NBG FACTORS

Annual Financial Report
31 December 2023
in accordance with the International Financial Reporting Standards

Athens, May 2024

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Board of Directors Annual Report
on the Financial Statements of Ethniki Factors Single Member S.A.
for the financial year 2023

According to the provisions of Company's Act and Company's Articles of Association, the activities of the Company during its fifteenth financial year which covers the period from 1 January to 31 December 2023 are presented below.

During 2023, the Company experienced an increase in factoring turnover at rates exceeding the growth of the Greek market. At the same time, it achieved an enhancement in its asset size, total revenues, profitability, and capital structure. Concurrently, the Company's Management implemented a series of projects aimed at a) improving internal processes to increase efficiency, b) better monitoring of assumed risks, c) increasing digital transactions with its clients in an easy, fast, and secure manner, and d) improving processes in human resource management.

A. Company's financial performance

In 2023, the Company continued to expand, at a slower pace compared to 2022. This was due to a) the unstable international economic environment resulting from geopolitical tensions, b) the gradual de-escalation of global inflation, which led to a decrease in product prices and, consequently, the value of commercial transactions, and c) high interest rates, which discouraged businesses from maintaining high levels of factoring balances. On the other hand, the gradual recovery of the credibility of the Greek economy and its enhanced competitiveness—resulting, among other things, in the attraction of significant domestic and foreign investments—as well as the now mature phase of the business cycle in our country, positively contributed to the strengthening of the Company's figures.

On 31 December 2023 Company's loans and advances to customers net to credit provisions amounted to €714,953.5 thousand, recording an increase of 3.6% compared to the corresponding figures of fiscal year of 2022, were reached at €689,895.1 thousand. In total, gross factoring loans during 2020-2023 resulted an increase of 54.4% reflecting company's powerful dynamic development.

Total factoring turnover amounted to €4,599,717.8 thousand against €4,103,565.7 thousand of 2022, recording an increase of 12.1%.

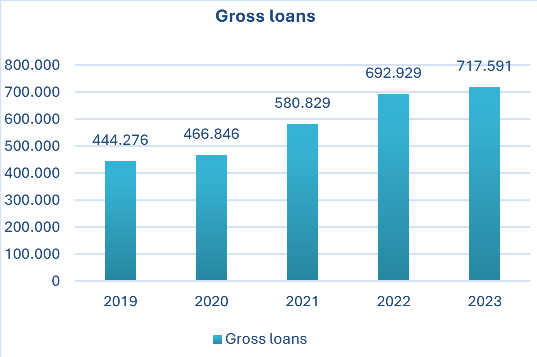
The key financial figures and indicators of the Company for the fiscal year 2023, compared to those of 2022, are summarized as follows:

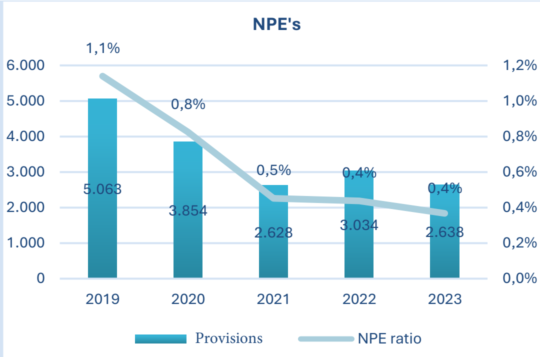
Main Financial Figures	2023	2022	Δ %
			(amounts in € '000)
Gross loans	717,591.0	692,928.9	3.6%
Provisions	2,637.5	3,033.9	-13.1%
Net interest income	12,337.0	11,215.7	10.0%
Net commission income	5,967.3	5,629.5	6.0%
Total income	17,933.8	17,286.7	3.7%
Operating expenses	3,176.0	2,950.1	7.7%
Operating profit	14,757.7	14,336.6	2.9%
PAT	11,337.2	10,956.2	3.5%

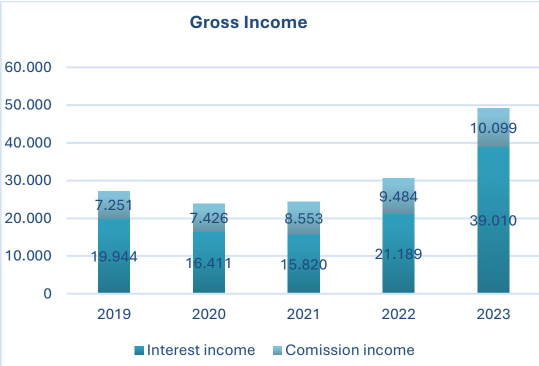
Key Ratios	2023	2022	Δ %
Capital Adequacy Ratio	17.72%	16.13%	9.8%
ROE	10.1%	10.9%	-7.3%
ROA	1.6%	1.6%	0.7%
NPE's ratio	0.37%	0.44%	-15.9%
C/I	17.71%	17.07%	3.8%

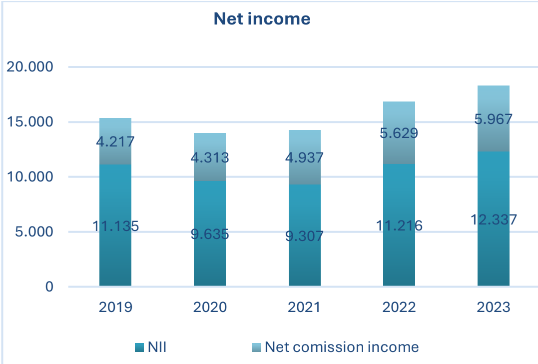
The growth of the key financial figures and the evolution of the main indicators of the Company for the period 2019-2023 are presented graphically as follows:

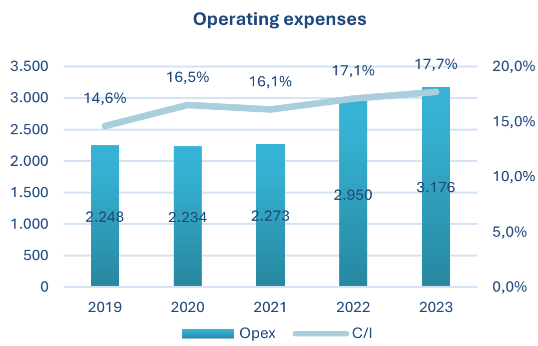
Board of Directors Annual Report

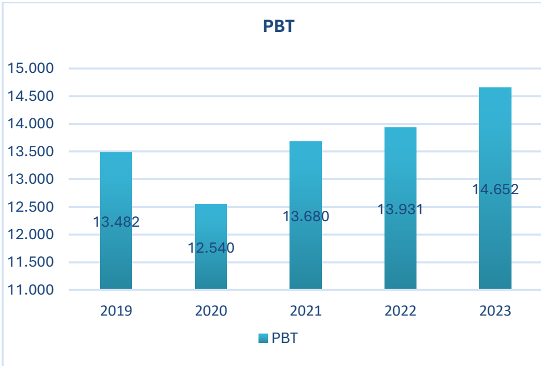












Net interest income amounted to €12,337.0 thousand, compared to €11,215.7 thousand in 2022, marking an improvement of 10.0%. Interest income amounted to €39,010.3 thousand compared to €21,188.9 thousand of 2022, showing an major improvement of 84.1% as a result, firstly, due to the continuing increase in base interest rates throughout the fiscal year and secondly due to the significant increase in average factoring balances performed during the year.

Net fee income amounted to €5,967.3 thousand compared to €5,629.5 thousand in 2022, showing an increase of 6.0%, while fee income amounted to €10,098.9 thousand compared to €9,483.8 thousand in 2022 (+6.5%), as a result of the mild, but continuous growth in the company's operations. Total net operating income amounted to €17,933.8 thousand compared to €17,286.7 thousand in 2022, showing an increase of 3.7%.

Total operating expenses amounted to €3,176.0 thousand (2022: €2,950.1 thousand), of which €1,250.5 thousand (2022: €1,083.7 thousand) related to salaries and personnel expenses, while the remaining expense amount of €1,925.5 thousand (2022: €1,866.4 thousand) 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 17.7% compared to 17.1% of 2022.

As a result of the above, the Company's profit before taxes and provisions amounted to €14,757.7 thousand compared to €14,336.6 thousand in 2022, showing a slight improvement of 2.9%. Net profit after taxes amounted to €11,337.2 thousand compared to €10,956.2 thousand in 2022, also showing an increase of 3.5%.

The Company during its fifteenth financial year charged additional credit provisions amounting to €105.4 thousand compared to €406.0 thousand in 2022, due to improvements in the parameters of the expected credit loss (ECL) calculation model. Total credit provisions charged in statement of financial position amounted to €2,637.5 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 193/2/27.09.2021, 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 2023 and 2022 accordingly.

In 2022 the Company's capital adequacy ratios of basic and total equity amounted to 17,72% against 16,13% in 2022.

Continuation of Business Activity / Conclusion on the Continuation of Business Activity

As a 100.0% subsidiary of the National Bank of Greece S.A., the Company maintains significant synergies with the parent Bank and other Group companies. These synergies are primarily developed in terms of a) sourcing financing for the Company to conduct funding for customers, b) collaborations for servicing and providing integrated solutions to shared clientele, c) outsourcing critical and non-critical functions according to the current Regulatory Framework, and d) other operations. Therefore, the Company largely aligns its operations with the strategy of the parent Bank.

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 parent Bank Common Equity Tier 1 ("CET1") ratio at 31 March 2024 which exceeded the Overall Capital Requirements ("OCR"), (d) the increasing support from the Recovery and Resilience Facility ("RRF"), and (e) the parent Bank insignificant exposure to Russia, Ukraine and Middle East and all Management 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 (2024) and for this reason prepared its own financial statements on a going concern basis.

B. Macroeconomic and Financial environment

1. Key developments in the Macroeconomic environment – Greek Economy

The global economic recovery slowed in 2023, with real gross domestic product ("GDP") increasing by +3.1% from +3.5% in 2022 as monetary policy tightened further to stem elevated inflation. In addition, increased geopolitical uncertainty took their toll on households' spending intentions and businesses' investment decisions. At the same time, global inflation has decelerated to +5.4% year-over-year in November 2023 and is expected to be +6% year-over-year in December 2023 from a multi-year peak of +10.7% in October 2022 due to the downturn in energy prices, with underlying inflation also slowing down, albeit at a slower pace.

Regarding majors, United States ("US") real GDP increased by +2.5%, in 2023 from +1.9% recorded in 2022. Private consumption found support from the use of accumulated savings during the pandemic, as well as from favourable labor market conditions, with the unemployment rate hovering at multi-year lows of 3.7% in December 2023. Residential investment has stopped deteriorating in the last two quarters of the year, following nine consecutive quarters of contracting activity. Inflation, after surging by +8.0%, on average, in 2022, has fallen considerably, with the consumer price index ("CPI") increasing by +3.4% year-over-year in December 2023 and by +4.1%, on average, in 2023.

The euro area economy operates in an environment of heightened geopolitical-related uncertainty, as the war in Ukraine, weigh on consumer and business confidence. Moreover, fiscal policy was less supportive, as Governments rolled back energy-related support measures. All in all, real GDP growth decelerated significantly to +0.5% in 2023 following growth of +3.4% in 2022. Private consumption mirrors weak dynamics of real disposable income due to elevated, albeit lessening, price pressures. Indeed, euro area inflation CPI has decelerated to +2.8% year-over-year in January 2024 and by +5.5%, on average, in 2023 after averaging +8.4% in 2022.

Finally, in China, economic activity improved due to the significant relaxation of COVID-19 restrictions that were effective in mid-2022, with real GDP growth increasing by +5.2% in 2023, from +3.0% in 2022. However, underlying growth dynamics have been muted, with lukewarm business and real estate investment. Inflation

CPI declined by -0.3% year-over-year in December 2023 (+0.2% on average, in 2023), from a mean value of +2.0% in 2022.

Monetary policy has tightened further in response to surging inflation. The Federal Reserve ("Fed") increased its main policy interest rate by 100 basis points in 2023, albeit pausing increases in July 2023, bringing the target policy rate to a range of 5.25% to 5.5%. According to the Summary of Economic Projections ("SEP"), December 2023, participants in the Federal Open Market Committee expect a decline in the Federal Funds rate to 4.6% by end of 2024. In addition, the Fed continues to reduce US Treasury and agency Mortgage-Backed securities holdings by circa USD 95 billion per month, with the balance sheet standing at USD 7.7 trillion or 28% of 2023 GDP from USD 8.6 trillion in 2022. Having said that, the minutes to the December 2023 FOMC meeting revealed that officials anticipate slowing the pace of balance sheet reduction in the course of 2024. Finally, the Fed announced the end of the Bank Term Funding Program ("BTFP") as expected, in March 2024, a key policy measure providing loans to eligible depository institutions with favourable terms, in response to the regional banking crisis in March 2023.

In Europe, the ECB increased all three policy interest rates by 200 basis points in 2023 to stem inflation, albeit pausing rate increases in September 2023. The ECB kept interest rates unchanged in January 2024, as well (4.5% Main Refinancing Operations, 4.75% Marginal Lending Facility and 4.0% Deposit Facility Rate). According to the ECB, the key interest rates are at levels that, maintained for a sufficiently long duration, will make a substantial contribution to bring inflation back to the target of 2.0%.

Regarding large-scale asset purchases, the ECB terminated APP purchases in July 2023. The ECB will continue to reinvest in full during the first half of 2024 the principal payments from maturing securities in the Pandemic Emergency Purchase Programme ("PEPP") portfolio, before reducing the portfolio by circa €45 billion in the second half of 2024 and discontinue reinvestments at the end of 2024. Moreover, since the recalibration of targeted longer-term refinancing operations ("TLTRO III"), euro area banks have made sizable repayments of borrowed funds. As a result, the balance sheet of the Eurosystem has declined to €6.9 trillion or 48% of 2023 GDP from €8.0 trillion in 2022..

Looking forward, the growth rate of the global economy is expected to remain broadly unchanged at a subpar +3.1% in 2024, according to the International Monetary Fund due to the cumulative tightening of financial conditions and the gradual unwinding of fiscal stimulus. Risks are broadly balanced. On the downside, monetary policy rates could remain higher-for-longer-than-anticipated due to persistently elevated inflation, jeopardizing a soft landing for the global economy. The prolonged war in Ukraine remains a source of concern, with any escalation jeopardizing to disrupt gas supplies to Europe, hurting, initially, the industrial sector of the economy and pushing up global energy prices, fueling inflation further. In addition, the Middle East and Red Sea conflicts have heightened geopolitical risks, with potential adverse implications for global growth via commodity prices and trade channels. On the positive side, a potential unwinding of policy-related and international trade-related uncertainties, could improve the pace of growth of the global economy, as balance sheets of households and corporates are lacking the large imbalances that have been built ahead of the global financial crisis. Meanwhile, Chinese authorities plan to bolster residential and financial markets in order to support the economy.

The slowing in economic growth compared to FY.22 mainly reflects negative base effects from the surge in consumption and government expenditure in previous years, combined with transitory headwinds in 3Q.23 from deferred government consumption, weakened external demand, and lower production due to the catastrophic flood in Central Greece. The unemployment rate declined to a 14-year low in December 2023 and a major part of economic indicators outperformed the euro area average in FY.23, showing signs of further strengthening in the same period. Greece's sovereign rating returned to investment grade status in 2H.23, from 5 out of 6 international rating agencies, which acknowledged the robust performance, resilient economic growth, and further progress in structural reforms.

Greece's Gross Domestic Product ("GDP") increased by 2.0% y-o-y in FY.2023 (according to the data released by the Hellenic Statistical Authority in March 2024) – in line with NBG's baseline scenario used in the 4Q.2023 estimates – outpacing the euro area average (+0.4% y-o-y) for a 3rd consecutive year. GDP growth eased to 1.2% y-o-y in 4Q.2023, as the drag on domestic production from the catastrophic flood in Central Greece, in September 2023, was combined with a temporary drop in gross fixed capital formation and falling demand for goods exports due to the weak economic conditions in Greece's major export partners (mostly euro area countries).

Bank lending to the private sector showed signs of slowing under the pressure of aggressive monetary policy tightening slowing to 0.9% y-o-y in August 2023 but picked up in 2H.23, accelerating to 3.6% y-o-y in December 2023, led by credit to Non-Financial Corporations ("NFCs").

House prices surged by 13.9% y-o-y in 9M.23, posting a cumulative appreciation of c. 50%, from their lowest point, during the 10-year crisis (3Q.17). Residential real estate prices increased by 11.8% y-o-y in 4Q.2023 (Bank of Greece data released on 5 March 2024) and 13.4% y-o-y in FY.2023 – with their cumulative appreciation, over the past 6 years, at 61% – with signs of further increases in 1Q.2024, according to market sources, as demand remains robust and construction costs continue to increase at a rapid pace

Greece's fixed income (especially sovereign) assets and the Stock Market strongly outperformed the euro area peers, capitalizing on solid fundamentals and the rating upgrade.

2. Greek Economy perspectives for 2024

The economic performance of Greece in 2024 is expected to be supported by several factors, which seem sufficient to warrant a sustained outperformance against the euro area and provide a credible cushion against potential downside risks. The most important growth catalysts for 2024 include: i) the positive impact of deferred investment spending from 2023 (mostly projects related to the Recovery & Resilience Facility – "RRF" – and reconstruction works in the flood-hit Central Greece) and the planned increase in private and RRF-related spending, in the current year, ii) supportive labor market conditions (accelerating employment growth, higher labor force participation and ongoing wage adjustment), and iii) strong tourism prospects for FY.2024. Sectoral survey and business turnover data showed a strengthening, in q-o-q terms, in 1Q.2024 especially in the services and construction sectors, while indicators of fixed capital investment spending, employment and industrial activity also recorded an improvement, compared with 4Q.2023. Specifically:

- Employment growth accelerated to 2.3% y-o-y in 2M.2024, from 1.2% in 4Q.2023, while a new increase (+6.4%) of the minimum wage was enacted in April 2024.
- Public Investment Budget ("PIB") expenditure (including RRF) was up by 55.8% y-o-y in 2M.2024, with total PIB expenditure in FY.2024 expected significantly higher, in annual terms.
- The Economic Sentiment Indicator ("ESI") surged to a 7-month high of 108.4 in March 2024 (106.9 in 1Q.2024 and 105.6 in 4Q.2023), on the back of increased confidence in the services, construction and industry sectors.
- The manufacturing Purchasing Managers' Index ("PMI") surged to a 2-year high of 56.9 in March 2024 (remaining the highest in the euro area), reflecting stronger domestic demand and export orders.
- Tourism arrivals and revenue were up by 16.0% and 27.3%, respectively, in January 2024, while international arrivals in the Athens Airport rose by 19.4% in 1Q.2024).

Strong cyclical tailwinds and sustained efficiency gains bolstered the country's fiscal performance, with a General Government primary surplus higher than the State Budget estimate of 1.1% of GDP expected for FY.2023, whereas the primary surplus in the State Budget, on a modified cash basis, reached €2.95 billion in 3M.2024 exceeding the respective budget target by c. €0.9 billion. Data from the Hellenic Public Debt Management Agency showed that the General Government gross debt fell significantly to 162% of GDP in FY.2023, while it is expected (State Budget 2024) to decrease further (152.3%) in 2024, exhibiting an impressive cumulative decline of around 50% of GDP, over a 4-year period.

The aggressive monetary policy tightening, reflected in the 450 bps hikes in policy rates by the ECB, between July 2022 and September 2023, weighed on bank lending growth. However, Greece continued to outperform the euro area average in the first months of 2024. Total credit to the private sector by Greek banks increased by 3.4% y-o-y and credit to Non-Financial Corporations ("NFCs") by 5.5% in 2M.2024, from 3.7% and 5.8%, respectively, in December 2023. Private sector deposits remained close to a 13-year high in February 2024 (€188.6 billion), despite the cumulative net outflow of €6.3 billion in 2M.2024, which broadly offset the €6.4 billion spike in monthly deposit flows in December 2023, due to supportive seasonal factors. Consumer loans accelerated to a 15-year high of 4.4% y-o-y, while the annual change in mortgage loans, provided by the Greek banking system, remained negative (-3.5% on average in 2M.2024,unchanged compared with December 2023).

The combined impact of the above-described supportive factors bodes well for an annual GDP growth of c. 2.4% y-o-y in 2024, according to the average of latest available official sector and private consensus estimates.

C. Factoring market evolution

Global market

On a global scale, according to the preliminary figures from Factors Chain International "FCI" for 2023, factoring market showed modest growth of 3.3%, with the total turnover amounted to €3.78 trillion compared to €3.66 trillion in 2022. The European market counting a 68% of the global Factoring market and stood a 2.5% increase in operations in 2023. Asia represents 24% globally and experienced a corresponding increase of 6.2%. Central and South America increased by 4.3%, comprising approximately 3% of the global market, while the North America market remained stable with a market share close to 3%. The factoring market in

Africa grew by 13.5% and constitutes approximately 1.0% in total. Finally, the Middle Eastern market remained stable at 2022 levels, representing approximately 0.3% of the global market.

Europe

As mentioned before, the total factoring turnover in Europe stood a slight increase of 2.5%, reaching approximately €2.44 trillion compared to around €2.38 trillion in 2022. Additionally, factoring turnover as a percentage of GDP penetration slightly decreased to 12.0% (2022: 12.3%). France maintains the top position in market size with €426 billion, recording a 1.2% increase compared to 2022. Germany follows in second place with factoring turnover up to €384 billion, marking a 3.1% increase. Italy and Spain rank third and fourth respectively, with turnover of €298 billion for Italy (+0.9%) and €270 billion for Spain (approximately 5.0% increase compared to 2022). In France, the Factoring market size represents 15.2% of GDP, 9.3% in Germany, 14.3% in Italy, and 18.5% in Spain.

Greece

According to data from the Hellenic Factoring Association "HFA", the factoring turnover in 2023 amounted to €24.7 billion compared to €23.6 billion in 2022, marking an increase of around 5%. This reflects both the gradual de-escalation of intense inflationary trends that appeared in the markets in 2022 and the continuing dynamic as a financial instrument providing continuous liquidity and exploitation of total assets.

Regarding the distribution of factoring turnover based on domestic or international criteria, 87.4% concerns domestic operations (2022: 87.7%) and 12.6% International respectively. In terms of recourse, 56.3% concerns factoring with recourse (2022: 54.2%), while the percentage of notificated factoring stands at 81.9% of total turnover (2022: 81.3%) compared to 18.1% for non-notificated factoring, demonstrating the high recognition and acceptance of the institution in business transactions.

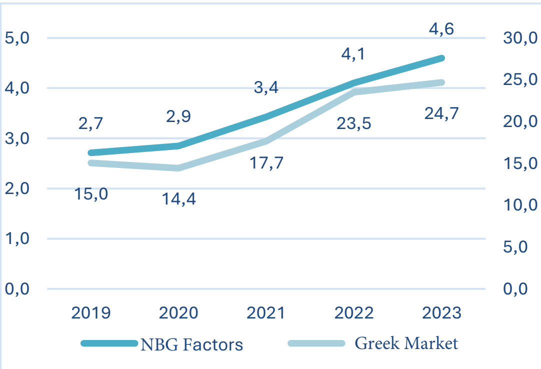
The growth of Factoring in Greece is significant higher in relation to the improvement of the GDP. Specifically, according to the "EU Federation for the Factoring and Commercial Finance Industry" "EUF", in 2023 the total factoring turnover in Greece amounted to approximately 12.7% of GDP compared to 11.3% in 2022, surpassing the European average for the first time. The penetration of factoring into most sectors of economic activity reflects its establishment and strengthening in the consciousness of business clientele and banking groups as a financial instrument for providing liquidity, effectively managing receivables, monitoring the transaction cycle, and protecting against debtor credit risk.

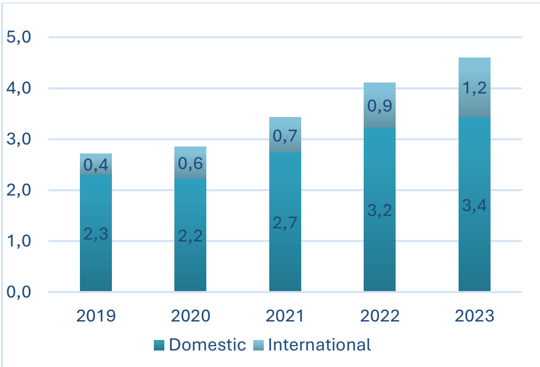
D. Activity Overview

1. Changes in Product & Service Volumes

As mentioned, during the fifteenth financial year, the Company's activities focused on both expanding its operations to enhance its assets and revenue levels, and improving the efficiency of its operating model through the optimization of its internal processes.

The chart depicting the evolution of factoring turnover in the Company and Greece for the period 2019-2023 is as follows:





Over time, the Company strives for growth in providing disclosed Factoring services to offer liquidity to customers while maintaining credit risk at acceptable levels. Of the total managed turnover, approximately €3.3 billion or 71.0% pertains to disclosed factoring activities, compared to €3.1 billion (or 75.4% in 2022), with a significant increase of 17.4%.

Regarding the volume of export Factoring operations, the Company managed a turnover related to exports amounting to approximately €1.1 billion in 2023, compared to €864 million in 2022, marking a significant improvement of 33.7%. This reflects the ongoing effort to enhance foreign operations and further expand collaborations with strategic clients. Factoring operations for export activities stood at approximately 25.1% of the total factoring turnover, compared to 21.1% in 2022, while the Company's market share in international factoring turnover significant increased to 37.2% (2022: 29.9%). Of the total export Factoring, €916 million (2022: €735 million) concerns direct export Factoring, while €239 million (2022: €129 million) was conducted using the two-factor system.

Regarding credit risk against debtors, 58.4% of the factoring turnover (2022: 65.4%) related to factoring with recourse, while 41.6% (2022: 34.6%) concerns factoring without recourse. To mitigate the aforementioned credit risks, the Company maintains partnerships with credit insurance companies.

Finally, of the total factoring turnover, operations related to reverse factoring services amounted to €368 million compared to €271 million in 2022, resulting an increase of 36.1%.

2. Operational Issues

A. Internal Operation

For the improvement of internal operations, a total of 15 CEO Internal Notes were issued in 2023. Five (5) of these informed Company's staff about new Policies and Procedures.

Additionally, during the course of 2023, monthly reports of several departments were upgraded: a) reports of Credit Department (for better monitoring of non-recourse factoring operations and collaboration with credit insurance companies), b) reports of Administration Department (for the accurate assessment of operational risk events in alignment with the forthcoming adoption of the Risk Appetite Framework "RAF"), and c) reports the Loan Admin Department (for better monitoring of KYC controls and verification details).

Furthermore, in 2023, the Company, in compliance with its legal and regulatory obligations, informed the supervisory authority (Bank of Greece) of its intention to provide factoring services through passporting in three (3) countries.

B. Technology & Customer Service

At an operational level, the upgraded digital e-factoring platform was activated in October 2021. This platform is accessible via the "single sign on" process from the electronic services platform (i-bank) of the National Bank of Greece, offering suppliers (assignors) and now also debtors (buyers) the ability to access and navigate their accounts in real-time within a secure and user-friendly environment. Over the past two years, the Company has been implementing a specific strategic plan to adopt upgraded electronic services by the majority of its clients. In this direction, new automated and simplified processes have been made available or are planned to be made available across the entire spectrum of collaboration with business clients, along with detailed user manuals. These manuals are intended to facilitate the easy use of these services and will be revised and enriched at regular intervals.

During the financial year 2023, there was an increase of over 30% in the number of customers using the new functionalities of the e-Factoring digital platform for processing their transactions.

Additionally, the Company is conducting significant tests and adjustments, implementing upgraded procedures for interfacing its infrastructure with client applications, either for utilizing electronic invoicing infrastructures or through direct connections. This is aimed at increasing productivity, reducing operational risk, and containing operational costs.

Finally, in 2023, the capability for debtors to use a reference code (RF) for conducting electronic payments was implemented.

C. Regulations and Policies

During 2023, the Board of Directors approved or revised the following NBG Group Policies

- GDPR Policy
- Whistleblowing Policy
- Information Security Policy
- Work-From-Home Framework
- Complaints Handling Policy
- Conflict of Interest Prevention Policy for Board Members, Senior Executives, and other Related Parties

Furthermore, during 2023, the Company developed and adopted in collaboration with the relevant departments of its parent bank the "Regulatory Compliance Risk Assessment Methodology." This methodology incorporates a process executed on an annual basis (or more frequently if required) to identify and assess key risks related to regulatory compliance within the Company. It includes two Assessment Levels: the Macro (High Level - HL) Dimension Compliance Risk Assessment and the Micro (Operational Level - OL) Dimension Compliance Risk Assessment.

In the Macro Dimension Assessment, 18 Regulatory Areas have been defined, and by October 2023, the assessment training was completed. The overall risk assessment resulted in categorizing the residual risk as Low for 17 areas and Medium for one area.

The Company is currently finalizing the assessment training for the Micro (Operational Level - OL) Dimension Compliance Risk Assessment for the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) area, which is scheduled to take place in 2024.

For monitoring various risks in the second line of defense, the company has adopted a Monitoring Framework covering the following areas:

- Anti-Money Laundering & Combating the Financing of Terrorism (AML)
- Code of Ethics and Conduct
- GDPR
- Corporate Governance
- Whistleblowing
- Fraud Prevention
- Complaints Handling

Within 2023, monitoring assessments were carried out/completed in the following operating areas:

- Whistleblowing
- Anti-Money Laundering & Combating the Financing of Terrorism (AML)
- Fraud Prevention
- Complaints Handling

D. External & Internal Audits

During 2023, an off-site inspection by the Bank of Greece was conducted regarding Anti-Money Laundering and Combating the Financing of Terrorism. Responses to all inquiries from this regulatory authority were provided by the company's responsible executives.

Within the year 2023, the NBG Group Internal Audit Division conducted: a) Audit of the company's information systems, and b) Audit of human resources management processes. The reports of the aforementioned audits and the progress on findings' settlement are periodically communicated to Board of Directors.

E. HR Issues

Over the past two years, the Company's management has developed a strategic action plan aimed at improving human resources processes. In this context, during 2023, the Company:

- Conducted targeted recruitments to strengthen its workforce
- Developed and adopted a Work-From-Home framework aligned with the parent Bank's framework
- Implemented a variable compensation system linked to both achieving specific financial performance targets of the Company and individual performance evaluations of each employee
- Engaged a specialized consultant to conduct a project aimed at identifying discrepancies in the various levels of the Company's compensation compared to market standards, with the results intended to inform the establishment of a more comprehensive and equitable compensation system
- Adopted a retirement program for all employees

- Provided two instances of special financial support to employees during the year, with a focus on those at lower pay levels

F. ESG Issues

The company, in collaboration with its parent Bank, recognizes the promotion of sustainable development and ensuring effective management of ESG issues and sustainable finance initiatives, taking into account best practices according to international agreements and developments in each of the strategic pillars. In this context, during its meeting on 18th July 2023 (150/18.07.2023), the Board of Directors adopted a three-year ESG Action Plan. This plan covers all pillars and includes, among others, the following actions:

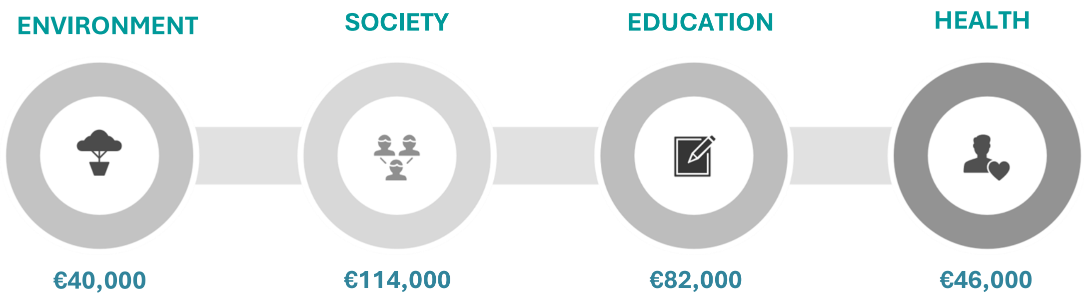
A) For Environment, aiming to reduce its environmental footprint:

- Gradual replacement of corporate vehicles with hybrid or fully electric vehicles
- Maintaining registered customers in the e-Factoring service above 90%, enabling electronic account movement notifications and document retrieval
- Increasing customers using new functionalities of the e-Factoring service by more than 30%
- Reducing physical archiving folder fees by over 90%
- Decreasing paper consumption by 44% in 2023 compared to 2022

B) For Society

The Management and institutional bodies of the Company demonstrate a particularly heightened sensitivity and human-centric culture towards the protection and support of communities. Specifically, the Company funds initiatives aimed at enhancing and empowering the living conditions of vulnerable population groups, advocating for and safeguarding public health and education, promoting cultural institutions and arts, and protecting the environment as a necessary condition for societal well-being.

Since 2016 to date, the Company has participated in social-oriented initiatives totaling €282 thousand.



C) For Robust Corporate Governance

The Company applies Corporate Governance Principles across all areas of its operations, aiming to ensure transparency and responsible functioning.

In this context, the Board of Directors:

- Has adopted 31 Policies, out of which 18 have been revised at least once
- Conducted 3 evaluations of Board members during the period of 2021-2023. Specifically, for the year 2023, the evaluation was conducted by a specialized external consultant
- Ensures that at least 30% of its Board members are women
- Oversees the operation of the monitoring framework conducted in various areas
- Receives annual updates on self-assessment of operational and regulatory risks
- Reviews reports from audits and inspections conducted within the Company by the Internal Audit Department of the Bank & Group

For managing and monitoring Cybersecurity risks, since 2022, the Company has appointed an Information Security Officer to address and monitor cybersecurity risks.

This area receives special emphasis through the establishment of five core pillars based on the NIST Cybersecurity Framework, aimed at effective management and risk reduction in the Information Security and Cybersecurity domain (identify, protect, detect, respond, recover).

Throughout 2023, the Board of Directors conducted eleven (11) meetings.

In addition to the Board meetings, Council meetings are held as described in the Company's Operating Regulations. Senior executives participate in these meetings to review the progress of the Company's operations, make decisions on operational matters, and finalize proposals to be presented to the Board of Directors.

Since 2019, the Company has maintained an office in Thessaloniki to serve clients in Thessaly, Macedonia, and Thrace.

Z. Collaboration with International Organizations and Participation in Domestic and International Associations

As part of its strategy to enhance coverage against credit risk for non-recourse factoring products, the Company expanded its partnerships with credit insurance companies.

During 2023, the Company maintained a short-term working capital financing line from the European Bank for Reconstruction and Development ("EBRD"), while a similar line from the Black Sea Trade and Development Bank ("BSTDB") has been suspended since June 2022. Detailed information regarding these financings is provided in Note 16 of the financial statements.

Since 2009, the Company has been a founding member of the Hellenic Factoring Association and is represented on its Board of Directors and Committees. Additionally, since 2009, the Company has been a member of the International Factors Group (FCI), which counts more than 350 members across 90 countries.

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:

- 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..

Furthermore, in 2023, the Company established and maintained indicators for measuring and monitoring operational risk in collaboration with the Bank's relevant Department (Operational Risk Department). These indicators are divided into two categories: Generic and Business, with specific thresholds and observation frequencies defined for acceptable upper and/or lower limits. Monitoring of these indicators is conducted through the Bank's dedicated IT application "Connected Risk," starting from the financial statements of 2022. Annually, the framework for monitoring these indicators may be revised and enhanced.

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 Q2 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 Q2 the 2024.

F. Perspectives of Factoring market for 2024 and Management strategic priorities

Greece's growth performance in 2024, but also in the medium term, is expected to be supported by the following factors:

- Solid fixed capital investment growth, on the back of a strong pipeline of private investment and increasing impact of the RRF, as less than 15% of related spending has been realised despite the high nominal absorption rate (c.50% of available funding until 1Q.2024). Gross fixed capital formation is expected to rise, at a double-digit pace, bolstered by positive demand prospects, high capacity-utilization rates, and resilient profitability.
- Tourism is headed for a new record in 2024, according to arrivals data available for the first months of 2024 and preliminary information on early bookings from major global tour operators.
- Supportive labor market conditions – with employment growth accelerating in the first months of 2024, and wage adjustments continuing in 2024 – are expected to contribute to an increase in real disposable income, despite the observed inertia in CPI inflation in recent months.

Nonetheless, the above estimates are subject to some considerable downside risks, such as:

- A potential recurrence or further escalation of geopolitical tensions (Ukraine, Middle East, Red Sea) – with adverse implications for energy prices, world trade and economic sentiment – could significantly weigh on economic performance, especially if tourism is negatively affected and/or energy prices surge close or above the levels recorded in 2022. In fact, Iran's attack against Israel adds to the upward pressure on crude oil prices, observed in 1Q.2024.
- Inflation-related uncertainty remains significant, especially for low-income population groups – mainly due to sluggish core and food inflation – weighing on private consumption, in conjunction with the abolishment of the major part of fiscal support to households.
- Firms are likely to face a sharper compression in their profit margins if production cost pressures intensify, since their pricing power has already shown signs of easing and the fiscal capacity for new support measures is very limited.
- Accordingly, a slower-than-currently expected easing of inflation pressures globally, could lead to high interest rates for longer, giving rise to stronger recessionary and financial headwinds, weighing on fiscal capacity, weakening private investment spending and lowering credit demand.

Overall, the Greek economy seems well positioned to deal with the above challenges and to continue outperforming its euro area peers, capitalizing on sustainable growth catalysts and the strong momentum built in previous years. Moreover, the return to investment grade and a prospective reversal of the monetary policy tightening cycle, as currently envisaged by financial markets and consensus estimates, could support a faster improvement in liquidity conditions and higher valuations of Greek assets, attracting new inflows of foreign investment.

Prospects of the Factoring Market for 2024

The performance of the Factoring industry on a global scale hinges upon the trajectory of national economies, the functioning of international trade, interest rate dynamics, and the pricing of raw materials, energy, and consequently, final products. Therefore, crucial factors determining the industry's course globally will include the direction of international economies, particularly their growth or recession rates. In this regard, geopolitical developments are critical, while there is keen interest in the potential impact of the outcome of elections in the USA. Additionally, inflation levels and the pricing of raw materials, energy, and transportation will significantly influence international trade and the continued smooth operation of supply chains. Another critical element is the expected rate of de-escalation of high interest rates, which currently create a negative lending sentiment among businesses. Finally, the level of credit risk for businesses is a significant factor, alongside the policies that credit insurance companies will adopt concerning the maintenance or restriction of debtor insurance limits, as well as the occurrence of fraud in commercial transactions.

Some of the aforementioned factors are expected to influence, at least in the short term, the Greek economy and consequently, Greek businesses. However, considering the gradual de-escalation of intense inflationary trends that prevailed in previous periods, both in international product markets and energy sectors, and drawing on the sector's resilience demonstrated during the country's economic crisis years, we estimate that the overall managed volume of operations in 2024 will show mild positive trends.

Strategic Priorities of Management for 2024

The goals and priorities of the Company's Management for 2024 across its strategic axes include:

Expansion of Operations, Revenue Enhancement & Asset Growth, further enhancing size metrics across all levels (assets, interest and commission income, managed volume of operations, and profitability) and increasing market share, in line with the Company's three-year business plan.

Further Development of International Factoring Operations, expanding operations in international Factoring and broadening activities by servicing trade transactions conducted by Greek businesses outside Greece.

Developing operations in Reverse Factoring towards the international trend of Factoring evolution, as a supply chain finance product (Supply Chain Finance).

Risk Management

Further strengthening of the Risk Management culture, including Cybersecurity, across all staff through the review of internal procedures and mandatory training in these specific areas. As mentioned earlier in 2024, the implementation of the Risk Appetite Framework, developed in collaboration with the relevant departments of the parent Bank, is expected to commence.

Technology, Processes and Customer Service

Continued expansion and modernization of data exchange channels with customers and debtors. Progress is underway in implementing a strategy to modernize and enrich data exchange channels with corporate clients, aimed at further improving transaction processing times, reducing operational risk, and enhancing transaction transparency.

The increase in users/clients utilizing the upgraded functionalities of the e-Factoring application available to corporate clients through the Digital Banking environment of the parent Bank. Continuous enhancement of processes aimed at optimizing monitoring methods and minimizing financial and operational risks.

Further optimization of existing IT applications to improve efficiency.

HR Issues

Adoption of the updated performance evaluation model for personnel, which is also used by the parent Bank.

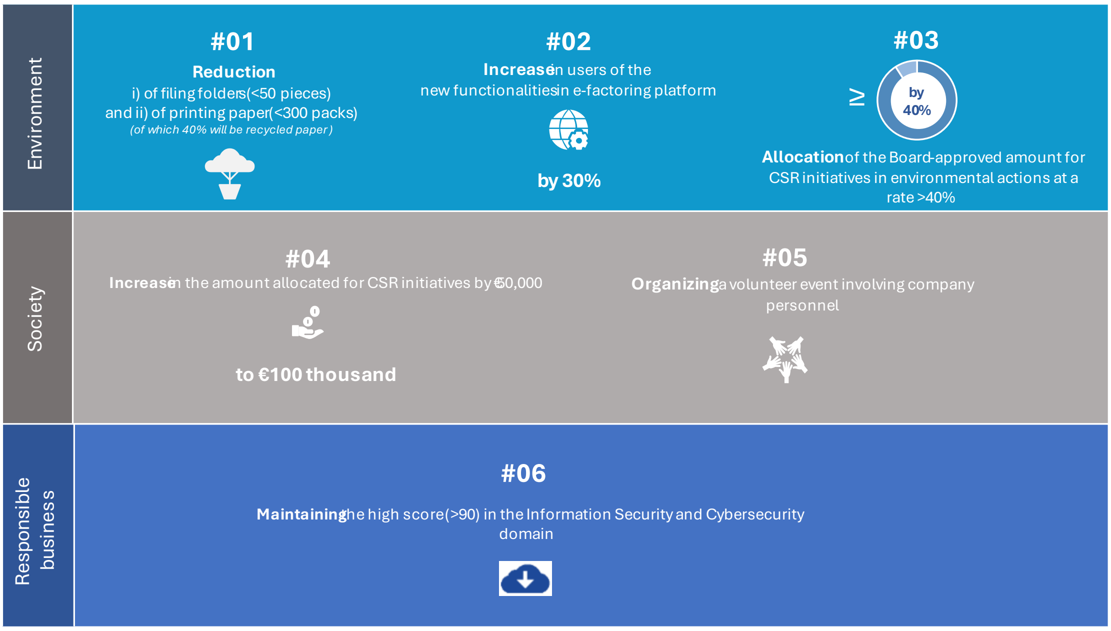
Enhancement of collaboration with the parent Bank for comprehensive handling of Human Resources issues: a) Attracting capable personnel, b) Training and developing existing managerial staff, c) Improving the compensation and benefits framework.

Continuous personnel development through the implementation of training programs, utilizing both the educational content available from the parent Bank and specific training providers.

ESG issues

As mentioned earlier, in 2023, the Company's Board of Directors approved a three-year action plan (2024-2026) for ESG issues. Within this framework, specific targets were set for 2024 to ensure that the Company's actions contribute to creating a more sustainable future for society.

Some of these specific targets include:



Board of Directors Annual Report

Events after the reporting period of 31 December 2023

There are no events after the reporting period.

Dividend Policy and Profit Distribution

The Management will propose to the Annual General Assembly of the shareholders to approve the appropriation of amount €566.8 thousand as a statutory reserve according to provisions of Law 4548/2018 and no distribution of dividend from current year profits.

The members of the Board of Directors express their gratitude to all employees of the Company for their contribution to achieving its financial performance and for the continuous evolution and improvement of its operational matters.

Athens, 29th May 2024

The Chairman of Board of Directors
Charalambos Vovos

The Chief Executive Officer
Alexandros Kontopoulos

[Translation from the original text in Greek]

Independent Auditor's Report

To the Shareholder 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 2023, 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 December 31, 2023, 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 2023 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, as they have been transposed into Greek Law, 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, as they have been transposed into Greek Law, 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, 18th of June 2024
The Certified Auditor

PricewaterhouseCoopers S.A.
Certified Auditors
260 Kifissias Avenue
152 32 Halandri

Evangelos Poulis
Soel Reg. No 51891

Annual Financial Statements

The attached Financial Statements as of December 31, 2023, were approved by the Board of Directors of Ethniki Factors Single Member S.A. on May 29, 2024, and have been published on the Company's website at www.nbgfactors.gr.

The certified auditors of the Financial Statements of Ethniki Factors Single-Member S.A. for the fiscal years ended December 31, 2023, and December 31, 2022, are the audit firm PricewaterhouseCoopers S.A.

Statement of Total Comprehensive Income

For the period ended 31 December 2023

Amounts in €	Note	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Interest and similar income	4	39,010,251	21,188,862
Interest expense and similar charges	4	(26,673,276)	(9,973,117)
Net interest income		**12,336,975**	**11,215,745**
Fee and commission income	5	10,098,836	9,483,840
Commission expense	5	(4,131,530)	(3,854,370)
Net fee and commission income		**5,967,306**	**5,629,470**
Net trading income	6	(370,517)	441,474
Total Income		**17,933,764**	**17,286,689**
Personnel expenses	7	(1,250,489)	(1,083,697)
General, administrative and other operating expenses	8	(1,722,086)	(1,718,295)
Amortization of intangible assets	12	(91,297)	(91,297)
Depreciation of property and equipment	13	(112,165)	(56,783)
Credit provisions	11	(105,419)	(406,009)
Total expenses		**(3,281,456)**	**(3,356,081)**
Profit before tax		**14,652,308**	**13,930,608**
Tax expense	9	(3,315,084)	(2,974,422)
Profit for the period		**11,337,224**	**10,956,186**
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss:			
Employee benefits	19	(808)	4,166
Other comprehensive income for the period, net of tax		**(808)**	**4,166**
Total comprehensive income for the period		**11,336,416**	**10,960,352**

Athens, 29 May 2024

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 23 to 63 form an integral part of these financial statements

Statement of Financial Position
as at 31 December 2023

Amounts in €	Note	31.12.2023	31.12.2022
ASSETS			
Cash and balances with banks	10	2,513,041	9,418,217
Loans and advances to customers	11	714,953,496	689,895,083
Software and other intangible assets	12	213,750	305,047
Property and equipment	13	1,429,940	95,005
Other assets	15	87,531	95,775
Total assets		**719,197,758**	**699,809,127**
LIABILITIES			
Due to banks	16	108,935,507	106,280,783
Debt securities in issue	17	478,980,566	476,212,882
Due to customers	18	6,561,389	6,522,810
Deferred tax liabilities	14	8,149,708	7,097,029
Retirement benefit obligations	19	32,277	21,734
Current income tax liability	9	597,879	537,903
Other liabilities	20	4,011,155	2,543,125
Total liabilities		**607,268,481**	**599,216,266**
SHAREHOLDERS' EQUITY			
Share capital	21	20,000,000	20,000,000
Share premium	21	30,000,000	30,000,000
Reserves	22	5,718,638	5,171,637
Retained earnings	23	56,210,639	45,421,224
Total Shareholders' Equity		**111,929,277**	**100,592,861**
Total Liabilities and Equity		**719,197,758**	**699,809,127**

Athens, 29 May 2024

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Statement of Changes in Equity
for the period ended 31 December 2023

Amounts in €	Share Capital	Share Premium	Defined benefit plans	Statutory Reserve	Retained earnings	Total
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 & at 1 January 2023	**20,000,000**	**30,000,000**	**1,442**	**5,170,195**	**45,421,224**	**100,592,861**
Other comprehensive income	-	-	(808)	-	-	(808)
Profit for the period	-	-	-	-	11,337,224	11,337,224
Statutory reserve	-	-	-	547,809	(547,809)	-
Balance at 31 December 2023	**20,000,000**	**30,000,000**	**634**	**5,718,004**	**56,210,639**	**111,929,277**

Athens, 29 May 2024

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Cash Flow Statement
For the period ended 31 December 2023

Amounts in €	Note	01.01.2023 - 31.12.2023	01.01.2022- 31.12.2022
Cash Flows from operating activities			
Profit before tax		**14.652.308**	**13.930.608**
Non cash items included in statement of total comprehensive income and other adjustments:		**26.991.664**	**10.537.205**
Depreciation of property and equipment	13	112.165	56.783
Amortization of intangible assets	12	91.297	91.297
Credit provisions	11	105.419	406.009
Provision for employee benefits	19	9.507	9.999
Interest expense and similar charges	4	26.673.276	9.973.117
Net (increase)/decrease in operating assets :		**(25.117.009)**	**(114.075.914)**
Due from / to customers		(25.125.253)	(114.040.735)
Other assets		8.244	(35.179)
Net increase/(decrease) in operating liabilities:		**(2.096.294)**	**(1.641.405)**
Other Liabilities		105.907	405.598
Income tax paid		(2.202.201)	(2.047.003)
Net Cash flows from/(for)operating activities		**14.430.669**	**(91.249.506)**
Cash flows from investing activities:			
Purchase of property and equipment	13	(386)	(681)
Net Cash flows from/(for) investing activities		**(386)**	**(681)**
Cash flows from financing activities:			
Proceeds from debt securities	17	46.168.934	311.039.230
Repayment of debt securities	17	(43.708.562)	(247.773.762)
Debt securities issue costs		-	(120.000)
Due to banks	16	2.654.724	19.251.364
Repayment of debt securities interest expenses		(23.421.245)	(8.727.377)
Repayment of interest expenses of ROU assets	20	(67.453)	(6.516)
Principal elements of lease payments		(84.591)	(66.775)
Interest paid		(2.877.266)	(1.073.419)
Net cash flows from/(for) financing activities		**(21.335.459)**	**72.522.745**
Net increase/(decrease) in cash and cash equivalents		**(6.905.176)**	**(18.727.442)**
Cash and balances with the banks at beginning of period		9.418.217	28.145.659
Cash and balances with the banks at end of period		**2.513.041**	**9.418.217**

Athens, 29 May 2024

THE CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE MANAGER ꟳ FINANCIAL SERVICES
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The notes on pages 23 to 63 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,	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 29 May 2024.

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 2023 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 2023 and 2022, 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 Annual Financial Statements have been prepared on the basis that the Company will continue to operate as a going concern (see Note 2.2 "Going Concern").

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.

Notes to the Financial Statements

During the period until 31 March 2024, parent Bank has fully repaid funding to the ECB amounted to €1.9 billion through longer-term refinancing operations (''LTROs''). Additionally, parent Bank liquidity buffer at cash values amounted to €25.7 billion, with the LCR and NSFR ratios well above 100%.

Key developments in the Macroeconomic environment

The global economic recovery slowed in 2023, with real gross domestic product ("GDP") increasing by +3.1% from +3.5% in 2022 as monetary policy tightened further to stem elevated inflation. In addition, increased geopolitical uncertainty took their toll on households' spending intentions and businesses' investment decisions. At the same time, global inflation has decelerated to +5.4% year-over-year in November 2023 and is expected to be +6% year-over-year in December 2023 from a multi-year peak of +10.7% in October 2022 due to the downturn in energy prices, with underlying inflation also slowing down, albeit at a slower pace.

Regarding majors, United States ("US") real GDP increased by +2.5%, in 2023 from +1.9% recorded in 2022. Private consumption found support from the use of accumulated savings during the pandemic, as well as from favourable labour market conditions, with the unemployment rate hovering at multi-year lows of 3.7% in December 2023. Residential investment has stopped deteriorating in the last two quarters of the year, following nine consecutive quarters of contracting activity. Inflation, after surging by +8.0%, on average, in 2022, has fallen considerably, with the consumer price index ("CPI") increasing by +3.4% year-over-year in December 2023 and by +4.1%, on average, in 2023.

The euro area economy operates in an environment of heightened geopolitical-related uncertainty, as the war in Ukraine, weigh on consumer and business confidence. Moreover, fiscal policy was less supportive, as Governments rolled back energy-related support measures. All in all, real GDP growth decelerated significantly to +0.5% in 2023 following growth of +3.4% in 2022. Private consumption mirrors weak dynamics of real disposable income due to elevated, albeit lessening, price pressures. Indeed, euro area inflation CPI has decelerated to +2.8% year-over-year in January 2024 and by +5.5%, on average, in 2023 after averaging +8.4% in 2022.

Finally, in China, economic activity improved due to the significant relaxation of COVID-19 restrictions that were effective in mid-2022, with real GDP growth increasing by +5.2% in 2023, from +3.0% in 2022. However, underlying growth dynamics have been muted, with lukewarm business and real estate investment. Inflation CPI declined by -0.3% year-over-year in December 2023 (+0.2% on average, in 2023), from a mean value of +2.0% in 2022.

Monetary policy has tightened further in response to surging inflation. The Federal Reserve ("Fed") increased its main policy interest rate by 100 basis points in 2023, albeit pausing increases in July 2023, bringing the target policy rate to a range of 5.25% to 5.5%. According to the Summary of Economic Projections ("SEP"), December 2023, participants in the Federal Open Market Committee expect a decline in the Federal Funds rate to 4.6% by end of 2024. In addition, the Fed continues to reduce US Treasury and agency Mortgage-Backed securities holdings by circa USD 95 billion per month, with the balance sheet standing at USD 7.7 trillion or 28% of 2023 GDP from USD 8.6 trillion in 2022. Having said that, the minutes to the December 2023 FOMC meeting revealed that officials anticipate slowing the pace of balance sheet reduction in the course of 2024. Finally, the Fed announced the end of the Bank Term Funding Program ("BTFP") as expected, in March 2024, a key policy measure providing loans to eligible depository institutions with favourable terms, in response to the regional banking crisis in March 2023.

In Europe, the ECB increased all three policy interest rates by 200 basis points in 2023 to stem inflation, albeit pausing rate increases in September 2023. The ECB kept interest rates unchanged in January 2024, as well (4.5% Main Refinancing Operations, 4.75% Marginal Lending Facility and 4.0% Deposit Facility Rate). According to the ECB, the key interest rates are at levels that, maintained for a sufficiently long duration, will make a substantial contribution to bring inflation back to the target of 2.0%.

Regarding large-scale asset purchases, the ECB terminated APP purchases in July 2023. The ECB will continue to reinvest in full during the first half of 2024 the principal payments from maturing securities in the Pandemic Emergency Purchase Programme ("PEPP") portfolio, before reducing the portfolio by circa €45 billion in the second half of 2024 and discontinue reinvestments at the end of 2024. Moreover, since the recalibration of targeted longer-term refinancing operations ("TLTRO III"), euro area banks have made sizable repayments of borrowed funds. As a result, the balance sheet of the Eurosystem has declined to €6.9 trillion or 48% of 2023 GDP from €8.0 trillion in 2022..

Looking forward, the growth rate of the global economy is expected to remain broadly unchanged at a subpar +3.1% in 2024, according to the International Monetary Fund due to the cumulative tightening of financial conditions and the gradual unwinding of fiscal stimulus. Risks are broadly balanced. On the downside, monetary policy rates could remain higher-for-longer-than-anticipated due to persistently elevated inflation, jeopardizing a soft landing for the global economy. The prolonged war in Ukraine remains a source of concern, with any escalation jeopardizing to disrupt gas supplies to Europe, hurting, initially, the industrial sector of the economy and pushing up global energy prices, fueling inflation further. In addition, the Middle East and Red Sea conflicts have heightened geopolitical risks, with potential adverse implications for global growth via commodity prices and trade channels. On the positive side, a potential unwinding of policy-related and international trade-related uncertainties, could improve the pace of growth of the global economy, as balance sheets of households and corporates are lacking the large imbalances that have been built ahead of the global financial crisis. Meanwhile, Chinese authorities plan to bolster residential and financial markets in order to support the economy.

Regarding the Greek economy the slowing in economic growth compared to FY.22 mainly reflects negative base effects from the surge in consumption and government expenditure in previous years, combined with transitory headwinds in 3Q.23 from deferred government consumption, weakened external demand, and lower domestic production due to the catastrophic flood in Central Greece. The unemployment rate declined to a 14-year low in December 2023 and a major part of economic indicators outperformed the euro area average in FY.23, showing signs of further strengthening in the same period. Greece's sovereign rating returned to investment grade status in 2H.23, from 5 out of 6 international rating agencies, which acknowledged the robust performance, resilient economic growth, and further progress in structural reforms.

Greece's Gross Domestic Product ("GDP") increased by 2.0% y-o-y in FY.2023 (according to the data released by the Hellenic Statistical Authority in March 2024) – in line with NBG's baseline scenario used in the 4Q.2023 estimates – outpacing the euro area average (+0.4% y-o-y) for a 3rd consecutive year. GDP growth eased to 1.2% y-o-y in 4Q.2023, as the drag on domestic production from the catastrophic flood in Central Greece, in September 2023, was combined with a temporary drop in gross fixed capital formation and falling demand for goods exports due to the weak economic conditions in Greece's major export partners (mostly euro area countries).

Bank lending to the private sector showed signs of slowing under the pressure of aggressive monetary policy tightening slowing to 0.9% y-o-y in August 2023 but picked up in 2H.23, accelerating to 3.6% y-o-y in December 2023, led by credit to Non-Financial Corporations ("NFCs").

House prices surged by 13.9% y-o-y in 9M.23, posting a cumulative appreciation of c. 50%, from their lowest point, during the 10-year crisis (3Q.17). Residential real estate prices increased by 11.8% y-o-y in 4Q.2023 (Bank of Greece data released on 5 March 2024) and 13.4% y-o-y in FY.2023 – with their cumulative appreciation, over the past 6 years, at 61% – with signs of further increases in 1Q.2024, according to market sources, as demand remains robust and construction costs continue to increase at a rapid pace.

Greece's fixed income (especially sovereign) assets and the Stock Market strongly outperformed the euro area peers, capitalizing on solid fundamentals and the rating upgrade.

Greek Economy perspectives for 2024

The economic performance of Greece in 2024 is expected to be supported by several factors, which seem sufficient to warrant a sustained outperformance against the euro area and provide compensate for possible extraordinary negative effect. The most important growth catalysts for 2024 include: i) the positive impact of deferred investment spending from 2023 (mostly projects related to the Recovery & Resilience Facility – "RRF" – and reconstruction works in the flood-hit Central Greece) and the planned increase in private and RRF-related spending, in the current year, ii) supportive labor market conditions (accelerating employment growth, higher labor force participation and ongoing wage adjustment), and iii) strong tourism prospects for FY.2024. Sectoral survey and business turnover data showed a strengthening, in q-o-q terms, in 1Q.2024 especially in the services and construction sectors, while indicators of fixed capital investment spending, employment and industrial activity also recorded an improvement, compared with 4Q.2023. Specifically:

Employment growth accelerated to 2.3% y-o-y in 2M.2024, from 1.2% in 4Q.2023, while a new increase (+6.4%) of the minimum wage was enacted in April 2024.

Public Investment Budget ("PIB") expenditure (including RRF) was up by 55.8% y-o-y in 2M.2024, with total PIB expenditure in FY.2024 expected significantly higher, in annual terms.

The Economic Sentiment Indicator ("ESI") surged to a 7-month high of 108.4 in March 2024 (106.9 in 1Q.2024 and 105.6 in 4Q.2023), on the back of increased confidence in the services, construction and industry sectors.

The manufacturing Purchasing Managers' Index ("PMI") surged to a 2-year high of 56.9 in March 2024 (remaining the highest in the euro area), reflecting stronger domestic demand and export orders.

Tourism arrivals and revenue were up by 16.0% and 27.3%, respectively, in January 2024, while international arrivals in the Athens Airport rose by 19.4% in 1Q.2024).

Notes to the Financial Statements

Strong cyclical tailwinds and sustained efficiency gains bolstered the country's fiscal performance, with a General Government primary surplus higher than the State Budget estimate of 1.1% of GDP expected for FY.2023, whereas the primary surplus in the State Budget, on a modified cash basis, reached €2.95 billion in 3M.2024 exceeding the respective budget target by c. €0.9 billion. Data from the Hellenic Public Debt Management Agency showed that the General Government gross debt fell significantly to 162% of GDP in FY.2023, while it is expected (State Budget 2024) to decrease further (152.3%) in 2024, exhibiting an impressive cumulative decline of around 50% of GDP, over a 4-year period.

The aggressive monetary policy tightening, reflected in the 450 bps hikes in policy rates by the ECB, between July 2022 and September 2023, weighed on bank lending growth. However, Greece continued to outperform the euro area average in the first months of 2024. Total credit to the private sector by Greek banks increased by 3.4% y-o-y and credit to Non-Financial Corporations ("NFCs") by 5.5% in 2M.2024, from 3.7% and 5.8%, respectively, in December 2023. Private sector deposits remained close to a 13-year high in February 2024 (€188.6 billion), despite the cumulative net outflow of €6.3 billion in 2M.2024, which broadly offset the €6.4 billion spike in monthly deposit flows in December 2023, due to supportive seasonal factors. Consumer loans accelerated to a 15-year high of 4.4% y-o-y, while the annual change in mortgage loans, provided by the Greek banking system, remained negative (-3.5% on average in 2M.2024,unchanged compared with December 2023). Residential real estate prices increased by 11.8% y-o-y in 4Q.2023 (Bank of Greece data released on 5 March 2024) and 13.4% y-o-y in FY.2023 – with their cumulative appreciation, over the past 6 years, at 61% – with signs of further increases in 1Q.2024, according to market sources, as demand remains robust and construction costs continue to increase at a rapid pace.

The combined impact of the above-described supportive factors bodes well for an annual GDP growth of c. 2.4% y-o-y in 2024, according to the average of latest available official sector and private consensus estimates..

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 parent Bank Common Equity Tier 1 ("CET1") ratio at 31 March 2024 which exceeded the Overall Capital Requirements ("OCR"), (d) the increasing support from the Recovery and Resilience Facility ("RRF"), and (e) the parent Bank insignificant exposure to Russia, Ukraine and Middle East and all Management 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 New and Amended Standards and Interpretations

Amendments to existing standards effective from 1 January 2023

- 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. The Company currently disclose their material accounting policies, see below for material accounting policies (Note 2.4-2.21).

- 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 the 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 the 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 Group 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.

- IAS 12 (Amendments): International Tax Reform – Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023). The amendments introduce a mandatory temporary exception from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's ("OECD") international tax reform. The amendments also introduce targeted disclosure requirements. The temporary exception applies immediately and retrospectively in accordance with IAS 8, whereas the targeted disclosure requirements are applicable for annual reporting periods beginning on or after 1 January 2023. The adoption of the above amendment had no impact on the financial statements of the Company. Since the relevant rules have not been adopted in Greece, the Company has not yet applied the temporary exception from accounting for deferred taxes in relation to the Pillar two model rules. For further details see Note 9 "Tax expense".

The amendments to existing standards effective from 1 January 2023 have been endorsed by the EU.

Amendments to existing standards effective after 2023

Amendments

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

- IAS 1 (Amendments): Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024). The new amendments clarify that if the right to defer settlement is subject to the entity complying with specified conditions (covenants), this amendment will only apply to conditions that exist when compliance is measured on or before the reporting date. Additionally, the amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. There was no impact on 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. There was no impact on Company's Financial Statements from the adoption of these amendments.

- IAS 7 and IFRS 7 (Amendments) - Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024). The amendments require companies to disclose information about their Supplier Finance Arrangements such as terms and conditions, carrying amount of financial liabilities that are part of such arrangements, ranges of payment due dates and liquidity risk information. The Company does not expect any material impact on the Financial Statements from the adoption of these amendments.

- IAS 21 (Amendments): The effects of Changes in Foreign Exchange Rates - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025). The amendments specify when a currency is exchangeable into another currency and when it is not and clarify how an entity determines the exchange rate to apply when a currency is not exchangeable. A currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency. When a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. Additionally, the amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The Company does not expect any material impact on the Financial Statements from the adoption of these amendments.

The amendments to these existing standards have been endorsed by the EU, except for the amendments to IAS 7 and IFRS 7 “Disclosures: Supplier Finance Arrangements” and the amendments to IAS 21 “The effects of Changes in Foreign Exchange Rates - Lack of Exchangeability”.

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 income.

2.5 Financial assets and liabilities

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

Financial instruments are presented as assets, liabilities or equity in accordance with the substance of the contractual arrangements from which they derive. Interests, dividends, gains or losses derive from financial instruments characterized as assets or liabilities are recognized as income or expenses respectively. Dividends’ distribution is recognized directly in Equity. The Company does not enter into derivative financial instruments used for hedging and trading.

2.6 Classification of financial assets

The Company uses the measurement category “Debt instruments at amortized 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 generate cash flows at specified dates are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Debt instruments classified in this business model are measured at amortized 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 amortized cost

A debt financial asset is measured at amortized 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 amortized 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 amortized cost is the amount at which the financial asset is measured at initial recognition minus any principal repayments, plus or minus the cumulative amortization 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 amortized 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 amortized 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 amortized 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 amortized 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.

Under the new definition of default, exposures will be classified as Stage 3 based on 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:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The Company uses three macroeconomic scenarios and estimates the ECL that would arise under each scenario. A weighting is allocated to each scenario, such that the weighted probabilities of all three scenarios are equal to one. The distribution of possible ECL may be non-linear, hence three distinct calculations are performed, where the associated ECLs are multiplied by the weighting allocated to the respective scenario. The sum of the three weighted ECL calculations represents the probability-weighted ECL.

- The time value of money.
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

The ECL calculations are based on the following factors:

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

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

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

Forward looking economic inputs

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

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

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

Significant increase of credit risk

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

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

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

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- **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,
- **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.

2.7.2 Financial liabilities

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

2.8 Offsetting

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

2.9 Interest income and expense

Interest income and expense are recognised in the statement of total comprehensive income for all interest bearing instruments using the effective interest rate method. Interest income mainly includes interest earned from loans and advances to customers and secondly interests earned from banks.

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

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

2.10 Fees and commissions

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

2.11 Property & Equipment

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

Subsequent to initial recognition, property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset, which is classified as property and equipment are 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, it 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 such indication exists, the Company estimates the recoverable amount of the asset. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

2.12 Software and other intangible assets

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

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

2.13 Leases

2.13.1 The Company is the lessee

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

2.13.2 RoU assets

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

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

2.13.3 Lease liabilities

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

2.14 Cash and cash equivalents

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

2.15 Provisions

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

2.16 Employee Benefits

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

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

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability/(asset). Service cost (current service cost, past service cost (including the effect of curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset) are charged to Statement of total comprehensive income and are included in personnel expenses. The defined benefit obligation net of plan assets is recorded on the statement of financial position, with changes resulting from remeasurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest) recognized immediately in OCI, with no subsequent recycling to profit or loss, in order to fully reflect the full value of the plan deficit or surplus.

2.17 Income taxes

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

Deferred tax is accounted for using the balance sheet liability method. The temporary differences arise between the carrying amounts of assets and liabilities in the statement of financial position and their amounts as measured for tax purposes. Deferred tax assets relating to the unused tax losses carried forward are recognised to the extent that it is probable that sufficient taxable profits will be available in the future against which these losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax advances against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and the management intends to settle its current tax assets and liabilities on a net basis. Deferred income tax, related to fair value changes, which are charged or credited to other comprehensive income, is also credited or charged to other comprehensive income where applicable and is subsequently recognized in the statement of total comprehensive income together with the deferred gain or loss.

2.18 Debt securities in issue and other borrowed funds

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

The mid-long term borrowed funds of the Company consist of bond loans issued according to Laws 3156/2003 and 4548/2018 and overdraft accounts.

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2.19 Share capital

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

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

2.20 Related party transactions

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

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 utilized 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 (2024-2028) forecasts for each key variable and macroeconomic scenario are the following:

	Baseline	Optimistic	Pessimistic
GDP growth rate	2.0%	3.2%	-0.2%

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 €131.4 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 €65.8 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. The Company determines the appropriate discount rate at the end of each year by reference to market yields based on high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related defined benefit obligations.

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

Leases

The Company as a lessee determines the lease term as the non-cancellable period of a lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain or not to exercise an option to extend or terminate a lease, by considering all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease or not to exercise the option to terminate the lease.

After the commencement date the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within its control that affects whether it is reasonably certain to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as an adjustment for credit risk) taking into account the terms and conditions of the lease.

Notes to the Financial Statements

NOTE 4: Net interest income

The net interest income is analyzed as follows:

Amounts in €	31.12.2023	31.12.2022
Interest earned on		
Amounts due from banks	662	1,371
Amounts due from customers	39,009,589	21,187,491
Total	**39,010,251**	**21,188,862**
Interest payable on		
Amounts due to banks	(1,136,392)	(523,334)
Amounts due to other financial institutions	(1,740,874)	(550,084)
Debt securities in issue	(23,728,557)	(8,893,183)
Lease liability	(67,453)	(6,516)
Total	**(26,673,276)**	**(9,973,117)**
Net interest income	**12,336,975**	**11,215,745**

NOTE 5: Net fee and commission income

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

Amounts in €	31.12.2023	31.12.2022
Commission income		
Business loans	10,098,836	9,483,840
Total	**10,098,836**	**9,483,840**
Commission expense		
Business loans	(324,410)	(224,154)
Other	(3,807,120)	(3,630,216)
Total	**(4,131,530)**	**(3,854,370)**
Net fee and commission income	**5,967,306**	**5,629,470**

Other commission expense of €3,807,121, includes a fee of €3,707,884 to the parent company National Bank of Greece S.A. for client recommendation services (2022: €3,514,080).

NOTE 6: Net trading income

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

NOTE 7: Personnel expenses

The personnel expenses are analyzed as follows:

Amounts in €	31.12.2023	31.12.2022
Salaries	(1,000,143)	(852,845)
Social security costs	(193,948)	(185,345)
Defined benefit plans (Note 19)	(9,507)	(9,999)
Other staff related benefits	(46,891)	(35,508)
Total	**(1,250,489)**	**(1,083,697)**

The average number of employees for the Company during the period 1 January 2023 up to 31 December 2023 was 35 employees (2022: 36).

Notes to the Financial Statements

NOTE 8: General, administrative & other operating expenses

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

Amounts in €	31.12.2023	31.12.2022
Rentals & software expenses	(149)	(124)
Duties and taxes	(4,599)	(1,718)
Promotion & advertising expenses	(132,113)	(113,503)
Insurance costs	(566,817)	(668,257)
Third party fees	(856,073)	(824,845)
Legal expenses	(475)	(595)
Travel expenses	(42,931)	(37,761)
Other operating expenses	(118,929)	(71,492)
Total	**(1,722,086)**	**(1,718,295)**

NOTE 9: Tax expense

The tax expense is analyzed as follows:

Amounts in €	31.12.2023	31.12.2022
Current tax	2,261,177	2,079,122
Occupational tax	1,000	1,000
Deferred taxes (Note 14)	1,052,907	894,300
Total	**3,315,084**	**2,974,422**

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

Amounts in €	31.12.2023	31.12.2022
Profit before tax	14,652,308	13,930,608
Tax calculated based on the current tax rate 22% (2022: 22%)	3,223,508	3,064,734
Increase/(Decrease) arising from:		
Expenses not deductible for tax purposes	90,576	(91,312)
Occupational tax	1,000	1,000
Income tax expense	**3,315,084**	**2,974,422**
ffective tax rate for the period	**22.6%**	**21.3%**

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

Amounts in €	31.12.2023	31.12.2022
Current income tax liability	2,261,177	2,079,122
Increase/(Decrease) arising from:		
Current income tax advance	(1,663,298)	(1,541,219)
Total income tax liability	**597,879**	**537,903**

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 from 24% to 22%. 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 2023 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 2018-2022 were audited by the independent auditors of the Company, the "PricewaterhouseCoopers S.A.", in accordance with article 65A of Law 4174/2013 and the related tax audit certificates, were unqualified and issued on 3 October 2019, 1 October 2020, 8 October 2021, 13 September 2022 and 20 October 2023 respectively. The right of the Greek tax authority to issue an income tax statement until the fiscal year of 2017 was time-barred as at 31.12.2023. From tax years from 2018 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 €	31.12.2023	31.12.2022
Cash in hand	753	539
Sight deposits	2,512,288	9,417,678
Total	**2,513,041**	**9,418,217**

Sight deposits mainly concern accounts with the parent National Bank of Greece S.A.

NOTE 11: Loans and advances to customers

Loans and advances to customers are analyzed as follows:

Amounts in €	31.12.2023	31.12.2022
Domestic Factoring with recourse	236,859,130	297,638,964
Domestic Factoring without recourse	266,543,307	212,514,081
Invoices discounting	71,645,481	73,906,796
International Factoring	142,543,084	108,869,093
Total	**717,591,002**	**692,928,934**
Less: Allowance for impairment on loans and advances to	(2,637,506)	(3,033,851)
Total loans and advances to customers	**714,953,496**	**689,895,083**

Notes to the Financial Statements

Loans and advances to customers at amortised cost 2023

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired		Total
			Individually assessed	Collectively assessed	
Large corporate					
Gross carrying amount	471,031,091	19,799,083	278,428	4,285	491,112,887
ECL allowance	(557,659)	(186,093)	(278,249)	(126)	(1,022,127)
Net carrying amount	**470,473,432**	**19,612,990**	**179**	**4,159**	**490,090,760**
SME's					
Gross carrying amount	212,519,981	4,893,682	741,805	-	218,155,468
ECL allowance	(220,764)	(43,137)	(741,662)	-	(1,005,563)
Net carrying amount	**212,299,217**	**4,850,545**	**143**	**-**	**217,149,905**
Small Business Lending					
Gross carrying amount	7,406,568	-	916,079	-	8,322,647
ECL allowance	(39,427)	-	(570,389)	-	(609,816)
Net carrying amount	**7,367,141**	**-**	**345,690**	**-**	**7,712,831**
Total loans and advances to customers					
Gross carrying amount	690,957,640	24,692,765	1,936,312	4,285	717,591,002
ECL allowance	(817,850)	(229,230)	(1,590,300)	(126)	(2,637,506)
Net carrying amount	**690,139,790**	**24,463,535**	**346,012**	**4,159**	**714,953,496**

Notes to the Financial Statements

Απαιτήσεις κατά πελατών επιμετρούμενες σε αποσβεσμένο κόστος 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**

As at 31 December 2023 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 2023

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Balance 31.12.2022 and 01.01.2023	**585,244**	**326,772**	**2,121,835**	**3,033,851**
Transfer to stage 1 (from 2 or 3)	4,682	(4,682)	-	-
Transfer to stage 2 (from 1 or 3)	(19,109)	22,968	(3,859)	-
Transfer to stage 3 (from 1 or 2)	(210,000)	-	210,000	-
Net remeasurement of loss allowance (a)	50,157	(133,860)	(235,786)	(319,489)
Impairment losses on new assets (b)	406,876	18,032	-	424,908
Impairment losses on loans (a+b)	**457,033**	**(115,828)**	**(235,786)**	**105,419**
Write-offs	-	-	(501,764)	(501,764)
Balance 31.12.2023	**817,850**	**229,230**	**1,590,426**	**2,637,506**

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**

NOTE 12: Software

Software is analyzed as follows:

Amounts in €	Software	Total
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	(91,297)	(91,297)
Accumulated depreciation at 31 December 2022	**(459,162)**	**(459,162)**
Net book amount at 31 December 2022	**305,047**	**305,047**
Cost at 1 January 2023	764,209	764,209
Additions	-	-
Cost at 31 December 2023	**764,209**	**764,209**
Accumulated depreciation at 1 January 2023	**(459,162)**	**(459,162)**
Depreciation expense for the period	(91,297)	(91,297)
Accumulated depreciation at 31 December 2023	**(550,459)**	**(550,459)**
Net book amount at 31 December 2023	**213,750**	**213,750**

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 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**
Cost at 1 January 2023	**61,019**	**265,865**	**85,367**	**412,251**
Additions	386	1,355,418	91,296	1,447,100
Modifications / Remeasurements	-	-	-	-
Cost at 31 December 2023	**61,405**	**1,621,283**	**176,663**	**1,859,351**
Accumulated depreciation at 1 January 2023	(57,998)	(182,975)	(76,273)	(317,246)
Depreciation expense for the period	(1,520)	(94,278)	(16,367)	(112,165)
Accumulated depreciation at 31 December 2023	**(59,518)**	**(277,253)**	**(92,640)**	**(429,411)**
Net book amount at 31 December 2023	**1,887**	**1,344,030**	**84,023**	**1,429,940**

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.

Notes to the Financial Statements

NOTE 14: Deferred tax assets and liabilities

Deferred tax assets and liabilities are analyzed as follows:

Amounts in €	Balance 31/12/2022	Recognition in Total Comprehensive Income	Recognition in Other Comprehensive Income	Recognition in Equity	Balance 31/12/2023
Deferred tax assets:					
Share capital issue costs	559	(559)	-	-	-
Retirement benefit obligations	4,781	2,092	228	-	7,101
RoU assets	626	5,817	-	-	6,443
Total deferred tax assets	**5,966**	**7,350**	**228**	**-**	**13,544**
Deferred tax liabilities:					
Loans and advances to customers	(7,047,539)	(1,079,783)	-	-	(8,127,322)
Long term amortization expenses	(28,317)	2,659	-	-	(25,658)
Debt securities issue costs	(27,139)	16,867	-	-	(10,272)
Total deferred tax liabilities	**(7,102,995)**	**(1,060,257)**	**-**	**-**	**(8,163,252)**
Net deferred tax liability	**(7,097,029)**	**(1,052,907)**	**228**	**-**	**(8,149,708)**

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
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)**

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.

Notes to the Financial Statements

NOTE15: Other assets

Other assets are analyzed as follows:

Amounts in €	31.12.2023	31.12.2022
Prepaid expenses	78,371	74,343
Vendors' prepayments	9,160	21,432
Total	**87,531**	**95,775**

Other assets include prepaid expenses for subscriptions, insurance premiums, and fees for IT support services, as well as advances to suppliers.

NOTE 16: Due to banks (or financial institutions)

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

Amounts in €	31.12.2023	31.12.2022
Due to banks	58,629,380	76,212,566
Due to financial institutions	50,306,127	30,068,217
Total	**108,935,507**	**106,280,783**

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 a six month period with a renewal right. Under this agreement the Company applied initially a revolving credit facility amounting to €10,000,000, where was increased during 2022 to €30,000,000 and to €50,000,000 during 2023. Interest rate is calculated with three (3) or six (6) month Euribor at the discretion of the issuer, plus margin. On 20 July 2020, 15 June 2022, 16 June 2023 and 21 July 2023 the Company disbursed €10,000,000, €20,000,000, €5,000,000 and €15,000,000 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 annually 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 and the respective accrued interests.

Movement of debt securities in issue

Amounts in €	2023	2022
Balance at 1 January	**106,280,783**	**87,029,419**
Additions within the period	20,000,000	60,000,000
Redemptions within the period	(17,651,403)	(40,816,853)
Accrued interest	306,127	68,217
Balance at 31 December	**108,935,507**	**106,280,783**

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 (1) month, three (3)month or six (6) month Euribor at the discretion of the issuer, plus margin.

On 31 December 2023 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 2023 was calculated to €299,824,790, 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 (1) month, three (3)month or six (6) Libor at the discretion of the issuer, plus margin.

On 31 December 2023 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 2023 to €149,932,573, 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 (1) month, three (3)month or six (6) libor at the discretion of the issuer, plus margin.

On 31 December 2023 the Company issued the bond loan amounted to $32,000,000 according to the referred agreement. The fair value of the aforementioned bond loan was calculated at 31 December 2023 to $31,994,460 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 €	2023	2022
Balance at 1 January	**476,212,882**	**412,901,609**
Additions within the period	46,168,934	311,039,230
Redemptions within the period	(43,708,562)	(247,773,762)
Accrued interest	230,645	102,472
Debt securities issue costs	76,667	(56,667)
Balance at 31 December	**478,980,566**	**476,212,882**

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 2023 for bond loans amounted to €230,645 (31 December 2022:€ 102,472).

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 2023 and 2022 are analyzed as follows:

Amounts in €	31.12.2023	31.12.2022
Overdraft accounts	6,112,867	2,059,810
Collection-only accounts	448,522	4,463,000
Total	**6,561,389**	**6,522,810**

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.

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.

Pension costs – defined benefit plans

	31.12.2023	31.12.2022
Service cost	8,692	9,914
Net interest expense on the net defined benefit liability/(asset)	815	85
Regular charge in the Total Comprehensive Income	**9,507**	**9,999**

Reconciliation of defined benefit obligation

	31.12.2023	31.12.2022
Defined benefit obligation at the beginning of the period	21,734	17,075
Service cost	8,692	9,914
Interest cost	815	85
- Loss/(Gain) - financial assumptions	495	(5,844)
- Loss/(Gain) – demographic assumptions	234	-
- Loss/(Gain) – experience adjustments	306	504
Defined benefit obligation recognized at SOFP	**32,277**	**21,734**

Notes to the Financial Statements

Movement in net liability

	31.12.2023	31.12.2022
Net liability at the beginning of the period	21,734	17,075
Adjustment due to change in accounting policy	-	-
Total expense recognized in the statement of total comprehensive income	9,507	9,999
Amount recognized in the OCI	1,036	(5,340)
Net liability at the end of the period	**32,277**	**21,734**

Remeasurements on the net liability

	31.12.2023	31.12.2022
Liability (gain)/loss due to changes in assumptions	(730)	5,844
Liability experience (gain)/loss arising during the year	(306)	(504)
Total amount recognized in OCI	**(1,036)**	**5,340**

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	2023	2022
Discount rate	3.30%	3.75%
Price inflation	2.20%	2.50%
Rate of compensation increase	2.70%	3.00%
Plan duration	10.84	11.28

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 2023
Actuarial assumption	Change in assumptions	Increase / (decrease) in defined benefit obligation
Discount rate	Increase by 50 basis points	(5.1)%
	Decrease by 50 basis points	5.4%
Price inflation	Increase by 50 basis points	1.8%
	Decrease by 50 basis points	1.8%
Rate of compensation increase	Increase by 50 basis points	3.6%
	Decrease by 50 basis points	(3.4)%
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 2024.

NOTE 20: Other liabilities

Other liabilities are analyzed as follows:

Amounts in €	31.12.2023	31.12.2022
Taxes payable – (other than income taxes)	732,347	598,619
Social security funds	45,279	62,772
Creditors	1,759,612	1,777,906
Accrued expenses and deferred income	12,175	6,708
Payroll related accruals	1,003	1,889
Lease liability	1,457,339	94,831
Other	3,400	400
Total	**4,011,155**	**2,543,125**

Creditors amounted €1,759,612, includes €1,244,547 (2022: €1,195,694), to the parent company National Bank of Greece S.A. for client recommendation services. This liability was fully repaid on 25 January 2024.

Movement of lease liability

Amounts in €	2023	2022
Balance at 1 January	**94,831**	**302,874**
Additions	1,447,100	681
Modifications / Remeasurements	-	(141,948)
Interest Expense	67,453	6,516
Lease payments during the year	(152,044)	(73,291)
Balance at 31 December	**1,457,339**	**94,831**

The additions concern a new lease of the company's office premises starting from 01.01.2023.

NOTE 21: Share capital and share premium

The share capital of the Company as at 31 December 2023 and 31 December 2022 amounted to €20,000,000, divided into 4,000,000 ordinary shares with a nominal value of €5.0 per share, The remaining amount of €30,000,000 was credited to share premium.

The Company did not hold any own shares.

NOTE 22: Reserves

Statutory reserve

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

At 29 June 2023 the annual General Assembly of Shareholders decided to form statutory reserve of €547,809, derived from the profits of financial year 31 December 2022.

The total statutory reserve for the period ended at 31 December 2023 amounted to €5,718,004.

Notes to the Financial Statements

NOTE 23: Retained earnings

Retained earnings at 31 December 2023 and 2022 amounted to €56,210,639 and €45,421,224 respectively.

Retained earnings as of 31 December 2023 are analyzed as follows:

Amounts in €	
Retained earnings	56,374,539
Capital issue costs, net of tax	(163,900)
Total	**56,210,639**

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

For the financial year ended at 31 December 2023, the Board of Directors will propose to the Annual General Assembly of Shareholders the formation of statutory reserve amounting to €566,861, 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 31.12.2023			From 1.1 to 31.12.2022		
	Gross	Tax	Gross	Tax	Gross	Tax
Items that will not be reclassified to profit or loss:						
Remeasurement of the net defined benefit liability/ asset	(1,036)	228	(808)	5,340	(1,174)	4,166
Total of items that will not be reclassified to profit or loss	**(1,036)**	**228**	**(808)**	**5,340**	**(1,174)**	**4,166**
Other comprehensive income/(expense) for the period	**(1,036)**	**228**	**(808)**	**5,340**	**(1,174)**	**4,166**

NOTE 25: Fair value of financial instruments

The IFRS require companies to disclose the fair value of financial instruments for both assets and liabilities.

Management estimates that the carrying amount of financial instruments for both assets and liabilities, as presented in the financial statements, does not differ materially from their fair value, as they either have a maturity date of less than one year or bear a variable 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 2023 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 2018-2022 were audited by the independent auditors of the Company, the “PricewaterhouseCoopers S.A.”, in accordance with article 65A of Law 4174/2013 and the related tax audit certificates, were unqualified and issued on 3 October 2019, 1 October 2020, 8 October 2021 13 September 2022 and 20 October 2023 respectively. The right of the Greek tax authority to issue an income tax statement until the fiscal year of 2017 was time-barred as at 31.12.2023. From tax years from 2018 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 2023 amounted to €1,290,962,629 (2022: €959,645,629).

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 2023 and 2022, taking account the accumulated provisions for impairment losses on loans and advances to customers, before any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out below are based on net carrying amounts as reported in the statement of financial position.

Maximum exposure to credit risk as at 31.12.2023 before collateral and other credit enhancements

Amounts in €	Portfolio Credit exposures (w/o impairments)	Impairments	Portfolio net Credit exposures
Cash and balances with banks	2,513,041	-	2,513,041
Loans and advances to customers	717,591,002	(2,637,506)	714,953,496
Total	**720,104,043**	**(2,637,506)**	**717,466,537**

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**

Credit quality of loans and advances to customers 2023

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%	429,505,326	-	-	429,505,326
2.01%-10.00%	39,654,452	8,703,525	-	48,357,977
10.01%-20.00%	-	6,586,505	-	6,586,505
20.01% and above	1,871,313	4,509,053	282,713	6,663,079
Total Gross carrying amount	**471,031,091**	**19,799,083**	**282,713**	**491,112,887**
SME's				
0.01%-2.00%	184,856,050	-	-	184,856,050
2.01%-10.00%	27,663,931	655,059	-	28,318,990
10.01%-20.00%	-	271,402	-	271,402
20.01% and above	-	3,967,221	741,805	4,709,026
Total Gross carrying amount	**212,519,981**	**4,893,682**	**741,805**	**218,155,468**
Small Business Lending				
0.01%-2.00%	-	-	-	-
2.01%-10.00%	7,406,568	-	-	7,406,568
10.01%-20.00%	-	-	-	-
20.01% and above	-	-	916,079	916,079
Total Gross carrying amount	**7,406,568**	**-**	**916,079**	**8,322,647**
Total loans and advances to customers				
0.01%-2.00%	614,361,376	-	-	614,361,376
2.01%-10.00%	74,724,951	9,358,584	-	84,083,535
10.01%-20.00%	-	6,857,907	-	6,857,907
20.01% and above	1,871,313	8,476,274	1,940,597	12,288,184
Total Gross carrying amount	**690,957,640**	**24,692,765**	**1,940,597**	**717,591,002**

Notes to the Financial Statements

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

Ageing analysis of loans and advances to customers 2023

Amounts in €	Stage 1	Stage 2	Stage 3 Impaired	Total
Large corporate				
Current	471,031,091	19,799,083	4,285	490,834,459
91-180 days	-	-	-	-
Past due over 180 days	-	-	278,428	278,428
Gross Balance	**471,031,091**	**19,799,083**	**282,713**	**491,112,887**
ECL allowance	(557,659)	(186,093)	(278,375)	(1,022,127)
Net carrying amount	**470,473,432**	**19,612,990**	**4,338**	**490,090,760**
SME’s				
Current	212,519,981	4,893,682	-	217,413,663
91-180 days	-	-	-	-
Past due over 180 days	-	-	741,805	741,805
Gross Balance	**212,519,981**	**4,893,682**	**741,805**	**218,155,468**
ECL allowance	(220,764)	(43,137)	(741,662)	(1,005,563)
Net carrying amount	**212,299,217**	**4,850,545**	**143**	**217,149,905**
Small Business Lending				
Current	7,406,568	-	-	7,406,568
91-180 days	-	-	557,813	557,813
Past due over 180 days	-	-	358,266	358,266
Gross Balance	**7,406,568**	**-**	**916,079**	**8,322,647**
ECL allowance	(39,427)	-	(570,389)	(609,816)
Net carrying amount	**7,367,141**	**-**	**345,690**	**7,712,831**
Total loans and advances to customers				
Current	690,957,640	24,692,765	4,285	715,654,690
91-180 days	-	-	557,813	557,813
Past due over 180 days	-	-	1,378,499	1,378,499
Gross Balance	**690,957,640**	**24,692,765**	**1,940,597**	**717,591,002**
ECL allowance	(817,850)	(229,230)	(1,590,426)	(2,637,506)
Net carrying amount	**690,139,790**	**24,463,535**	**350,171**	**714,953,496**

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	**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	**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	**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				
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	**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				
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	**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	**653,671,046**	**36,169,000**	**55,037**	**689,895,083**

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

Amounts in €	31.12.2023	31.12.2022
Industry & mining	321,312,166	269,128,700
Small scale industry	13,759,220	12,445,857
Trade and services (excl, tourism)	377,661,911	407,677,915
Transportation and telecommunications (excl, shipping)	4,857,705	3,676,462
Less: Credit provisions and other impairment charges	(2,637,506)	(3,033,851)
Total	**714,953,496**	**689,895,083**

As at 31 December 2023 the collaterals secured the credit risk exposure of loans and advances to customers consists of clients invoices and receivable cheques. The fair value of the above mentioned collaterals amounted to €501,792,628 (2022: €567,865,854). These collaterals do not include customer receivables for factoring loans without recourse and credit balance as at 31 December 2023.

27.2 Market risk

27.2.1 Currency risk

Foreign Exchange Risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. 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 2023 and 2022 are analyzed as follows:

Foreign exchange risk concentration 2023

Amounts in €	EURO	USD	GBP	Total
Assets				
Cash and balances with banks	541,254	1,950,801	20,986	2,513,041
Loans and advances to customers	688,165,599	26,787,897	-	714,953,496
Software and other intangible assets	213,750	-	-	213,750
Property and equipment	1,429,940	-	-	1,429,940
Other assets	87,531	-	-	87,531
Total assets	**690,438,074**	**28,738,698**	**20,986**	**719,197,758**
Liabilities				
Due to banks	108,935,506	1	-	108,935,507
Debt securities in issue	450,149,780	28,830,786	-	478,980,566
Due to customers	6,561,258	-	131	6,561,389
Deferred tax liabilities	8,149,708	-	-	8,149,708
Retirement benefit obligations	32,277	-	-	32,277
Current income tax liabilities	597,879	-	-	597,879
Other liabilities	4,011,155	-	-	4,011,155
Total liabilities	**578,437,563**	**28,830,787**	**131**	**607,268,481**
Net on balance sheet position	**112,000,511**	**(92,089)**	**20,855**	**111,929,277**

Notes to the Financial Statements

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**

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 31.12.2023

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	-	-	2,268,214	-	-	244,827	2,513,041
Loans and advances to customers	714,953,496	-	-	-	-	-	714,953,496
Other assets	-	-	-	-	-	87,531	87,531
Total assets	**714,953,496**	**-**	**2,268,214**	**-**	**-**	**332,358**	**717,554,068**
LIABILITIES							
Debt securities in issue	(478,454,451)	-	-	-	-	(526,115)	(478,980,566)
Due to customers	-	-	-	-	-	(6,561,389)	(6,561,389)
Other liabilities	-	-	-	-	-	(1,759,612)	(1,759,612)
Lease liability	(6,209)	(12,860)	(58,134)	(436,748)	(943,388)	-	(1,457,339)
Due to banks	-	-	(108,935,507)	-	-	-	(108,935,507)
Total Liabilities	**(478,460,660)**	**(12,860)**	**(108,993,641)**	**(436,748)**	**(943,388)**	**(8,847,116)**	**(597,694,413)**
Total interest gap of assets & liabilities	**236,492,836**	**(12,860)**	**(106,725,427)**	**(436,748)**	**(943,388)**	**(8,514,758)**	**119,859,655**

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**

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).

Notes to the Financial Statements

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 2023 and 2022, 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
31.12.2023						
Debt securities in issue	452,377,524	6,487,201	46,926,069	50,277,538	-	556,068,332
Due to customers	6,561,389	-	-	-	-	6,561,389
Other liabilities	1,759,612	-	-	-	-	1,759,612
Lease liability	6,209	12,860	58,134	436,748	943,388	1,457,339
Due to banks	83,877,365	25,058,142	-	-	-	108,935,507
Total	**544,582,099**	**31,558,203**	**46,984,203**	**50,714,286**	**943,388**	**674,782,179**
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**

Notes to the Financial Statements

Liquidity risk analysis as at 31.12.2023

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	2,513,041	-	-	-	-	2,513,041
Loans and advances to customers	289,789,427	230,732,123	189,141,530	5,290,416	-	714,953,496
Other assets	-	-	87,531	-	-	87,531
Total	**292,302,468**	**230,732,123**	**189,229,061**	**5,290,416**	**-**	**717,554,068**
LIABILITIES						
Debt securities in issue	(450,167,312)	-	(28,813,254)	-	-	(478,980,566)
Due to customers	(6,561,389)	-	-	-	-	(6,561,389)
Other liabilities	(1,759,612)	-	-	-	-	(1,759,612)
Lease liability	(6,209)	(12,860)	(58,134)	(436,748)	(943,388)	(1,457,339)
Due to banks	(83,877,365)	(25,058,142)	-	-	-	(108,935,507)
Total	**(542,371,887)**	**(25,071,002)**	**(28,871,388)**	**(436,748)**	**(943,388)**	**(597,694,413)**
Liquidity gap	**(250,069,419)**	**205,661,121**	**160,357,673**	**4,853,668**	**(943,388)**	**119,859,655**

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**

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 2023, 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 implementation and monitoring of KRI's
- 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 2023 and 2022 was calculated as follows:

Amounts in € '000	31.12.2023	31.12.2022
Basic and total regulatory capital	111,894	100,288
Total risk weighted assets	631,390	621,633
Total ratio	**17.72%**	**16.13%**

NOTE 28: Independent auditor's fees

On 29 June 2023, 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 2023. The following table presents the aggregate fees for professional audit and audit-related services for the years ended at 31 December 2023 and at 31 December 2022 rendered by the Company's principal accounting firm "PricewaterhouseCoopers S.A."

Amounts in €	2023	2022
Audit fees	24,700	23,000
Audit related fees	19,300	18,000
Total	**44,000**	**41,000**

NOTE 29: Related party transactions

The Company, as a subsidiary of the NBG Group, entered into significant transactions with National Bank of Greece and other companies of NBG Group, at arm's length.

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

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

Amounts in €	31.12.2023	31.12.2022
Board of Directors and management fees	286,317	249,257
Board of Directors and management fees	**286,317**	**249,257**

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 2023	31 December 2022
ASSETS		
a) Balances with banks		
National Bank of Greece S.A.	2,212,703	9,350,786
b) Loans to customers		
National Bank of Greece S.A.	2,156,151	3,730,835
Total	**4,368,854**	**13,081,621**
LIABILITIES		
a) Due to banks		
National Bank of Greece S.A.	58,629,380	76,212,566
b) Debt securities in issue		
National Bank of Greece S.A.	479,043,899	476,352,882
c) Other Liabilities		
National Bank of Greece S.A.	3,036,001	1,747,493
Ethniki Leasing S.A.	77,530	9,351
PAEGAE S.A.	290	287
Total	**540,787,100**	**554,322,579**
STATEMENT OF TOTAL COMPREHENSIVE INCOME		
INCOME		
a)) Interest income		
National Bank of Greece S.A.	213,172	287,483
Total	**213,172**	**287,483**
EXPENSES		
a) Fee & commission expenses		
National Bank of Greece S.A.	24,930,699	9,422,736
Ethniki Leasing S.A.	1,703	296
b) Commission expense		
National Bank of Greece S.A.	3,786,521	3,599,016
c) Personnel expenses		
Ethniki Hellenic General Insurance S.A.	-	7,767
d) General, administrative and other operating expenses		
National Bank of Greece S.A.	545,436	602,871
PAEGAE S.A.	2,963	3,042
Ethniki Leasing S.A.	18,294	14,413
Total	**29,285,616**	**13,650,141**
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.	302,326,721	137,434,552
Total	**598,326,721**	**433,434,552**

NOTE 30: Events after the reporting period

There are no events after the reporting period.

Athens, 29 May 2024

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