supported by the following factors:

- Solid investment growth, on the back of a strong pipeline of private investment and increasing impact of the Recovery & Resilience Facility ("RRF"). Gross fixed capital formation is expected to rise at a double-digit pace, for a 3rd consecutive year, bolstered by positive demand prospects, high capacity-utilization rates and strong profitability. Moreover, the impact from the investment of RRF will start to show from 2023 onwards, due to time lags between the funds' absorption (€11.1 billion of grants and loans, cumulatively, until early-2023, corresponding to about 1/3 of total available funding for Greece) and the final capital spending . Similarly, the €14 billion of inward Foreign direct investment ("FDI") investment in 2020-22 sets the stage for a further strengthening of fixed capital formation .

- The positive momentum of services activities and especially tourism, which are less sensitive to terms-of-trade shocks, input costs and personal income fluctuations. The experience of previous years suggests that external demand for tourism services − especially from euro area countries − exhibits resilience to economic variability but is highly sensitive to geopolitical or health-related risks. Moreover, the pricing power of Greek firms for 2023 has been significantly strengthened by the outstanding performance of Greek tourism in 2022, which bodes well for a further quality upgrade of related services looking forward.

- The underlying fiscal stance will remain supportive towards the most vulnerable population groups and SMEs, to cushion the impact of energy price volatility and core inflation on their disposable income. Substantial financial resources, committed in the 2023 Budget, under far more conservative forecasts of energy price trends, compared with the latest market developments. Moreover, the estimated overperformance in 2022 implies a stronger positive carryover effect, increasing the country's fiscal capacity. The return to a primary surplus of 0.7% of GDP will be based on supportive cyclical factors.

- Modest wage increases, for the first time since the beginning of the Greek crisis. The strength of the labor market recovery, in conjunction with the increase in the minimum wage in 2022, supplemented by an additional hike in 2023 of the order of 5.5% to 9.5%, could entail an adjustment of average private sector hourly wage of c. 4-4.5% y-o-y in 2023, following an estimated 2,5-3% in 2022 . The transmission to average private sector wages will be partial, and weaker than the euro area average, preserving Greece's cost competitiveness gains in the previous decade.

Economic activity in Greece remained on a solid upward trend in year-over-year ("y-o-y") terms in 2022 and early-2023, according to FY.2022 national accounts data and high frequency indicators available for 1Q.2023, exceeding official and private sector expectations. Greece's Gross Domestic Product ("GDP") growth reached 6.1% y-o-y in FY.2022, strongly outpacing the euro area average (+3.5% y-o-y) for a second consecutive year. The higher-than-expected annual growth outturn mainly reflects: i) an upward revision in 3Q.2022 GDP growth to 4.4% y-o-y from an initial estimate of 2.8% y-o-y, and ii) an acceleration in GDP growth to 5.2% y-o-y in 4Q.2022 (+1.4% quarter-over-quarter ("q-o-q"), seasonally adjusted ("s.a.")), driven by buoyant domestic demand.

The strong economic recovery bolstered the fiscal performance, despite the cost of additional energy support measures. Fiscal data for 2019-2022 (announced by the Hellenic Statistical Authority ("ELSTAT") on 21 April 2023) show that the General Government achieved a marginal primary fiscal surplus of 0.1% of GDP in 2022 (according to the European System of National and Regional Accounts ("ESA") 2010 definition), overperforming the State

Budget 2023 estimate for a primary deficit of 1.6% of GDP in 2022 and following a downwardly revised primary deficit of 4.7% of GDP in 2021. For 2023, the State Budget targets to a higher primary surplus of 0.7% of GDP, with increasing margin for a new overperformance. Moreover, Greece's public debt as per cent of GDP recorded for a second consecutive year an outstanding annual decline in 2022 (-23.3 pps), dropping to 171.3% of GDP – the lowest ratio since 2012 – from 194.6% in 2021 and 206.3% in 2020, and is expected to decline further in 2023).

Headline inflation decelerated at a faster pace in March 2023, with Consumer Price Index ("CPI") growth slowing to a 17-month low of 4.6% y-o-y, from 7.2% in December 2022 and a peak of 12.1% in June 2022. This slowing mainly reflects favorable base effects on energy prices with petrol, heating oil and electricity prices subtracting 3.0 pps from the annual change of CPI. These trends also remain in line with the respective NBG estimates, pointing to an average annual inflation rate of 4-4.5% in FY.2023.

4. 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 2023, parent Bank funding from the ECB through longer-term refinancing operations (''LTROs'') amounted to €5.0 billion marked a significant decrease compared to 31 December 2022, where amounted to €8.1 billion. Additionally, as at 31 March 2022, parent Bank liquidity buffer at cash values amounted to €25.5 billion, with the LCR and NSFR ratios well above 100%.

Going concern conclusion

Management of the parent Bank concluded that a going concern issue does not exist after considering a) the significant recurring profitability (b) its significant collateral buffer and Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") which is well above 100% (c) the current level of European Central Bank ("ECB") funding solely from Targeted Long-term Refinancing Operations ("TLTROs") (d) the parent Bank Common Equity Tier 1 ("CET1") ratio at 31 March 2023 which exceeded the Overall Capital Requirements ("OCR"), (e) the increasing support from the Recovery and Resilience Facility ("RRF"), (f) the activation of new fiscal measures in response to pressures from increased inflation and (g) the parent Bank insignificant exposure to Russia and the Ukraine and all actions with respect to the crisis.

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 (2023) and for this reason prepared its own financial statements on a going concern basis.

C. Factoring market evolution

Global market

For 2022 the global market according to "FCI" preliminary managed a significant increase of 18.3% occupies €3.65 billion against €3,07 billion of 2021.

Europe

Regarding the European market, according to EUF data, the total turnover significantly increased by 19.2% amounted to €2.38 trillion against €2.03 trillion of 2021. Additionally, factoring turnover increased as a percentage of GDP penetration and stood at 12.3% (2021: 11.4%). As far as Greece, this indicator is gradually approaching the corresponding average of Europe with a continued second year of improvement stood to 11.3% against 9.7% of 2021.

Greece

According to "EU Federation for the Factoring and Commercial Finance Industry" "EUF" factoring turnover in Greece reached to €23.6 billion against €17.7 billion in 2022, resulting a significant increase were reached to 33%, reflecting the inflationary trends appeared in the markets in 2022 and the strong demand for factoring as financial instrument providing continuous liquidity and exploitation of total assets.

Regarding the distribution of factoring turnover through the criteria of domestic or international, with or without recourse, and notificated or non-notificated ;total turnover of 87.7% concerns domestic Factoring (2021: 85.8%), 54.2% concerns Factoring with recourse (2021: 56,1%), and 81.3% notificated Factoring (2021: 80,3%).

It is noted that the improvement of factoring turnover in Greek market is significant higher in relation to the improvement of the GDP. Specifically, according to Hellenic Factoring Association "HFA", during 2022 factoring turnover in Greece amounted to 11.3% of GDP against 9.7% of 2021, recording a significant increase in a second continuous year. The positive trend in factoring market to major sectors of economy reflects the strong demand for factoring as financial instrument providing continuous liquidity and exploitation of total assets.

D. Operations review

Product and services development

As stated above, during the fourteenth financial year Company's strategy was substantially focused on strengthening and broadening clientele basis aiming both to the expansion of factoring balances and income, but also to the improvement of its operating model.

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 75.3% concerns notificated Factoring (i.e. €3,092,465.3 thousand of a total €4,103,565.7 thousand), a fact which certifies the significant acceptance of product in domestic and international market.

Company's turnover related to international factoring amounted to €864,505.4 thousand against €689,105.9 thousand of 2021, recording an increase of 25.5%, reflecting the effort to expand export activities and strengthen cooperation's with strategic clients. As a result export factoring turnover reached to 21.1% of total turnover compared to 20.1% of 2021. An amount of €735,206.3 thousand (2021: €594,293.9 thousand) relates to direct export factoring and €129,299.1 thousand (2021: €94,812.0 thousand) relates to factoring was executed via the two-factor system.

Moreover, regarding credit risk against debtors, 65.4% of the total factoring turnover (i.e. €2,682,898.8 thousand) concerns Factoring with recourse and 34.6% 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 €271,002.4 thousand against €180,060.9 thousand of 2021 resulting an increase of 50.5%.

Operating issues

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

During 2022 the NBG Group Internal Audit Division performed internal audit to Business and Operations of the Company. The reports of the aforementioned audits and the progress on findings' settlement are periodically communicated to Board of Directors.

During 2022, the Company significantly strengthened the procedures of KYC ("Know your customer"), as well as procedures and controls for Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT). In this context, AML Monitoring is carried out annually since 2022 and results are communicated to Management and Board of Directors. Moreover, during 2022 the procedures of the Administration Department were updated, while the monthly reporting of the Loan Admin and Collection Departments were significantly upgraded.

In order to face the upcoming cyber security risks, the Company adopted the role of Information Security Officer. (CISO).

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.

Technology and customer service

At the operational level, since October 2021, the upgraded e-factoring platform was activated and is available through the "single-sign on" process to (i-bank) services of NBG, offering both to the suppliers (assignors), and debtors (buyers) the ability of instant access and managing their accounts in real time, in a secure and in a "user-friendly" environment. During 2022, the Company also implemented a strategy in order to expand the adoption of specific factoring services to a greater percentage of its business clientele basis. In this direction, detailed user manuals were made and are available in order to help customers to use these specific services.

Moreover, 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.

Cooperation with international organizations and participation in domestic and international associations

In the context of the implementation of the strategy for efficient coverage of credit risk to buyers, concerning factoring products without recourse, the Company expanded its cooperation with credit insurance companies.

Also, within 2022, the Company maintained the credit facility with the European Bank for Reconstruction and Development ("EBRD") while a corresponding facility with Black Sea Trade and Development Bank ("BSTDB") was suspended. More information about the aforementioned credit facilities is stated to Note 16.

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.

Corporate visibility

In the direction of strengthening its business promotion, the Company proceeded to upgrade its audio-visual material and, in cooperation with the relevant Departments of the parent Bank, proceeded to inform the business clientele about the services provided through the upgraded e-Factoring platform.

Environmental, Social, and Corporate Governance (ESG)

Environmental actions

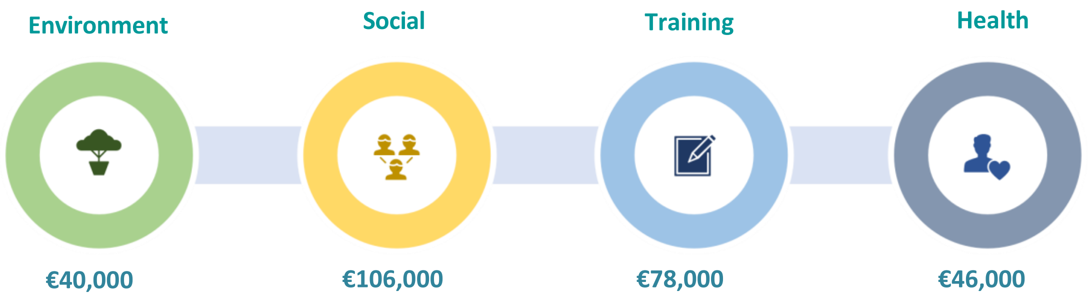
Regarding environmental protection issues, the Company measures on an annual basis the consumption of paper, which in 2022 marked a significant reduction (above 60%) compared to 2021. Moreover, it digitizes a significant part of its transactions with customers, in order to reduce the exchange of physical files that require movements of staff.

Corporate Social Responsibility

Ethniki Factors with respect to the society in which it operates, has included as its main goal in its strategy to act responsibly and to support actions aimed to relieve less privileged social groups.

In this context, the company cooperates with organisations, foundations and bodies with important and long-standing achievements to demonstrate in this line at both local and collective level.

The Company since 2016 donated €270.0 thousand to non-profit organizations.



Corporate Governance

The Company fully aligns with the Group's strategy for a strong corporate governance framework and, in this direction, during the previous fiscal year the following statutory documents were approved-adopted or updated:

- Group Policy for AML/CFT
- Remuneration Policy
- Antibribery Policy
- Group Policy for Complaints
- Internal Operation Manual
- Group Policy against Violence and Harassment
- Group Policy for the Management of Internal Complaints for Incidents of Violence and Harassment
- Group Policy to comply with International Sanctions
- Group Policy for Virtual Assets
- Impairment and write-off Policy of Financial Instruments

During fiscal year of 2022, the Company's Board of Directors held eight (8) meetings.

E. 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:

1. 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 2020 the annual cycle of ORMF was implemented through parent Bank relevant application.

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.

Risk Appetite Framework («RAF»)

The Company, since the beginning of 2023, in cooperation with parent Bank Risk Management Department is working on the adoption of a "Risk Appetite Framework" "RAF". The objective of the RAF is to set out the level of risk that the Company is willing to take in pursuit of its strategic objectives, also outlying the key principles and rules that govern the risk appetite setting. The RAF constitutes with Risk Strategy and Capital and the overall Risk Management Framework of the parent Bank. The RAF has been developed in order to be used as a key management tool to better align business strategy, financial targets and risk management, and enable a balance between risk and return. It is perceived as a reference point for all relevant stakeholders within the Company, as well as the supervisory bodies, for the assessment of whether the undertaken business endeavors are consistent with the respective risk appetite.

An effective RAF is fundamental to a strong risk management and governance framework. The RAF is not just a Key Performance Indicator (KPI) monitoring system; it constitutes an essential mechanism to support the Board of Director's oversight of the strategy execution within the risk boundaries that the parent Bank is willing to operate. Through the RAF, overall aspirations of the Board of Directors are translated to specific statements and risk metrics, enabling planning and execution, while promoting firm-wide thinking. .The completion of the required implementation actions of RAF is expected until the end of the 2023.

F' Perspectives of Factoring market for 2023 and Management strategic priorities

Latest releases of leading and conjunctural indicators of economic activity (namely, economic sentiment, manufacturing PMI, industrial production, business turnover, tourism arrivals by air, labor force survey data etc.) point to significant upside risks to Greece's economic outlook, at least for 1H.2023.

The above trends, in conjunction with a stronger-than-previously-expected carryover effect on activity growth from 2022, led to an upward revision of the parent Bank forecasts of GDP growth compared with the 4Q.2022 estimates. In this context, Greece's GDP is expected to grow at an average annual pace of 2.3% in the baseline scenario in 2023-2027, whereas the optimistic and the adverse scenarios envisage average annual GDP changes of 3.3% and -0.4%, respectively, in the same period. Moreover, in view of the increased probability of formation of a single-party government in a second parliamentary elections following the result of the 21 May 2023 elections, the risks related to political instability and/or policy continuity appear limited and offset by the sound fiscal position and strong growth catalysts in the near term.

On the other hand, the negative impact on activity from the ongoing monetary policy tightening worldwide and the incidences of banking sector turbulence in March 2023 (Silicon Valley Bank, Credit Suisse) is likely to become evident with a time lag. However, Greece shows less sensitivity to the near-term tightening in financial conditions, due to the relatively low leverage of the private sector and the unique characteristics of public debt, which are combined with substantial cash buffers of financially stronger companies and households, as well as the State. In conclusion for 2023, geopolitical uncertainty due to the ongoing crisis in Ukraine, constitutes the most important factor in the volatility of the performance of the global economy and the business sectors.

Factoring perspectives for 2023

Considerable parameters that will determine factoring turnover entirely will be the performance of major economies and especially their growth or recession rates, inflation levels and price formation in raw materials, energy and transport, the course of interest rates, the restoration of 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.

Part of the above effects are also expected to be negative on short term–basis for Greek economy and consequently Greek companies. Despite the inflationary trends prevailing in energy and commodities and 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 2023 will present positive trends.

Strategic priorities of Management for 2023

The main objective milestones and priorities of Management are as follows:

Income and factoring balances development

The further strengthening of business (assets, interest and commission income, turnover and profitability) in accordance with the Company's three-year business plan.

The broadening of the clientele basis based on new cooperations with SME's

The further expansion in major large Greek groups

The design of tailor made solutions aligned to the business clientele needs.

The further penetration on International Factoring and business development through commercial transactions carried out by Greek entities outside Greece.

The development of international and selective reverse factoring activities in the direction of Supply Chain Financing solutions.

Risk Management

The adoption of a (Risk Appetite Framework) “RAF” and the updating of the Risk Management manuals.

The strengthening of culture for risk and specially cybersecurity risk among all staff by revising part of the internal procedures and mandatory training in the specific thematic sections.

Technology, procedures και customer service

The expansion and modernization of data exchange channels with business clientele. In this direction, the implementation of a strategy for the modernization of data exchange channels with corporate customers is underway, aiming to reduce time to transaction and operational risk

The upgrade of procedures aiming to optimize monitoring methods and minimizing financial and operational risks.

The further optimization of existing software, in order to improve the efficiency.

HR

The adoption of innovative valuation model for employees, similar to the corresponding of the parent Bank.

The adoption of new framework concerning performance evaluation & compensation benchmarking.

Linking Company's performance with a variable remuneration system.

Employees development through the implementation of training programs, either by the parent Bank , or by training institutions with a specific educational content.

The adoption of teleworking framework.

ESG strategy

Changes in ESG issues are so rapid that they have inevitably become central to the strategic planning of financial organizations. In this context, the main priority of the Management is the formulation of a specific strategy regarding the adoption of ESG principles.

The Management will prepare in collaboration with the relevant parent Bank Departments a specific strategic plan for the three-year period of 2023-2025 and will present it to the Board of Directors.

Events after the reporting period of 31 December 2022

There are no events after the reporting period.

Dividend Policy

The Management will propose to the Annual General Assembly of the shareholders to approve the appropriation of amount €547.8 thousand as a statutory reserve according to provisions of Law 4548/2018 and no distribution of dividend from current year profits.

Athens, 26 May 2023

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

Independent Auditor's Report

[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 2022, 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 2022, 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.

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

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 the Board of Directors' Report for the year ended at 31 December 2022 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, 29 May 2023
The Certified Auditor

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

Evangelos Venizelos
Soel Reg. No 39891

Statement of Total Comprehensive Income
For the period ended 31 December 2022

Amounts in €	Note	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Interest and similar income	4	21,188,862	15,819,717
Interest expense and similar charges	4	(9,973,117)	(6,512,631)
Net Interest Income		**11,215,745**	**9,307,086**
Fee and commission income	5	9,483,840	8,553,426
Commission expense	5	(3,854,370)	(3,616,257)
Net fee and commission income		**5,629,470**	**4,937,169**
Other income	6	441,474	482,441
Total Income		**17,286,689**	**14,726,696**
Personnel expenses	7	(1,083,697)	(1,022,996)
General, administrative and other operating expenses	8	(1,718,295)	(1,123,012)
Amortization of intangible assets	12	(91,297)	(67,570)
Depreciation of property and equipment	13	(56,783)	(58,782)
Credit provisions		(406,009)	1,225,772
Total Expenses		**(3,356,081)**	**(1,046,588)**
Profit before tax		**13,930,608**	**13,680,108**
Tax expense	9	(2,974,422)	(2,440,316)
Profit for the period		**10,956,186**	**11,239,792**
Other comprehensive income, net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Employee benefits	19	4,166	112
Other comprehensive income for the period, net of tax:		**4,166**	**112**
Total comprehensive income for the period		**10,960,352**	**11,239,904**

Athens, 26 May 2023

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 AP531098

The notes on pages 18 to 61 form an integral part of these financial statements

Statement of Financial Position
as at 31 December 2022

Amounts in €	Note	31.12.2022	31.12.2021
ASSETS			
Cash and balances with banks	10	9,418,217	28,145,659
Loans and advances to customers	11	689,895,083	578,201,289
Software and other intangible assets	12	305,047	396,344
Property and equipment	13	95,005	293,055
Other assets	15	95,775	60,596
Total assets		**699,809,127**	**607,096,943**
LIABILITIES			
Due to banks	16	106,280,783	87,029,419
Debt securities in issue	17	476,212,882	412,901,609
Due to customers	18	6,522,810	8,463,742
Deferred tax liabilities	14	7,097,029	6,201,555
Retirement benefit obligations	19	21,734	17,075
Current income tax liability	9	537,903	504,784
Other liabilities	20	2,543,125	2,346,250
Total liabilities		**599,216,266**	**517,464,434**
SHAREHOLDERS' EQUITY			
Share capital	21	20,000,000	20,000,000
Share premium	21	30,000,000	30,000,000
Reserves	22	5,171,637	4,605,481
Retained earnings	23	45,421,224	35,027,028
Total Shareholders' Equity		**100,592,861**	**89,632,509**
Total Liabilities and Equity		**699,809,127**	**607,096,943**

Athens, 26 May 2023

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 AP531098

The notes on pages 18 to 61 form an integral part of these financial statements

Statement of Changes in Equity
for the period ended 31 December 2022

Amounts in €	Share Capital	Share Premium	Defined benefit plans	Statutory Reserve	Retained earnings	Total
Balance at 31 December 2020 & at 1 January 2021	**20,000,000**	**30,000,000**	**(2,836)**	**4,136,716**	**24,258,725**	**78,392,605**
Other comprehensive income	-	-	112	-	-	112
Profit for the period	-	-	-	-	11,239,792	11,239,792
Statutory reserve	-	-	-	471,489	(471,489)	-
Balance at 31 December 2021 & at 1 January 2022	**20,000,000**	**30,000,000**	**(2,724)**	**4,608,205**	**35,027,028**	**89,632,509**
Other comprehensive income	-	-	4,166	-	-	4,166
Profit for the period	-	-	-	-	10,956,186	10,956,186
Statutory reserve	-	-	-	561,990	(561,990)	-
Balance at 31 December 2022	**20,000,000**	**30,000,000**	**1,442**	**5,170,195**	**45,421,224**	**100,592,861**

Athens, 26 May 2023

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 AP531098

The notes on pages 18 to 61 form an integral part of these financial statements

Cash Flow Statement
For the period ended 31 December 2022

Amounts in €	Note	01.01.2022 - 31.12.2022	01.01.2021- 31.12.2021
Cash Flows from operating activities			
Profit before tax		**13,930,608**	**13,680,108**
Non cash items included in statement of total comprehensive income and other adjustments:		**10,537,205**	**5,417,286**
Depreciation of property and equipment	13	56,783	58,782
Amortization of intangible assets	12	91,297	67,570
Credit provisions	8	406,009	(1,225,772)
Provision for employee benefits	19	9,999	4,075
Interest expense and similar charges	4	9,973,117	6,512,631
Net (increase)/decrease in operating assets :		**(114,075,914)**	**(114,168,974)**
Due from / to customers		(114,040,735)	(114,189,048)
Other assets		(35,179)	20,074
Net increase/(decrease) in operating liabilities:		**(1,641,405)**	**(1,359,254)**
Other Liabilities		405,598	(237,014)
Income tax paid		(2,047,003)	(1,122,240)
Net Cash flows from/(for)operating activities		**(91,249,506)**	**(96,430,834)**
Cash flows from investing activities:			
Purchase of software and other intangibles	12	-	(157,667)
Purchase of property and equipment	13	(681)	(611)
Net Cash flows from/(for) investing activities		**(681)**	**(158,278)**
Cash flows from financing activities:			
Proceeds from debt securities	17	311,039,230	520,485,228
Repayment of debt securities	17	(247,773,762)	(432,267,807)
Debt securities issue costs		(120,000)	(100,000)
Due to banks	16	19,251,364	24,570,971
Repayment of debt securities interest expenses		(8,727,377)	(5,662,336)
Repayment of interest expenses of ROU assets	20	(6,516)	(7,873)
Principal elements of lease payments		(66,775)	(55,005)
Interest paid		(1,073,419)	(786,570)
Net cash flows from/(for) financing activities		**72,522,745**	**106,176,608**
Net increase/(decrease) in cash and cash equivalents		**(18,727,442)**	**9,587,496**
Cash and balances with the banks at beginning of period		**28,145,659**	18,558,163
Cash and balances with the banks at end of period		**9,418,217**	**28,145,659**

Athens, 26 May 2023

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 AP531098

The notes on pages 18 to 61 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 19th October 2024 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
Maria D. Preza	Member
Konstantinos A. Koufopoulos	Member
Georgios A. Papiotis	Member
Charalambos A. Saridis	Member
Dimitrios G. Katsikavelis	Independent Member

These annual financial statements have been approved for issue by the Company's Board of Directors on 26 May 2023.

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 2021 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 accounting policies for the preparation of the Annual Financial Statements have been consistently applied to the years 2022 and 2021, after considering the amendments in IFRS's as described in Section 2.3. 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 2023, parent Bank funding from the ECB through longer-term refinancing operations (''LTROs'') amounted to €5.0 billion marked a significant decrease compared to 31 December 2022, where amounted to €8.1 billion. Additionally, as at 31 March 2022, parent Bank liquidity buffer at cash values amounted to €25.5 billion, with the LCR and NSFR ratios well above 100%.

Notes to the Financial Statements

Macroeconomic developments – Greek economy

The global economic recovery lost steam in 2022, with real gross domestic product ("GDP") increasing by +3.4% from +6.2% in 2021 mainly due to less favorable financial conditions amid faster-than-expected monetary policy tightening to stem elevated inflation. Global inflation accelerated to +8.8% in 2022 (annual average) from +4.7% in 2021, albeit the pace of increase has decelerated in the final quarter of 2022. In addition, lockdown measures in China to control COVID-19 infections contributed significantly to the slowdown of domestic and offshore economic activity. Finally, high energy costs due to the war in Ukraine and related sanctions on Russia took their toll on households' purchasing power and businesses' investment decisions.

In that context, the euro area economy has decelerated noticeably in the second half of 2022, though the slowdown of activity was less-than-anticipated, as fiscal support was substantial, households drew down their stock of pandemic-related savings and businesses adapted to the energy shock. Overall, real GDP growth was +3.5% in 2022 compared with +5.3% in 2021. The consumer price index ("CPI") rose to +8.4% (annual average), with broadening price pressures, after averaging +2.6% in 2021. In the United States ("US"), growth slowed to +2.1% in 2022 from +5.9% in 2021 as, inter alia, fiscal policy turned restrictive and financing conditions tightened considerably. Private consumption and business investment contributed positively. On the other hand, residential investment has recorded seven quarters of contracting activity and net exports subtracted from overall growth, as imports increased faster than exports. CPI Inflation, after rising by +4.7% (annual average) in 2021, continued to post remarkable increases in 2022 (+8.0%). Finally, economic activity in China recorded its second-slowest pace since 1976. Real GDP growth decelerated to +3.0% in 2022 from +8.4% in 2021, mainly due to zero-tolerance policies against COVID-19 and the related drag in activity, as well as the property market slowdown. CPI Inflation increased by +2.0% (annual average) in 2022, from a mean value of +0.9% in 2021.

Monetary policy has tightened in response to surging inflation. The Federal Reserve ("Fed") increased its main policy interest rate by 425 basis points in 2022, while stepped down the pace of interest rate increases to 25 basis points in February 2023, bringing the target policy rate to a range of 4.5% to 4.75%. The Fed communicated that ongoing increases in the target range will be appropriate. According to the Summary of Economic Projections ("SEP", December 2022), participants in the Federal Open Market Committee expect an increase in the Federal Funds rate to 5.1% by end-2023. In addition, net large-scale asset purchases ceased in March 2022 and the Fed began reducing US Treasury and agency Mortgage-Backed securities holdings in June 2022. The Fed will continue reducing its holdings by USD 95 billion per month, with the balance sheet standing at USD 8.4 trillion or 33% of 2022 GDP from USD 8.8 trillion in 2021.

In Europe, the ECB increased all three policy interest rates by 250 basis points in 2022 as inflation pressures have been amplified by the war in Ukraine, the recovery of the economy post COVID-19 and tight labor markets. The ECB stayed the course in February 2023 with another 50 basis points increase to 3.0% (Main Refinancing Operations), 3.25% (Marginal Lending Facility) and 2.5% (Deposit Facility Rate). According to the ECB, there is a strong commitment for an additional interest rate hike of 50 basis points in March 2023, and then it will evaluate the subsequent path of monetary policy.

The Greek economy remained on a strong growth trend in 9M.22 and is expected to have outperformed the euro area average by a wide margin in FY.22, for a second consecutive year (GDP growth of 5.9% y-o-y in 9M.22, compared with 4.0% for the euro area average and estimated FY.22 growth of 5.3% and 3.5%, respectively) . Activity losses related to the pandemic have been rapidly reversed, with FY.22 GDP, in constant price terms, expected to exceed its 2019 level by 3.7% . The economy exhibited remarkable resilience to the severe energy-related headwinds and the rapid transmission of imported inflation pressures, capitalizing on i) the adaptability of the private sector; ii) the revival of tourism and services activities in general; iii) the additional fiscal support against energy cost pressures, which exceeded the euro area average in 9M.22; and iv) the substantial liquidity reserves of financially sound firms and households.

Private consumption increased by 9.5% y-o-y and gross fixed capital formation by 10.2% in 9M.22, with the latter climbing to an 11-year high of 13.6% of GDP . Labor market conditions remained highly supportive; offsetting part of the inflation hit on disposable income. Employment increased by 5.4% y-o-y in 12M (+79K additional employees y-o-y in December and +207K on average 12M) and the unemployment rate fell to a 13-year low of 11.6% in December . A modest adjustment in total private sector wages, bolstered by a 9.7% increase in the minimum wage, which is estimated at c. 2.5-3% .

Business turnover increased by 20.5% y-o-y in November 2022 (+42% in 11M.22 or +€102 billion y-o-y in the same period) and exhibited strong growth, even when excluding industrial sectors affected by energy-price volatility such as fuels and electricity (+19.8% y-o-y in November and 27% in 11M.22) . Similar, trends are observed in the euro area suggesting that the impact of energy and inflation shocks on activity has proven less severe than initially feared until end-2022.

The buoyancy of business profits reflects the adaptability and resilience of the competitive corporate sector to sharply rising production costs, combined with strengthened pricing power, aided by favorable demand conditions.

Notes to the Financial Statements

This encouraging performance has been achieved despite a strongly negative terms-of-trade shock which, has been combined with strong demand, leading to a further widening of the current account deficit to the highest level since 2011 (-8.5% of GDP in 11M.22).). This deficit is expected to narrow gradually, as global commodity prices start to subside and import-demand normalizes, following a spike in 2021-22, offsetting the pressure from a potential weakening in external demand. Moreover, FDI inflows to the Greek economy climbed to a new all-time high of €6.2 billion in 11M.22, already exceeding the FY.21 record of €5.4 billion. This trend sets the stage for additional business and economic transformation going forward as well as for increased, growth-enhancing, gross fixed capital formation. A part of these inflows (€1.3 billion in 9M.22) has been directed to real estate investments, adding strength to the market .

Leading indicators of economic activity have exhibited higher-than-expected resilience in 4Q.22 and January 2023. Economic sentiment increased to a 4-month high of 104.9 in January 2023 (101.3 in 4Q.22), exceeding the euro area average for a 9th consecutive month, and reversing the sudden deterioration in October 2022 .

Industrial and retail trade confidence posted healthy m-o-m increases, services exhibited resilience, whereas consumer confidence returned at pre-war levels in December 2022 and January 2023 with an improvement in households' assessment of their financial situation in 2023 and a drop in consumers' inflation expectations to the lowest point since February 2022.

Consumer price inflation, as measured by the Harmonized Index of Consumer Prices ("HICP"), has showed signs of slowing (8.6% y-o-y in 4Q.22 and 7.6% in December 2022, compared with 11.5% in 3Q.22), declining below the euro area average of 10% y-o-y in 4Q.22, for the first time since end-2021. This improvement primarily reflected falling energy prices with early signs of stabilization in core inflation in December 2022 (deceleration to 5.9% y-o-y from 6.8% in November 2022), although food price growth accelerated to a new high of 15.4% y-o-y in December 2022(12.8% y-o-y in 3Q.22) .

Strong cyclical tailwinds bolstered the fiscal performance vis-à-vis the upwardly revised fiscal targets for 2022, despite the additional energy support measures in 4Q.22 and early 2023. Fiscal support to households and firms in FY.22 is estimated at c. €11.5 billion, in gross value terms, mostly comprising of subsidies to electricity bills and other energy-related support . State Budget primary deficit stood at 3.3% of GDP, 0.9 pps (€1.8 billion) in 12M.22 below the annual Budget 2023 target (-2.5% of GDP lower compared with 12M.21 or -36% y-o-y) pointing to further upside risks for 2022 fiscal outcome, which is going to be finalized in April 2023. The Government Budget for 2023 targets to a 0.7% of GDP primary surplus, from an estimated primary deficit of -1.6% in 2022.

This target is achievable with relatively limited impact on activity, due to the fiscal and macroeconomic overperformance in 2022 and related positive carryover effects. Greece's public debt as % of GDP declined by an outstanding 24.7 pps, on an annual basis, in 3Q.22 – the largest improvement among euro area countries – to 178.2% of GDP. For 2023, a further decline to 159.3% is expected according to the 2023 Budget .

Greek banks' deposits and loans recorded further considerable increases in 2022. Private sector deposits increased by €8.6 billion in 12M.22, with the outstanding balance reaching a 12-year high of €189 billion in total, despite the further strengthening of private consumption. Bank lending growth to the private sector accelerated to 6.3% y-o-y in December 2022 – a 14-year high (since July 2009) – buoyed by a new surge in credit to non-financial corporations to 11.8% y-o-y (the highest pace for 2022 next to the +12.3% in September). The cumulative net (of repayments) flow of bank loans to non-financial corporations in 12M.22 amounted to €6.8 billion, which is the highest annual reading in 14 years, aside from the State guarantee driven rebound in 2020 (€6.7 billion) .

10-year Greek government bond yields rose to 4.1% in H2.22, from 2.6% in H1.22 and 0.9% on average in 2021, due to the tightening in monetary policy conditions and a broad-based re-rating of sovereign bond prices to the new inflation conditions. The spread over bund increased to 240 bps in H2.22 from 220 bps in H1.22, declining further to 206 bps in January 2023, with the yield of the German 10-year bond also increasing to 1.8% in H2.22 from 0.6% in H1.22 and -0.33% in 2021. Greece's sovereign securities remained eligible in the context of flexible reinvestments of capital of maturing bonds under PEPP (after its expiration in March 2022).

The combined impact of the above-described supportive factors underpinned Greece's resilient growth performance in 2022, with the annual GDP growth expected to exceed 5% according to NBG, official sector and consensus estimates, accompanied by increasingly positive economic spillovers across firms and households.

Ukraine crisis

On 24 February 2022, Russia invaded Ukraine where in addition to the humanitarian crisis it has caused in the region, it has had negative economic consequences for the global economy mainly through higher energy and commodity prices that have fuelled higher inflation which has produced weaker confidence in households and business. The extent of these effects will depend to a great extent on how the conflict evolves. The invasion also escalated tensions between Russia and the U.S., NATO, the EU and the U.K. The US has imposed and is likely to impose material additional, financial and economic sanctions and export controls against certain Russian organizations and/or individuals, with similar actions implemented by the EU and the U.K. and other jurisdictions.

In 2022 the U.S., the EU and the U.K., each imposed packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals; transactions in Russian sovereign debt; investment, trade and financing to and from certain regions of Ukraine. The Company, in cooperation with parent Bank, has taken all necessary measures to comply with sanctions imposed by the competent authorities.

The Company has not any factoring exposures in in these countries. The expected impact was deemed immaterial.

The Company, in total, supported by parent Bank is investing in infrastructure to prevent, detect, and mitigate cyber threats. Parent Bank already has in place a robust framework supported by experienced staff and appropriate IT infrastructure to minimize the probability of a cyber intrusion. From the onset of the crisis, parent Bank has proactively augmented this framework with a significant number of preparedness and security enhancement actions which will help reduce the impact of any such attacks.

Greek economy perspectives for 2023

Greece's growth performance in the current year, but also in the medium term, is expected to be supported by the following factors:

- Solid investment growth, on the back of a strong pipeline of private investment and increasing impact of the Recovery & Resilience Facility ("RRF"). Gross fixed capital formation is expected to rise at a double-digit pace, for a 3rd consecutive year, bolstered by positive demand prospects, high capacity-utilization rates and strong profitability. Moreover, the impact from the investment of RRF will start to show from 2023 onwards, due to time lags between the funds' absorption (€11.1 billion of grants and loans, cumulatively, until early-2023, corresponding to about 1/3 of total available funding for Greece) and the final capital spending . Similarly, the €14 billion of inward Foreign direct investment ("FDI") investment in 2020-22 sets the stage for a further strengthening of fixed capital formation .
- The positive momentum of services activities and especially tourism, which are less sensitive to terms-of-trade shocks, input costs and personal income fluctuations. The experience of previous years suggests that external demand for tourism services − especially from euro area countries − exhibits resilience to economic variability but is highly sensitive to geopolitical or health-related risks. Moreover, the pricing power of Greek firms for 2023 has been significantly strengthened by the outstanding performance of Greek tourism in 2022, which bodes well for a further quality upgrade of related services looking forward.
- The underlying fiscal stance will remain supportive towards the most vulnerable population groups and SMEs, to cushion the impact of energy price volatility and core inflation on their disposable income. Substantial financial resources, committed in the 2023 Budget, under far more conservative forecasts of energy price trends, compared with the latest market developments. Moreover, the estimated overperformance in 2022 implies a stronger positive carryover effect, increasing the country's fiscal capacity. The return to a primary surplus of 0.7% of GDP will be based on supportive cyclical factors.
- Modest wage increases, for the first time since the beginning of the Greek crisis. The strength of the labor market recovery, in conjunction with the increase in the minimum wage in 2022, supplemented by an additional hike in 2023 of the order of 5.5% to 9.5%, could entail an adjustment of average private sector hourly wage of c. 4-4.5% y-o-y in 2023, following an estimated 2-3% in 2022 . The transmission to average private sector wages will be partial, and weaker than the euro area average, preserving Greece's cost competitiveness gains in the previous decade.

Economic activity in Greece remained on a solid upward trend in year-over-year ("y-o-y") terms in 2022 and early-2023, according to FY.2022 national accounts data and high frequency indicators available for 1Q.2023, exceeding official and private sector expectations. Greece's Gross Domestic Product ("GDP") growth reached 6.1% y-o-y in FY.2022, strongly outpacing the euro area average (+3.5% y-o-y) for a second consecutive year. The higher-than-expected annual growth outturn mainly reflects: i) an upward revision in 3Q.2022 GDP growth to 4.4% y-o-y from an initial estimate of 2.8% y-o-y, and ii) an acceleration in GDP growth to 5.2% y-o-y in 4Q.2022 (+1.4% quarter-over-quarter ("q-o-q"), seasonally adjusted ("s.a.")), driven by buoyant domestic demand.

The strong economic recovery bolstered the fiscal performance, despite the cost of additional energy support measures. Fiscal data for 2019-2022 (announced by the Hellenic Statistical Authority ("ELSTAT") on 21 April 2023) show that the General Government achieved a marginal primary fiscal surplus of 0.1% of GDP in 2022 (according to the European System of National and Regional Accounts ("ESA") 2010 definition), overperforming the State Budget 2023 estimate for a primary deficit of 1.6% of GDP in 2022 and following a downwardly revised primary deficit of 4.7% of GDP in 2021. For 2023, the State Budget targets to a higher primary surplus of 0.7% of GDP, with increasing margin for a new overperformance. Moreover, Greece's public debt as per cent of GDP recorded for a second consecutive year an outstanding annual decline in 2022 (-23.3 pps), dropping to 171.3% of GDP – the lowest ratio since 2012 – from 194.6% in 2021 and 206.3% in 2020, and is expected to decline further in 2023).

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Headline inflation decelerated at a faster pace in March 2023, with Consumer Price Index ("CPI") growth slowing to a 17-month low of 4.6% y-o-y, from 7.2% in December 2022 and a peak of 12.1% in June 2022. This slowing mainly reflects favorable base effects on energy prices with petrol, heating oil and electricity prices subtracting 3.0 pps from the annual change of CPI. These trends also remain in line with the respective NBG estimates, pointing to an average annual inflation rate of 4-4.5% in FY.2023.

Latest releases of leading and conjunctural indicators of economic activity (namely, economic sentiment, manufacturing PMI, industrial production, business turnover, tourism arrivals by air, labor force survey data etc.) point to significant upside risks to Greece's economic outlook, at least for 1H.2023.

The above trends, in conjunction with a stronger-than-previously-expected carryover effect on activity growth from 2022, led to an upward revision of the parent Bank forecasts of GDP growth compared with the 4Q.2022 estimates. In this context, Greece's GDP is expected to grow at an average annual pace of 2.3% in the baseline scenario in 2023-2027, whereas the optimistic and the adverse scenarios envisage average annual GDP changes of 3.3% and -0.4%, respectively, in the same period. Moreover, in view of the increased probability of formation of a single-party government in a second parliamentary elections following the result of the 21 May 2023 elections, the risks related to political instability and/or policy continuity appear limited and offset by the sound fiscal position and strong growth catalysts in the near term.

On the other hand, the negative impact on activity from the ongoing monetary policy tightening worldwide and the incidences of banking sector turbulence in March 2023 (Silicon Valley Bank, Credit Suisse) is likely to become evident with a time lag. However, Greece shows less sensitivity to the near-term tightening in financial conditions, due to the relatively low leverage of the private sector and the unique characteristics of public debt, which are combined with substantial cash buffers of financially stronger companies and households, as well as the State. In conclusion for 2023, geopolitical uncertainty due to the ongoing crisis in Ukraine, constitutes the most important factor in the volatility of the performance of the global economy and the business sectors.

Going concern conclusion

Management of the parent Bank concluded that a going concern issue does not exist after considering a) the significant recurring profitability (b) its significant collateral buffer and Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") which is well above 100% (c) the current level of European Central Bank ("ECB") funding solely from Targeted Long-term Refinancing Operations ("TLTROs") (d) the parent Bank Common Equity Tier 1 ("CET1") ratio at 31 March 2023 which exceeded the Overall Capital Requirements ("OCR"), (e) the increasing support from the Recovery and Resilience Facility ("RRF"), (f) the activation of new fiscal measures in response to pressures from increased inflation and (g) the parent Bank insignificant exposure to Russia and the Ukraine and all actions with respect to the crisis.

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 (2023) 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 2022

-IFRS 16 (Amendment): COVID-19-Related Rent Concessions (effective for annual periods beginning on or after 1 April 2021 and effective for the consolidated and separate Financial Statements from 1 January 2022). The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022. The adoption of this amendment did not have an impact on the Company's Financial Statements.

-IAS 16 (Amendments): Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on 1 January 2022). 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. The adoption of these amendments did not have any effect on the Company's Financial Statements.

-IAS 37 (Amendments): Onerous Contracts: Cost of Fulfilling a Contract (effective for annual periods beginning on 1 January 2022). The amendments specify which costs a company includes when assessing whether a contract will be loss-making. The adoption of these amendments did not have an impact on the Company's Financial Statements.

-Annual Improvements to IFRS Standards 2018–2020 Cycle (effective for annual periods beginning on or after 1 January 2022, as issued by the IASB). The amendments applicable to the Company are:

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IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. Only fees paid or received between the entity (the borrower) and the lender are included, including fees paid or received by either the entity or the lender on the other's behalf. The adoption of this amendment did not have an impact on the Company's Financial Statements.

IFRS 16: Lease Incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor, in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The adoption of this amendment did not have an impact on the Company's Financial Statements.

The amendments to existing standards effective from 1 January 2022 have been endorsed by the EU.

New standards and amendments to existing standards effective after 2022

Amendments

-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'. The Company is currently assessing the impact of this amendment, but taking into account the fact that the significant accounting policies disclosed in Note 2 "Summary of significant accounting policies" of Financial Statements include all material accounting policies, and expect to disclose fewer accounting policies for the annual reporting period beginning 1 January 2023.

-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. There was no impact on Company's Financial Statements from the adoption of this amendment.

-IAS 12 (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023). These amendments clarify and narrow the scope of the exemption provided by the IAS 12 "Income Taxes" standard allowing institutions to not recognise any deferred tax during the initial recognition of an asset and a liability. All leases and decommissioning obligations are excluded from the exemption scope for which companies recognise both an asset and a liability and will now have to recognise deferred taxes. From the date of first application of IFRS 16 "Leases", the Company has considered the right of use assets and the lease-related liabilities as a single transaction. Consequently, on the initial recognition date, the amount of deferred tax asset offsets the amount of deferred tax liability. The net temporary differences resulting from later variations in the right of use assets and lease liabilities subsequently result in a deferred tax asset as of 1 January 2023 which is subject to the recoverability criteria of IAS 12 "Income Taxes". There was no impact on the Company's Financial Statements from the adoption of these amendments.

-IFRS 16 (Amendment): Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024). The amendment clarifies how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The requirements are applied retrospectively back to sale and leaseback transactions that were entered into after the date of initial application of IFRS 16.

-IAS 1 (Amendments): Classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2024). The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The amendments also clarify that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are expected to be effective for annual periods beginning on or after January 1, 2024 with early adoption permitted. The Company presents the Statement of Financial Position on a liquidity basis and this amendment may affect the presentation of such liabilities if any.

The amendments to existing standards effective after 2022 have been endorsed by the EU, except for the amendments to IAS 1: "Classification of liabilities as current or non-current" and "Non-current Liabilities with Covenants" and the amendment to IFRS 16: "Lease Liability in a Sale and Leaseback", which have not 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 recognized in the statement of total comprehensive.

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.

The new definition of default results in classification of exposures (except for those held for trading or debt securities where the borrower has no other exposures with the Group) into Stage 3 according to the following main criteria:

a) Unpaid payments of over €500 for more than 90 consecutive days, representing at least 1% of the total exposure of the obligor. 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 three-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 obligors 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 recognised in the Income Statement for instruments measured at fair value that represent credit risk impairment.

The adoption of the new definition of default did not have a material impact on Company’s financial statements.

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 recognizes an ECL allowance for such losses at each reporting date. The measurement of ECL reflect:

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- 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.

Notes to the Financial Statements

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.

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.

IBOR Reform- Treatment of changes in the basis for determining the contractual cash flow of financial assets and liabilities

The basis for determining the contractual cash flows of a financial asset or liability may be modified:

- either by amending the contractual terms and conditions set during the initial recognition of the financial instrument (e.g.: when the agreement is renegotiated, the contractual terms and conditions are amended to replace the initial reference interest rate by an alternative one),
- or by applying the appropriate external dispositions without requiring a change in contractual terms (e.g.: the method for determining the reference interest rate is modified without any change in the contractual terms and conditions, i.e., the EONIA has been quoted by reference to the €STER + 8.5bp since October 2019),
- or as a result of the activation of an existing contractual term or condition (example: application of the contractual rate replacement provision, or "Fallback" provision).

If, in the context of the IBOR reform, there is a change in the basis for determining the contractual cash flows of a financial asset or liability at amortised cost, the reassessment of the contractual cash flows is regarded as a modification of the EIR applied to determine the future interest income or expense and does not generate a gain or loss in the Income Statement.

This treatment depends on compliance with the following conditions:

- a change in the basis for determining the contractual cash flows is required and results directly from the IBOR reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the former basis used before the change.

The cases giving rise to a new basis for determining the contractual cash flows considered economically equivalent to the former basis are, for example:

- the replacement of an existing reference interest rate used to determine the contractual cash flows of a financial asset or liability by:
    - an alternative reference interest rate (or by changing the method used to determine the reference interest rate in question), with
    - the addition of a fixed spread necessary to compensate for the difference in basis between the existing reference interest rate and the alternative one;
- changes in the determination of the amount of interest resulting from the use of a new reference interest rate; and
- the addition of a Fallback provision to the contractual terms and conditions of a financial asset or liability to allow for the implementation of the changes described above (such as replacement of the rate).

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 IBOR reform

The interest rate benchmark reform, initiated by the Financial Stability Board in 2014, aims at replacing these benchmark rates with alternative rates, in particular the Risk-Free Rates ("RFR"). This reform accelerated on 5 March 2021, when the Financial Conduct Authority, the supervisor of LIBOR, announced the official dates for the cessation and loss of representativeness:

- EUR and CHF LIBOR (all terms); GBP and JPY LIBOR (terms: overnight, 1 week, 2 months and 12 months); LIBOR USD (terms: 1 week and 2 months): the publication of these benchmark settings contributed by a panel of banks has permanently ceased as of 1 January 2022.

Besides, regarding the major euro area interest rate benchmark indexes:

- EURIBOR: European Money Markets Institute ("EMMI"), administrator of the index, does not plan to cease its publication. The EURIBOR will thus be maintained in the coming years.
- EONIA: its publication ceased definitively on 3 January 2022. The successor rate recommended by the ECB working group on the euro area is the €STR on which the EONIA was based since end 2019.

In parallel, other interest rate indexes based on LIBOR are also subject to reform (e.g. SOR, MIFOR, THBFIX, ICE swap rate). Local regulators or administrators continue clarifying the roadmap and issuing recommendations to reduce the risks associated with these transitions.

Impact of the reform to the Company

With the cessation deadlines announced for LIBOR and EONIA in mind, the public authorities and the working groups set up by the central banks issued recommendations to the industry. These recommendations aim at stopping the production of new contracts referencing these indexes as well as at migrating the existing contracts referencing said indexes to alternative benchmark rates. The Company in cooperation with parent Bank relevant Corporate Banking business lines took the following steps with respect to the Reform:

- strengthening of the new contracts through the inclusion of fallback clauses and risk warnings;
- fair and homogenous treatment of customers through the involvement of the compliance teams in the renegotiations of contracts.

In 2022 the Company focused its action on transitioning its agreements referencing USD Libor, achieved substantially all of its legal transition program regarding the Factoring contracts.

Financial assets and liabilities impacted by the interest rate benchmarks reform are as follows:

Current benchmark interest rates	New risk-free rates likely to/or has replaced current benchmark interest rates	Financial assets impacted by the reform	Financial liabilities impacted by the reform
		Carrying value (amounts in € thousand)	
Indices whose listing ends on 30.06.2023			
LIBOR - London Interbank Offered Rate - USD	Secured Overnight Financing Rate (SOFR)	34,883	26,285
Total		**34,883**	**26,285**

The risks related to the IBOR reform are now mainly limited to USD LIBOR for the period running until June 2023. They have been identified as follows:

- programme governance and execution risk, liable to cause delays and loss of opportunities, is monitored as part of the work of regular committees and arbitration bodies;
- legal documentation risk, liable to lead to post-transition litigations, is managed through fallback clauses inserted in the contracts depending on the availability of market standards;
- market risk, with the creation of a basis risk between the rate curves associated with the different indexes, is the subject of close monitoring and supervision;
- operational risks in the execution of the transition of transactions, depending in particular on the willingness and preparedness of our counterparties, the volume of transactions to be migrated and their spread over time;
- regulatory risk managed according to the Group guidelines which are in line with the recommendations of the regulators and working groups on the LIBOR transition; these guidelines concern the products which, by exception, continue referencing USD LIBOR;
- misconduct risk, related to the end of LIBOR, notably managed through:

- specific guidelines detailed by business line;
- training of the teams;
- communications to customers regarding the transition-related risks, the alternative solutions that may be implemented, and on how they could be affected.

Based on the progress made to date, the Company in cooperation with parent Bank relevant Corporate Banking business lines, is confident in its operational capacity to manage the transition to the new benchmark rate.

2.9 Offsetting

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

2.10 Interest income and expense

Interest income and expense are recognised in the statement of 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.

2.11 Fees and commissions

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

2.12 Property & Equipment

Property and equipment include mainly equipment, held by the Company for 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 capitalized, 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 derecognized. 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.

2.13 Software and other intangible assets

Software includes costs that are directly associated with identifiable and unique software products controlled by the Company that are anticipated to generate future economic benefits exceeding costs beyond one year. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognized as a capital improvement and added to the original cost of the software. Software is amortized using the straight-line method over the useful life, not exceeding a period of 12 years.

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

2.14 Leases

2.14.1 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.

2.14.2 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”.

2.14.3 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.

2.15 Cash and cash equivalents

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

Notes to the Financial Statements

2.16 Provisions

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

2.17 Employee Benefits

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

The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis at the end of each annual reporting period, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or estimates of rates which take into account the risk and maturity of the related liabilities where a deep market in such bonds does not exist.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability/(asset). Service cost (current service cost, past service cost (including the effect of curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset) are charged to Statement of 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..

2.18 Income taxes

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

2.19 Debt securities in issue and other borrowed funds

Debt securities issued and other borrowed funds are initially recognized at fair value net of transaction costs incurred. Subsequent measurement is at amortized cost and any difference between net proceeds and the redemption value of debt securities issued and other borrowed funds is recognized in the 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.

2.20 Share capital

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

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

2.21 Related party transactions

Related parties include entities of National Bank of Greece (NBG) Group. Furthermore, related parties include directors, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating policies. All 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.

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 2022.

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 2023-2027 forecasts for each key variable and macroeconomic scenario are the following:

	Baseline	Optimistic	Pessimistic
GDP growth rate	2.0%	3.3%	-0.5%

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 €219.0 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 €32.4 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. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Additional information related to other key assumptions for defined benefit obligations is disclosed in Note 19 "Retirement benefit obligation".

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Notes to the Financial Statements

NOTE 4: Net interest income

The net interest income is analyzed as follows:

Amounts in €	31.12.2022	31.12.2021
Interest earned on		
Amounts due from banks	1,371	2,255
Amounts due from customers	21,187,491	15,817,462
Total	**21,188,862**	**15,819,717**
Interest payable on		
Amounts due to banks	(1,056,591)	(783,028)
Amounts due to other financial institutions	(550,084)	(624,611)
Debt securities in issue	(8,359,926)	(5,097,119)
Lease liability	(6,516)	(7,873)
Total	**(9,973,117)**	**(6,512,631)**
Net interest income	**11,215,745**	**9,307,086**

NOTE 5: Net fee and commission income

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

Amounts in €	31.12.2022	31.12.2021
Commission income		
Business loans	9,483,840	8,553,426
Total	**9,483,840**	**8,553,426**
Commission expense		
Business loans	(224,154)	(175,781)
Other	(3,630,216)	(3,440,476)
Total	**(3,854,370)**	**(3,616,257)**
Net fee and commission income	**5,629,470**	**4,937,169**

Other commission expense of €3,630,216, includes a fee of €3,514,080 to the parent company National Bank of Greece S.A. for client recommendation services (2021: €3,203,444).

NOTE 6: Other income

Other 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.

NOTE 7: Personnel expenses

The personnel expenses are analyzed as follows:

Amounts in €	31.12.2022	31.12.2021
Salaries	(852,845)	(793,480)
Social security costs	(185,345)	(177,480)
Defined benefit plans (Note 19)	(9,999)	(4,075)
Other staff related benefits	(35,508)	(47,961)
Total	**(1,083,697)**	**(1,022,996)**

The average number of employees for the Company during the period 1 January 2022 up to 31 December 2022 was 36 employees (2021: 35).

Notes to the Financial Statements

NOTE 8: General, administrative & other operating expenses

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

Amounts in €	31.12.2022	31.12.2021
Rentals & software expenses	(124)	(93)
Duties and taxes	(1,718)	(1,668)
Promotion & advertising expenses	(113,503)	(84,033)
Insurance costs	(668,257)	(277,561)
Third party fees	(824,845)	(629,992)
Legal expenses	(595)	(8,564)
Travel expenses	(37,761)	(26,300)
Other operating expenses	(71,492)	(94,801)
Total	**(1,718,295)**	**(1,123,012)**

NOTE 9: Tax expense

The tax expense is analyzed as follows:

Amounts in €	31.12.2022	31.12.2021
Current tax	2,079,122	1,926,524
Occupational tax	1,000	1,000
Deferred taxes (Note 14)	894,300	512,792
Total	**2,974,422**	**2,440,316**

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

Amounts in €	31.12.2022	31.12.2021
Profit before tax	13,930,608	13,680,108
Tax calculated based on the current tax rate 22% (2021: 22%)	3,064,734	3,009,624
Increase/(Decrease) arising from:		
Expenses not deductible for tax purposes	(91,312)	(96,180)
Effect of changes in tax rates	-	(474,128)
Occupational tax	1,000	1,000
Income tax expense	**2,974,422**	**2,440,316**
Effective tax rate for the period	**21,3%**	**17,8%**

The current income tax liability as of 31 December 2022 and 2021 is analyzed as follows::

Amounts in €	31.12.2022	31.12.2021
Current income tax liability	2,079,122	1,926,524
Increase/(Decrease) arising from:		
Current income tax advance	(1,541,219)	(1,421,740)
Total income tax liability	**537,903**	**504,784**

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%. 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).

Notes to the Financial Statements

The unaudited tax year of the Company is 2022 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, 1 October 2020, 8 October 2021 and 13 September 2022 respectively. The right of the Greek tax authority to issue an income tax statement until the fiscal year of 2016 was time-barred as at 31.12.2022. From tax years from 2017 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 €	31.12.2022	31.12.2021
Cash in hand	539	913
Sight deposits	9,417,678	28,144,746
Total	**9,418,217**	**28,145,659**

NOTE 11: Loans and advances to customers

Loans and advances to customers are analyzed as follows:

Amounts in €	31.12.2022	31.12.2021
Domestic Factoring with recourse	297,638,964	243,959,652
Domestic Factoring without recourse	212,514,081	168,028,000
Invoices discounting	73,906,796	123,958,223
International Factoring	108,869,093	44,883,256
Total	**692,928,934**	**580,829,131**
Less: Allowance for impairment on loans and advances to customers	(3,033,851)	(2,627,842)
Total loans and advances to customers	**689,895,083**	**578,201,289**

Notes to the Financial Statements

Loans and advances to customers at amortised cost 2022

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired		Total
			Individually assessed	Collectively assessed	
Large corporate					
Gross carrying amount	431,737,652	29,797,529	982,579	4,285	462,522,045
ECL allowance	(296,701)	(264,781)	(982,349)	(235)	(1,544,066)
Net carrying amount	**431,440,951**	**29,532,748**	**230**	**4,050**	**460,977,979**
SME's					
Gross carrying amount	216,500,133	6,698,243	748,755	-	223,947,131
ECL allowance	(227,780)	(61,991)	(748,552)	-	(1,038,323)
Net carrying amount	**216,272,353**	**6,636,252**	**203**	**-**	**222,908,808**
Small Business Lending					
Gross carrying amount	6,018,505	-	441,253	-	6,459,758
ECL allowance	(60,763)	-	(390,699)	-	(451,462)
Net carrying amount	**5,957,742**	**-**	**50,554**	**-**	**6,008,296**
Total loans and advances to customers					
Gross carrying amount	654,256,290	36,495,772	2,172,587	4,285	692,928,934
ECL allowance	(585,244)	(326,772)	(2,121,600)	(235)	(3,033,851)
Net carrying amount	**653,671,046**	**36,169,000**	**50,987**	**4,050**	**689,895,083**

Notes to the Financial Statements

Loans and advances to customers at amortised cost 2021

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired Individually assessed	Stage 3 Impaired Collectively assessed	Total
Large corporate					
Gross carrying amount	334,346,421	39,708,196	991,764	4,285	375,050,666
ECL allowance	(171,165)	(158,131)	(991,549)	(103)	(1,320,948)
Net carrying amount	**334,175,256**	**39,550,065**	**215**	**4,182**	**373,729,718**
SME's					
Gross carrying amount	189,765,343	7,729,098	752,858	7,385	198,254,684
ECL allowance	(135,965)	(34,652)	(752,652)	(258)	(923,527)
Net carrying amount	**189,629,378**	**7,694,446**	**206**	**7,127**	**197,331,157**
Small Business Lending					
Gross carrying amount	7,160,989	-	360,799	1,993	7,523,781
ECL allowance	(22,465)	-	(360,799)	(103)	(383,367)
Net carrying amount	**7,138,524**	**-**	**-**	**1,890**	**7,140,414**
Total loans and advances to customers					
Gross carrying amount	531,272,753	47,437,294	2,105,421	13,663	580,829,131
ECL allowance	(329,595)	(192,783)	(2,105,000)	(464)	(2,627,842)
Net carrying amount	**530,943,158**	**47,244,511**	**421**	**13,199**	**578,201,289**

As at 31 December 2022 the Company retained collaterals secured the credit risk exposure of loans and advances to customers derives from factoring contracts. The aforementioned collaterals consists of clients invoices and receivable cheques. 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 2022

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Balance 31.12.2021 and 01.01.2022	**329,595**	**192,783**	**2,105,464**	**2,627,842**
Transfer to stage 1 (from 2 or 3)	68,031	(68,031)	-	-
Transfer to stage 2 (from 1 or 3)	(13,644)	13,644		-
Transfer to stage 3 (from 1 or 2)	(30,000)	-	30,000	-
Net remeasurement of loss allowance (a)	91,177	128,728	(13,629)	206,276
Impairment losses on new assets (b)	140,085	59,648	-	199,733
Impairment losses on loans (a+b)	**231,262**	**188,376**	**(13,629)**	**406,009**
Balance 31.12.2022	**585,244**	**326,772**	**2,121,835**	**3,033,851**

Notes to the Financial Statements

Movement in the ECL allowance on loans and advances to customers 2021

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Balance 31.12.2020 and 01.01.2021	**275,418**	**151,264**	**3,426,932**	**3,853,614**
Transfer to stage 1 (from 2 or 3)	35,611	(35,611)	-	-
Transfer to stage 2 (from 1 or 3)	(22,938)	90,467	(67,529)	-
Transfer to stage 3 (from 1 or 2)	(206)	-	206	-
Net remeasurement of loss allowance (a)	(32,911)	(84,212)	(1,254,372)	(1,371,495)
Impairment losses on new assets (b)	74,621	70,875	227	145,723
Impairment losses on loans (a+b)	**41,710**	**(13,337)**	**(1,254,145)**	**(1,225,772)**
Balance 31.12.2021	**329,595**	**192,783**	**2,105,464**	**2,627,842**

NOTE 12: Software and other intangible assets

Software and other intangible assets are analyzed as follows:

Amounts in €	Software	Total
Cost at 1 January 2021	606,542	606,542
Additions	157,667	157,667
Cost at 31 December 2021	**764,209**	**764,209**
Accumulated depreciation at 1 January 2021	**(300,295)**	**(300,295)**
Depreciation	(67,570)	(67,570)
Accumulated depreciation at 31 December 2021	**(367,865)**	**(367,865)**
Net book amount at 31 December 2021	**396,344**	**396,344**
Cost at 1 January 2022	764,209	764,209
Additions	-	-
Cost at 31 December 2022	**764,209**	**764,209**
Accumulated depreciation at 1 January 2022	**(367,865)**	**(367,865)**
Depreciation expense for the period	(91,297)	(91,297)
Accumulated depreciation at 31 December 2022	**(459,162)**	**(459,162)**
Net book amount at 31 December 31.12.2022	**305,047**	**305,047**

The additions during 2021 relates to the procurement of new software, whereas are in production environment since 1 January 2022.

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 2021	**59,727**	**408,810**	**84,370**	**552,907**
Additions	611	-	-	611
Modifications / Remeasurements	-	-	-	-
Cost at 31 December 2021	**60,338**	**408,810**	**84,370**	**553,518**
Accumulated depreciation at 1 January 2021	(55,629)	(99,117)	(46,935)	(201,681)
Depreciation expense for the period	(1,185)	(41,929)	(15,668)	(58,782)
Accumulated depreciation at 31 December 2021	**(56,814)**	**(141,046)**	**(62,603)**	**(260,463)**
Net book amount at 31 December 2021	**3,524**	**267,764**	**21,767**	**293,055**
Cost at 1 January 2022	60,338	408,810	84,370	553,518
Additions	681	-	-	681
Modifications / Remeasurements	-	(142,945)	997	(141,948)
Cost at 31 December 2022	**61,019**	**265,865**	**85,367**	**412,251**
Accumulated depreciation at 1 January 2022	(56,814)	(141,046)	(62,603)	(260,463)
Depreciation expense for the period	(1,184)	(41,929)	(13,670)	(56,783)
Accumulated depreciation at 31 December 2022	**(57,998)**	**(182,975)**	**(76,273)**	**(317,246)**
Net book amount at 31 December 2022	**3,021**	**82,890**	**9,094**	**95,005**

On December 31, 2022, due to change of the Company's central office premises, the relevant lease agreement was terminated. The Company signed a new lease agreement starting from 01.01.2023. The above change had no impact on the Statement of Comprehensive Income.

Notes to the Financial Statements

NOTE 14: Deferred tax assets and liabilities

Deferred tax assets and liabilities are analyzed as follows:

Amounts in €	Balance 31/12/2021	Recognition in Total Comprehensive Income	Recognition in Other Comprehensive Income	Recognition in Equity	Balance 31/12/2022
Deferred tax assets:					
Share capital issue costs	2,979	(2,420)	-	-	559
Retirement benefit obligations	3,758	2,197	(1,174)	-	4,781
Debt securities issue costs	-	-	-	-	-
RoU assets	2,935	(2,309)	-	-	626
Total deferred tax assets	**9,672**	**(2,532)**	**(1,174)**	**-**	**5,966**
Deferred tax liabilities:					
Loans and advances to customers	(6,163,920)	(883,619)	-	-	(7,047,539)
Long term amortization expenses	(32,635)	4,318	-	-	(28,317)
Debt securities issue costs	(14,672)	(12,467)	-	-	(27,139)
Total deferred tax liabilities	**(6,211,227)**	**(891,768)**	**-**	**-**	**(7,102,995)**
Net deferred tax liability	**(6,201,555)**	**(894,300)**	**(1,174)**	**-**	**(7,097,029)**

Amounts in €	Balance 31/12/2020	Recognition in Total Comprehensive Income	Recognition in Other Comprehensive Income	Recognition in Equity	Balance 31/12/2021
Deferred tax assets:					
Share capital issue costs	5,799	(2,820)		-	2,979
Retirement benefit obligations	3,177	709	(128)	-	3,758
Debt securities issue costs	702	(702)	-	-	-
RoU assets	2,434	501	-	-	2,935
Total deferred tax assets	**12,112**	**(2,312)**	**(128)**	**-**	**9,672**
Deferred tax liabilities:					
Loans and advances to customers	(5,655,740)	(508,180)	-	-	(6,163,920)
Long term amortization expenses	(45,008)	12,373	-	-	(32,635)
Debt securities issue costs	-	(14,672)	-	-	(14,672)
Total deferred tax liabilities	**(5,700,748)**	**(510,479)**	**-**	**-**	**(6,211,227)**
Net deferred tax liability	**(5,688,636)**	**(512,791)**	**(128)**	**-**	**(6,201,555)**

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 €	31.12.2022	31.12.2021
Prepaid expenses	74,343	51,616
Vendors’ prepayments	21,432	8,980
Total	**95,775**	**60,596**

Τα λοιπά στοιχεία ενεργητικού αφορούν προπληρωθέντα έξοδα συνδρομών, ασφαλίστρων και αμοιβών για υπηρεσίες μηχανογραφικής υποστήριξης, καθώς και προκαταβολές σε προμηθευτές.

NOTE 16: Due to banks (or financial institutions)

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

Amounts in €	31.12.2022	31.12.2021
Due to banks	76,212,566	36,978,030
Due to financial institutions	30,068,217	50,051,389
Total	**106,280,783**	**87,029,419**

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, where was increased during 2022 to €30,000,000. Interest rate is calculated with three (3) or six (6) month Euribor at the discretion of the issuer, plus margin. On 20 July 2020 and 15 June 2022 the Company disbursed €10,000,000 and €20,000,000 accordingly of 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, whereas on 26 April 2021 repaid the capital and the respective accrued interests. On 15 June 2021 the Company re-activated the aforementioned credit facility, whereas on 10 June 2022 fully repaid the capital amounted to €40,000,000 and the respective accrued interests.

Movement of debt securities in issue

Amounts in €	2022	2021
Balance at 1 January	**87,029,419**	**62,458,448**
Additions within the period	60,000,000	53,096,821
Redemptions within the period	(40,816,853)	(28,577,239)
Accrued interest	68,217	51,389
Balance at 31 December	**106,280,783**	**87,029,419**

Notes to the Financial Statements

NOTE 17: Debt securities in issue

Bond Loans

On 23 June 2021 the Company entered into a bond loan agreement with its parent company National Bank of Greece S.A., matured at 29 June 2024, 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 Euribor rate or the one-month, three-month or six month Euribor at the discretion of the issuer, plus margin.

On 31 December 2022 the Company issued in total the bond loan amounted to €300,000,000 according to the referred agreement. The fair value of the aforementioned bond loan at 31 December 2022 was calculated to €299,363,771, 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 19 July 2022 the Company entered into a bond loan agreement with its parent company National Bank of Greece S.A., matured at 19 July 2024, 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 €150,000,000 divided into 150 million bonds with nominal amount of €1 per bond, Interest rate is calculated with the Euribor rate or the one-month, three-month or six month Libor at the discretion of the issuer, plus margin.

On 31 December 2022 the Company issued in total the bond loan amounted to €150,000,000 according to the referred agreement. The fair value of the aforementioned bond loan was calculated 31 December 2022 to €149,106,387, 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 19 July 2022 the Company entered into a bond loan agreement with its parent company National Bank of Greece S.A., matured at 29 June 2024, 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 $100.000.000, divided into 100 million bonds with nominal amount of €1 per bond, Interest rate is calculated with the Libor rate or the one-month, three-month or six month Libor at the discretion of the issuer, plus margin.

On 31 December 2022 the Company issued the bond loan amounted to $28,000,000 according to the referred agreement. The fair value of the aforementioned bond loan was calculated at 31 December 2022 to $27,890,094 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 25 July 2022, the Company fully repaid the capital amounted to €80,000,000 and the respective accrued interests of preexisting bond loan agreement which was issued at 23 June 2021.

On 25 July 2022, the Company fully repaid the capital amounted to $5,000,000 and the respective accrued interests of preexisting bond loan agreement which was issued at 23 June 2021.

Movement of debt securities in issue

Amounts in €	2022	2021
Balance at 1 January	**412,901,609**	**324,728,336**
Additions within the period	311,039,230	520,485,228
Redemptions within the period	(247,773,762)	(432,267,807)
Accrued interest	102,472	25,852
Debt securities issue costs	(56,667)	(70,000)
Balance at 31 December	**476,212,882**	**412,901,609**

The bond loans are fully payable at the maturity date 29 June and 19 July 2024 accordingly. 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 2022 for the bond loan amounted to €102,472 (31 December 2021:€25.852).

Notes to the Financial Statements

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 2022 and 2021 are analyzed as follows:

Amounts in €	31.12.2022	31.12.2021
Overdraft accounts	2,059,810	5,781,688
Collection-only accounts	4,463,000	2,682,054
Total	**6,522,810**	**8,463,742**

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.

liabilities related to employee benefit arrangements are recognised and measured by the Company in accordance with revised IAS 19. The specific retirement benefit of Company is an unfunded defined benefit plan.

In accordance with Greek Law 4046/2012 and Board of Ministers' Decision (6/28.2.2012), from 14 February 2012 onwards, the employment contracts that lapse on attainment of the normal retirement age or based on the particular retirement conditions, are considered as indefinite duration employment contracts and therefore, the provisions for employees statutory retirement indemnity of Greek Law 2112/1920, are applied.

Prior to the enactment of the above Law, the Bank considered the employment contracts with its employees as finite duration contracts; therefore, no provision for staff leaving indemnity was recognized.

On 12 November 2012, the new Greek Law 4093/2012 (GG A' 222) decreased the Greek Law 2112/1920 statutory indemnity scale in case of employee dismissal or normal retirement. The new law restricts the maximum indemnity payable to an employee upon dismissal or retirement, to 12 monthly salaries instead of 24.

The transitional provisions of the law state that for employees who on 12 November 2012 had 17 or more full years of service to the same employer there is an additional monthly salary as indemnity per year and up to 24 monthly salaries. In case of dismissal the additional monthly salary is restricted to 2,000 euros.

Implementation of the IFRS Interpretations Committee Decision relating to the provisions for staff indemnity relating to the accounting for the allocation of the cost of provision for staff indemnity due to retirement based on IAS 19 Employee Benefits

In May 2021, the IFRS Interpretations Committee ("IFRIC") issued the final decision ("Decision") on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19". Based on the above Decision, the way in which the basic principles of IAS 19 were applied in Greece in the past in this regard, and consequently, according to what is defined in the IASB Due Process Handbook (par. 8.6) is differentiated. Therefore, entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies in this regard.

This Decision defines accounting treatment for the formation of the employee benefits for statutory indemnity due to retirement, where according to the provision of the Greek legislation (Greek Law 3198/1955) is capped at 16 years of service within the entity.

The Company followed the implemented guidelines of parent Bank adopted the aforementioned decision retroactively since 1 January 2020.

Notes to the Financial Statements

Pension costs – defined benefit plans

	31.12.2022	31.12.2021
Service cost	9,914	4,009
Net interest expense on the net defined benefit liability/(asset)	85	66
Regular charge in the Total Comprehensive Income	**9,999**	**4,075**

Reconciliation of defined benefit obligation

	31.12.2022	31.12.2021
Defined benefit obligation at the beginning of the period	17,075	13,240
Service cost	9,914	4,009
Interest cost	85	66
- Loss/(Gain) - financial assumptions	(5,844)	-
- Loss/(Gain) – experience adjustments	504	(240)
Defined benefit obligation recognized at SOFP	**21,734**	**17,075**

Movement in net liability

	31.12.2022	31.12.2021
Net liability at the beginning of the period	17,075	13,240
Adjustment due to change in accounting policy	-	-
Total expense recognized in the statement of total comprehensive income	9,999	4,075
Amount recognized in the OCI	(5,340)	(240)
Net liability at the end of the period	**21,734**	**17,075**

Remeasurements on the net liability

	31.12.2022	31.12.2021
Liability (gain)/loss due to changes in assumptions	5,844	-
Liability experience (gain)/loss arising during the year	(504)	240
Total amount recognized in OCI	**5,340**	**240**

The actuarial report was developed by the accredited company "AON Hewitt" after the year end of 2022. The key assumptions used for the calculation of the pension costs of the defined benefits plans for 2022 and 2021 are the following:

Weighted average assumptions	2022	2021
Discount rate	3.75%	0.50%
Price inflation	2.50%	2.00%
Rate of compensation increase	3.00%	1.50%
Plan duration	11.28	11.27

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet.

Sensitivity analysis of significant actuarial assumptions

		31 December 2022
Actuarial assumption	Change in assumptions	Increase / (decrease) in defined benefit obligation
Discount rate	Increase by 50 basis points	-5.3%
	Decrease by 50 basis points	5.6%
Price inflation	Increase by 50 basis points	2.2%
	Decrease by 50 basis points	-2.1%
Rate of compensation increase	Increase by 50 basis points	3.5%
	Decrease by 50 basis points	-3.3%
Pension growth rate	Increase by 50 basis points	-%
	Decrease by 50 basis points	-%
Life Expectancy	Plus 1 year	0.6%
	Minus 1 year	-0.7%

No compensation costs are expected to occur in 023.

NOTE 20: Other liabilities

Other liabilities are analyzed as follows:

Amounts in €	31.12.2022	31.12.2021
Taxes payable – (other than income taxes)	598,619	320,331
Social security funds	62,772	43,599
Creditors	1,777,906	1,667,209
Accrued expenses and deferred income	6,708	10,664
Payroll related accruals	1,889	1,173
Lease liability	94,831	302,874
Other	400	400
Total	**2,543,125**	**2,346,250**

Creditors amounted €1,777,906, includes €1,195,694 (2021: €1,185,450), to the parent company National Bank of Greece S.A. for client recommendation services. This liability was fully repaid on 25 January 2023.

Movement of lease liability

Amounts in €	2022	2021
Balance at 1 January	**302,874**	**357,268**
Additions	681	611
Modifications / Remeasurements	(141,948)	-
Interest Expense	6,516	7,873
Lease payments during the year	(73,291)	(62,878)
Balance at 31 December	**94,831**	**302,874**

NOTE 21: Share capital and share premium

The share capital of the Company as at 31 December 2022 and 31 December 2021 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.

Notes to the Financial Statements

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 2022 the annual General Assembly of Shareholders decided to form statutory reserve of €561,990, derived from the profits of financial year 31 December 2021.

The total statutory reserve for the period ended at 31 December 2022 amounted to €5,170,195.

NOTE 23: Retained earnings

Retained earnings at 31 December 2022 and 2021 amounted to €45,421,224 and €35,027,028 respectively.

Retained earnings as of 31 December 2022 are analyzed as follows:

Amounts in €	
Retained earnings	45,585,114
Capital issue costs, net of tax	(163,900)
Total	**45,421,214**

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

For the financial year ended at 31 December 2022, the Board of Directors will propose to the Annual General Assembly of Shareholders the formation of statutory reserve amounting to €547,809, 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 to 31.12.2022			From 1.1 to 31.12.2021		
	Gross	Tax	Gross	Tax	Gross	Tax
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of the net defined benefit liability/ asset	5,340	(1,174)	4,166	240	(128)	112
Total of items that will not be reclassified subsequently to profit or loss	**5,340**	**(1,174)**	**4,166**	**240**	**(128)**	**112**
Other comprehensive income/(expense) for the period	**5,340**	**(1,174)**	**4,166**	**240**	**(128)**	**112**

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

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%. 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).

The unaudited tax year of the Company is 2022 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, 1 October 2020, 8 October 2021 and 13 September 2022 respectively. The right of the Greek tax authority to issue an income tax statement until the fiscal year of 2016 was time-barred as at 31.12.2022. From tax years from 2017 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 2022 amounted to €959,645,629 (2021: €873,805,099).

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 2022 and 2021, 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.

Notes to the Financial Statements

Maximum exposure to credit risk as at 31.12.2022 before collateral and other credit enhancements

Amounts in €	Portfolio Credit exposures (w/o impairments)	Impairments	Portfolio net Credit exposures
Cash and balances with banks	9,418,217		9,418,217
Loans and advances to customers	692,928,934	(3,033,851)	689,895,083
Total	**702,347,151**	**(3,033,851)**	**699,313,300**

Maximum exposure to credit risk as at 31.12.2021 before collateral and other credit enhancements

Amounts in €	Portfolio Credit exposures (w/o impairments)	Impairments	Portfolio net Credit exposures
Cash and balances with banks	28,145,659	-	28,145,659
Loans and advances to customers	580,829,131	(2,627,842)	578,201,289
Total	**608,974,790**	**(2,627,842)**	**606,346,948**

Credit quality of loans and advances to customers 2022

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%	379,965,792	-	-	379,965,792
2,01%-10,00%	51,771,860	20,965,575	-	72,737,435
10,01%-20,00%	-	3,817,688	-	3,817,688
20,01% and above	-	5,014,266	986,864	6,001,130
Total Gross carrying amount	**431,737,652**	**29,797,529**	**986,864**	**462,522,045**
SME's				
0,01%-2,00%	176,842,416	-	-	176,842,416
2,01%-10,00%	38,860,407	776,962	-	39,637,369
10,01%-20,00%	797,310	1,707,593	-	2,504,903
20,01% and above	-	4,213,688	748,755	4,962,443
Total Gross carrying amount	**216,500,133**	**6,698,243**	**748,755**	**223,947,131**
Small Business Lending				
0,01%-2,00%	-	-	-	-
2,01%-10,00%	-	-	-	-
10,01%-20,00%	6,018,505	-	-	6,018,505
20,01% and above	-	-	441,253	441,253
Total Gross carrying amount	**6,018,505**	**0**	**441,253**	**6,459,758**
Total loans and advances to customers				
0,01%-2,00%	556,808,208	-	-	556,808,208
2,01%-10,00%	90,632,267	21,742,537	-	112,374,804
10,01%-20,00%	6,815,815	5,525,281	-	12,341,096
20,01% and above	-	9,227,954	2,176,872	11,404,826
Total Gross carrying amount	**654,256,290**	**36,495,772**	**2,176,872**	**692,928,934**

Notes to the Financial Statements

Credit quality of loans and advances to customers 2021

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%	309,060,575	-	-	309,060,575
2,01%-10,00%	25,285,846	29,529,796	-	54,815,642
10,01%-20,00%	-	8,727,985	-	8,727,985
20,01% and above	-	1,450,415	996,049	2,446,464
Total Gross carrying amount	**334,346,421**	**39,708,196**	**996,049**	**375,050,666**
SME’s				
0,01%-2,00%	179,708,740	-	-	179,708,740
2,01%-10,00%	10,056,603	6,442,336	-	16,498,939
10,01%-20,00%	-	1,286,408	-	1,286,408
20,01% and above	-	354	760,243	760,597
Total Gross carrying amount	**189,765,343**	**7,729,098**	**760,243**	**198,254,684**
Small Business Lending				
0,01%-2,00%	-	-	-	-
2,01%-10,00%	7,160,989	-	-	7,160,989
10,01%-20,00%	-	-	-	-
20,01% and above	-	-	362,792	362,792
Total Gross carrying amount	**7,160,989**	**-**	**362,792**	**7,523,781**
Total loans and advances to customers				
0,01%-2,00%	488,769,315	-	-	488,769,315
2,01%-10,00%	42,503,438	35,972,132	-	78,475,570
10,01%-20,00%	-	10,014,393	-	10,014,393
20,01% and above	-	1,450,769	2,119,084	3,569,853
Total Gross carrying amount	**531,272,753**	**47,437,294**	**2,119,084**	**580,829,131**

Notes to the Financial Statements

Ageing analysis of loans and advances to customers 2022

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Large corporate				
Current	431,737,652	29,797,529	4,285	461,539,466
91-180 days	-	-	-	-
Past due over 180 days	-	-	982,579	982,579
Gross Balance 31.12.2022	**431,737,652**	**29,797,529**	**986,864**	**462,522,045**
ECL allowance	(296,701)	(264,781)	(982,584)	(1,544,066)
Net carrying amount as at 31.12.2022	**431,440,951**	**29,532,748**	**4,280**	**460,977,979**
SME's				
Current	216,500,133	6,698,243	-	223,198,376
91-180 days	-	-	-	-
Past due over 180 days	-	-	748,755	748,755
Gross Balance 31.12.2022	**216,500,133**	**6,698,243**	**748,755**	**223,947,131**
ECL allowance	(227,780)	(61,991)	(748,552)	(1,038,323)
Net carrying amount as at 31.12.2022	**216,272,353**	**6,636,252**	**203**	**222,908,808**
Small Business Lending				
Current	6,018,505	-	-	6,018,505
91-180 days	-	-	80,457	80,457
Past due over 180 days	-	-	360,796	360,796
Gross Balance 31.12.2022	**6,018,505**	**-**	**441,253**	**6,459,758**
ECL allowance	(60,763)	-	(390,699)	(451,462)
Net carrying amount as at 31.12.2022	**5,957,742**	**-**	**50,554**	**6,008,296**
Total loans and advances to customers				
Current	654,256,290	36,495,772	4,285	690,756,347
91-180 days	-	-	80,457	80,457
Past due over 180 days	-	-	2,092,130	2,092,130
Gross Balance 31.12.2022	**654,256,290**	**36,495,772**	**2,176,872**	**692,928,934**
ECL allowance	(585,244)	(326,772)	(2,121,835)	(3,033,851)
Net carrying amount as at 31.12.2022	**653,671,046**	**36,169,000**	**55,037**	**689,895,083**

Notes to the Financial Statements

Ageing analysis of loans and advances to customers 2021

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Large corporate				
Current	334,346,421	39,708,196	4,285	374,058,902
91-180 days	-	-	-	-
Past due over 180 days	-	-	991,764	991,764
Gross Balance 31.12.2021	**334,346,421**	**39,708,196**	**996,049**	**375,050,666**
ECL allowance	(171,165)	(158,131)	(991,652)	(1,320,948)
Net carrying amount as at 31.12.2021	**334,175,256**	**39,550,065**	**4,397**	**373,729,718**
SME's				
Current	189,765,343	7,729,098	7,385	197,501,826
91-180 days	-	-	-	-
Past due over 180 days	-	-	752,858	752,858
Gross Balance 31.12.2021	**189,765,343**	**7,729,098**	**760,243**	**198,254,684**
ECL allowance	(135,965)	(34,652)	(752,910)	(923,527)
Net carrying amount as at 31.12.2021	**189,629,378**	**7,694,446**	**7,333**	**197,331,157**
Small Business Lending				
Current	7,160,989	-	1,993	7,162,982
91-180 days	-	-	-	-
Past due over 180 days	-	-	360,799	360,799
Gross Balance 31.12.2021	**7,160,989**	**-**	**362,792**	**7,523,781**
ECL allowance	(22,465)	-	(360,902)	(383,367)
Net carrying amount as at 31.12.2021	**7,138,524**	**-**	**1,890**	**7,140,414**
Total loans and advances to customers				
Current	531,272,753	47,437,294	13,663	578,723,710
91-180 days	-	-	-	-
Past due over 180 days	-	-	2,105,421	2,105,421
Gross Balance 31.12.2021	**531,272,753**	**47,437,294**	**2,119,084**	**580,829,131**
ECL allowance	(329,595)	(192,783)	(2,105,464)	(2,627,842)
Net carrying amount as at 31.12.2021	**530,943,158**	**47,244,511**	**13,620**	**578,201,289**

Notes to the Financial Statements

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

Amounts in €	31.12.2022	31.12.2021
Industry & mining	269,128,700	254,045,962
Small scale industry	12,445,857	7,512,496
Trade and services (excl, tourism)	407,677,915	316,836,461
Transportation and telecommunications (excl, shipping)	3,676,462	2,434,212
Less: Credit provisions and other impairment charges	(3,033,851)	(2,627,842)
Total	**689,895,083**	**578,201,289**

As at 31 December 2022 the collaterals secured the credit risk exposure of loans and advances to customersconsists of clients invoices and receivable cheques. The fair value of the above mentioned collaterals amounted to €567,865,854 (2021: €495,933,735). These collaterals do not include customer receivables for factoring loans without recourse and credit balance as at 31 December 2022.

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 2022 and 2021 are analyzed as follows:

Foreign exchange risk concentration 2022

Amounts in €	EURO	USD	GBP	Total
Assets				
Cash and balances with banks	7,532,170	1,865,414	20,633	9,418,217
Loans and advances to customers	655,011,601	34,883,482	-	689,895,083
Software and other intangible assets	305,047	-	-	305,047
Property and equipment	95,005	-	-	95,005
Other assets	95,775	-	-	95,775
Total assets	**663,039,598**	**36,748,896**	**20,633**	**699,809,127**
Liabilities				
Due to banks	106,255,728	25,055	-	106,280,783
Debt securities in issue	449,953,245	26,259,637	-	476,212,882
Due to customers	6,522,682	-	128	6,522,810
Deferred tax liabilities	7,097,029	-	-	7,097,029
Retirement benefit obligations	21,734	-	-	21,734
Current income tax liabilities	537,903	-	-	537,903
Other liabilities	2,543,125	-	-	2,543,125
Total liabilities	**572,931,446**	**26,284,692**	**128**	**599,216,266**
Net on balance sheet position	**90,108,152**	**10,464,204**	**20,505**	**100,592,861**

Notes to the Financial Statements

Foreign exchange risk concentration 2022

ποσά σε €	EURO	USD	GBP	Total
Assets				
Cash and balances with banks	27,880,588	243,315	21,756	28,145,659
Loans and advances to customers	506,574,645	71,626,644	-	578,201,289
Software and other intangible assets	396,344	-	-	396,344
Property and equipment	293,055	-	-	293,055
Other assets	60,596	-	-	60,596
Total assets	**535,205,228**	**71,869,959**	**21,756**	**607,096,943**
Liabilities				
Due to banks	75,554,871	11,474,548	-	87,029,419
Debt securities in issue	359,935,722	52,965,887	-	412,901,609
Due to customers	8,461,743	1,863	136	8,463,742
Deferred tax liabilities	6,201,555	-	-	6,201,555
Retirement benefit obligations	17,075	-	-	17,075
Current income tax liabilities	504,784	-	-	504,784
Other liabilities	2,346,250	-	-	2,346,250
Total liabilities	**453,022,000**	**64,442,298**	**136**	**517,464,434**
Net on balance sheet position	**82,183,228**	**7,427,661**	**21,620**	**89,632,509**

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 a significant 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 31.12.2022

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	-	-	9,247,939	-	-	170,278	9,418,217
Loans and advances to customers	689,895,083	-	-	-	-	-	689,895,083
Other assets	-	-	-	-	-	95,775	95,775
Total assets	**689,895,083**	**-**	**9,247,939**	**-**	**-**	**266,053**	**699,409,075**
LIABILITIES							
Debt securities in issue	(476,053,860)	-	-	-	-	(159,022)	(476,212,882)
Due to customers	-	-	-	-	-	(6,522,810)	(6,522,810)
Other liabilities	-	-	-	-	-	(1,777,906)	(1,777,906)
Lease liability	(1,710)	(3,432)	(13,304)	(48,535)	(27,850)	-	(94,831)
Due to banks	-	-	(106,280,783)	-	-	-	(106,280,783)
Total Liabilities	**(476,055,570)**	**(3,432)**	**(106,294,087)**	**(48,535)**	**(27,850)**	**(8,459,738)**	**(590,889,212)**
Total interest gap of assets & liabilities	**213,839,513**	**(3,432)**	**(97,046,148)**	**(48,535)**	**(27,850)**	**(8,193,685)**	**108,519,863**

Interest rate risk (Gap Analysis) as at 31.12.2021

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	-	-	28,139,993	-	-	5,666	28,145,659
Loans and advances to customers	578,201,289	-	-	-	-	-	578,201,289
Other assets	-	-	-	-	-	60,596	60,596
Total assets	**578,201,289**	**-**	**28,139,993**	**-**	**-**	**66,262**	**606,407,544**
LIABILITIES							
Debt securities in issue	(412,824,368)	-	-	-	-	(77,241)	(412,901,609)
Due to customers	-	-	-	-	-	(8,463,742)	(8,463,742)
Other liabilities	-	-	-	-	-	(1,667,209)	(1,667,209)
Lease liability	(4,617)	(13,967)	(34,816)	(185,742)	(63,732)	-	(302,874)
Due to banks	-	-	(87,029,419)	-	-	-	(87,029,419)
Total Liabilities	**(412,828,985)**	**(13,967)**	**(87,064,235)**	**(185,742)**	**(63,732)**	**(10,208,192)**	**(510,364,853)**
Total interest gap of assets & liabilities	**165,372,304**	**(13,967)**	**(58,924,242)**	**(185,742)**	**(63,732)**	**(10,141,930)**	**96,042,691**

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 2022 and 2021, 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
31.12.2022						
Debt securities in issue	1,511,057	4,987,567	12,082,840	513,377,236	-	531,958,700
Due to customers	6,522,810	-	-	-	-	6,522,810
Other liabilities	1,777,906	-	-	-	-	1,777,906
Lease liability	1,710	3,432	13,304	48,535	27,850	94,831
Due to banks	86,280,783	20,000,000	-	-	-	106,280,783
Total	**96,094,266**	**24,990,999**	**12,096,144**	**513,425,771**	**27,850**	**646,635,030**
31.12.2021						
Debt securities in issue	83,591,296	1,619,331	4,282,504	339,977,161	-	429,470,292
Due to customers	8,463,742	-	-	-	-	8,463,742
Other liabilities	1,667,209	-	-	-	-	1,667,209
Lease liability	4,617	13,967	34,816	185,742	63,732	302,874
Due to banks	37,029,419	10,000,000	40,000,000	-	-	87,029,419
Total	**130,756,283**	**11,633,298**	**44,317,320**	**340,162,903**	**63,732**	**526,933,536**

Notes to the Financial Statements

Liquidity risk analysis as at 31.12.2022

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	9,418,217	-	-	-	-	9,418,217
Loans and advances to customers	277,927,971	239,549,973	169,694,431	2,722,708	-	689,895,083
Other assets	-	-	95,775	-	-	95,775
Total	**287,346,188**	**239,549,973**	**169,790,206**	**2,722,708**	**-**	**699,409,075**
LIABILITIES						
Debt securities in issue	(82,959,090)	-	-	(393,253,792)	-	(476,212,882)
Due to customers	(6,522,810)	-	-	-	-	(6,522,810)
Other liabilities	(1,777,906)	-	-	-	-	(1,777,906)
Lease liability	(1,710)	(3,432)	(13,304)	(48,535)	(27,850)	(94,831)
Due to banks	(86,280,783)	(20,000,000)	-	-	-	(106,280,783)
Total	**(177,542,299)**	**(20,003,432)**	**(13,304)**	**(393,302,327)**	**(27,850)**	**(590,889,212)**
Liquidity gap	**109,803,889**	**219,546,541**	**169,776,902**	**(390,579,619)**	**(27,850)**	**108,519,863**

Liquidity risk analysis as at 31.12.2021

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	28,145,659	-	-	-	-	28,145,659
Loans and advances to customers	235,334,307	203,280,430	137,875,698	1,710,854	-	578,201,289
Other assets	-	-	60,596	-	-	60,596
Total	**263,479,966**	**203,280,430**	**137,936,294**	**1,710,854**	**-**	**606,407,544**
LIABILITIES						
Debt securities in issue	(82,959,090)	-	-	(329,942,519)	-	(412,901,609)
Due to customers	(8,463,742)	-	-	-	-	(8,463,742)
Other liabilities	(1,667,209)	-	-	-	-	(1,667,209)
Lease liability	(4,617)	(13,967)	(34,816)	(185,742)	(63,732)	(302,874)
Due to banks	(37,029,419)	(10,000,000)	(40,000,000)	-	-	(87,029,419)
Total	**(130,124,077)**	**(10,013,967)**	**(40,034,816)**	**(330,128,261)**	**(63,732)**	**(510,364,853)**
Liquidity gap	**133,355,889**	**193,266,463**	**97,901,478**	**(328,417,407)**	**(63,732)**	**96,042,691**

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 2022, the annual cycle of ORMF was implemented, Especially, in the context of ORMF implementation, the following procedures were concluded:

- 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

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 2022 and 2021 was calculated as follows:

Amounts in € '000	31.12.2022	31.12.2021
Basic and total regulatory capital	100,288	89,236
Total risk weighted assets	621,633	502,363
Total ratio	**16.13%**	**17.76%**

NOTE 28: Independent auditor's fees

On 29 June 2022, 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 2022. The following table presents the aggregate fees for professional audit and audit-related services for the years ended at 31 December 2022 and at 31 December 2021 rendered by the Company's principal accounting firm "PricewaterhouseCoopers S.A."

Amounts in €	31.12.2022	31.12.2021
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:

Ποσά σε €	31.12.2022	31.12.2021
Expenses	249,257	183,585
Board of Directors and management fees	**249,257**	**183,585**

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 2022	31 December 2021
ASSETS		
a) Balances with banks		
National Bank of Greece S.A.	9,350,786	28,144,746
b) Loans to customers		
National Bank of Greece S.A.	3,730,835	8,231,743
Total	**13,081,621**	**36,376,489**
LIABILITIES		
a) Due to banks		
National Bank of Greece S.A.	76,212,566	36,978,030
b) Debt securities in issue		
National Bank of Greece S.A.	476,352,882	412,984,942
c) Other Liabilities		
National Bank of Greece S.A.	1,747,493	1,780,354
Ethniki Leasing S.A.	9,351	22,589
PAEGAE S.A.	287	112
Total	**554,322,579**	**451,766,027**
STATEMENT OF TOTAL COMPREHENSIVE INCOME		
INCOME		
a)) Interest income		
National Bank of Greece S.A.	287,483	207,272
Total	**287,483**	**207,272**
EXPENSES		
a) Fee & commission expenses		
National Bank of Greece S.A.	9,422,736	5,887,408
Ethniki Leasing S.A.	296	613
b) Commission expense		
National Bank of Greece S.A.	3,599,016	3,314,365
c) Personnel expenses		
Ethniki Hellenic General Insurance S.A.	7,767	31,023
d) General, administrative and other operating expenses		
National Bank of Greece S.A.	602,871	498,050
PAEGAE S.A.	3,042	90
Ethniki Leasing S.A.	14,413	16,793
Total	**13,650,141**	**9,748,342**
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.	137,434,552	30,037,027
Total	**433,434,552**	**326,037,027**

Notes to the Financial Statements

NOTE 30: Ukraine crisis

Ukraine crisis

On 24 February 2022, Russia invaded Ukraine where in addition to the humanitarian crisis it has caused in the region, it has had negative economic consequences for the global economy mainly through higher energy and commodity prices that have fuelled higher inflation which has produced weaker confidence in households and business. The extent of these effects will depend to a great extent on how the conflict evolves. The invasion also escalated tensions between Russia and the U.S., NATO, the EU and the U.K. The US has imposed and is likely to impose material additional, financial and economic sanctions and export controls against certain Russian organizations and/or individuals, with similar actions implemented by the EU and the U.K. and other jurisdictions. In 2022 the U.S., the EU and the U.K., each imposed packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals; transactions in Russian sovereign debt; investment, trade and financing to and from certain regions of Ukraine. The Company, in cooperation with parent Bank, has taken all necessary measures to comply with sanctions imposed by the competent authorities.

The Company has not any factoring exposures in in these countries. The expected impact was deemed immaterial.

The Company, in total, supported by parent Bank is investing in infrastructure to prevent, detect, and mitigate cyber threats. Parent Bank already has in place a robust framework supported by experienced staff and appropriate IT infrastructure to minimize the probability of a cyber intrusion. From the onset of the crisis, parent Bank has proactively augmented this framework with a significant number of preparedness and security enhancement actions which will help reduce the impact of any such attacks.

NOTE 31: Events after the reporting period

There are no events after the reporting period.

Athens, 26 May 2023

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE MANAGER OF FINANCIAL SERVICES
CHARALAMPOS VOVOS No of Pol. Identity AK 226323	ALEXANDROS KONTOPOULOS No of Pol. Identity X 549459	PANAGIOTIS MAVRAGANIS No of Pol. Identity AP 531098