ABC FACTORS

Annual Financial Report for the Fiscal Year 2023

(in accordance with the International Financial Reporting Standards)

Athens,
20 June 2024

ABC FACTORS

Board of Directors' Management Report for the Fiscal Year 2023

(From 1st January to 31st December 2023)

Athens,
20 June 2024

To the Shareholders,

According to Article 150 of L. 4548/2018, which refers to the Management Report of the Board of Directors for companies that prepare financial statements in accordance with International Financial Reporting Standards (IFRS), we submit to the General Assembly Meeting, the Company's financial statements for the fiscal year 2023 with our observations on these and request for your approval.
Detailed information on the accounting policies applied is listed in the Notes of the Financial Statements of 31 December 2023.

1. Macroeconomic Environment

A. Global Economy

In 2023, the global economy faced significant challenges. The persistent inflationary pressures, despite the declining trend of last months, and the tightening of monetary policy were some of the major issues. The consequences of climate change and the rising risk of geo-economic fragmentation also added to the challenges. Furthermore, geopolitical uncertainties, mainly provoked by the Russian invasion of Ukraine and the conflict in the Middle East, further complicated the situation.

Despite the significant tightening of monetary policy, the United States (USA) economy recorded a better-than-expected performance in 2023. Growth has been revised upwards, while the inflationary pressures have eased, however, remaining at a relatively high level. In parallel, in China, after the pandemic measures were lifted, the economy struggled to rebound. It faced problems in the real estate sector, but a broader recovery in consumption was achieved.

According to the latest available data, global economic growth has remained subdued, varying widely across countries, depending on (i) exposure to geopolitical tensions, (ii) supply chain disruptions and the volatility in energy prices, iii) the impact of fiscal policies to tackle the consequences of climate change and (iv) monetary policy. The combination of higher inflation versus the pre-pandemic period — especially core inflation — with slow growth and excessive debt levels- could pose significant risks to the global economy.

According to the International Monetary Fund (IMF, World Economic Outlook Update, January 2024), global GDP growth decelerated to 3.1% in 2023 from 3.5% in 2022 and is expected to remain at 3.1% in 2024, before rising again to 3.2% in 2025. In 2024, the tightening of monetary policy, which is necessary to control persistent inflation, is expected to continue, despite the expected reduction in interest rates, potentially after mid-2024.

The main sources of uncertainty that could affect the global economy include geopolitical tensions in Ukraine and the Middle East, the risk of global geo-economic fragmentation, China's economic growth, the withdrawal of government support measures for energy, the impact of climate change on public finance and the fact that 2024 will be a crucial election year, as more than half of the world's population is expected to go to the polls.

B. Eurozone

According to the European Central Bank's (December 2023) macroeconomic projections, the main factors that played an important role in the euro zone's slow economic growth last year were high interest rates, tighter financing conditions, the recession in Germany and the mild loss of competitiveness of European exports, primarily due to energy prices and the euro exchange rate development.

The geopolitical unrest in the Middle East remains an unpredictable element. Real GDP growth is estimated at 0.5% in 2023, from 3.4% in 2022, and is projected to rebound marginally to 0.9% in 2024 and 1.7% in 2025 (IMF, World Economic Outlook Update, January 2024). The mild recovery next year is expected to be supported by the strengthening of real disposable income and foreign demand, and thus by higher private consumption and exports.

Regarding inflation, it is forecast to stand at 5.4% in 2023 from 8.4% in 2022 and to decline further to 2.7% in 2024 and 2.1% in 2025, very close to the ECB's target (ECB Macroeconomic Projections, December 2023). Energy inflation is expected to rise in 2024, offsetting, to some extent, the decline in food inflation.

C. Greek Economy

Real GDP expanded by 2.2% on an annual basis in the first nine months of 2023, compared to 6.2% in the same period of 2022, according to the Hellenic Statistical Authority (ELSTAT). Economic activity in Q3 2023 experienced significant growth on an annual basis, by 2.1% and a marginal increase on a quarterly basis, by 0.02%. GDP growth during the first nine months of 2023 was supported by the increase in investment, private and public consumption, as well as exports. The Economic Sentiment Indicator (ESI) signals that economic activity in Greece continues to strengthen, remaining consistently above the Euro Zone average since May 2022. In December 2023, the difference between the ESI in Greece and the Euro Zone stood at 9.4 points (105.8 in Greece vs 96.4 in the Euro Zone).

Additionally, inflationary pressures are gradually receding. In 2023, inflation based on the Harmonized Index of Consumer Prices (HICP) averaged to 4.2% compared to 9.3% in 2022. This was the result of two opposing forces: the decline of energy prices and the upward pressures on food and services prices. Energy prices decreased by an average of 13.4% during the year, while food and services' prices rose by 10% and 4.5%, respectively.

The general government primary balance was positive in 2022, for the first time since the outbreak of the COVID-19 pandemic, standing at 0.1% of GDP. According to the 2024 State Budget by the Ministry of Economy and Finance the general government primary balance is expected to further increase to 1.1% of GDP in 2023 and subsequently to 2.1% of GDP in 2024. The better-than-initially-expected performance of public finances in 2022 is mainly attributed to the overperformance of tax revenues, combined with the strong economic recovery (8.4% in 2021; 5.6% in 2022). According to the latest available data published by ELSTAT (Quarterly Non-Financial Accounts of General Government, January 2024) in the third quarter of 2023 the primary surplus was equal to Euro 3.3 billion, compared to Euro 0.1 billion in the respective period of 2022. Furthermore, in 2022, Greece recorded the largest annual reduction in public debt as a percentage of GDP among the European Union (EU-27) countries, by 22.4 percentage points, reaching 172.6% of GDP, while the debt-to-GDP ratio it is expected to further decrease to 160.3% of GDP in 2023 and 152.3% in 2024 (Ministry of Economy and Finance, 2024 State Budget).

Since the start of 2023, Greece has raised a total of Euro 11.5 billion by issuing three new bonds: a ten-year in January, a five-year in March and a fifteen-year in July, amounting to Euro 3.5 billion, Euro 2.5 billion and Euro 3.5 billion respectively. In addition, nine existing bonds were reissued, raising a total of Euro 2 billion. The borrowing cost — which increased globally in 2022 due to heightened uncertainty and the adverse effects of inflation — decreased in 2023. The decline accelerated after the national elections held in May. As a result, the spread of the 10-year Greek Government Bond (GGB) against the respective German GGB decreased to 104 basis points (bps) on 29.12.2023, from 205 bps on 31.12.2022, remaining below Italy's corresponding spread since May 2023 and approaching the difference between the Spanish from the German spread. In 2023, Greece achieved a significant milestone by regaining investment grade status after 13 years. Several rating agencies upgraded the Greek sovereign above the particular threshold, due to the ongoing improvement in macroeconomic and fiscal figures. DBRS upgraded Greece to BBB (low) in September, whereas S&P in October and Fitch in December both affirmed a BBB- rating, with a stable outlook.

The unemployment rate stood at an average of 11% in 2023, from 12.4% in 2022. Employment continued to grow in 2023, although at a slower pace than the previous year (1.3% in 2023, compared to 5.4% in 2022).

The domestic real estate market continued to recover at a strong pace in 2023. According to the latest (provisional) data by the Bank of Greece, in the first nine months of the year, nominal house prices rose by 13.9% on an annual basis, compared to 11.9% in 2022. Similarly, commercial real estate prices (offices and shops) remained on an upward trajectory in the first half of 2023, rising on an annual basis by 6.6% and 6.9%, respectively.

In the first nine months of 2023, the profitability of Greek banks increased by 4.6% compared to the corresponding period in 2022. This upturn can be attributed to a rise in the net interest income and a reduction in credit risk provisions (Bank of Greece, Interim Monetary Policy Report, December 2023). The Total Capital Ratio (TCR) for the Greek banks, on a consolidated basis, stood at 17.6% in September 2023 from 17.5% in December 2022, whereas the Common Equity Tier 1 (CET 1) ratio reached 14.3% respectively, from 14.5% in December 2022.

In 2023, the sum of the private sector's net deposit flows in the domestic banking system was positive (Euro 5.8 billion), following a total increase of Euro 8 billion in 2022. Net credit expansion continued to rise in 2023, although at a slower pace compared to the previous year. The annual rate of change of total credit to the private sector stood at 3.6% in December 2023, against 6.3% in December 2022. Specifically, the annual rate of change of credit to non-financial corporations stood at 5.9% in December 2023, whereas credit to households remains negative.

According to the latest forecasts (Ministry of Economy and Finance, European Commission, International Monetary Fund, Organisation for Economic Co-operation and Development), real GDP growth is estimated to slightly exceed 2% in 2023 and range between 2% and 2.9% in 2024, significantly above the Euro Zone average (0.6% and 1.2% respectively according to the European Commission). Economic growth is expected to be driven by three main factors: (i) increasing investment due to absorption of the resources of Recovery and Resilience Facility (RRF), implementation of the Public Investment Budget (PIB) and increasing Foreign Direct Investment (FDI) flows, (ii) enhanced extroversion of the Greek firms, and (iii) strong private consumption, because of gradually receding inflationary pressures.

Downside risks to the growth prospects in 2024 are mainly related to: (i) the adverse effects of persisting inflation on households' real disposable income, which however is expected to further de-escalate to 2.6% this year (2024 State Budget), (ii) the monetary policy tightening and the increased borrowing cost, (iii) the speed of absorption of RRF funds and the implementation of the plan, (iv) delays in the implementation of structural reforms (v) geopolitical risks associated with the ongoing conflicts in Ukraine and the Middle East, (vi) the implications of climate change — such as the extreme weather conditions that led to natural disasters in Greece during the third quarter of 2023, especially the devastating floods in the Thessaly region — and (vii) the slowdown in the European economy, given that European Union countries are Greece's main trading partners.

As far as point (vi) is concerned, it is noted that the periphery of Thessaly represents 5.2% of Greece's GDP (2020 data in current prices) and 14% of the economy's total agricultural production (in terms of Gross Value Added). In the short-term and medium-term horizon, the impact on disposable income may be partly counterbalanced by the implemented measures from the Hellenic Government, European Commission and Hellenic Bank Association (HBA). However, there may be further inflationary pressures on food prices. Furthermore, the decline in exports and the corresponding increase in imports to compensate for the decrease in agricultural and livestock production for domestic consumption, may worsen the trade deficit.

D. Factoring industry overview

In the above economic environment, in 2023 the Global Factoring Market showed an increase in terms of turnover, but at a slower pace compared to previous years, i.e. by 3.61% and standing at Euro 3.79 trillion[1].

The European factoring market, which accounts for 67.4% of the global market, also grew in 2023, albeit at a slower pace than in previous years, but as in previous years, the growth of factoring turnover was higher than annual European GDP growth. Total factoring turnover for European countries amounted to Euro 2.55 trillion, with an annual growth rate of 2.3%[2].

In 2023, the upward trajectory of the factoring services industry in Greece continued as, according to data from the Hellenic Factoring Association, the total managed turnover amounted to EUR 24,689.55 million in 2023 compared to EUR 23,506.58 million in 2022, showing an increase of 5.03%.

The very good performance of the sector in the Greek market is attributed to the growth of the economy, the increased demand for factoring services as a result of the limited liquidity following the ceasation of government's support programs, as well as to the increase in the prices of raw materials, transport costs and energy, and especially to the greater acknowledgment of factoring services by companies as a strategic liquidity tool, enhancing working capital and offering benefits such as the collection of trade receivables and credit insurance.

Regarding the distribution of turnover in our country based on the criteria of domestic or international factoring, the Domestic Factoring service showed an increase of 4.67% compared to 2022, in contrast to international factoring which showed an increase of 7.65% compared to 2022[3].

[1] Source : Factors Chain International (FCI)
[2] Source : Factors Chain International (FCI)
[3] Source : Hellenic Factors Association

2. Analysis of the Company’s ongoing operations

A. Financial performance of the Company

In the context of the above economic environment, the Company's turnover (value of business receivables subject to factoring) decreased by 13.68% compared to 2022, amounting to Euro 5,787,916,605.39 (87% domestic, 13% international), maintaining a dominant position in the Greek factoring services.

Total receivables from customers before provisions for impairment (due from customers) as at 31.12.2023 amounted to EUR 726,170,455.53, i.e. increased by 0.51% compared to 31.12.2022.

The Company's profitable performance continued in 2023, with profit/(loss) before income tax amounting to Euro 14,679,338.52, i.e. increased by 37.34% compared to 2022.

Non-performing exposures as at 31.12.2023 remained stable compared to 31.12.2022, amounting to Euro 5,413,054.58.

After the application of the provisions set out in the "Policy on Impairment Provisions on Receivables from Customers" and the application of the Financial Reporting Standard (IFRS) 9 "Financial Instruments" (Regulation 2016/2067/22.11.2016), the percentage of impaired receivables from customers stood at 0.74% out of the total as at 31.12.2023 (Euro 5,371,200.09).

The Company's key figures for 2023 can be summarized as follows:

	31.12.2023	**31.12.2022**	**(%) change**
Due from customers (before ECL)	726,170,455.53	722,492,587.55	0.51%
Expected Credit Losses (ECL) on Due from customers	5,371,200.09	5,401,750.74	-0.57%
Net interest income	14,763,486.31	9,353,869.36	57.83%
Net commission income	4,919,888.57	6,092,773.02	-19.25%
Total income	19,687,353.19	15,452,203.85	27.41%
Total operating expenses	5,038,565.32	4,751,407.73	6.04%
Profit/(loss) before income tax	14,679,338.52	10,688,500.10	37.34%

Performance Indicators			
		31.12.2023	**31.12.2022**
Return on Equity (ROE) ratio	Net Profit / Total Equity	7.09%	5.57%
Return on Assets (ROA) ratio	Net Profit / Total Assets	1.58%	1.15%

Risk Indicators			
		31.12.2023	**31.12.2022**
Coverage ratio of Non-Performing Exposures (NPE) from Expected Credit Losses (ECL)	Non-Performing exposures / Expected Credit Losses (ECL)	100.78%	100.46%
Non-Performing Exposures (NPE) ratio	Non-Performing exposures / Due from customers before Expected Credit Losses (ECL)	0.75%	0.75%

ABC FACTORS has been member of the International Association of Factors Chain International (F.C.I.) since 1995 and member of the International Trade & Forfaiting Association (I.T.F.A.) since 2006, regarding Forfaiting services, while in 2009 it was one of the founding members of the Hellenic Factoring Association (E.E.F.).

B. Important developments in 2023

The main developments during the course of the Company in 2023 are the following:

1. The increase in benchmark interest rates as a result of the inflationary crisis.
2. The extension of the strategic partnership with the European Bank for Reconstruction and Development (EBRD) for an additional credit limit of EUR 10 million, in order to provide liquidity to small and medium-sized enterprises.
3. The project for the installation of the ABC FACTORS e-services platform, in the context of the Company's digital transformation as part of the Group's transformation:
   - Completion of the project phase concerning the upgrade of the Company's existing core system (Proxima),
   - Completion of the functionality tests of the ABC FACTORS e-services platform, as well as the onboarding module.

C. Corporate Governance

The Company is fully aligned with the Group's strategy for a strong corporate governance framework and, to this end, the following were approved or amended during the previous financial year:

- Update of the Compliance Department’s Operations Manual and Processes
- Update of the Related Party Transactions Policy
- Approval of Benefits & Corporate Expenses Policy for the year 2023
- Update of the Credit Policy Manual (CPM)
- Approval of the Remuneration Policy for Alpha Bank S.A. and the other Companies of the Banking Group
- Update of Internal Audit Charter
- Update of the Internal Audit Operations Manual and Regulation
- Update of conflict of interest avoidance policy
- Update of Compliance Policy

In order to assist in the fulfillment of the Board of Directors’ duties and facilitate its activities, two Committees operate, as follows:

- Audit Committee
- Risk Management Committee

During 2023, the Company's Board of Directors held thirteen (13) meetings.

D. Environmental and social responsibility issues

The Company aims to reduce its environmental footprint by promoting the rational use of lighting, heating and cooling installations in its buildings, the use of environmentally friendly equipment, as well as by implementing initiatives for the efficient use of raw materials and other materials, and by applying the the “reduce, reuse, recycle” principles of circular economy in the waste management.

As part of the above initiatives for 2022 and 2023, the Company received certification according to the requirements of ISO 14064 (Verification of Greenhouse Gas Emissions) by the Verification Body TÜV AUSTRIA.

E. Staff

The Company responsibly implements several policies with regard to human rights, labor issues and fair labor practices, as well as social issues. Company’s employees play a pivotal role to the Company’s growth and the achievement of its business targets as they depend on their performance and competence.

The Company grants priority to human resources and ensures opportunities for professional development, which is achieved through continuous education and training.

The working environment is designed to promote creativity, continuous improvement and professionalism, while supporting the efforts of Employees and Executives to attend postgraduate programs and obtain professional certificates.

The number of employees on 31.12.2023 amounted to 74 people with the female population representing 65% of total employees, while the male 35%. The educational background of the employees is constantly improving, with the holders of high school diplomas representing the 28.38%, the university graduates representing the 43.24% and the holders of postgraduate degrees representing the 28.38% of the total.

3. Risk Management

The Company has established a framework of thorough and discreet management of all kinds of its risks, taking into account the best practices in line with that imposed by the supervisory requirements, the common European legislation and the current system of common banking rules, principles and standards, while improving continuously over the time in accordance with the best European trade finance practices.

In note 45 on the financial statements of 31.12.2023, prepared in accordance with International Financial Reporting Standards, detailed information is provided regarding the Company's objectives and policies regarding the management of all types of financial risks as well as its exposure to them.

The main objective of the Company during 2023 was to comply with the regulatory and supervisory provisions for risk management by taking all the necessary and appropriate measures to better and stronger address against all type of financial risks.

Under this perspective and aiming to further strengthen and improve the risk management framework, in 2023 the following actions have been performed:

- Update the stress test and scenario analysis
- Update of the Company's Credit Policy Manual (CPM)
- In line with the Company’s established Operational Risk framework, the Risk and Control Self-Assessment (RCSA) procedure was implemented during the year, in accordance with the general regulation. The RCSA procedure aims to identify and assess risks that may affect the operations of the Company, as well as design and implement action plans for their remediation.
- Update of the outsourcing register and completion of the annual assessment of risks related to outsourcing.

Having as its main objective the implementation and continuous improvement of this framework, the Company placed great emphasis on minimizing its exposure to market risk (interest rate risk), credit and operational risk, as well as liquidity risk, all of which are monitored by the relevant competent bodies.

The Company monitors the risk measurement indicators, in accordance with the approved Risk Appetite Framework, the aim of which is to determine the level of risk that the Company is willing to undertake in order to achieve its strategic objectives, as well as the basic principles and rules governing the overall risk management.

The Group's Environmental and Social Risk Management Policy for the Group's corporate credit covers the Company's clientele and, in this context, the factoring balances are consolidated at Group level where the competent units carry out a relevant assessment.

4. Capital Adequacy

The supervisory framework concerning factoring services companies is specified by the Governor’s Acts of the Bank of Greece dated 27.09.2021 as follows:

Decision No. 193/1: Terms and conditions for the granting of operational and establishment license to: a) leasing companies, b) companies engaged in credit granting services and c) factoring agency companies - Special holdings - Repeal of no. 2622/21.12.2009 of the Act of the Governor "Conditions for granting operational and establishment license and supervision rules related to a) financial leasing companies, b) companies engaged in credit granting services and c) factoring agency companies" (B΄ 3/2010) and other Acts Governor of the Bank of Greece.

Decision No. 193/2: Rules for the prudential supervision of financial leasing companies, companies engaged in credit granting services, factoring agency companies and companies engaged in providing microfinance services of Law 4701/2020.

In particular, under Decision No.193/2 states that "The amount of the supervisory equity capital of the institutions herein is not allowed to fall short of the prescribed, as the case may be, minimum initial capital throughout the period of their operation".

The Company is in full compliance with the above decisions, and the amount of its supervisory capital exceeds the capital required, based on the above decisions.

5. Prospects for the Company

Despite the unstable economic environment, as defined inter alia by geopolitical uncertainty, the persistence of inflationary pressures, the slow de-escalation of interest rates by the main central banks, the Greek economy is expected to remain resilient in 2024, as the international and domestic organizations forecast a GDP growth within the range of 2%-2.9% compared to 1.2% in the euro zone.

The high level of interest rates has an increasing impact on funding costs while putting pressure on clients to tighten spreads.

However, the positive developments that occurred during 2023 such as the strengthening of tourism receipts, the resilience of the labor market, the attraction of investments in Greece by large foreign companies, the upgrade of the credit rating of Greek bonds and the proportionally high inflow of capital from the Recovery and Resilience Fund and the EU Structural Funds, are safeguards to avoid the realization of negative macroeconomic scenarios and a recession of the economy.

In this environment, the Company has set the following key priorities to strengthen its financial position and further development of its services:

1. Focusing further on the development of its operations by utilizing its customer base and synergies with the parent Bank as well as the network of partners in the international organizations in which the Company participates as a member.
2. Upgrading the customer experience by fully automating the services offered as a result of the full operation of integrated digital transformations (ABC FACTORS e-services).
3. Strengthening the mechanism of risk management, utilizing new digitized technologies (ABC FACTORS e-services Platform) and enhancing and improving the operating and internal control procedures.
4. Achieving economies of scale as a result of the digitalization of the Company's internal processes and transactions with customers.

The continuous growth of the Company is attributed to the high level of expertise of its specialized staff, the support of the parent Bank, but mainly to the Company's commitment to its customers to create value for them by providing services and products tailored to their needs.

6. Other Information

1. There are no securities held by the Company.
2. There is no significant exposure to exchange risk (note 45.2 on the financial statements of 31.12.2023).
3. No property is held by the Company.
4. There are no research and development activities.
5. The Company has not acquired any own shares.
6. The Company maintains a branch in Northern Greece with headquarters in Thessaloniki.
7. There are no losses for previous years nor are there any losses for the current year.

7. Other significant events that occurred between the end of the fiscal year and the date of submission of the report.

The breakdown of the balances of the Company's Debt Securities in Issue, as disclosed in note 36, is as follows:

Contract date	End date	Balance at 31.12.2023	Repayments	Reallocation	Balance at 31.05.2024
22.07.2004	30.10.2024	55,000,000	(15,000,000)	-	40,000,000
19.04.2019	30.06.2024	100,000,000	-	-	100,000,000
07.04.2020	30.06.2026	80,000,000	-	-	80,000,000

Contract date	End date	Balance at 31.12.2023	Repayments	Reallocation	Balance at 31.05.2024
16.03.2022	16.03.2025	40,000,000	(30,000,000)	-	10,000,000
16.03.2022	28.06.2024	40,000,000	-	-	40,000,000
28.07.2022	28.07.2025	40,000,000	-	-	40,000,000
28.07.2022	28.07.2025	60,000,000	(80,000,000)	60,000,000	40,000,000
18.08.2022	18.08.2025	30,000,000	(30,000,000)	-	-
Σύνολο		**445,000,000**	**(155,000,000)**	**60,000,000**	**350,000,000**

Except for the above, no significant events occurred after the balance sheet date of the financial statements of the Company.

Athens, June 20, 2024

THE CHAIRMAN OF THE BOARD OF DIRECTORS

IOANNIS M. EMIRIS
I.D. No AP 104025

THE CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

MARIA M. RAIKOU
I.D. No AK 199121

ABC FACTORS

Financial Statements as at 31.12.2023

(In accordance with International Financial Reporting Standards – I.F.R.S.)

Athens,
20 June 2024

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True Translation of the original in the Greek language

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of the company ABC FACTORS SINGLE MEMBER S.A. (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as these have been incorporated into the Greek legislation. Our responsibilities under those standards are further described in the paragraph "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We have been independent of the Company during the whole period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as incorporated into the Greek legislation and the ethical requirements in Greece relevant to the audit of the financial statements and we have fulfilled our ethical requirements in accordance with the applicable legislation and the above mentioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' Report, referred to in the section "Report on Other Legal and Regulatory Requirements", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as endorsed by the European Union, and for such internal control as Management 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, Management 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 accounting basis unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 these have been incorporated into the Greek legislation, 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 these have been incorporated into the Greek legislation, we exercise professional judgment and maintain professional skepticism 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 Management.
- Conclude on the appropriateness of Management's use of the going concern accounting basis 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 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 Management 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

Taking into consideration that Management is responsible for the preparation of the Board of Director's report, according to the provisions of paragraph 5 of the article 2 (part B) of Law 4336/2015, we note the following:

a. In our opinion, the Board of Director's Report has been prepared in accordance with the applicable legal requirements of article 150 of Law 4548/2018 and its content is consistent with the accompanying financial statements for the year ended 31 December 2023.

b. Based on the knowledge we obtained during our audit of the company ABC FACTORS SINGLE MEMBER S.A. and its environment, we have not identified any material inconsistencies in the Board of Director's Report.

Athens, 21 June 2024

The Certified Public Accountant

Foteini D. Giannopoulou
Reg. No. SOEL: 24031
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou Str.
151 25 Maroussi
Reg. No. SOEL: E120

FINANCIAL STATEMENTS AS AT 31.12.2023

INCOME STATEMENT

	Note	*Amounts in Euro* From 1 January to 31.12.2023	31.12.2022
Interest and similar income	20	37,001,036.58	18,703,804.64
Interest expense and similar charges	20	(22,237,550.27)	(9,349,935.28)
Net interest income	20	14,763,486.31	9,353,869.36
Commission income	21	7,806,776.36	8,651,692.64
Commission expense	21	(2,886,887.79)	(2,558,919.62)
Net commission income	21	4,919,888.57	6,092,773.02
Gain / (losses) on financial transactions		(3,186.21)	(4,000.89)
Other income	22	7,164.52	9,562.37
		3,978.31	5,561.48
Total income		**19,687,353.19**	**15,452,203.86**
Staff costs	23	(3,313,676.76)	(3,236,080.71)
General administrative expenses	24	(1,156,938.50)	(964,887.17)
Depreciation and amortization	30-31	(567,950.06)	(550,439.85)
Total expenses		**(5,038,565.32)**	**(4,751,407.73)**
Impairment (losses and provisions) / releases to cover credit risk	25	30,550.65	(12,296.03)
		30,550.65	**(12,296.03)**
Profit/(loss) before income tax		**14,679,338.52**	**10,688,500.10**
Income tax expense	26	(3,269,317.47)	(2,359,461.97)
Net profit/(loss) after income tax		**11,410,021.05**	**8,329,038.13**
Earnings per share:			
Basic and diluted (Euro per share)	27	8.35	6.09

The attached notes (pages 9 to 95) form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Note	*Amounts in Euro* From 1 January to 31.12.2023	31.12.2022
Net profit/(loss) after income tax, recognized in the Income Statement		**11,410,021.05**	**8,329,038.13**
Amounts that are not reclassified in the Income Statement			
Change in actuarial gains/(losses) on employee defined benefit obligations	38	(11,801.00)	32,088.00
Income tax		2,596.22	(7,059.36)
Total of other comprehensive income recognized directly in equity, after income tax		**(9,204.78)**	**25,028.64**
Total comprehensive income for the year, after income tax		**11,400,816.27**	**8,354,066.77**

The attached notes (pages 9 to 95) form an integral part of the financial statements.

BALANCE SHEET

	Note	31.12.2023	31.12.2022
		Amounts in Euro	
ASSETS			
Cash and Cash equivalents	28.1	1,263.11	764.78
Due from banks	28.2	275,109.11	1,200,909.47
Due from customers	29	720,799,255.44	717,090,836.81
Tangible assets	30	2,112,300.65	2,421,558.36
Intangible assets	31	614,366.05	606,252.09
Other assets	33	351,415.72	203,820.02
Total Assets		**724,153,710.08**	**721,524,141.53**
LIABILITIES			
Due to banks	34	97,709,289.19	88,833,052.46
Due to customers	35	3,310,343.51	3,074,198.30
Debt securities in issue	36	445,336,231.00	465,192,874.00
Liabilities for current income tax	37	1,186,624.13	333,417.77
Liabilities for other taxes	37	1,753,366.10	1,147,248.46
Deferred tax liabilities	32	10,284,392.55	9,613,007.71
Employee defined benefit obligations	38	205,480.00	165,858.00
Other liabilities	39	3,418,673.13	3,635,946.63
Total Liabilities		**563,204,399.61**	**571,995,603.33**
EQUITY			
Share capital	40	41,000,010.00	41,000,010.00
Share premium		64,746.88	64,746.88
Statutory reserve	41	10,057,667.40	9,641,215.49
Retained earnings	42	109,826,886.19	98,822,565.83
Total Equity		**160,949,310.47**	**149,528,538.20**
Total Liabilities and Equity		**724,153,710.08**	**721,524,141.53**

The attached notes (pages 9 to 95) form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Amounts in Euro	Note	Share capital	Share premium	Statutory reserve	Reserves	Retained earnings	Total
Balance 1.1.2022		**41,000,010.00**	**64,746.88**	**9,201,986.58**	**74,955.00**	**90,807,770.97**	**141,149,469.43**
Movement between 1.1-31.12.2022							
Total comprehensive income for the year, after income tax		-	-	-		8,354,066.77	**8,354,066.77**
Valuation reserve of employee stock option program		-	-	-	25,002.00	-	**25,002.00**
Appropriation of retained earnings to statutory reserve	41	-	-	439,228.91		-439,228.91	**-**
Balance 31.12.2022		**41,000,010.00**	**64,746.88**	**9,641,215.49**	**99,957.00**	**98,722,608.83**	**149,528,538.20**

Amounts in Euro	Note	Share capital	Share premium	Statutory reserve	Reserves	Retained earnings	Total
Balance 1.1.2023		**41,000,010.00**	**64,746.88**	**9,641,215.49**	**99,957.00**	**98,722,608.83**	**149,528,538.20**
Movement between 1.1-31.12.2023							
Total comprehensive income for the year, after income tax		-	-	-		11,400,816.27	**11,400,816.27**
Valuation reserve of employee stock option program		-	-	-	8,687.00		**8,687.00**
Reserve from free distribution of shares					11,269.00		**11,269.00**
Appropriation of retained earnings to statutory reserve	41	-	-	416,451.91		(416,451.91)	**-**
Balance 31.12.2023		**41,000,010.00**	**64,746.88**	**10,057,667.40**	**119,913.00**	**109,706,973.19**	**160,949,310.47**

The attached notes (pages 9 to 95) form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Note	Amounts in Euro From 1 January to 31.12.2023	31.12.2022
Cash flows from operating activities			
Profit/(loss) before income tax		**14,679,338.52**	**10,688,500.10**
Adjustments to profit/(loss) before income tax for:			
Depreciation of tangible assets	30	397,737.25	377,659.91
Amortization of intangible assets	31	170,212.81	172,779.94
Expense / (income) on pension plans	38	100,244.00	32,972.00
Impairment (losses and provisions) / releases to cover credit risk	25	(30,550.65)	12,296.03
Interest on debt securities in issue	20	19,350,728.66	7,637,456.04
Interest expense from lease liabilities		33,297.42	34,722.28
		34,701,008.01	**18,956,386.30**
Increase / decrease:			
Due from customers		(3,708,418.63)	(137,508,862.82)
Other assets		(146,337.01)	69,982.63
Due to banks		8,876,236.73	(84,028,524.58)
Due to customers		236,145.21	(2,345,467.90)
Other liabilities		104,429.46	(44,889.78)
Other taxes		606,117.64	599,476.28
Net cash flows from operating activities before taxes		**40,669,181.41**	**(204,301,899.87)**
Income tax paid		(1,742,130.05)	(1,707,680.35)
Interest paid of debt securities in issue		(19,207,371.66)	(7,480,506.04)
Net cash flows from operating activities		**19,719,679.70**	**(213,490,086.26)**
Cash flows from investing activities			
Purchases of tangible and intangible assets	30-31	(283,566.72)	(132,912.50)
Net cash flows from investing activities		**(283,566.72)**	**(132,912.50)**
Cash flows from financing activities			
Issuance of debt securities in issue	36	190,000,000.00	270,000,000.00
Repayments of debt securities in issue	36	(210,000,000.00)	(60,000,000.00)
Payments of lease liabilities	39	(361,415.01)	(340,991.72)
Net cash flows from financing activities		**(20,361,415.01)**	**209,659,008.28**
Net increase/(decrease) in cash flows		**(925,302.03)**	**(3,963,990.48)**
Cash and cash equivalents at the beginning of the year	28	**1,201,674.25**	**5,165,664.73**
Cash and cash equivalents at the end of the year	28	**276,372.22**	**1,201,674.25**

The attached notes (pages 9 to 95) form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

ABC FACTORS SINGLE MEMBER S.A. was established in 1995 and has been operating up to this date under the distinctive title “ABC FACTORS” (the Company).

The Company’s registered office is 48 Michalakopoulou Street, Athens and is listed in the General Commercial Registry with registration number 1803101000 as well as in the Societe Anonyme Registry under number 32684/01/B/95/32.

The Company’s duration has been set to fifty years and may be extended by resolution of its Shareholders’ General Assembly.

The Company’s purpose is to provide all types of factoring services in accordance with the provisions of Law 1905/1990.

ABC FACTORS is a subsidiary of Alpha Bank (the Group), which owns indirectly 100% of the Company’s share capital, while ALPHA HOLDINGS SINGLE MEMBER S.A. is the ultimate parent company which owns directly 100% of the Company’s share capital.

On April 16, 2021, the ultimate parent company Alpha Bank ("demerged") by way of hive-down of the banking business sector transferred its main banking activities to a new company - credit institution with the name "Alpha Bank S.A." ("beneficiary" or ALPHA BANK). The ultimate parent company, which now owns the shares of "Alpha Bank S.A." ("beneficiary"), retained activities, assets and liabilities that were not connected to the main banking activities and was renamed "Alpha Services and Holdings S.A.".

Therefore, the Company's financial statements are included in the consolidated financial statements of the Alpha Services and Holdings Group using the full consolidation method.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders of June 22, 2022 has been set at five years and is to be extended until the date of the immediately succeeding Ordinary General Meeting of Shareholders. The Board of Directors consists of:

CHAIRMAN (Non-Executive Member)

Ioannis M. Emiris

Chief of Wholesale Banking, Alpha Bank

VICE CHAIRMAN (Non-Executive Member)

Alexios A. Pilavios **

CHIEF EXECUTIVE OFFICER & GENERAL MANAGER (Executive Member)

Maria M. Raikou

MEMBERS

Tilemachos D. Georgakis (Non-Executive Member) *
Chief of Commercial Banking, Alpha Bank

*. Member of the Audit Committee

**. Member of the Risk Management Committee

George N. Kontos (Independent Non-Executive Member) */**

Christos A. Economou (Non-Executive Member) */**
Wholesale Credit Principal, Alpha Bank

Antonios K. Chronis (Executive member)
Finance & Administration Manager, ABC FACTORS

The auditor of the annual financial statements is Deloitte Certified Public Accountants S.A. (A.M. E120).

These financial statements have been approved by the Board of Directors on June 20th 2024.

*. Member of Audit Committee

**. Member of Risk Management Committee

ACCOUNTING POLICIES APPLIED

1. Basis of presentation

The financial statements for the period 1.1 - 31.12.2023 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002.

The accounting policies applied by the Company in preparing the financial statements are the same as those stated in the published financial statements for the year ended on 31.12.2022, after taking into account the amendments to standards analyzed below, which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2023 as detailed below.

The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Euro, unless otherwise indicated in the individual notes.

The estimates, assumptions and criteria applied by the Company for making decisions which affect the preparation of the financial statements are based on historical data and assumptions which, under present circumstances, are considered reasonable.

The estimates and criteria applied for making decisions are reviewed in order to take into account current developments and the effects of any changes are recognized in the financial statements in the year that such changes occur.

Going Concern

The financial statements as at 31.12.2023 have been prepared based on the going concern principle. For the application of this principle, the entity took into account current economic developments and made estimates for the formation, in the near future, of the economic environment in which it operates.

In this context, the Company assessed the following areas which are considered important during its assessment:

The growth momentum during the first nine months of 2023 reflects the resilience of the Greek economy against of the challenges it faced, such as the unstable international environment, inflationary pressures, the increased interest rates of the European Central Bank, the slowdown of the European economy as well as the natural disasters in Greek territory during the third quarter, and especially the disastrous floods in Thessaly. According to the latest available data from ELSTAT (December 2023), the real GDP in the first nine months of 2023 increased by 2.2% on an annual basis, at a rate more than triple compared to the Eurozone (0.6%) and one of the highest among the countries of the European Union (EU-27). Economic growth was driven primarily by investment, which increased by 7.4% in the first nine months of the year compared to the same period last year, contributing by 1 percentage point (p.p.) to the annual GDP growth rate. Regarding the analysis of investments by category, investments in housing and transportation equipment increased at a strong rate, by 40.2% and 21.8% respectively, while investments in non-residential constructions by 5.5% and other investments by 4.1%.

Private consumption registered an annual increase of 1.3% in the first nine months of 2023, maintaining its momentum and contributing to the change in GDP by 0.9 percentage points (p.p.). Also, the contribution of net exports was marginally positive (0.1 p.p), with the annual increase in exports (2.3%) exceeding the corresponding increase in imports (1.8%). Specifically, exports of goods increased more strongly (2.9%) than the corresponding imports (0.5%), while exports of services increased milder (2.6%) than imports of services (5.6%). Public consumption had a positive contribution of 0.2 percentage points (p.p.) which increased by 1.1% on an annual basis in the first nine months of the year, while, on the contrary, reserves had a marginally negative contribution (-0.02 p.p. including statistical differences).

The Harmonized Index of Consumer Prices (HICP) increased by an average of 9.3% in 2022, primarily due to rising global energy prices - given that Greece is a net energy importer - disruptions in supply chains and shortages in raw materials. However, according to the latest available ELSTAT data, HICP inflation slowed significantly in 2023 to 4.2%. It is noted that the main categories of goods, the prices of which continue to increase and keep inflation positive, are those of food and services, while energy prices decreased in 2023 on average, by 13%.

GDP growth is expected to strengthen in 2024, boosted by the gradual normalization of inflationary pressures. In addition, the implementation of investments within the framework of the Recovery and Resilience Fund (Euro 3.6 billion) and the Public Investment Program (Euro 8.6 billion) and the expected increase in Foreign Direct Investments (FDI) are estimated to contribute to strengthening economic activity in 2024. The International Monetary Fund (World Economic Outlook, October 2023), the European Commission (European Economic Forecast, Autumn, November 2023) and the Organization for Economic Co-operation and Development (OECD Economic Outlook, November 2023) predict an increase of GDP by 2.5%, 2.4% and 2.4% for 2023, while the Ministry of Finance (Recommended Budget Report 2024, November 2023) by 2.4% respectively. As for 2024, the same organizations predict positive economic growth rates between 2% and 2.9%.

The main of uncertainty regarding Greece's macroeconomic prospects are as follows:

- Geopolitical developments and inflationary pressures: The continuation and outcome of the war in Ukraine can undoubtedly affect the European economies, since the conflict in the territories of the European continent, as well as the energy dependence on Russia led to a sharp increase in energy prices in 2022. It is noted, however, that concerns about Europe's energy sufficiency have eased. Both the high filling rate of natural gas storage tanks in Europe and the initiatives taken at European level to reduce natural gas consumption have contributed to this. The recent conflict in the Middle East further increases uncertainty, while a possible escalation of the conflict involving countries with a significant role in the oil market (e.g. Iran) could trigger a new energy crisis and consequently inflationary pressures, burdening both the Greek, as well as the European economy. Adding to the adverse geopolitical developments is the recent tension in the Red Sea, as approximately 10% of global trade passes through this region. This could lead to a renewed increase in oil prices and disruption to the supply chain.
- The slowdown or even recession of the European economy could adversely affect domestic economic activity, as 54% of Greek exports are directed to the European Union, while 60%-70% of tourist arrivals come from it. It is noted that according to the recent forecasts of the European Commission (European Economic Forecast, Autumn, November 2023) the GDP in the European Union (EU-27) is expected to increase by 0.6% in 2023 and by 1.3% in 2024, against previous forecasts for an increase of 0.8% and 1.4%, respectively (European Economic Forecast, Summer, September 2023).
- In addition, risks for the Greek economy arise due to the extreme weather conditions that hit various regions of the country in the summer of 2023, and especially the catastrophic floods in the region of Thessaly. In the short term, upward pressures on food prices are likely to intensify, while, in the medium term, the trade balance may deteriorate both due to a reduction in exports of goods and due to replenishment, through imports of goods, of the lost agricultural and livestock production that was intended for domestic consumption. In addition, the reduction of capital used in the production process (buildings, machinery, land) is, in the long run, the most important challenge, as it adversely affects the productive capacity of the economy and, consequently, the potential output. The negative effects are expected to be mitigated, to some extent, by the measures taken at the domestic and European level. Specifically, a supplementary budget of Euro 600 million was submitted to cover the first compensations. In addition, according to statements by the president of the European Commission, Greece can mobilize up to Euro 2.25 billion of unused European funds to carry out infrastructure projects, while a request to draw up to Euro 400 million in 2024 from the Solidarity Fund will be evaluated.
- The sharp increase in interest rates in the last year and consequently the cost of borrowing for households and businesses, which might have delayed the implementation of investment plans. In addition, the increased cost of borrowing, combined with the effects of the energy crisis, following the gradual abolition of fiscal support measures for businesses and households, could make it difficult to further reduce the NPL ratio, as it states the Monetary Policy Report of the Bank of Greece (December 2023).

- Finally, there are risks arising from the speed of absorption of the funds of the Recovery and Resilience fund and the implementation of the program, as well as possible delays in the implementation of structural reforms.

In conclusion, despite the volatile economic environment, as defined among others by geopolitical uncertainty, the maintenance of inflationary pressures and the sharp increase in interest rates by the main central banks, the Greek economy is expected to remain resilient, achieving higher rates in 2023-24 of GDP growth above European averages, supported by private consumption and rising investments.

Regarding Alpha Services and Holdings Group's liquidity levels, from which the entity covers a major part of its loan needs, it is noted that the Bank's unrestricted ability to draw liquidity from the mechanisms of the Eurosystem and from the money (with or without collateral) and capital markets continues. During 2023, the increases in the European Central Bank's intervention interest rates continued in order to ensure the timely return of inflation to the medium-term target of 2%, while on 31.12.2023 the interbank deposit facility rate of commercial banks at the Central Bank of the Eurozone (deposit facility rate) amounted to 4%. In February, March and June 2023, in the context of optimizing the Group's liquidity management, and having sufficient reserves, the Bank decided to prepay €8 billion in total of the European Central Bank's TLTRO-III program. The total funding from the European Central Bank on 31.12.2023 amounts to € 5 billion.

In 2023 the credit rating agencies Fitch, Standard & Poor's and DBRS upgraded the Greek government's bonds to investment grade, a development that is of decisive importance for how international markets view the country and its assets. The Bank, continuing to implement the strategy of achieving the MREL objectives in a sustainable manner, while improving its financial profile and diversifying its sources of financing, issued in June 2023 and in February 2024 senior preferred bonds in the amount of €500 million and €400 million respectively. Liquidity of €400 million was also raised from the issue of AT1 in February 2023, as mentioned below in the capital adequacy section. In addition, within 2023 total deposits, including those of the subsidiaries classified in assets held for sale, showed an increase of €1.7 billion.

As a result of the above, the liquidity ratios (liquidity coverage ratio and net stable liquidity ratio) significantly exceed the supervisory limits that have been set. In addition, taking into account the conditions shaping the current economic environment, stress tests are carried out regularly (at least monthly) for liquidity purposes, in order to assess potential outflows (contractual or contingent), which aim to confirm whether the liquidity reserve is sufficient to cover the Bank's needs. These exercises are carried out in accordance with the approved policy of "Liquidity Risk Management" (Liquidity Risk Policy) of the Group. As a result, according to both the plan of the group and the simulation exercises of extreme situations, the liquidity of the group is considered sufficient.

Based on the above and taking into account:
- the strong capital structure of the Company, in combination with its full compliance with the provisions of Decree No. 193/1 and Decree No. 193/2 of the Bank of Greece (note 46),
- the satisfactory liquidity of the Alpha Services and Holdings Group,
- the actions being taken to enhance efficiency and profitability,
- the fact that any impact on the Company's financial result from inflation and the increase in base rates is expected to be positive as it is estimated that the higher operating income performance, as a result of the balance sheet structure, will outweigh the increases in operating expenses expected to be observed,
- the expected positive growth rates of the Greek economy despite the uncertainty caused by the geopolitical developments, the maintenance of the inflationary pressures and the high interest-rate environment, and, in addition, the implementation of the National Recovery and Resilience Plan under the EU's "Next Generation EU" programme, through which Greece is expected to receive a total of €36 billion by 2026,
- the balanced interest rate risk profile (Note 45.3)
- that, despite the fact that the duration of the war between Russia and Ukraine and recent developments in Middle East may adversely affect the macroeconomic environment, the Group of Alpha Services and Holdings has significant buffers of capital adequacy and liquidity,

the Company estimates that, for at least the next 12 months from the date of approval of the financial statements, the conditions for applying the going concern principle for the preparation of these financial statements are met.

Adoption of new standards and of amendments to standards

The following are the new standards and the amendments to standards applied from 1.1.2023:

International Financial Reporting Standard 17 “Insurance Contracts” and **Amendment to International Financial Reporting Standard 17** “Insurance Contracts” (Regulation 2021/2036/19.11.2021)

On 18.5.2017 the International Accounting Standards Board issued IFRS 17 which replaces IFRS 4 “Insurance Contracts”. In contrast to IFRS 4, the new standard introduces a consistent methodology for the measurement of insurance contracts. The key principles in IFRS 17 are the following:
An entity:
• identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder;
• separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
• divides the contracts into groups that it will recognize and measure;
• recognizes and measures groups of insurance contracts at:

i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information
ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);

• recognizes the conventional profit margin from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
• presents separately insurance revenue, insurance service expenses and insurance finance income or expenses; and
• discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

On 25.6.2020 the International Accounting Standards Board issued an amendment to IFRS 17 which aimed to ease implementation of the standard and make it easier for entities to explain their financial performance. Additionally, with the amendment the effective date of the standard was postponed to 1.1.2023.

Finally, it is noted that under the Regulation of the European Union that adopted above standard, an entity may choose not to apply paragraph 22 of the standard, in accordance with which an entity shall not include contracts issued more than one year apart in the same group, to:

a) groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features and with cash flows that affect or are affected by cash flows to policyholders of other contracts;
b) groups of insurance contracts that are managed across generations of contracts and that meet the conditions laid down in Article 77b of Directive 2009/138/EC and have been approved by supervisory authorities for the application of the matching adjustment.

IFRS 17 does not apply to the financial statements of the Company.

► **Amendment to International Financial reporting Standard 17**: "Insurance Contracts": Initial Application of IFRS 17 and IFRS 9 – Comparative information (Regulation 2022/1491/8.9.2022)
On 9.12.2021 the International Accounting Standards Board issued an amendment to IFRS 17 according to which entities are permitted on initial application of IFRS 17 to classify financial assets in the comparative period in a way that aligns with how the entity would classify them on IFRS 9 transition. The amendment specifies how this option is applied depending on whether the entity applies IFRS 9 for the first time at the same time as IFRS 17 or whether it has already applied it in a previous period.

The above amendment does not apply to the financial statements of the Company.

► **Amendment to the International Accounting Standard 1 "Presentation of Financial Statements":** Disclosure of accounting policies (Regulation 2022/357/2.3.2022)
On 12.2.2021 the International Accounting Standards Board issued an amendment to IAS 1 with which it clarified that:
- An entity shall disclose material accounting policy information. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of financial statements make.
- Accounting policy information that relates to immaterial transactions is immaterial and need not be disclosed. Accounting policy information may nevertheless be material because of the nature of the related transactions even if the amounts are immaterial. However, not all accounting policy information relating to material transactions and other events is itself material.
- Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements.
- Accounting policy information that focuses on how an entity has applied an accounting policy is more useful to users of financial statements than standardized information or information that only summarizes the requirements of IFRSs.
- If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The above amendment has been considered in the financial statements of the Company.

► **Amendment to the International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors":** Definition of accounting estimates (Regulation 2022/357/2.3.2022)
On 12.2.2021 the International Accounting Standards Board issued an amendment to IAS 8 with which:
- Defined accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty.
- Clarified that an accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate. Developing accounting estimates involves the use of judgements and assumptions.
- An entity uses measurement techniques and inputs to develop an accounting estimate.
- An entity may need to change an accounting estimate. By its nature, a change in an accounting estimate does not relate to prior periods and is not the correction of an error. A change in an input or a change in a measurement technique are changes in accounting estimates unless they result from the correction of prior period errors.

The adoption of the above amendment had no impact on the Company's financial statements.

► **Amendment to International Accounting Standard 12 "Income Taxes":** Deferred tax relating to assets and liabilities arising from a single transaction (Regulation 2022/1392/11.8.2022).
On 7.5.2021 the International Accounting Standards Board issued an amendment to IAS 12 which limited the scope of the recognition exception whereby companies in certain circumstances were exempted from recognising deferred

tax on initial recognition of assets or liabilities. The amendment clarifies that this exception no longer applies to transactions which, on initial recognition, result in the creation of equal taxable and deductible temporary differences.

The adoption of the above amendment had no impact on the Company's financial statements.

► **Amendment to International Accounting Standard 12 "Income Taxes**": International Tax Regulatory – Standard rules of Pillar II (Compliance 2023/2468/8.11.2023).

On 23.5.2023, the International Accounting Standards Board issued a modification to IAS 12 with the aim of providing guidance on handling provisions imposed through the standard rules of Pillar II of the International Tax Reform. Specifically, according to the amendment, a company:

- Shall neither recognize nor disclose information regarding deferred tax assets and liabilities arising from Pillar Two income tax.
- It shall disclose that it has applied above exception.
- It shall disclose separately its current tax expense (income) related to Pillar Two income taxes.
- In periods in which Pillar Two legislation has been enacted (or substantially enacted) but not yet in effect, it shall disclose known or reasonably estimable information that help users of financial statements understand its exposure to Pillar Two income taxes.

The adoption of the above amendment had no impact on the Company's financial statements.

Apart from the standards that were mentioned above, the European Union has adopted the below amendments which are effective for annual periods beginning after 1.1.2023 and have not been early adopted by the Company.

► **Amendment to International Financial Reporting Standard 16:** "Leases": a lease liability in a sale and leaseback transaction.

Effective for annual periods beginning on or after 1 January 2024.

On 22 September 2022, the International Accounting Standards Board amended IFRS 16 to clarify that, in a sale and leaseback transaction, the seller-lessor determines 'rental payments' or 'revised rental payments' in a manner that will not recognize any amount of gain or loss associated with the right of use retained by the seller-lessor. Furthermore, in the event of a partial or total termination of the lease, the seller-lessor is not prohibited from recognizing in profit or loss the gain or loss arising from that termination.

The Company is examining the impact from the adoption of the above amendment on its financial statements.

► **Amendment to the International Accounting Standard 1** "Presentation of Financial Statements": Classification of liabilities as current or non-current (Regulation 2023/2822/19.12.2023)

Effective for annual periods beginning on or after 1.1.2024

On 23.1.2020, the International Accounting Standards Board issued amendments to IAS 1 relating to the classification of liabilities as current or non-current. More specifically:
- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if the liability must be classified as current or non-current.
- Management expectations about events after the balance sheet date must not be taken into account.
- The amendments clarify the situations that are considered settlement of a liability.

On 15.7.2020 the International Accounting Standards Board extended effective date by one year taking into account the impact of pandemic.

The Company is examining the impact from the adoption of the above amendment on its financial statements.

▸ **Amendment to International Accounting Standard 1** "Presentation of Financial Statements": Non-current liabilities with covenants (Regulation 2023/2822/19.12.2023)

Effective for fiscal years beginning on or after 1 January 2024.

On 31.10.2022, the International Accounting Standards Board (IASB) issued an amendment to IAS 1 that provides clarification regarding the classification as current or non-current of a liability that an entity has the right to defer for at least 12 months and that is nevertheless subject to compliance with specified conditions. Specifically, it was clarified that only the terms with which an economic entity is obliged to comply with or before the balance sheet date affect the classification of a liability as short-term or long-term.
This amendment also extended by one year the mandatory application date of the amendment to IAS 1 Classification of Liabilities into Current and Long-Term Liabilities issued in 2020.

The Company is examining the impact from the adoption of the above amendment on its financial statements.

Also, the International Accounting Standards Board has issued the following standards and amendments of stadards which, however, have not yet been adopted by the European Union and have not been early adopted by the Company.

► **Amendment to International Financial Reporting Standard 10** "Consolidated Financial Statements" and to **International Accounting Standard 28** "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and its associate or joint venture.

Effective date: To be determined.

On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent (investor) loses control of a subsidiary, which does not constitute a business, as defined in IFRS 3, it shall recognize to profit or loss only the part of the gain or loss which is related to the unrelated investor's interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognizes the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor's interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary. In IAS 28, respectively, it was clarified that the partial recognition of the gains or losses shall be applied only when the involved assets do not constitute a business. Otherwise, the total of the gain or loss shall be recognized.
On 17.12.2015, the International Accounting Standards Board deferred the effective date for the application of the amendment that had been initially determined. The new effective date will be determined by the International Accounting Standards Board at a future date after taking into account the results of its project relating to the equity method.

The Company is examining the impact from the adoption of the above amendment on its financial statements.

► **International Financial Reporting Standard 14** "Regulatory deferral accounts"

Effective for annual periods beginning on or after 1.1.2016

On 30.1.2014 the International Accounting Standards Board issued IFRS 14. The new standard, which is limited-scope, addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services. The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.
It is noted that European Union has decided not to launch the endorsement of this standard and to wait for the final standard.

The above standard does not apply to the financial statements of the Company.

► **Amendment to International Financial Reporting Standard 7** “Cash flow Statement” and **Amendment to International Financial Reporting Standard 7** “Financial Instruments – Disclosures”: Credit provision agreements for the repayment of suppliers. Effective for annual periods beginning on or after 1.1.2024.

On 25.5.2023 the International Accounting Standards Board amended the IAS 7 and IFRS 17 standards aiming to provide disclosures regarding credit provision agreements for the repayment of suppliers. These are agreements that companies enter into with third-party creditors, who undertake to repay the companies' debts to their suppliers. Subsequently, the company will have to repay the third-party creditors based on the terms of their agreement. The amendment of IAS 7 imposed the provision of information regarding the terms of these agreements, the balance of the related liability in the balance sheet, the non-cash changes in the balances of the liability, the amounts with which the third-party creditors have already repaid the suppliers and the range of payment due dates. Additionally, the IFRS 7 was amended to include in the liquidity risk disclosures access to such agreements with third-party creditors.

The Company is examining the impact from the adoption of the above amendment on its financial statements.

► **Amendment to International Financial Reporting Standard 21** “The Effects of Changes in Foreign Exchange Rates”: lack of interchangeability.

Effective for annual periods beginning on or after 1.1.2025.

On 15.8.2023, the International Accounting Standards Board issued an amendment to IAS 21 regarding currencies in which there is a lack of interchangeability. The amendment clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. With the amendment disclosures are also added that enable users of financial statements to understand the impact of a currency that is not exchangeable

The Company is examining the impact from the adoption of the above amendment on its financial statements.

2. Transactions in foreign currency

Items included in the financial statements are measured and presented in Euro, which is the functional currency of the Company.

Transactions in foreign currencies are translated into Euro, at the closing exchange rate at the date of the transaction.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate on that date. Foreign exchange differences arising on translation are recognized as gains or losses on financial transactions.

3. Cash and cash equivalents

For purposes of preparing the Statement of Cash Flows, cash and cash equivalents consist of:

a Cash on hand and balances

b Short-term balances due from banks

Short-term balances due from banks are amounts that mature upon initial recognition within three months.

4. Financial instruments

Initial Recognition

The Company recognizes financial assets or financial liabilities in its statement of financial position when it becomes a party to the terms of the contract.

Financial assets and financial liabilities in the balance sheet, include cash and cash equivalents, advances to customers and credit institutions, due to customers and credit institutions and debt securities in issue.

Financial instruments are recognized as assets and liabilities, based on the substance and content of the contracts from which they derive. Interest, dividends, profits and losses arising from financial instruments classified as assets or liabilities, are recognized in the income statement. Financial assets and liabilities are offset and the net amount is presented in the balance sheet, only in cases where the Company has both the legal right and the intention to settle them on a net basis, or to recover the asset and settle the liability simultaneously.

Advances to customers are initially recognized at fair value, including direct acquisition costs.

Due from and Due to Banks are initially recognized at fair value, including direct acquisition costs.

Debt securities in issue are initially recognized at fair value, which is determined by the funds raised, including transaction costs.

Subsequent measurement of financial assets

The Company classifies its financial assets as financial assets measured at amortized cost since:

- are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The above category is measured at amortized cost using the effective interest method and is periodically assessed for expected credit losses, as it is further described in note 7. The Company does not hold any financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income.

Business Model assessment

The business model reflects how the Company manages its financial assets in order to generate cash flows. That means the business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Accordingly, business model does not depend on management's intentions for an individual instrument but it is determined on a higher level of aggregation. In this context claims due from customers and claims due from banks are included in the business model whose objective is to hold financial assets in order to collect contractual cash flows (hold to collect).

The Company, at each reporting date, reassesses its business models in order to confirm that there has been no change compared to the prior period or application of a new business model.

Solely Payments of Principal and Interest (SPPI) assessment on the contractual cash flows

For the purposes of applying the SPPI assessment:

− Principal is the fair value of the asset at initial recognition, which may change over the life of the financial asset, (for example if there are repayments of principal).

− Interest is the consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (i.e. liquidity risk) and costs, as well as a profit margin.

Contractual terms that introduce exposure to risks and volatility in the contractual cash flows that are not related to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

In this context, in assessing whether contractual cash flows are SPPI, the Company assesses whether the instrument contain contractual terms that change the timing or amount of contractual cash flows.

In particular, account shall be taken of whether there are:

- Conditions for early repayment or extension of the duration of the instrument
- Conditions that limit the Company's claim to the flows from specific assets or under which there is no legal claim to the unpaid amounts
- Non-interest deferred payments

The Company does not use derivative financial instruments either for hedging or speculative purposes.

Derecognition of financial assets

The Company derecognizes financial assets when:

- the contractual rights to the cash flows from the assets have expired,
- the contractual right to receive the cash flows of the financial assets are transferred and at the same time all the risks and rewards of ownership are substantially transferred,
- loans or investments in securities are no longer recoverable and consequently are written off,
- the contractual terms of the financial assets are materially changed (for example: change of issuer/creditor, change of currency, merger of contracts of a different type, merger of contracts that do not meet in their entirety the criterion that the cash flows are solely principal and interest on the outstanding principal)

Subsequent measurement of financial liabilities

The Company measures its financial liabilities at amortized cost using the effective interest rate method. Liabilities to credit institutions and customers and debt securities in issue are classified in this category. This category includes liabilities to credit institutions and customers and our debt securities issued. The Company has no financial liabilities at fair value through profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability (or part thereof) when its contractual obligations are discharged or cancelled or expired or there is a substantial change in the contractual terms.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset in the Balance Sheet only in cases where the Company has the legal right and the intention to settle the total amount simultaneously or to settle the net amount resulting from the offsetting.

5. Tangible assets

Property, plant and equipment, used by the Company for its operational needs, are initially recognized at cost which includes any expenditure directly attributable to the acquisition of the assets. Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the asset when it increases its future economic benefits and those expenditures can be measured reliably.

Expenditure on repairs and maintenance is recognized in profit or loss as an expense when incurred.

Depreciation on leasehold improvements and equipment is charged on a straight line basis over the estimated useful life of the asset and is calculated on the asset's cost minus its residual value.

The estimated useful lives are as follows:

- Additions to leased fixed assets and improvements: duration of the lease.
- Equipment and vehicles: 5 to 15 years.

The residual value of property, plant and equipment and their useful lives are periodically reviewed at each reporting date and adjusted if necessary.

The carrying amount of property, plant and equipment which have been impaired, is adjusted to their recoverable amount.

Gains and losses from disposals of property, plant and equipment are recognized in profit or loss. Right-of-use assets are included in the category of Property, Plant and Equipment (note 30).

6. Intangible assets

This category is comprised of software programs, which are carried at cost less accumulated amortization and accumulated impairment losses. Cost for purchased software programs include the purchase price and any directly attributable cost of preparing the asset for its intended use, including personnel costs and professional fees.

Amortization is charged over the estimated useful life of the software, which the Company has estimated between 5 and 15 years. No residual value is estimated for software.

Expenditure on maintenance of software programs is recognized in the income statement as incurred.

7. Impairment allowance on amounts due from customers and other financial assets

The Company, at each reporting date, recognizes a loss allowance for expected credit losses on advances to customers and other financial assets.

The loss allowance for advances to customers is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument.

In addition, if the financial asset falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

The estimation of Expected Credit Losses for other financial assets is performed on a lifetime basis (without the classification into stages), according to the simplified method described in IFRS 9.

a) Default definition

The Company has adopted as default definition of non-performing exposures (NPE) provided by the application of EBA Guidelines (EBA/GL/2016/07)

b) Classification of exposures into stages based on credit risk (Staging)

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

• Stage 1: Stage 1 includes performing exposures that do not have significant increase in credit risk since initial recognition. Stage 1 also includes exposures for which credit risk has been improved and the exposure has been reclassified from stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.

• Stage 2: Stage 2 includes performing exposures for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes exposures for which credit risk has been improved and the exposure has been reclassified from stage 3. In this stage, lifetime expected credit losses are recognized.

• Stage 3: Stage 3 includes non-performing/impaired exposures. In this stage, lifetime expected credit losses are recognized.

As an exception to the above, for purchased or originated credit impaired (POCI) exposures, lifetime expected credit losses are always recognized. Purchased or originated credit impaired exposures include:

● Exposures that at the time of acquisition meet the criteria to be classified as non- performing exposures.

● Exposures for which there has been a change in repayment terms, either due to financial difficulty or not, which resulted in derecognition and recognition of a new impaired asset (POCI) expect when derecognition is due to the change of debtor of a corporate loan in which case the creditworthiness of the new debtor is reassessed.

c) Significant increase in credit risk

In determining significant increase in credit risk of an exposure since initial recognition and the recognition of lifetime expected credit losses instead of 12 months expected credit losses, the Company assesses, at each reporting date, the risk of default compared to the risk of default at initial recognition for all its performing exposures including those with no delinquencies.

The assessment of the significant increase in credit risk is based on the following:

• Qualitative Indicators: refers to the qualitative information used which is not necessarily reflected in the probability of default, such as the classification of an exposure as forborne performing (FPL, according to EBA ITS). Additional qualitative indicators, both for corporate and retail portfolios are also reflected through the Early Warning indicators where depending on the underlying assessment (soft UTP), an exposure can be considered to have a significant increase in credit risk or not.

• Backstop Indicators: in order to capture cases for which there are no triggers reflecting the increase in credit risk, based on the qualitative indicators, the 30 days past exposures are considered by default that they have a significant increase in credit risk.

d) Calculation of expected credit loss

The Company calculates impairment losses either on a collective (collective assessment) or on an individual basis (individual assessment).

The Company calculates expected credit losses on an individual basis for customers which have at least one Non-Performing Exposure in the Company. In order to assess the impact of the contamination effect on Alpha Bank Services and Holdings (“the Group”) level, customers who meet the criteria for individual assessment in the Bank level are also assessed and send to the Company in order to be individually assessed by the Company, as well.

The mechanism for calculating expected credit loss is based on the following credit risk parameters:

- Probability of Default (PD): As Probability of Default, for receivables that are assigned and discounted as part of a factoring contract, is applied the probability of default of the client, the debtor and/or the reinsurer, depending on the service provided each time.
- The assessment of Probability of Default is performed at Group level of the parent Bank and the credit risk rating models assess a series of parameters (financial analysis, competitors' analysis, current and historical debtor’s behavioral factors and quality characteristics).

- Exposure at default (EAD): Exposure at Default is an estimate of the amount of the exposure at the time of the default.
- Loss given default (LGD): Loss given default is an estimate of the loss that will occur if the default occurs at a given time. The data used are based on historically collected data and include a broad set of transactional characteristics (for example product type and type of collateral) as well as debtor's characteristics.

For the calculation of expected credit losses on amounts due from customers, the amount of the exposure at the time of the default is taken into account which is equal to the current balance of the customer's overdraft account, from which the recoverable amount is deducted.

For the calculation of the recoverable amount the below factors are considered: 1) The ability of the customer / supplier to fulfill his debt obligations to the Company. 2) The transactional behavior of the factoring debtors 3) The balance of the factoring receivables from which certain amounts have been deducted as there are specific reasons to not approve them for financing. 4) The amount to be received from any restructuring agreement.

e) Presentation of expected credit losses in the financial statements

Loss allowance for expected credit losses is presented as a deduction from the gross carrying amount of financial assets.

The amount of expected credit losses for the year is presented in the caption "Expected Credit Losses)/Reversal of Expected Credit Losses to cover credit on financial assets". In the same caption the following are also recognized: recoveries from written-off loans measured at amortized cost and the favorable changes in expected credit losses of POCI assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows at initial recognition.

f) Write-offs

The Company proceeds with the write-off of advances to customers when it has no reasonable expectations for their recovery. In this case, the loss allowance is used against the carrying amount of the financial asset.

8. Income Tax

Income tax consists of current and deferred tax. Current tax for the period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.

Deferred tax is the tax that will be paid or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting and for taxation purposes. It is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amount.

Deferred tax assets and liabilities are measured using tax rates expected to apply in the period during which the asset or liability will be recovered or settled, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Income tax, both current and deferred, is recognized in profit or loss unless it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

9. Employee defined benefit obligations and contributions

Defined benefit obligations

The retirement benefits for staff, is covered by the Single Social Security Company (E.F.K.A.). The Company and its staff contribute to this fund on a monthly basis. The Company has no further obligation to pay additional contributions if the Fund does not have sufficient assets to cover contributions relating to employee service provided in the current or past years. The contributions made by the Company are recognized as staff costs on an accrual basis.

Additionally the entity participates on TEA Group Alpha Services and Holdings which was established in March 2023 as a non-profit legal entity under private law and aims to provide additional insurance protection to all employees, beyond that provided by the main and supplementary social insurance. It is a voluntary participation fund for all Group employees, both for those with indefinite duration labor contracts or those having salaried mandate contracts relationship. The Fund is governed by the provisions of Law 4680/2020, which was passed in harmonization with the European Union Directive 2341/2016 and is subject to the supervision of the Ministry of Labor and Social Affairs, the National Actuarial Authority, and the Hellenic Capital Market Commission.

Defined contributions obligations

Additionally, in accordance with Greek labor law, employees are entitled to benefits for termination of service, the amount of which depends on the level of remuneration, years of service and the reason for exit from service (dismissal or retirement). In case of resignation or legal dismissal, this right does not exist. The amount payable at retirement is 40% of the amount paid in the event of unjustified dismissal.

The obligation for the Company by the above defined benefit pension plan is calculated as the present value of the expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The liability is determined using the actuarial Projected Unit Credit method while the discount rate used is the yield of high credit rating bonds with maturities matching the timeframe of the liability for the Company.

Interest on the defined benefit obligation is determined by multiplying the liability with the discount rate used to calculate the present value of the liability, as this rate is determined at the beginning of the period and taking into account any changes in the liability. This interest and other expenses incurred in relation to the defined benefit plan, excluding actuarial profits and losses, are recognized as staff costs.

Actuarial gains and losses, which result from increases or decreases in the present value of the defined benefit obligations due to changes in actuarial assumptions are recognized directly in equity and are not reclassified to profit or loss in a subsequent period.

10. Staff benefits related to the shares of Alpha Services and Holdings

a) Awarding of stock options of Alpha Services and Holdings to Company's employees

BoD members of the Company are granted stock options of the parent entity Alpha Services and Holdings, according to Bonus Incentive program of the Alpha Services and Holdings Group. The granting of stock options to the employees, their exact number, the price and the exercise date are decided by the Board of Directors of Alpha Services and Holdings in accordance with the Shareholders' Meeting approvals and after taking into account the current legal framework.

The fair value of the stock options, which have been calculated at grant date, is recognized during the servicing period and recorded in staff costs with an equivalent increase in the equity reserves, as it constitutes capital increase by the Parent, during the period that the relevant services are provided by the staff. When there are no vesting conditions, it is considered that services have been received. On the contrary, when there are service vesting conditions the expense is recognized as the relative services are received. Any conditions that, however, are not vesting conditions shall be taken into account when valuing the options. During the granting of the rights, the fair value is transferred from the reserves to Retained Earnings.

b) Bonus shares of Alpha Services and Holdings granted to Company's employees

The free distribution of shares of Alpha Services and Holdings to Company's employees is decided by the Board of Directors of Alpha Services and Holding in accordance with the Shareholders' Meeting approvals.

The fair value of the benefit, which is determined as at the registration date, is recognized during the servicing period and recorded in staff costs with an equivalent increase in the equity reserves during the period that the relevant services are provided by the staff. When there are no vesting conditions, it is considered that services have been received. On the contrary, when there are service vesting conditions the expense is recognized as the relative services are received. Any conditions that, however, are not vesting conditions shall be taken into account when valuing the benefit. During the granting of the shares to the employees, the fair value is transferred from the reserves to Retained Earnings.

11. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Contingent liabilities for which it is not probable that an outflow of resources will be required or the amount of liability cannot be measured reliably are disclosed unless they are not material. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

12. Interest and Similar Income – Interest Expense and Similar Charges

Interest income and expense are recognized in the income statement for all financial instruments carried at amortized cost, on an accrual basis and its measurement is performed based on the effective interest rate method.

The effective interest rate method is a method used for the measurement of the amortized cost of a financial instrument and for allocating interest income and expense evenly and consistently over the life of the instrument.

Transaction costs for financial instruments which are measured at amortized cost, such as bond loans, are capitalized and amortized over the life of the instrument, using the effective interest rate method.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.The calculation includes all income and fees that form an integral part of the effective interest rate equal to the contractual interest rate.

For financial assets, in particular, the following apply:

- For those financial assets classified within Stage 1 or Stage 2 for the purpose of expected credit losses measurement, interest income is calculated by applying effective interest rate to the gross carrying amount of the asset.
- For those financial assets classified within Stage 3 for the purpose of expected credit losses measurement, interest income is calculated by applying the effective interest rate to the net carrying amount of the asset (that is, net of credit allowance).
- For purchased or originated credit impaired financial assets interest income is calculated by applying the credit-adjusted effective interest rate to the net carrying amount of the asset (that is, net of credit allowance).

13. Commission Income and Expense

Commission income on factoring services and commission expenses are recognized in the income statement at the time the services are rendered.

Commission income refers to the services provided both at recording of the pledged invoices (accounting treatment/reconciliation of client receivables) and after the recording (reconciliation of debtor receivables and receipt actions).

Commission expense refers to fees of domestic factoring, fees for the deployment of Alpha Bank's client network, fees to factors abroad and fees for the insurance on receivables.

14. Related Parties Definition

According to IAS 24, related parties to the Company are considered:

a) The parent company and entities which constitute for the Company or the final parent company Alpha Services and Holdings:

   i) subsidiaries,

   ii) joint ventures,

   iii) associates

   iv) the Post-employment Benefit Plan, in this case the TEA Group Alpha Services and Holdings

b) The Hellenic Financial Stability Fund and its subsidiaries are also considered related parties to the Company because, in the context of L. 3864/2010, the Hellenic Financial Stability Fund participates in the Board of Directors and in significant committees of Alpha Bank as well as its direct parent company and as a result is considered to have a significant influence over the Bank. During the fourth quarter of the current year, the Hellenic Financial Stability Fund transferred the shares it owned in Alpha Services and Holdings and therefore ceased to participate in the above Committees and to be a related party.

c) a person and his close family members, if that person is a member of the key management personnel. The Company considers as key management personnel all the members of the Company's Board of Directors, the members of Alpha Bank's Board of Directors and Executive Committee, while as their close family members it considers their children and spouses or domestic partners and their dependants and the dependants of their spouses or domestic partners.

Moreover, the Company discloses all transactions and outstanding balances with entities which are controlled or jointly controlled by the above mentioned persons. This disclosure concerns participations of the above persons in entities that exceed 20%.

15. Leases

The Company enters into lease agreements as a lessee. The Company, as a lessee, for all leases recognizes a right of use asset and a lease liability at the commencement of the lease. The right of use asset is initially measured at cost, comprising the initial lease liability amount, any initial direct costs and an estimate of the obligation for costs to refurbish the asset, less any lease incentives received.

Right-of use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is charged on a straight line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss. For short-term leases (lease term of 12 months or less at the commencement date) and leases for which the underlying asset is of low value (less than Euro 5.000 when new) the Company does not recognize a right-of-use asset and a lease liability but instead recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at that date, net of cash lease incentives.

Lease payments include fixed payments and variable payments that depend on an index (such as an inflation index) or a rate and are discounted using the lessee's incremental borrowing rate. Incremental borrowing rate is determined by using as reference rate Alpha Bank's secured funding rate, as well as any given difference from Hellenic Republic government yield curves, where applicable.

After the commencement date, the Company measures the lease liability by increasing the carrying amount to reflect interest, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right of use assets are included within Property, plant and equipment and the lease liability is included in Other liabilities.

16. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The Company measures the fair value of assets and liabilities traded in active markets based on available quoted market prices. A market is defined as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Especially, for the measurement of securities, the Company uses a specific range of prices, within the bid-ask spread, in order for those to reflect active market prices.

The fair value of financial instruments that are not traded in an active market is determined by the use of valuation techniques, appropriate in the circumstances, and for which sufficient data to measure fair value are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. If observable inputs are not available, other model inputs are used which are based on estimations and assumptions such as the determination of expected future cash flows, discount rates, probability of counterparty default and prepayments. In all cases, the Company uses the assumptions that 'market participants' would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Assets and liabilities which are measured at fair value or for which fair value is disclosed are categorized according to the inputs used to measure their fair value as follows:

- Level 1 inputs: quoted market prices (unadjusted) in active markets
- Level 2 inputs: directly or indirectly observable inputs
- Level 3 inputs: unobservable inputs used by the Company, to the extent that relevant observable inputs are not available

17. Operating Segments

The Company is not listed and has not issued listed debt securities and therefore is not required to disclose financial information by operating segment.

18. Significant Accounting judgements and key sources of uncertainty on estimates

18.1 Significant accounting judgements

The Company, in the context of applying accounting policies, makes judgements and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. These estimates concern the following:

Assessment of whether contractual cash flows of a financial asset represent solely payments of principal and interest on the principal amount outstanding.

The Company at initial Recognition of a financial asset assesses whether cash flows are solely payments of principal and interest on the principal amount. The assessment requires judgement mainly on:

- Whether contractual terms that affect the performance of the instrument relate solely to credit risk, other basic lending risks and profit margin.
- Whether in case of prepayment or extension the compensation received is considered fair.

Significant judgements relating to the selection of methodologies and models for expected credit losses calculation.

The Company, in the context of the application of its accounting policies for the measurement of the expected credit losses, makes judgements in order to identify:

- the criteria that indicate a significant increase in credit risk,
- the selection of appropriate methodologies for expected credit loss calculation (expected credit loss calculation on an individual or on a collective basis).
- the selection and development of appropriate models and/or other methodologies used to calculate the probability of default (PD), the estimated expected credit loss at the time of default (LGD) and the exposure at default (EAD), by financial instrument category and the selection of appropriate parameters and economic forecasts used in them.

Applying different judgements could affect the number of financial instruments classified in stage 2 or differentiate expected credit loss.

Income Tax

The recognition of assets and liabilities for current and deferred tax is affected by factors such as the practical implementation of the relevant legislation and the settlement of disputes that might exist with tax authorities etc. Future tax audits and changes in tax legislation may result in the adjustment of the amount of assets and liabilities for current and deferred tax and in tax payments other than those recognized in the financial statements of the Company.

Provisions and contingent liabilities (Note 44.a)

The Company, in the context of preparing the financial statements, exercises judgment in order to assess the possibility of a negative outcome of its pending legal cases. In this judgment, the essential conditions of each case, the legislation and the regulatory framework, the relevant case law, and the judicial progress of the case are taken into account. As a result of this assessment, when the possibility of a negative outcome exceeds 50% and the determination of the financial outflow required is considered reliable, the Company proceeds with the recognition of a provision in the financial statements.

18.2 Key sources of estimation uncertainty

Key sources of estimation uncertainty used by the Company in the context of applying its accounting principles and which have a significant impact on the amounts recognized in the financial statements are presented below:

Estimates included in the calculation of expected credit losses of financial instruments (note 7 and note 45.1)

The measurement of expected credit losses requires the use of complex models and significant estimates of future economic conditions and credit behavior, taking into account the events that have occurred until reporting date. The significant estimates relate to the determination of the alternative macroeconomic scenarios and the cumulative probabilities associated with these scenarios, the probability of default during a specific time period based on historical data, the assumptions and estimates for the future, the adjustments made by the Company to calculate expected credit risk losses to incorporate new information and data that are not incorporated into the models.

Current and Deferred Tax (Note 26 and Note 32)

The recognition of current and deferred income tax assets and liabilities is affected, inter alia, by the interpretation of the applicable tax legislation, the practical application of the relevant legislation, and the settlement of any disputes that might exist with the tax authorities. When assessing the tax treatment of all significant transactions, the Company takes into account and evaluates all available data (Ministry of Finance circulars, case law, administrative practices, etc.) and/or opinions obtained from internal and external legal advisers. Future tax audits and changes in tax legislation may result in the adjustment of the amount of assets and liabilities for current and deferred tax and in tax payments other than those recognized in the financial statements of the Company.

Employee defined benefit obligations (note 9 and note 38)

Defined benefit obligations are estimated based on actuarial valuations, which are mainly conducted on an annual basis, that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as when employees become fully entitled to retirement. Any change in these assumptions will affect the amount of obligations recognized.

19. Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

INCOME STATEMENT

20. Net interest income

	From 1 January to	
	31.12.2023	**31.12.2022**
Interest and similar income		
Due from Banks	8,391.33	227.74
Due from Customers	36,992,645.25	18,703,576.90
Total	**37,001,036.58**	**18,703,804.64**
Interest expense and similar charges		
Due to Banks	2,853,524.19	1,677,756.96
Debt securities in issue	19,350,728.66	7,637,456.04
Lease liabilities	33,297.42	34,722.28
Total	**22,237,550.27**	**9,349,935.28**
Net interest income	**14,763,486.31**	**9,353,869.36**

The difference noted in the comparison between the periods 2023 and 2022 is attributed to the increase in Euribor. In interest and similar income the average price for 2023 was 3.20% (2022: 0.31%) while in interest expense and similar charges the average price for 2023 was 3.19% (2022: 0.34%).

21. Net commission income

	From 1 January to	
	31.12.2023	**31.12.2022**
Commission income		
Commission income from domestic factoring services	6,892,113.52	7,638,506.56
Commission income from international factoring services	914,662.84	1,013,186.08
Total	**7,806,776.36**	**8,651,692.64**
Commission expense		
Domestic factoring	433,256.05	535,815.29
To parent company Alpha Bank	1,978,736.93	1,435,419.23
Other	474,894.81	587,685.10
Total	**2,886,887.79**	**2,558,919.62**
Net commission income	**4,919,888.57**	**6,092,773.02**

22. Other income

	From 1 January to	
	31.12.2023	**31.12.2022**
Other	7,164.52	9,562.37
Total	**7,164.52**	**9,562.37**

23. Staff costs

	From 1 January to	
	31.12.2023	31.12.2022
Wages and salaries	2.422.229.74	2.389.612.18
Social security contributions	508,168.86	513,194.22
Expense for pension plans (Note 38)	100,244.00	32,972.00
Stock options	19,956.00	25,002.00
Other charges	263,078.16	275,300.31
Total	**3,313,676.76**	**3,236,080.71**

The total number of the Company's employed personnel as of 31.12.2023 and 31.12.2022 was 74 and 77 respectively, of which 4 are working at the branch in Northern Greece.

The Company has entered into a contract with GENERALI HELLAS Insurance Company, to provide life insurance to its employees as well as hospital and non-hospital care for accident / illness. The cost of the aforementioned defined contribution plan amounted to Euro 157,593.69 for the financial year from 1.1.2023 to 31.12.2023 and Euro 137,906.87 for the financial year from 1.1.2022 to 31.12.2022 and is included in line "Other Charges".

"Wages and salaries" and "Social security contributions" include costs relating to staff incentive schemes as a reward on the Company's employees' performance.

Staff incentive scheme

A) Award in cash

According to the terms of the programs, this award is paid in a lump sum by the Company while the relevant expense is recognized at the time the employee has the right to receive this remuneration or, if the remuneration depends on performance targets, at the time of their achievement.

For a part of the staff, the benefit is paid in a lump sum of up to 60% while the payment of at least 40% is deferred for three years from the initial payment subject to the condition that the employee will remain in service. The recognition of the expense that relates to the amount the payment of which is deferred for three years, is recognized as the related services are provided.

The Company has recognized in "Wages and Salaries" for the year 2023 an amount of Euro 189,341.00 (31.12.2022: Euro 188,224.01), relating to these programs.

B) Stock awards to employees

The Annual General Meeting of the Shareholders of Alpha Services and Holdings of 27.7.2023 approved the establishment, in accordance with the article 114 of Law 4548/2018, of a four-year Stock Options Plan for the free distribution of own common voting shares to Management and Personnel, including those who provide services on a permanent basis according to the article 114, par. 1 of Law 4548/2018, and its affiliated companies as defined in the article 32 of the Law 4308/2014.

According to the terms, the Plan has a duration of four years (2023-2027) while for the Senior Leadership team for the first vesting period 40% of the shares is paid and the remaining 60% will be paid in equal annual portions for a period of 5 years, for the remaining beneficiaries for the first vesting period 60% of the shares is paid and the remaining 40% will be paid in equal annual portions for a period of 4 years. The vesting of the right for stock options requires the retention in service on the date on the date of disposal of shares. Beneficiaries are required to hold these shares for a duration of one year, except from the first tranche of shares vested and credited to the beneficiaries' accounts during January 2024, for which the Mandatory Vesting period will expire in September 2024.

In the context of the above described plan, the Board of Directors of Alpha Services and Holdings at its meeting on 1.9.2023 approved the granting of a total number of 7,192 free shares for beneficiaries who are Company's employees. The benefit was granted on 21.11.2023 while the first vesting period expires in January 2024 and the last in September 2028. The weighted average fair value of 7,192 shares at the date of granting the benefit is Euro 1.5432.

The fair valuation of the stock awards at each grant date was based on the closing price of Alpha Services and Holdings shares on the date of granting the benefit and the corresponding risk-free interest rate applicable for the respective grant date. The expected dividends have not been taken into account.

The total expense recognized in the Income Statement as at 31.12.2023 as a result of the implementation from the above mentioned plan, with an equivalent credit of the equity reserves, amounted to Euro 11,269.

C) Awarding of stock options rights

The Board of Directors of Alpha Services and Holdings at its meeting on 30.12.2020: (a) approved the Regulations of the Plan (b) at the meetings of the Board of Directors on 16.12.2021 and 21.7.2022 granted Stock Options under the Performance Incentive Plan for the financial years 2020 and 2021.

According to the terms of the Plan, within the first year from the date the fee is paid, beneficiaries may exercise 60% of their total rights, while for rights granted until 31.12.2021, for each year thereafter for the next three years they may exercise 13.3% of their rights, while for rights granted in July 2022, for each year thereafter for the next four years they may exercise 10% of their rights. The exercise of the rights takes place in January or September. Rights that are not exercised shall expire.

Also in the event that any of the beneficiaries ceases to be an employee or officer of the Group (with certain exceptions such as due to retirement or incapacity for work), the right to purchase shares ceases.

The changes in the number of share options are shown in the table below:

	Stock Options granted	Weighted average exercise price
Balance 1.1.2022	**75,213**	**0.300**
Options Rights awarded during the year	26,754	0.300
Options Rights exercised during the year	(35,057)	0.290
Balance 31.12.2022	**66,910**	**0.297**

The share price of Alpha Services and Holdings at the of exercise of the options in January 2022 and September 2022 was Euro 0.68 and Euro 0.86 respectively.

	Stock Options granted	Weighted average exercise price
Balance 1.1.2023	**66,910**	**0.297**
Options Rights awarded during the year	-	-
Options Rights exercised during the year	(34,640)	0.290
Balance 31.12.2023	**32,270**	**0.295**

The share price of Alpha Services and Holdings at the of exercise of the options in January 2023 and September 2023 was Euro 1.14 and Euro 1.38 respectively.

The weighted average life of the active rights was 11.71 months (31.12.2022: 10.51 months).

The total expense recognized in the Income Statement as at 31.12.2023 from the above rights, by crediting the Reserve account in Equity, amounted to Euro 8,687 (Euro 25,002 as at 31.12.2022).

Fair value of stock options rights

For the options granted on 29 July 2022 with an exercise date of September 2022, the fair value was determined as the difference between the stock market price of the share on 29 July 2022, which is the date of disposal, and the exercise price.

For the remaining options the fair value was determined using the Black & Scholes valuation model. The significant variables in the model, as shown in the table below, are the share price, the exercise price, the volatility of the share price and the remaining term to maturity. The volatility used is the historical volatility, i.e. the standard deviation of the logarithmic changes in the daily share price over a period equal to the remaining life of each option.

	Stock Options under the Performance Incentive Program for the year 2021 granted in 2022
Average fair value	0.60
Expected volatility	58.40%
Expected duration (in years)	2.5
Weighted average share price	0.865
Exercise price	0.3
Risk free interest rate	1.15%

D) Institution for Occupational Retirement Provision (IORP) / TEA Group Alpha Services and Holdings

The IORP of Alpha Services and Holdings Group (TEA Group Alpha Services and Holdings) was established in March 2023 as a non-profit legal entity under private law and aims to provide additional insurance protection to all employees, beyond that provided by the main and supplementary social insurance. It is a voluntary participation fund for all Group employees, both for those with indefinite duration labor contracts or those having salaried mandate contracts relationship. The Fund is governed by the provisions of Law 4680/2020, which was passed in harmonization with the European Union Directive 2341/2016 and is subject to the supervision of the Ministry of Labor and Social Affairs, the National Actuarial Authority, and the Hellenic Capital Market Commission.

The Fund operates on a funded defined contribution plan and provides pension benefits in the form of lump-sum payments to cover the insurance risks of retirement, disability and death. Members' contributions are voluntary and can be zero or up to 25% of their gross monthly salary, while the Bank’s contributions are at a minimum of 2% of the gross monthly salary and are calculated on the basis of salary and the contribution rate of the members. The employer is also entitled to make extraordinary contributions subject to approval by the Fund's Board, while members are allowed to make extraordinary contributions up to twice a year.

According to Law No. 5078/20.12.2023, significant changes have been introduced regarding the operation of IORPs. The key amendments pertain to the taxation of benefit for amounts accumulated from 1.1.2024, which will vary based on the years of insurance. Additionally, there is the establishment of an upper limit for employee and employer contributions, along with the differentiation of conditions receiving the benefit.

The Company’s Board of Directors at its meeting on 16.05.2023 decided the Company’s participation and its employees in the TEA Group Alpha Services and Holdings.

The contribution for 2023 amounted to Euro 48,387.17 and is included in line “Other Charges”.

On 30.04.2023, due to the participation of the Company and its employees in the TEA Group Alpha Services and Holdings, the pension/savings plan for group insurance of personnel dated 1.7.2019, maintained by the Company, in cooperation with GENERALI HELLAS Insurance Company S.A., was terminated. The program aimed to provide a lump sum of money upon leaving the Company. The savings capital was created by investing the fixed monthly contributions of the Employee and the Company. The cost for the period from 1.1.2023 to 30.04.2023 amounted to Euro 17,860.19 while for the year ended on 31.12.2022 it amounted to Euro 57,017.21 and is included in the line "Other Charges".

24. General administrative expenses

	From 1 January to	
	31.12.2023	31.12.2022
Maintenance of EDP equipment	344,725.59	253,500.32
EDP expenses	1,592.97	811.43
Marketing and advertisement expenses	19,127.45	14,533.98
Telecommunications and postage expenses	42,515.52	47,394.97
Third party fees	331,414.16	288,355.64
Consultants fees	28,886.41	35,377.33
Insurance fees	129,198.28	106,023.26
Office supplies	9,780.54	8,163.17
Electricity expenses	95,679.28	81,104.61
Building and equipment maintenance	76,282.91	48,188.47
Security services for buildings and cash in transit	9,960.00	17,909.45
Taxes	12,117.08	12,143.57
Other administrative expenses	55,658.31	51,380.97
Total	**1,156,938.50**	**964,887.17**

Total General administrative expenses for the financial year 2023 show an increase of 19.9% compared to the previous year, which is mainly due to the increase in computer equipment maintenance costs, third party fees (ISO 14001, ISO 14064 certification, energy certificate issuance) as well as building - equipment maintenance costs.

25. Impairment (losses and provisions) / releases to cover credit risk

	From 1 January to	
	31.12.2023	31.12.2022
Impairment losses on/(reversal of) customer receivables (note 29)	(30,550.65)	12,296.03
Recoveries from write-offs of due from banks	-	-
Total	**(30,550.65)**	**12,296.03**

26. Income Tax

The income tax rate of legal entities is 22%.

Income Tax as depicted in the Income Statement is analyzed in the table below:

	From 1 January to	
	31.12.2023	31.12.2022
Current tax	2,595,336.41	1,732,954.97
Deferred tax	673,981.06	626,507.00
Total	**3,269,317.47**	**2,359,461.97**

Deferred tax recognized in the income statement is attributable to temporary differences, the effect of which is analyzed in the table below:

	From 1 January to	
Deferred Tax	31.12.2023	31.12.2022
Employee defined benefit obligations	(6,120.62)	(7,253.84)
Amortization of intangible assets	(18,086.20)	(17,226.40)
Due form customers	702,013.32	658,779.36
Leases	(3,825.44)	(7,792.12)
Total	**673,981.06**	**626,507.00**

The amount of deferred tax is based on the tax rate expected to be in effect at the time of recovery or settlement of the respective assets or liabilities.

A reconciliation between the nominal and effective tax rate is depicted below:

	From 1 January to			
	31.12.2023		31.12.2022	
Profit/(losses) before income tax		**14,679,338.52**		**10,688,500.10**
Income tax	22.00%	3,229,454.47	22.00%	2,351,470.02
Increase / (decrease) due to:				
Non-deductible expenses	0.19%	27,915.31	0.15%	15,623.37
Non-taxable income	0.00%	-	-	-
Adjustment in tax rates	0.00%	-	-	-
Other tax differences	0.08%	11,947.70	(0.07%)	(7,631.42)
Income tax	**22.27%**	**3,269,317.48**	**22.07%**	**2,359,461.97**

The Company has been tax audited up to and including the 2009 financial year (note 44b). For the financial years 2011 to 2021 the tax audit in accordance with Article 65A of Law 4174/2013 has been completed and the Company has received a tax compliance report without any qualification, while for the financial year 2022 the tax audit is in progress.

In addition, a deferred tax has been recognized in the equity of EUR 2,596.22 (2022: EUR 7,059.36), which relates to actuarial gains/losses on employee retirement obligations (note 32).

27. Earnings per share

Basic

Basic Earnings per Share are calculated by dividing the profits after tax, by the weighted average number of outstanding ordinary shares of the Company during the reporting period.

	From 1 January to	
	31.12.2023	31.12.2022
Profit attributable to equity owners	11,410,021.05	8,329,038.13
Weighted average number of outstanding ordinary shares	1,366,667.00	1,366,667.00
Basic earnings (Euro per share)	8.35	6.09

Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for any potential dilutive ordinary shares to be issued. The Company does not have any dilutive potential ordinary shares and consequently, the diluted earnings per share do not differ from basic earnings per share.

ASSETS

28. Cash and cash equivalents

28.1 Cash

	31.12.2023	31.12.2022
Cash	1,263.11	764.78
Total	**1,263.11**	**764.78**

28.2 Due from banks

	31.12.2023	31.12.2022
Sight deposits	275,109.11	1,200,909.47
Total	**275,109.11**	**1,200,909.47**

	31.12.2023	31.12.2022
Total cash and cash equivalents	**276,372.22**	**1,201,674.25**

29. Due from customers

	31.12.2023	31.12.2022
Domestic factoring with recourse	256,377,944.36	251,361,397.08
Domestic factoring without recourse	410,376,397.64	410,627,990.97
International factoring	59,416,113.53	60,503,199.50
Total	**726,170,455.53**	**722,492,587.55**
Less: Impairment allowance on due from customers	(5,371,200.09)	(5,401,750.74)
Total Due from customers	**720,799,255.44**	**717,090,836.81**

Impairment allowance on due from customers

Balance 1.1.2022	**5,389,454.71**
Impairment losses on due from customers	12,296.03
Balance 31.12.2022	**5,401,750.74**

Balance 1.1.2023	**5,401,750.74**
Provisions to cover credit risk	-
Reversal of Impairment losses on due from customers	(30,550.65)
Balance 31.12.2023	**5,371,200.09**

30. Tangible assets

	Additions in Third-Party Property	Other equipment	Right-of-use on Land and Buildings	Right-of-use on Other Equipment	Right-of-use on Motor Vehicles	Total
Cost, 1.01.2022	**171,201.43**	**625,158.52**	**2,995,769.45**	**22,898.06**	**120,130.84**	**3,935,158.30**
Additions	-	1,500.00	128,180.15	**36,736.50**	42,092.83	208,509.48
Write-offs	-	-	-	-	(32,371.40)	(32,371.40)
Cost, 31.12.2022	**171,201.43**	**626,658.52**	**3,123,949.60**	**59,634.56**	**129,852.27**	**4,111,296.38**
Cost, 1.01.2023	**171,201.43**	**626,658.52**	**3,123,949.60**	**59,634.56**	**129,852.27**	**4,111,296.38**
Additions	69,143.00	36,096.95	59,538.24	-	25,175.10	189,953.29
Lease termination	-	-	(351,251.41)	(22,898.06)	(21,645.77)	(395,795.24)
Cost, 31.12.2023	**240,344.43**	**662,755.47**	**2,832,236.43**	**36,736.50**	**133,381.60**	**3,905,454.43**
Accumulated depreciation, 1.01.2022	**132,360.81**	**484,072.40**	**641,749.59**	**22,279.19**	**58,477.50**	**1,338,939.49**
Depreciation charge for the year	4,373.53	37,108.20	303,929.42	**4,232.29**	28,016.47	377,659.91
Write-offs	-	-	-	-	(26,861.38)	(26,861.38)
Accumulated depreciation, 31.12.2022	**136,734.34**	**521,180.60**	**945,679.01**	**26,511.48**	**59,632.59**	**1,689,738.02**
Accumulated depreciation, 1.01.2023	**136,734.34**	**521,180.60**	**945,679.01**	**26,511.48**	**59,632.59**	**1,689,738.02**
Depreciation charge for the year	7,874.44	37,594.48	313,821.59	7,226.86	31,219.88	397,737.25
Lease termination	-	-	(250,384.29)	(22,898.06)	(21,039.14)	(294,321.49)
Accumulated depreciation, 31.12.2023	**144,608.78**	**558,775.08**	**1,009,116.31**	**10,840.28**	**69,813.33**	**1,793,153.78**
Net book value						
31.12.2022	**34,467.09**	**105,477.92**	**2,178,270.59**	**33,123.08**	**70,219.68**	**2,421,558.36**
31.12.2023	**95,735.65**	**103,980.39**	**1,823,120.12**	**25,896.22**	**63,568.27**	**2,112,300.65**

According to the estimates of the management, no adverse events have occurred that affect the activity of the Company and the value of its assets as of 31.12.2023. Tangible assets are classified at Level 3 of Fair Value Hierarchy (Level 3).

31. Intangibles assets

	Software
Cost, 1.01.2022	**1,746,678.47**
Additions	131,412.50
Cost, 31.12.2022	**1,878,090.97**
Cost, 1.01.2023	**1,878,090.97**
Additions	178,326.77
Cost, 31.12.2023	**2,056,417.74**
Accumulated amortization, 1.01.2022	**1,099,058.94**
Amortization charge for the year	172,779.94
Accumulated amortization, 31.12.2022	**1,271,838.88**
Accumulated amortization, 1.01.2023	**1,271,838.88**
Amortization charge for the year	170,212.81
Accumulated amortization, 31.12.2023	**1,442,051.69**
Net book value	
31.12.2022	**606,252.09**
31.12.2023	**614,366.05**

According to the estimates of the management, no adverse events have occurred that affect the activity of the Company and the value of its assets as of 31.12.2023.

32. Deferred tax assets and liabilities

	1.1.2023 - 31.12.2023			
	Balance 1.1.2023	**Recognized in Income Statement**	**Recognized in Equity**	**Balance 31.12.2023**
Deferred Tax Assets				
Employee defined benefit obligations	**36,488.76**	6,120.62	2,596.22	45,205.60
Total	**36,488.76**	**6,120.62**	**2,596.22**	**45,205.60**
Deferred Tax Liabilities				
Amortization of intangible assets	**(43,148.09)**	18,086.20	-	(25,061.89)
Due from customers	**(9,622,242.94)**	(702,013.32)	-	(10,324,256.26)
Leases	**25,546.31**	3,825.44	-	29,371.75
Other temporary differencies	**(9,651.75)**	-	-	(9,651.75)
Total	**(9,649,496.47)**	**(680,101.68)**	**-**	**(10,329,598.15)**
Deferred tax liability, net	**(9,613,007.71)**	**(673,981.06)**	**2,596.22**	**(10,284,392.55)**

	1.1.2022 - 31.12.2022			
	Balance 1.1.2022	Recognized in Income Statement	Recognized in Equity	Balance 31.12.2022
Deferred Tax Assets				
Employee defined benefit obligations	**36,294.28**	7,253.84	(7,059.36)	**36,488.76**
Total	**36,294.28**	**7,253.84**	**(7,059.36)**	**36,488.76**
Deferred Tax Liabilities				
Amortization of intangible assets	**(60,374.49)**	17,226.40	-	**(43,148.09)**
Due from customers	**(8,963,463.58)**	(658,779.36)	-	**(9,622,242.94)**
Leases	**17,754.19**	7,792.12	-	**25,546.31**
Other temporary differencies	**(9,651.75)**	-	-	**(9,651.75)**
Total	**(9,015,735.63)**	**(633,760.84)**	**-**	**(9,649,496.47)**
Deferred tax liability, net	**(8,979,441.35)**	**(626,507.00)**	**(7,059.36)**	**(9,613,007.71)**

33. Other assets

	31.12.2023	31.12.2022
Prepaid expenses	266,664.04	132,965.73
Accrued income	84,751.68	70,854.29
Total	**351,415.72**	**203,820.02**

LIABILITIES

34. Due to banks

The caption Due to banks concerns open (overdraft) accounts bearing a floating Euribor rate, which have been initiated between the Company and its parent company, Alpha Bank under a respective credit agreement.
Additionally, on November 30, 2020, the Company entered into a three-month renewable loan agreement with the European Bank for Reconstruction and Development (EBRD). The contract provides for the provision of a credit facility up to the amount of Euro 20 million. The interest rate is calculated based on the three (3) or six (6) months Euribor plus a margin. On 21.04.2022 the initial credit facility of EUR 20 million was increased to EUR 40 million and on 24.04.2023 was further increased to EUR 50 million.

These obligations are as follows:

	Due to banks 31.12.2023	Due to banks 31.12.2022
Alpha Bank	47,412,323.29	48,819,092.46
EBRD	50,027,394.00	40,013,960.00
National Bank of Greece	269,571.90	-
Total	**97,709,289.19**	**88,833,052.46**

35. Due to Customers

Due to customers consists of credit balances of open (overdraft) customers' accounts, relating to collected amounts which have not been reimbursed to the customers as of the balance sheet date.

36. Debt securities in issue

1. On July 22, 2004 the Company signed a contract with the indirect parent company Alpha Bank for a five year bond loan issuance, under the provisions of Law 3156/2003 and Law 4548/2018. The initial loan of a Euro 300,000,000 nominal value consisted of 60 bond notes with a face value of Euro 5,000,000 each. Upon amendment of the abovementioned contractual agreement, the remaining capital after the exercise of the right for loan repayment, at any given time point of bond's duration, through full or partial repayment of the capital and the respective accrued interest, is divided into bond notes of Euro 1,000 face value each. The interest rate on the bond loan is determined as the one-month (1), three-month (3) or six-month (6) Euribor, at the issuer's option, plus a predetermined spread. The bond loan is fully payable at maturity on 30.10.2024 in accordance with the amended contractual terms of the issue (maturity of the issued bonds).

2. On April 19, 2019 the Company signed a contract with its indirect parent company Alpha Bank, for a bond loan issuance, under the provisions of Law 3156/2003 and Law 4548/2018. The loan, of Euro 100,000,000 nominal value consists of 100,000,000 bond notes with a nominal value of 1 Euro (€1) each. The interest rate on the bond loan is determined as the one-month (1), three-month (3) or six-month (6) Euribor, at the issuer's option, plus a predetermined spread. The repayment of the bonds' capital will occur at June 30, 2024 (extension of the maturity date of the issued bond securities), however the Company may, at any maturity date of the Interest Calculation Period, make a prepayment of the nominal value of Bonds after the accruals up to the date of the prepayment and within the time limit for the re-disposal of Own Issued Bonds, purchase/acquire the same Bonds for the purpose of their re-disposal, in accordance with Article 62 par. 1 of Law 4548/2018.

3. On April 7, 2020 the Company signed a contract with its indirect parent company Alpha Bank, for a bond loan issuance, under the provisions of Law 3156/2003 and 4548/2018. The loan, of Euro 80,000,000 nominal value consists of 80,000,000 bond notes with a nominal value of 1 Euro (€1) each. The interest rate on the bond loan is determined as the one-month (1), three-month (3) or six-month (6) Euribor, at the issuer's option, plus a predetermined spread. The repayment of the bonds' capital is at June 30, 2026 (extension of the maturity date of the bonds issued), however the Company may, at any maturity date of the Interest Calculation Period, make

a prepayment of the nominal value of Bonds after the accruals up to the date of the prepayment and within the time limit for the redistribution of Own Issued Bonds, to purchase/acquire the same Bonds for the purpose of their re-disposal, in accordance with Article 62 par. 1 of Law 4548/2018.

4. On 16 March 2022, the Company entered into a contract with its indirect parent company Alpha Bank, for the coverage of a bond loan, under the provisions of Law No. 3156/2003 and Law 4548/2018. The loan, with a principal amount of EUR 40,000,000, consists of 40,000,000 bonds with a nominal value of one Euro (€1). The interest rate is calculated at Euribor for a period of one (1), three (3) or six (6) months at the option of the Issuer, plus a margin. The principal of the Bonds will be repaid on March 16, 2025, but the Company may, on each maturity date of the Interest Period, prepay the nominal value of the Bonds after accrued interest up to the prepayment date and, within the Redistribution Period for Acquired Own Bonds, purchase/acquire the same Bonds for the purpose of redistributing them, in accordance with Article 62 par. 1 of Law 4548/2018.

5. On 16 March 2022, the Company entered into a contract with its indirect parent company Alpha Bank, for the coverage of a bond loan, under the provisions of Law no. 3156/2003 and Law 4548/2018. The loan, with a principal amount of Euro 40,000,000, consists of 40,000,000 bonds with a nominal value of one Euro (€1). The interest rate is calculated at Euribor for a period of one (1), three (3) or six (6) months at the option of the Issuer, plus a margin. The principal of the Bonds will be repaid on June 28, 2024, but the Company may, on each maturity date of the Interest Period, prepay the nominal value of the Bonds after accrued interest up to the prepayment date and, within the Redistribution Period for Acquired Own Bonds, purchase/acquire the same Bonds for the purpose of redistributing them, in accordance with Article 62 par. 1 of Law 4548/2018.

6. On 28 July 2022, the Company entered into a contract with its indirect parent company Alpha Bank, for the coverage of a bond loan, under the provisions of Law no. 3156/2003 and Law 4548/2018. The loan, with a principal amount of Euro 40.000.000, consists of 40.000.000 bonds with a nominal value of one Euro (€1). The interest rate is calculated at Euribor for a period of one (1), three (3) or six (6) months at the option of the Issuer, plus a margin. The principal of the Bonds will be repaid on July 28, 2025, but the Company may, on each maturity date of the Interest Period, prepay the nominal value of the Bonds after accrued interest up to the prepayment date and, within the Redistribution Period for Acquired Own Bonds, purchase/acquire the same Bonds for the purpose of redistributing them, in accordance with article 62 par. 1 of Law 4548/2018.

7. On 28 July 2022, the Company entered into a contract with its indirect parent company Alpha Bank, for the coverage of a bond loan, under the provisions of Law no. 3156/2003 and Law 4548/2018. The loan, with a principal amount of Euro 60.000.000, consists of 60.000.000 bonds with a nominal value of one Euro (€1). The interest rate is calculated at Euribor for a period of one (1), three (3) or six (6) months at the option of the Issuer, plus a margin. The principal of the Bonds will be repaid on July 28, 2025, but the Company may, on each maturity date of the Interest Period, prepay the nominal value of the Bonds after accrued interest up to the prepayment date and, within the Redistribution Period for Acquired Own Bonds, purchase/acquire the same Bonds for the purpose of redistributing them, in accordance with article 62 par. 1 of Law 4548/2018.

8. On 18 August 2022, the Company entered into a contract with its indirect parent company Alpha Bank, for the coverage of a bond loan, under the provisions of Law no. 3156/2003 and Law 4548/2018. The loan, with a principal amount of Euro 100,000,000, consists of 100,000,000 bonds with a nominal value of one Euro (€1). The interest rate is calculated at Euribor for a period of one (1), three (3) or six (6) months at the option of the Issuer, plus a margin. The principal of the Bonds will be repaid on August 18, 2025, but the Company may, on each maturity date of the Interest Period, prepay the nominal value of the Bonds after accrued interest up to the prepayment date and, within the Redistribution Period for Acquired Own Bonds, purchase/acquire the same Bonds for the purpose of redistributing them, in accordance with article 62 par. 1 of Law 4548/2018.

The formation of the balances of the Debt securities in issue is as follows:

Contract date	End date	Balance at 31.12.2022	Prepayments	Redistributions	Balance at 31.12.2023
22.07.2004	30.10.2024	55,000,000	-	-	55,000,000
19.04.2019	30.06.2024	100,000,000	-	-	100,000,000
07.04.2020	30.06.2026	80,000,000	-	-	80,000,000
16.03.2022	16.03.2025	40,000,000	(35,000,000)	35,000,000	40,000,000
16.03.2022	28.06.2024	40,000,000	-	-	40,000,000
28.07.2022	28.07.2025	40,000,000	-	-	40,000,000
28.07.2022	28.07.2025	60,000,000	(125,000,000)	125,000,000	60,000,000
18.08.2022	18.08.2025	50,000,000	(50,000,000)	30,000,000	30,000,000
Total		**465,000,000**	**(210,000,000)**	**190,000,000**	**445,000,000**

The above Debt securities in issue are measured at amortized cost.

During the period ended on 31.12.2023, further to repayments / prepayments which amounted to Euro 210 million, interest amounting to Euro 19,207,371.66 (01.01.-31.12.2022: Euro 7,480,506.04) was also repaid.

The movement of Debt securities in issue is presented on the following tables:

	1.1.2023 - 31.12.2023			
	Balance 1.1.2023	**Cash flows**	**Non cash flows**	**Balance 31.12.2023**
Debt securities in issue	465,192,874.00	(39,207,371.66)	19,350,728.66	445,336,231.00
Total	**465,192,874.00**	**(39,207,371.66)**	**19,350,728.66**	**445,336,231.00**

	1.1.2022 - 31.12.2022			
	Balance 1.1.2022	**Cash flows**	**Non cash flows**	**Balance 31.12.2022**
Debt securities in issue	255,035,924.00	202,519,493.96	7,637,456.04	465,192,874.00
Total	**255,035,924.00**	**202,519,493.96**	**7,637,456.04**	**465,192,874.00**

37. Liabilities for current income tax and other taxes

	31.12.2023	31.12.2022
Current income tax liability	1,186,624.13	333,417.77
Liabilities for other taxes	1,753,366.10	1,147,248.46
Total	**2,939,990.23**	**1,480,666.23**

Other tax liabilities relate to withholding taxes such as VAT, payroll tax and withholding tax of bond interest.

38. Employee defined benefit obligations

The contracts of the Company's personnel are employment contracts of indefinite duration and in case of termination, a one-time compensation is provided for, which is calculated by applying the provisions of Law 2112/1920 and Law 3198/1955, as amended by Law 4093/2012.

The liabilities for staff compensation are based on the results of an actuarial study.

The amounts recognized in the income statement are analyzed below:

	From January 1 to 31.12.2023	31.12.2022
Current service cost	27,099.00	31,966.00
Interest cost	6,021.00	1,006.00
Cost of Settlements	67,124.00	-
Total expense / (income) recognized in the income statement	**100,244.00**	**32,972.00**

The movement in the present value of defined benefit obligations is presented below:

	31.12.2023	31.12.2022
Defined benefit obligation at the beginning of the year	**165,858.00**	**164,974.00**
Current service cost	27,099.00	31,966.00
Interest cost	6,021.00	1,006.00
Cost of Settlements	67,124.00	-
Payments made during the year	(72,423.00)	-
Actuarial (gains) / losses	11,801.00	(32,088.00)
Defined benefit obligation at the end of the year	**205,480.00**	**165,858.00**

The movement of the reserve for actuarial gains/(losses) is presented below:

	31.12.2023	31.12.2022
Actuarial gains / (losses) at the beginning of the year	**(3,404.00)**	**(35,492.00)**
Change in the period	(11,801.00)	32,088.00
Actuarial gains / (losses) at the end of the year	**(15,205.00)**	**(3,404.00)**

The changes in actuarial assumptions are presented as follows:

	31.12.2023	31.12.2022
Adjustments to liabilities from change of actuarial assumptions (financial, demographic data)	4,909.81	(34,051.00)
Empirical adjustments	6,891.29	1,963.00
Total Actuarial gains / (losses) recognized in equity	**11,801.10**	**(32,088.00)**

The principal actuarial assumptions used are the following:

	31.12.2023	31.12.2022
Discount rate	3.08%	3.63%
Future salary growth	2.40%	2.60%
Inflation rate	2.10%	2.20%

	31.12.2023	31.12.2022
Average duration of program	16.05	17.16

The iBoxx Euro Corporate AA+ index, was taken as a benchmark for the determination of the discount rate, adjusted for the characteristics of the programs.

The following table summarises the sensitivity to economic assumptions of the total liability arising from the above program:

	Percentage change in liability (%)
Increase of the discount rate used by 0.5%	-3%
Decrease in the discount rate by 0.5%	4%
Increase on future salary with growth rate 0.5%	3%
Decrease on future salary with growth rate 0.5%	-3%

39. Other liabilities

	31.12.2023	31.12.2022
Suppliers	420,054.92	415,156.57
Accrued expenses	769,686.88	622,762.30
Liabilities to third parties	117,567.49	112,816.19
Lease liabilities	2,046,092.60	2,397,732.97
Other	65,271.24	87,478.60
Total	**3,418,673.13**	**3,635,946.63**

The following table presents the change of leases, by disclosing separately the cash flows, which are included in cash flows from financing activities as depicted in the cash flow statement, and non-cash flows:

Lease liabilities

Changes resulting from cash flows from financing activities

	Balance 1.1.2023	Cash flows	Non cash flows		Balance 31.12.2023
			New Leases	Other changes	
Lease Liabilities	2,397,732.97	(361,415.01)	84,713.34	(74,938.70)	2,046,092.60
Total	**2,397,732.97**	**(361,415.01)**	**84,713.34**	**(74,938.70)**	**2,046,092.60**

	Balance 1.1.2022	Cash flows	Non cash flows		Balance 31.12.2022
			New Leases	Other changes	
Lease Liabilities	2,496,992.92	(340,991.72)	207,009.48	34,722.27	2,397,732.97
Total	**2,496,992.92**	**(340,991.72)**	**207,009.48**	**34,722.27**	**2,397,732.97**

Lease liabilities mainly relates to buildings used by the Company and by its branch in Thessaloniki, storage area for its archived files, other equipment and cars for executive personnel.

The duration of the lease agreement in buildings is set at ten years. The extensions are performed with the same terms as with the initial leases, retaining the right to terminate the contract at any time within the agreed period. The Company's policy is to renew these contracts, if needed.

The duration of the contracts for the use of other equipment is set at five years with the possibility of extension for an additional period of time that the Company might decide to exercise in the future according to the conditions prevailing at the time. The extensions are made on the same terms as provided in the initial lease, with the Company reserving the right to terminate the lease at any time during the term of the contract.

It is noted that there are no real estate leases that include a variable lease payment.

In addition, there are no lease agreements that were signed in the last days of the fiscal year 2023 and were effective as of 1.1.2024 and onwards.

EQUITY

40. Share capital

The share capital of the Company as at 31.12.2023 amounted to Euro 41,000,010.00, divided into 1,366,667 ordinary shares with voting right of a nominal value of Euro 30.00 per share, unchanged compared to 2022.

41. Statutory reserve

According to Greek corporate law (article 158 of Law 4548/2018), the Company is required to retain as a minimum 5% of its annual profit after tax as statutory reserve. This obligation ceases to be in effect when the statutory reserve equals at least one third of the share capital. This reserve, which has been taxed, cannot be distributed throughout the duration of the Company and is intended to offset potential losses recorded as a debit balance in account "Retained Earnings". The statutory reserve is formed in the financial year where it is approved by the Annual General Meeting.

On 31 December 2022 the statutory reserve of the Company amounted to Euro 9,641,215.49.

On July 14, 2023, decided the appropriation of the amount of Euro 416,451.91 as a statutory reserve, arising from the profit after tax for the period 1.1-31.12.2022.

Following the aforementioned decision, the statutory reserve of the Company as at 31 December 2023 amounted to Euro 10,057,667.40.

42. Retained earnings

Retained earnings as at 31.12.2022 amounted to Euro 98,822,565.83.

In the Ordinary General Assembly meeting held on 14 July 2023, regarding the distribution of the profits for the financial year 01.01 - 31.12.2022, decided to transfer the balance of the net profits for the financial year 01.01 - 31.12.2022 after deducting the statutory reserve of Euro 416,451.91, to retained earnings.

Following the above, the Company's Retained Earnings at 31.12.2023 amount to Euro 109,826,886.19.

This account includes an amount of Euro 390,270.73 which concerns tax exempt reserves.

For the year ended 31.12.2023, το Διοικητικό Συμβούλιο της Εταιρίας, the Board of Directors will propose to the General Assembly of Shareholders the distribution of no dividends for the year 01.01- 31.12.2023.

ADDITIONAL INFORMATION

43. Fair value of financial instruments

Management believes that the carrying value of advances to customers net of impairment as well as the carrying amount of due to and from banks and due to customers, as these are reported in the financial statements, do not differ materially from their fair value, as either duration is less than a year or they have a floating interest rate.
With regards to the Company's debt securities in issue as at 31.12.2023, the carrying amount of which is Euro 445,336,231, their fair value was estimated at Euro 445,074,500 while regarding the debt securities in issue on 31.12.2022, the carrying amount of which is Euro 465,192,874, their fair value was estimated at Euro 460,752,000.

The fair value of debt securities in issue was calculated based on the income approach by making use of observable market data inputs classified in Level 2 and relating to interest rates and credit spreads.

44. Contingent liabilities and commitments

a) Legal issues

According to estimates of the Company's Management and Legal Department, there are no pending legal cases, which are expected to have a material effect on the financial position of the Company.

For cases where according to their progress and the evaluation of the Legal department on 31 December 2023, a negative outcome is not probable or the potential outflow cannot be estimated reliably due to the complexity of the cases, the time period they will last and the uncertainty of their outcome, the Company has not recognized a provision.
As of 31.12.2023 the legal claims against the Company related to the above described cases amount to Euro 102,669.90 (31.12.2022: Euro 396,780.02), for which it was assessed that the conditions for the recognition of a respective provision do not exist.

b) Tax issues

Under article 65 A of L. 4174/2013, since 2011, statutory auditors and audit firms that carry out statutory audits for societe anonyme are required to issue an annual Tax Compliance Report, according to Greek tax law. This report is submitted to the company under audit upon the submission of the company's corporate income tax return and no later than the first 10 days of the 10th month from the end of the fiscal year under audit, while it is also submitted electronically to the Ministry of Finance no later than the end of the 10th month following the end of the fiscal year under audit. In accordance with Article 56 of Law 4410/3.8.2016 for the fiscal years from 1.1.2016 onwards, the issuance of the tax compliance report becomes optional. However, the Company has decided to continue receiving the tax compliance report.

Pursuant to POL.1006 / 05.1.2016 the companies for which a tax compliance report is issued without qualification are not exempted from the regular tax audit by the competent tax authorities. The tax authorities may therefore carry out their own tax audit. Additional taxes, interest on late submission and penalties may be imposed by tax authorities, as a result of tax audits for unaudited tax years, the amount of which cannot be accurately determined. The Management of the Company estimates that any additional tax liabilities that might be imposed by the tax authorities in the future will not have a material effect on the financial statements of the Company.

The Company has been audited by the tax authorities for the years up to 2009.

Years 2010 and up to and including 2017 are considered as closed in accordance with the Ministerial Decision POL. 1208 / 20.12.2017 of the Independent Authority of Public Revenue (IAPR). For the years 2011 and up to and including 2022 the tax audit has been concluded and the Company has received a Tax Compliance Report without any qualification, while for 2023 the tax audit is in progress and it is estimated that no material tax issues will arise.

45. Risk management

The Company has established a thorough and prudent risk management framework which is being built on best supervisory practices which, based on the common European legislation and banking system rules, principles and standards is evolved over time in order to be implemented in a coherent and effective manner on the Company's conduct of the day-to-day business to ensure the effectiveness of the corporate governance.

The Company's critical focus is to maintain high standards in corporate governance and compliance with regulatory risk rules and retain confidence in the conduct of its business activities through sound and robust provision of financial services.

The Company's Board of Directors supervises the overall operations of the Risk Management Unit. The Board of Directors has established a Risk Management Committee (RMC), which convenes on a three-month basis and reports to the BoD. The RMC recommends to the BoD the risk undertaking and capital management strategy, assesses its implementation and evaluates its effectiveness.

In addition, there is a Risk Management Unit operating within the Company, which is responsible for the immediate implementation of risk management framework, according to the directions of Risk Management Committee and submits regular and extraordinary reports to the Management, the Risk Management Committee and the Company's Board of Directors. These reports present the status of the portfolio and covers management strategies for all types of risks.

The effectiveness of Risk Management System is monitored on a regular basis by three "lines of defense":

• The first "line of defense" consists of controls within the Units of the Company that participate in the process.

• The second "line of defense", i.e. the Risk Management Unit, is responsible for ensuring on an ongoing basis, that the controls of the "first line of defense" are applied effectively.

• The third "line of defense" is the internal audit function that carries out regular evaluations and proposes potential improvements.

45.1 Credit risk management

LENDING

Credit risk is defined as the potential risk of a loss for the Company, which may arise from a potential weakness, both of the client (counterparty) and the debtor, to fulfil its obligations taking into account that the debtor's obligations act simultaneously as collateral for the client's obligations with the exception of forfaiting where there is no obligation of the client.

Credit risk constitutes the most significant source of risk for the Company and therefore, Management's primary objective, is to systematically monitor and manage this risk.

The segregation of offered factoring products into Domestic Factoring with recourse, domestic Factoring without recourse, International Factoring (export/import) and Forfaiting, reflects the degree of credit risk inherent for each product the Company is willing to take over for a client or a debtor. The abovementioned separation has as a result for factoring without recourse and Forfaiting services, the credit risk assessment to focus on the debtor.

Further to the above, significant changes taking place in the economy, or in a specific industry, incorporate additional risks, for which additional provisions may be recognized if deemed appropriate in the financial statements.
Mitigation of credit risk is achieved by establishing appropriate credit limits, after carrying out a comprehensive assessment of creditworthiness and a risk analysis/assessment for borrowers and debtors, in order to more accurately identify business risks through a combined analysis of parameters such as relationships of borrowers and debtors, factoring product diversity, reinsurance against risk, market segment risk etc. and therefore determine

whether the Company will proceed with financing the client through an advance payment on the value of factoring receivables before they become due.

During the credit approval process, in addition to the assessment of credit risk, the risk of environmental and social responsibility is also assessed.

1. Credit Risk Approval Process

The limits of the responsible Credit-Operations Committees are determined according to the product type and the maximum limit of discounting or / and collateral.
The duration of the limits is determined by the responsible Credit-Operations Committees. Relationships with the clients are subject to regular review so that there is more efficient management of credit risk.

2. Credit Risk Measurement and Internal Ratings

The assessment of the creditworthiness both of client and the debtor, the assessment of the probability of non-fulfilment of their obligations and their classification into credit risk categories shall be carried out using credit risk rating systems of the indirect parent company Alpha Bank Rating System (ABRS) and Moody's Credit Lens incorporating different models (models) of credit risk rating.

The objective of the credit risk rating systems is the estimation of the probability that both clients and debtors will not meet their contractual obligations to the Company as well as the estimation of Expected Credit Loss.

Credit risk rating models evaluate a series of parameters, such as the obligor's Financial ability, the obligor's comparative position in the market in which it operates mostly compared to its peers, the behavioral status and history of the obligor with the Group Alpha Services and Holdings Group, to which the Company belongs, and with third parties as well as qualitative characteristics.

The following rating scales are used:
AA, A+, A, A-, BB+, BB, BB-, B+, B, B-, CC+, CC, CC-, C, D, D0, D1, D2

For the purposes of table "Due from customers per credit quality and IFRS 9 Stage", credit ratings AA, A+, A, A- and BB+ fall under the category 'Normal risk', credit ratings BB, BB-, B+, B, B-, CC+ and CC fall under the category 'Medium risk', CC- and C fall under 'High Risk' category and finally D, D0, D1 and D2 fall under "Default" category.
In addition to the above rating grades, the Company also uses ratings from foreign rating agencies such as Moody's, Fitch, Standard & Poor's.

CREDIT CONTROL

According to the risk management and control framework, there are three "lines of defense" with distinctly allocated roles and responsibilities, with first "Line of Defense" the Business Units and Supporting Operations Units, second "Line of Defense" the Risk Management Unit and third "Line of Defense" the Internal Audit Unit.

In the context of the activities performed by the second line of defense, credit controls are carried out in order to optimize Credit Risk management, to assess the quality of the loan portfolio and to ensure that the first "line of defense" operates within the framework set out for effective Credit Risk management.

CREDIT RISK EXPOSURE LIMITATION – COLLATERALS

Collaterals are received in order to mitigate credit risk that may arise from the client's or debtor's inability to fulfill his contractual obligations, taking into consideration that debtor's liabilities constitute collateral over the liabilities of the client with the exception of forfaiting where there is no liability of the client.

Collaterals include all kind of assets and rights which are made available to the Company in the context of the contractual agreement for a factoring lending.

As a compensation for credit risk, the Company uses credit insurance contractual agreements. Credit insurance covers the Company for insured claims in cases of late payment and/or insolvency of the debtor. Credit insurance can be carried out either directly by the Company or through the assignment of insurance contracts by the clients. The Company evaluates the credit insurance companies with which it cooperates and sets acceptance limits for each of them.

The percentage of insured receivables as of 31.12.2023 was 30% over the total receivables from customers.

CREDIT RISK EARLY WARNING SYSTEM

In order to optimize the management of lending exposures and, in particular, to limit the exposures the status of which changes from Performing Loans (PLs) to Non-Performing Loans (NPLs), the Company has developed the Credit Risk Early Warning System.

This is defined as the aggregation of actions, processes and reports required to ensure the early identification of events (Early Warning Alerts), at both customer and portfolio level, which may lead to either an increase in NPLs due to the customer's negligence or financial difficulty of a temporary or permanent nature, or an increase in exposures with significant increase in credit risk, as well as the relevant actions that must be taken in order to manage the customers concerned.

The perimeter to which the Credit Risk Early Warning System is implemented includes all performing exposures, as well as exposures past due for up to 60 days which have not undertook any forbearance measure (PLs).

A comprehensive and effective Credit Risk Early Warning System is composed of the following stages:

• Identification of early warning triggers and generation of the Report

• Assessment of the Results of the Report and Actions Required

• Monitoring the effectiveness of the procedure

• Quality control of the procedure's implementation

CLIMATE, ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS (ESG)

The Group's Environmental and Social Risk Management Policy for the Group's Corporate lending exposures includes the Company's clientele and, in this context, the balances of factoring receivables are consolidated at Group level where the relevant units carry out the relevant assessment.

In addition, the Company seeks to reduce its environmental footprint by promoting the rational use of lighting, heating and cooling installations in its buildings, the use of environmentally friendly equipment, carrying out actions for the efficient use of raw materials and materials and applying the principle of the circular economy "reduce, reuse, recycle".

CREDIT RISK CONCENTRATION MANAGEMENT

Concentration Risk is a specific form of credit risk and arises due to the low degree of diversification between counterparties, products or group of counterparties, sectors, geographic regions, or collaterals.

The Company monitors on a regular basis concentration risk at borrower/group of borrowers level and at sector level of both the client and the debtor, through detail reporting which informs Management and Committees of the Board of Directors.

DEFINITIONS

The following definitions are provided as guidance to tables /paragraphs that follow:

Past Due Exposures

An Exposure is past due if the counterparty's exposure is, materially, more than one day past due (sum of the principal, interests and charges/commissions due more than one day at an account level).

Non-Performing Exposures

An exposure is considered as Non-Performing if at least one or more events have occurred at the time of classification:

- The exposure is more than 90 days past due (NPL), which constitutes a stage of substantial delay, and the following two conditions are both applicable:
    - A. The sum of the negative balance of all client's accounts is greater than 500 Euros, as well as,
    - B. The sum of the negative balance of all client's accounts is greater than 1% of total amount of the client's current account (i.e. the sum of the credit balances of all the client's current accounts)
- The case has been submitted to the Court of Justice (Legal Case).
- The account has closed permanently.
- The contractual agreement has been denounced.
- It is a forborne non-performing exposure.
- There is an unlikeness to pay indicator (Hard UTP).

Performing Exposures

An exposure is considered to be a performing exposure if the following conditions are cumulatively met:

- It is less than 90 days past due
- The case has not been submitted to the Court.
- The case has not been closed permanently.
- The contract has not been terminated.
- No indication of inability to repay (Hard UTP),
- It is not considered impaired or
- Is classified as a serviced arrangement (Forborne Performing Exposure)

Unlikeliness to Pay

An exposure is flagged as "Unlikely To Pay" (UTP) when it is less than 90 days past due and the Company assesses that the client is unlikely to fully meet his credit obligations in the event of the exercise of his right for recourse or through the recovery of the assigned receivables.

The process of determining the clients with an unlikeness to pay (UTP) indicator is as follows:

(a) Events are predetermined which if occur, the clients are characterized as unlikely to pay and the exposure is classified as non-performing (Hard UTP Triggers)- without the need for an evaluation by a Council.

The following Hard UTP Triggers exist:

- Closure of the current Account
- Denouncement of contractual agreement
- Legal Cases
- Fraud cases

(b) There are specific unlikeness to pay indicators on the basis of which the client's assessment must be carried out by the competent Committee of the Company, whether clients will be classified as UTP or not (Soft UTP

Triggers) and whether their credit exposures will be considered as non-performing (Hard UTP Triggers). This assessment shall take place on the date of renewal of the client's credit limits unless there are grounds for immediate evaluation.

It should be noted that when a client belongs to a group of companies and the client is classified as UTP, then the whole group should be assessed for the existence or not of unlikeness to pay indicators.

The following Soft UTP Triggers exist:

- Clients who are examined by the parent bank on an individual basis and are sent to the Company for review as part of the assessment of the contamination effect at Group level.
- Clients who have been announced to the Arrears Units of the parent Bank.
- Clients with exposures with a temporary delay of up to 90 days, which have been assessed by the parent Bank with the indication of 'financial difficulty'.
- Clients with exposures with a temporary delay from 60 to 90 days.
- Clients who have been assigned a D credit rating in the parent Bank's credit rating systems (Hard UTP).
- Out of court settlement/negotiation, between Banks and Client, for settlement or repayment of debts of creditors who are in bankruptcy proceedings (application for inclusion in the Bankruptcy Code).
- The client has applied for bankruptcy or insolvency (application for inclusion in the Bankruptcy Code).
- Strong indications that the client cannot meet his obligations (e.g. suspension of business activities).
- Clients who present early warning triggers in accordance with the Company's Early Warning Policy.

DEFINITION OF DEFAULT

In order to support a more harmonised approach to the application of the definition of default, the European Banking Authority (EBA) has issued the following to guide the application of the definition of default: the Guidelines on the application of the definition of default, EBA/GL/2016/07 and the Regulatory Technical Standards (RTS) on the materiality threshold for credit obligations in arrears, EBA/RTS/2016/06.

The Company adopts the new definition of Credit Exposure Default, which is effective from 1 January 2021.

The main changes mandated by the new definition of Default are as follows:

- Adoption of additional UTP triggers, such as forbearance measures for clients with NPV loss > 1%,
- Application of an additional 3-month probation period from the time when the creditor is no longer identified with exposures in "significant arrears" and/or indications of unlikeness to pay credit obligations.

Note that the Company has decided since 2018 to harmonize the perimeter of exposures recognized as "Exposures in default", "Non-performing exposures" and "IFRS 9 Impaired exposures".

Credit impaired exposures

An exposure is considered as Credit Impaired when the criteria specified by the definition of Non-Performing Exposures are met.

Default exposures

An exposure is considered as Default when the criteria specified by the definition of Non-Performing Exposures are met.

Collateral Value

The collaterals presented in the following tables, A.1 to A.3, concern receivables collateralized (pledged invoices) to the Company and all collateral values are capped at 100% of the outstanding amount of the exposure.

EXPECTED CREDIT LOSS ESTIMATION METHODOLOGY

The Company, at each reporting date, recognizes an allowance for expected credit losses on advances to customers not measured at fair value through profit or loss.

Default definition

The definition of Non-Performing Exposures is used to develop credit risk models for estimating credit risk parameters (Probability of Default, Loss Given Default and Exposure At Default). The definition of default is consistent with the one used for internal purposes for managing credit risk.

Portfolio Classification in Stages based on the Credit Risk (Staging)

Following an exposure's initial recognition, exposure is classified into stages based on its credit risk characteristics. The classification of exposures in stages is based on the changes of the credit quality compared to its initial recognition. The adoption of this model aims at: (a) the timely identification and measurement of credit losses prior to their occurrence, (b) the separation of exposures according to whether there is a deterioration in credit risk, (c) the more accurate calculation of expected credit losses.

Upon initial recognition of an exposure, the Company must determine whether this exposure is considered as credit impaired (Credit Impaired at Initial Recognition).

The POCI category (Purchased or Originated Credit Impaired, POCI) includes the following:

- Exposures that at the time of purchase (Purchased) meet the criteria of non-performing exposures.
- Exposures for which the repayment terms have been amended, either due to financial difficulties or not, which simultaneously lead to a derecognition and recognition of a new impaired asset (POCI). If the exposure before the derecognition was impaired, the new exposure will also be impaired and will be classified as POCI. However, in the event that the new recognized exposure is the result of a change of client whose general creditworthiness is better than the previous one, on the basis of an assessment by the competent Committee, it does not reflect financial difficulty and at the same time has presented a viable business plan and no debt forgiveness has been made, the exposure will not be classified as POCI.

It is noted that an exposure classified as POCI, remains POCI throughout its life.

For exposures not classified as POCI, the classification in stages is performed as follows:

Stage 1 includes performing credit exposures that have no significant increase in credit risk since the initial recognition date. The expected credit losses calculated are based on the probability of default within the next 12 months, and the assessment is carried out on a collective basis.

Stage 2 includes credit exposures with significant increase in credit risk since the initial recognition date but which are not non-performing. The expected credit losses calculated are lifetime credit losses and the assessment is carried out on a collective basis.

Stage 3 includes the non-performing / default exposures. The expected credit losses calculated are the lifetime losses and the assessment is performed on a collective or individual basis, if the abovementioned limit criteria are met.

All possible movements between Stages of credit risk are presented below:

- An exposure which has been classified in Stage 1 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the credit risk has not deteriorated and the exposure is still performing, or in Stage 2, if the exposure is still performing but the credit risk has deteriorated, or in Stage 3 if the exposure is non-performing/default.

• An exposure which has been classified in Stage 2 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of “Significant increase in credit risk” and in particular, for the case of Forborne Performing exposure, if the exit criteria from the 2-years’ probation period are met. It could also remain in Stage 2, if the credit risk has not substantially changed, or be transferred to Stage 3, if the exposure is non-performing/default.
• An exposure which has been classified in Stage 3 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of “Significant increase in credit risk”, or transferred in Stage 2, if it is no longer considered as non-performing , or remain in Stage 3, if it is still non-performing/default.

Significant Increase in Credit Risk

The occurrence of a significant increase in credit risk of an Exposure after its initial recognition (SICR) results in the measurement of the expected credit loss over its lifetime instead of the measurement of a 12-month loss.

For the identification of significant increase in credit risk for an exposure after the initial recognition leading to the calculation of lifetime credit losses of the exposure instead of twelve months credit losses, the risk of default at the reference date is compared with the risk of default at the initial recognition for all performing exposures, including those with no days past due.

The assessment to determine whether an exposure shows significant increase in credit risk or not is based on the following:

- Qualitative Indicators: They refer to use of qualitative information which is not necessarily depicted in the probability of default, such as the assessment of an exposure as performing forborne (“FPL”, according to EBA ITS). Additional qualitative indicators are included in the Early Warning Policy, according to which and as per the assessment performed (Soft UTP), an exposure may be considered to show significant increase in credit risk or not.
- Backstop Indicators: in order to capture cases for which there are no triggers reflecting the increase in credit risk, based on the qualitative indicators, the 30 days past exposures are considered by default that they have a significant increase in credit risk.

Expected credit losses estimation and calculation

The Company carries out the process of recognizing and calculating impairment every calendar quarter. The Expected Credit Losses calculation is carried out either on an individual basis, taking into account the significance of the exposure or in cases of exposures that do not share common risk characteristics or in cases of exposures that do not have sufficient historical data, or on a collective basis for the remaining exposures.

For companies where the corporate guarantee from the parent company represents 100% of the exposure of the companies or other significant interdependencies, the assessment may be performed at a Group level.

Clients with at least one non-performing exposure in the Company are individually assessed. In the context of the assessment of the contamination effect at Group level, clients who meet the individual assessment criteria in the parent Bank are also individually assessed by the Company.

The remaining exposures are assessed collectively.

Credit risk parameters

The calculation of Expected Credit Loss is based on the following credit risk parameters:

• Probability of Default (PD): For receivables which have been assigned and discounted under a factoring agreement, as probability of default is defined the probability of default of the client, the debtor or/or the reinsurer, depending on the product type provided each time.
Probability of default is assessed at Group level of the parent Bank and the credit rating /rating grade models evaluate a number of parameters (financial analysis, analysis of competitors, current and historical behavioral data and the quality characteristics of the debtor).
• Exposure at default (EAD): Exposure at Default is an estimate of the amount of the exposure at the time of the default and reflects the degree to which the Company is exposed to the counterparty at the time of default and is equal to the current balance of the clients current account.
• Loss given default (LGD): Loss given default is an estimate of the loss that will occur if the default occurs at a given time. Its determination is based on historical data and is updated at least once a year. For the calculation, write-offs or 100% impaired exposures as well as any recoveries of amounts are taken into account.

Incorporation of forward-looking information

For the purposes of determining the expected credit loss, the Company's expected cash flows are calculated based on the probability of the base case scenario as defined at the Group level.

More specifically, the Group produces forecasts for the likely evolution of macroeconomic variables affecting the amount of expected credit risk loss. The macroeconomic variables affecting the amount of expected credit loss are Gross Domestic Product (hereinafter referred to as GDP), unemployment rate, inflation.

The scenarios for the Greek economy foresee growth rates for 2024 ranging from 4.3% (favourable scenario) and strong growth rates in the coming years, to 0.4% (adverse scenario) with negative growth rates over the medium term.
The baseline scenario is based on the resilience of the Greek economy despite a wide range of challenges in recent years. More specifically, the upward trend in domestic economic activity in 2024 is expected to be supported by:
• the return of the country to investment grade status after 13 years,
• solid economic growth in the first nine months of 2023 (2.2% year-on-year), which is above the Euro zone's average;
• the remarkable improvement in fiscal figures, with the achievement of a primary surplus in 2022, combined with the significant reduction of the debt-to-GDP ratio by 34.4 pp in the period 2021-2022.
• the continuous reduction of unemployment;
• the smooth implementation of the investments foreseen in the Recovery and Resilience Fund (RRF),
• the expected gradual recovery in the growth rate of the euro zone from 2024 onwards.

Economic growth is expected to be supported mainly by increased investments due to the implementation of the RRF. However, private consumption is expected to be decelerated since demand gradually weakens, while exports are expected to increase. Over the medium term, we expect economic activity to grow steadily by 2.1% in 2025 and 1.6% in 2026.

Labour market conditions continue to improve in 2023, with the unemployment rate expected to fall by 1.3% from 2022 levels (12.4%) to 11.1% in 2023 (year average), driven by significant employment growth and increase in nominal wages. The unemployment rate is expected to continue declining over the horizon of the scenario, reaching single digits in 2025 (9.1%) and 2026 (8.0%), in line with the projected economic recovery and expected new job-creating investments.

In 2023, average year-on-year inflation based on the Harmonized CPI was 4.2%, which is below the respective EU-27 (6.4%) and euro zones (5.4%) averages. A gradual decline of inflation to 2.9% in 2024 is expected in the baseline scenario, followed by further declines to 2.4% and 2.3% in 2025 and 2026, respectively. This path of de-escalation of inflation towards the monetary policy objective is due to the expected slowdown in energy and food prices.

The production of the baseline scenario, which is applied to the Company, acts as the starting point and will be the most likely scenario according to the current economic conditions and the Group's basic assessment regarding the course of the economy. Based on this scenario, the expected credit risk loss is calculated.

Governance

The NPE Evaluation Committee is responsible for approving the Expected Credit Losses and submitting them to the Board of Directors.

The Board of Directors approves the Company's Impairment Policy of Receivables through the Risk Management Committee.

FORBEARANCE

The Executive Committee Act 175/2/29.7.2020 has determined the supervisory framework for the management of exposures in arrears and non-performing exposures, over and above the already applicable requirements of Law 4261/2014, the CRR 575/2013, and delegated the decision authority to the Bank of Greece.

In the context of the Commission Implementing Regulation (EU) 2015/227 of the European Commission dated January 9, 2015 and the executive technical standards of the European Banking Authority, the Company assumes the resulting regulatory obligations for forborne exposures.

Furthermore, the Company applies the Policy of Dispute Settlement in accordance with the Code of Conduct for Banks set by Bank of Greece (Law 4224/2013), as currently is in force.

MONITORING OF FORBORNE EXPOSURES

The Company has undertaken a series of actions to ensure adherence to the supervisory obligations and requirements arising from the above Acts.

These changes cover the following distinct sections:
• Adaptation of Information Systems of the Company.
• Development of databases aiming at:
- the automation of the processes related to the production of both internal (Risk Management) and external (Supervisory) reports;
- the performance of analyses on the Company's portfolio and
- the production of Management Information Reporting (MIS).

WRITE-OFFS

Write-off is defined as the decrease of the gross carrying amount of a financial asset, when there is no reasonable expectation of recovery. The write-off refers to the accounting write-off of a debt or a portion of it, i.e. the removal of the financial asset or part of it from the balance sheet, which does not necessarily entail the waiver of the legal right to recover the debt.
In order to perform a write-off, there should be a respective equivalent provision for impairment loss, at least a quarter prior to the proposal.

DUE FROM BANKS

In addition to credit risk from customer receivables, the Company manages the credit risk from receivables due from banks (note 28.2). The rating of the respective receivables due from banks is as follows:

	Due from Banks 31.12.2023	Fitch	Due from Banks 31.12.2022	Fitch
Alpha Bank	233,848.41	BB-	1,142,405.93	B+
Eurobank	33,795.35	BB	16,109.67	BB-
Piraeus Bank	7,465.35	BB-	276.38	B
National Bank of Greece	-	-	42,117.49	BB-
Total	**275,109.11**		**1,200,909.47**	

All receivables from credit institutions are classified in Stage 1. Due to the short term nature of the deposits, the Company did not perform an expected credit loss (ECL) calculation.

FINANCIAL INSTRUMENTS CREDIT RISK

Amounts in thousands of Euros	31.12.2023		
	Exposure before impairment	**Provision for impairment losses**	**Net exposure to credit risk**
Due from banks	275.11	-	275.11
Due from customers	726,170.45	(5,371.20)	720,799.25
Total amount of on balance sheet items exposed to credit risk	**726,445.56**	**(5,371.20)**	**721,074.36**
Other on balance sheet items not exposed to credit risk	3,079.35	-	3,079.35
Total assets	**729,524.91**	**(5,371.20)**	**724,153.71**

Amounts in thousands of Euros	31.12.2022		
	Exposure before impairment	**Provision for impairment losses**	**Net exposure to credit risk**
	1,200.91	0.00	1,200.91
Due from banks	722,492.59	(5,401.76)	717,090.83
Due from customers	**723,693.50**	**(5,401.76)**	**718,291.74**
Total amount of on balance sheet items exposed to credit risk	3,232.40	-	3,232.40
Other on balance sheet items not exposed to credit risk	**726,925.90**	**(5,401.76)**	**721,524.14**

FINANCIAL INSTRUMENTS CREDIT RISK, ANALYSIS PER INDUSTRY

Amounts in thousands of Euro	31.12.2023						
	Credit-Financial institutions, Other financial services	**Industry and manufacturing**	**Services**	**Wholesale and retail trade**	**Transportation**	**Other sectors**	**Total**
Due from Banks	275.11	-	-	-	-	-	**275.11**
Due from customers	378.53	408,643.10	25,646.63	267,929.94	5,244.90	18,327.35	**726,170.45**
Total amount of on balance sheet items exposed to credit risk	**653.64**	**408,643.10**	**25,646.63**	**267,929.94**	**5,244.90**	**18,327.35**	**726,445.56**

	31.12.2022						
Amounts in thousands of Euro	**Credit-Financial institutions, Other financial services**	**Industry and manufacturing**	**Services**	**Wholesale and retail trade**	**Transportation**	**Other sectors**	**Total**
Due from Banks	1,200.91	-	-	-	-	-	**1,200.91**
Due from customers	-	394,750.25	34,716.26	271,480.35	4,962.24	16,583.49	**722,492.59**
Total amount of on balance sheet items exposed to credit risk	**1,200.91**	**394,750.25**	**34,716.26**	**271,480.35**	**4,962.24**	**16,583.49**	**723,693.50**

A. Due from customers

A.1 Due from customers by IFRS 9 Stage (past due and not past due)

The following tables present past due and not past due advances to customers, measured at amortized cost, as at 31.12.2023 and 31.12.2022 per IFRS 9 Stage and arrears.

31.12.2023											
	Stage 1			Stage 2			Stage 3				
Amounts in thousands of Euro	Carrying amount (before provision for impairment losses)	Provision for impairment losses	Net carrying amount	Carrying amount (before provision for impairment losses)	Provision for impairment losses	Net carrying amount	Carrying amount (before provision for impairment losses)	Provision for impairment losses	Net carrying amount	**Total Net carrying amount**	**Value of collaterals**
Not Past Due											
SME's	179,983.20	(0.87)	179,982.33	835.53	-	835.53	4.02	(4.02)	-	180,817.86	179,885.17
Large corporate	499,949.21	(1.76)	499,947.45	-	-	-	-	-	-	499,947.45	499,407.63
Total	**679,932.41**	**(2.63)**	**679,929.78**	**835.53**	**-**	**835.53**	**4.02**	**(4.02)**	**-**	**680,765.31**	**679,292.80**
Past Due											
SME's	16,468.39	(0.01)	16,468.38	141.49	-	141.49	3,382.36	(3,337.10)	45.26	16,655.13	16,617.84
Large corporate	23,379.58	(0.77)	23,378.81	-	-	-	2,026.67	(2,026.67)	-	23,378.81	20,063.77
Total	**39,847.97**	**(0.78)**	**39,847.19**	**141.49**	-	**141.49**	**5,409.03**	**(5,363.77)**	**45.26**	**40,033.94**	**36,681.61**
Total											
SME's	196,451.59	(0.88)	196,450.71	977.02	-	977.02	3,386.38	(3,341.12)	45.26	197,472.99	196,503.01
Large corporate	523,328.79	(2.53)	523,326.26	-	-	-	2,026.67	(2,026.67)	-	523,326.26	519,471.40
Total	**719,780.38**	**(3.41)**	**719,776.97**	**977.02**	**-**	**977.02**	**5,413.05**	**(5,367.79)**	**45.26**	**720,799.25**	**715,974.41**

31.12.2022											
	Stage 1			Stage 2			Stage 3				
Amounts in thousands of Euro	Carrying amount (before provision for impairment losses)	Provision for impairment losses	Net carrying amount	Carrying amount (before provision for impairment losses)	Provision for impairment losses	Net carrying amount	Carrying amount (before provision for impairment losses)	Provision for impairment losses	Net carrying amount	**Total Net carrying amount**	**Value of collaterals**
Not Past Due											
SME's	208,059.87	(2.57)	208,057.30	1,093.97	(0.05)	1,093.92	6.76	(4.18)	2.58	209,153.80	208,024.10
Large corporate	470,313.99	(14.63)	470,299.36	-	-	-	-	-	-	470,299.36	470,045.42
Total	**678,373.86**	**(17.20)**	**678,356.66**	**1,093.97**	**(0.05)**	**1,093.92**	**6.76**	**(4.18)**	**2.58**	**679,453.16**	**678,069.52**
Past Due											
SME's	7,933.28	(0.06)	7,933.22	-	-	-	3,366.90	(3,325.98)	40.92	7,974.14	7,941.56
Large corporate	29,665.03	(1.49)	29,663.54	-	-	-	2,052.80	(2,052.80)	-	29,663.54	27,689.06
Total	**37,598.31**	**(1.55)**	**37,596.76**	-	-	**-**	**5,419.70**	**(5,378.78)**	**40.92**	**37,637.68**	**35,630.62**
Total											
SME's	215,993.15	(2.63)	215,990.52	1,093.97	(0.05)	1,093.92	3,373.66	(3,330.16)	43.50	217,127.94	215,965.66
Large corporate	499,979.02	(16.12)	499,962.90	-	-	-	2,052.80	(2,052.80)	-	499,962.90	497,734.48
Total	**715,972.17**	**(18.75)**	**715,953.42**	**1,093.97**	**(0.05)**	**1,093.92**	**5,426.46**	**(5,382.96)**	**43.50**	**717,090.84**	**713,700.14**

A.2 Due from by credit quality and IFRS 9 Stage

The following tables present advances to customers, measured at amortized cost, by IFRS 9 Stage and credit quality as at 31.12.2023 and 31.12.2022.

31.12.2023							
Amounts in thousands in Euro	SME's			Large Corporate			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	**Total**
Normal Risk	42,034.09	130.56	-	464,472.29	-	-	**506,636.94**
Medium Risk	134,835.24	835.53	-	48,572.64	-	-	**184,243.41**
High Risk	19,582.26	10.93	-	10,283.86	-	-	**29,877.05**
Default	-	-	3,386.38	-	-	2,026.67	**5,413.05**
Total	**196,451.59**	**977.02**	**3,386.38**	**523,328.79**	**-**	**2,026.67**	**726,170.45**
Provision for impairment losses	(0.88)	-	(3,341.12)	(2.53)	-	(2,026.67)	**(5,371.20)**
Net carrying amount	**196,450.71**	**977.02**	**45.26**	**523,326.26**	**-**	**-**	**720,799.25**
Value of collaterals	**196,352.24**	**140.65**	**10.12**	**519,471.40**	**-**	**-**	**715,974.41**

31.12.2022							
Amounts in thousands in Euro	SME's			Large Corporate			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	**Total**
Normal Risk	49,403.54	-	-	407,934.39	-	-	**457,337.93**
Medium Risk	143,809.60	1,093.97	-	87,476.85	-	-	**232,380.42**
High Risk	22,780.01	-	-	4,567.78	-	-	**27,347.79**
Default	-	-	3,373.66	-	-	2,052.80	**5,426.46**
Total	**215,993.15**	**1,093.97**	**3,373.66**	**499,979.02**	**-**	**2,052.80**	**722,492.60**
Provision for impairment losses	(2.63)	(0.05)	(3,330.16)	(16.12)	-	(2,052.80)	**(5,401.76)**
Net carrying amount	**215,990.52**	**1,093.92**	**43.50**	**499,962.90**	**-**	**-**	**717,090.84**
Value of collaterals	**215,954.72**	**-**	**10.94**	**497,734.48**	**-**	**-**	**713,700.14**

A.3 Ageing analysis by IFRS 9 Stage

31.12.2023									
Amounts in thousands of Euro	SME's				Large Corporate				
	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**	**Grand Total**
Exposure before impairment									
Current	179,983.20	835.53	4.02	**180,822.75**	499,949.21	-	**-**	**499,949.21**	**680,771.96**
1-30 days	16,468.39	-	-	**16,468.39**	23,379.58	-	**-**	**23,379.58**	**39,847.97**
31-60 days	-	137.48	-	**137.48**	-	-	**-**	**-**	**137.48**
61-90 days	-	4.01	-	**4.01**	-	-	**-**	**-**	**4.01**
91-180 days	-	-	1.02	**1.02**	-	-	**-**	**-**	**1.02**
181-360 days	-	-	13.30	**13.30**	-	-	**-**	**-**	**13.30**
>360 days	-	-	3,368.04	**3,368.04**	-	-	2,026.67	**2,026.67**	**5,394.71**
Total	**196,451.59**	**977.02**	**3,386.38**	**200,814.99**	**523,328.79**	-	**2,026.67**	**525,355.46**	**726,170.45**
Accumulated provision for impairment losses									
Current	(0.87)	-	(4.02)	**(4.89)**	(1.76)	-	-	**(1.76)**	**(6.65)**
1-30 days	(0.01)	-	-	**(0.01)**	(0.77)	-	-	**(0.77)**	**(0.78)**
31-60 days	-	-	-	**-**	-	-	-	**-**	**-**
61-90 days	-	-	-	**-**	-	-	-	**-**	**-**
91-180 days	-	-	(1.02)	**(1.02)**	-	-	-	**-**	**(1.02)**
181-360 days	-	-	(0.28)	**(0.28)**	-	-	-	**-**	**(0.28)**
>360 days	-	-	(3,335.80)	**(3,335.80)**	-	-	(2,026.67)	**(2,026.67)**	**(5,362.47)**
Total	**(0.88)**	**-**	**(3,341.12)**	**(3,342.00)**	**(2.53)**	-	**(2,026.67)**	**(2,029.20)**	**(5,371.20)**
Total net carrying amount									
Current	179,982.33	835.53	-	**180,817.86**	499,947.45	-	**-**	**499,947.45**	**680,765.31**
1-30 days	16,468.38	-	-	**16,468.38**	23,378.81	-	**-**	**23,378.81**	**39,847.19**
31-60 days	-	137.48	-	**137.48**	-	-	**-**	**-**	**137.48**
61-90 days	-	4.01	-	**4.01**	-	-	**-**	**-**	**4.01**
91-180 days	-	-	-	**-**	-	-	-	**-**	**-**
181-360 days	-	-	13.02	**13.02**	-	-	-	**-**	**13.02**
>360 days	-	-	32.24	**32.24**	-	-	-	**-**	**32.24**
Total	**196,450.71**	**977.02**	**45.26**	**197,472.99**	**523,326.26**	-	**-**	**523,326.26**	**720,799.25**
Value of collaterals	**196,352.24**	**140.65**	**10.12**	**196,503.01**	**519,471.40**	-	**-**	**519,471.40**	**715,974.41**

31.12.2022									
Amounts in thousands of Euro	SME's				Large Corporate				
	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**	**Grand Total**
Exposure before impairment									
Current	208,059.87	1,093.97	6.76	**209,160.60**	470,313.99	-	**-**	**470,313.99**	**679,474.59**
1-30 days	7,933.28	-	-	**7,933.28**	29,665.03	-	**-**	**29,665.03**	**37,598.31**
31-60 days	-	-	-	**-**	-	-	**-**	**-**	**-**
61-90 days	-	-	-	**-**	-	-	**-**	**-**	**-**
91-180 days	-	-	-	**-**	-	-	**-**	**-**	**-**
181-360 days	-	-	0.51	**0.51**	-	-	**-**	**-**	**0.51**
>360 days	-	-	3,366.39	**3,366.39**	-	-	2,052.80	**2,052.80**	**5,419.19**
Total	**215,993.15**	**1,093.97**	**3,373.66**	**220,460.78**	**499,979.02**	-	**2,052.80**	**502,031.82**	**722,492.60**
Accumulated provision for impairment losses									
Current	(2.57)	(0.05)	(4.18)	**(6.80)**	(14.63)	-	-	**(14.63)**	**(21.43)**
1-30 days	(0.06)	-	-	**(0.06)**	(1.49)	-	-	**(1.49)**	**(1.55)**
31-60 days	-	-	-	**-**	-	-	-	**-**	**-**
61-90 days	-	-	-	**-**	-	-	-	**-**	**-**
91-180 days	-	-	-	**-**	-	-	-	**-**	**-**
181-360 days	-	-	(0.51)	**(0.51)**	-	-	-	**-**	**(0.51)**
>360 days	-	-	(3,325.47)	**(3,325.47)**	-	-	(2,052.80)	**(2,052.80)**	**(5,378.27)**
Total	**(2.63)**	**(0.05)**	**(3,330.16)**	**(3,332.84)**	**(16.12)**	-	**(2,052.80)**	**(2,068.92)**	**(5,401.76)**
Total net carrying amount									
Current	208,057.30	1,093.92	2.58	**209,153.80**	470,299.36	-	**-**	**470,299.36**	**679,453.16**
1-30 days	7,933.22	-	-	**7,933.22**	29,663.54	-	**-**	**29,663.54**	**37,596.76**
31-60 days	-	-	-	**-**	-	-	**-**	**-**	**-**
61-90 days	-	-	-	**-**	-	-	**-**	**-**	**-**
91-180 days	-	-	-	**-**	-	-	-	**-**	**-**
181-360 days	-	-	-	**-**	-	-	-	**-**	**-**
>360 days	-	-	40.92	**40.92**	-	-	-	**-**	**40.92**
Total	**215,990.52**	**1,093.92**	**43.50**	**217,127.94**	**499,962.90**	-	**-**	**499,962.90**	**717,090.84**
Value of collaterals	**215,954.72**	**-**	**10.94**	**215,965.66**	**497,734.48**	-	**-**	**497,734.48**	**713,700.14**

A.4 Reconciliation of Due from customers by IFRS 9 stage

The following tables present the movement of the exposure and the provision for impairment losses of Due from customers measured at amortized cost by IFRS 9 stage for the years 2023 and 2022:

2023

Amounts in thousands of Euro	Exposure before impairment				Accumulated provision for impairment losses				Net Carrying Amount
	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**	
Opening Balance as at 1.1.2023	**715,972.16**	**1,093.97**	**5,426.46**	**722,492.59**	**18.75**	**0.05**	**5,382.95**	**5,401.75**	**717,090.84**
Transfers to Stage 1 from Stage 2 or 3	-	-	-	**-**	-	-	-	**-**	**-**
Transfers to Stage 2 from Stage 1 or 3	(134.57)	134.57	-	**-**	-	-	-	**-**	**-**
Transfers to Stage 3 from Stage 1 or 2	(13.30)	-	13.30	**-**	(0.28)	-	0.28	**-**	**-**
New loans originated or purchased	61,625.29	-	-	**61,625.29**	-	-	-	**-**	**61,625.29**
Gross discount commission fee	36,940.83	47.99	3.83	**36,992.65**	-	-	-	**-**	**36,992.65**
Repayments and other movements	(94,610.03)	(299.51)	(30.54)	**(94,940.08)**	-	-	-	**-**	**(94,940.08)**
Changes in risk parameters and re-measurement of expected credit losses	-	-	-	**-**	(15.06)	(0.05)	(15.44)	**(30.55)**	**30.55**
Closing balance as at 31.12.2023	**719,780.38**	**977.02**	**5,413.05**	**726,170.45**	**3.41**	**-**	**5,367.79**	**5,371.20**	**720,799.25**

2022

Amounts in thousands of Euro	Exposure before impairment				Accumulated provision for impairment losses				Net Carrying Amount
	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**	
Opening Balance as at 1.1.2022	**578,191.84**	**1,355.75**	**5,423.84**	**584,971.43**	**11.74**	**0.01**	**5,377.70**	**5,389.45**	**579,581.98**
Transfers to Stage 1 from Stage 2 or 3	5.83	(5.83)	-	**-**	-	-	-	**-**	**-**
Transfers to Stage 2 from Stage 1 or 3	-	-	-	**-**	-	-	-	**-**	**-**
Transfers to Stage 3 from Stage 1 or 2	(0.51)	-	0.51	**-**	(0.51)	-	0.51	**-**	**-**
New loans originated or purchased	206,071.17	-	-	**206,071.17**	-	-	-	**-**	**206,071.17**
Gross discount commission fee	18,675.65	27.93	-	**18,703.58**	-	-	-	**-**	**18,703.58**
Repayments and other movements	(86,971.81)	(283.88)	2.11	**(87,253.58)**	-	-	-	**-**	**(87,253.58)**
Changes in risk parameters and re-measurement of expected credit losses	-	-	-	**-**	7.52	0.04	4.75	**12.31**	**(12.31)**
Closing balance as at 31.12.2022	**715,972.17**	**1,093.97**	**5,426.46**	**722,492.60**	**18.75**	**0.05**	**5,382.96**	**5,401.76**	**717,090.84**

A.5 Due from customers and accumulated provision for impairment losses by IFRS 9 Stage, industry and geographical region

31.12.2023									
Amounts in thousands of Euro	Greece				Rest of Europe				
	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**	**Grand Total**
Exposure before impairment									
Manufacturing	405,675.14	966.08	2,001.88	408,643.10	-	-	-	-	**408,643.10**
Wholesale and retail trade	266,231.68	10.94	1,687.33	267,929.95	-	-	-	-	**267,929.95**
Transportation	5,244.90	-	-	5,244.90	-	-	-	-	**5,244.90**
Services	24,133.63	-	1,512.99	25,646.62	-	-	-	-	**25,646.62**
Financial services	378.53	-	-	378.53	-	-	-	-	**378.53**
Hotels/Tourism	162.81	-	-	162.81	-	-	-	-	**162.81**
Other sectors	17,953.69	-	210.85	18,164.54	-	-	-	-	**18,164.54**
Total	**719,780.38**	**977.02**	**5,413.05**	**726,170.45**	**-**	-	**-**	**-**	**726,170.45**
Accumulated provision for impairment losses									
Manufacturing	(2.11)	-	(2,001.88)	(2,003.99)	-	-	-	-	**(2,003.99)**
Wholesale and retail trade	(0.67)	-	(1,642.07)	(1,642.74)	-	-	-	-	**(1,642.74)**
Transportation	(0.08)	-	-	(0.08)	-	-	-	-	**(0.08)**
Services	(0.49)	-	(1,512.99)	(1,513.48)	-	-	-	-	**(1,513.48)**
Financial services	-	-	-	-	-	-	-	-	**-**
Hotels/Tourism	-	-	-	-	-	-	-	-	**-**
Other sectors	(0.06)	-	(210.85)	(210.91)	-	-	-	-	**(210.91)**
Total	**(3.41)**	**-**	**(5,367.79)**	**(5,371.20)**	**-**	-	**-**	**-**	**(5,371.20)**
Total net carrying Amount									
Manufacturing	405,673.03	966.08	-	406,639.11	-	-	-	-	**406,639.11**
Wholesale and retail trade	266,231.01	10.94	45.26	266,287.21	-	-	-	-	**266,287.21**
Transportation	5,244.82	-	-	5,244.82	-	-	-	-	**5,244.82**
Services	24,133.14	-	-	24,133.14	-	-	-	-	**24,133.14**
Financial services	378.53	-	-	378.53	-	-	-	-	**378.53**
Hotels/Tourism	162.81	-	-	162.81	-	-	-	-	**162.81**
Other sectors	17,953.63	-	-	17,953.63	-	-	-	-	**17,953.63**
Total	**719,776.97**	**977.02**	**45.26**	**720,799.25**	**-**	-	**-**	**-**	**720,799.25**

31.12.2022									
Amounts in thousands of Euro	Greece				Rest of Europe				
	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**	**Grand Total**
Exposure before impairment									
Manufacturing	391,627.25	1,093.97	2,029.04	394,750.26	-	-	-	-	**394,750.26**
Wholesale and retail trade	269,806.00	-	1,674.36	271,480.36	-	-	-	-	**271,480.36**
Transportation	4,962.24	-	-	4,962.24	-	-	-	-	**4,962.24**
Services	33,204.30	-	1,511.96	34,716.26	-	-	-	-	**34,716.26**
Financial services	-	-	-	-	-	-	-	-	-
Hotels/Tourism	4.94	-	-	4.94	-	-	-	-	**4.94**
Other sectors	16,367.44	-	211.10	16,578.54	-	-	-	-	**16,578.54**
Total	**715,972.17**	**1,093.97**	**5,426.46**	**722,492.60**	-	-	-	-	**722,492.60**
Accumulated provision for impairment losses									
Manufacturing	(6.83)	(0.05)	(2,029.04)	(2,035.92)	-	-	-	-	**(2,035.92)**
Wholesale and retail trade	(7.82)	-	(1,633.14)	(1,640.96)	-	-	-	-	**(1,640.96)**
Transportation	-	-	-	-	-	-	-	-	-
Services	(3.66)	-	(1,511.96)	(1,515.62)	-	-	-	-	**(1,515.62)**
Financial services	-	-	-	-	-	-	-	-	-
Hotels/Tourism	-	-	-	-	-	-	-	-	-
Other sectors	(0.44)	-	(208.82)	(209.26)	-	-	-	-	**(209.26)**
Total	**(18.75)**	**(0.05)**	**(5,382.96)**	**(5,401.76)**	-	-	-	-	**(5,401.76)**
Total net carrying Amount									
Manufacturing	391,620.42	1,093.92	-	392,714.34	-	-	-	-	**392,714.34**
Wholesale and retail trade	269,798.18	-	41.22	269,839.40	-	-	-	-	**269,839.40**
Transportation	4,962.24	-	-	4,962.24	-	-	-	-	**4,962.24**
Services	33,200.64	-	-	33,200.64	-	-	-	-	**33,200.64**
Financial services	-	-	-	-	-	-	-	-	-
Hotels/Tourism	4.94	-	-	4.94	-	-	-	-	**4.94**
Other sectors	16,367.00	-	2.28	16,369.28	-	-	-	-	**16,369.28**
Total	**715,953.42**	**1,093.92**	**43.50**	**717,090.84**	-	-	-	-	**717,090.84**

A.6 Interest income from Due from customers by category and IFRS 9 stage

Amounts in thousands of Euro	31.12.2023				31.12.2022			
	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**
SME's	11,827.74	47.99	3.83	**11,879.56**	6,833.13	27.93	-	**6,861.06**
Large Corporate	25,113.08	-	-	**25,113.08**	11,842.52	-	-	**11,842.52**
Total	**36,940.82**	**47.99**	**3.83**	**36,992.64**	**18,675.65**	**27.93**	**-**	**18,703.58**

B. Forborne advances to customers

B.1 Analysis of forborne Due from customers by type of forbearance measure

Amounts in thousands of Euro	31.12.2023			31.12.2022		
	Total forborne exposure	**Accumulated provision for impairment losses**	**Net carrying amount of forborne exposure**	**Total forborne exposure**	**Accumulated provision for impairment losses**	**Net carrying amount of forborne exposure**
SME's						
Decrease in interest rate	835.53	-	835.53	1,093.97	(0.05)	1,093.92
Loan term extension	655.85	(655.85)	-	658.40	(655.82)	2.58
Grace period	-	-	-	-	-	-
Past due settlement	-	-	-	-	-	-
Total	**1,491.38**	**(655.85)**	**835.53**	**1,752.37**	**(655.87)**	**1,096.50**
Large Corporates						
Decrease in interest rate	**-**	**-**	**-**	**-**	**-**	**-**
Loan term extension	1,432.73	(1,432.73)	-	1,431.70	(1,431.70)	-
Grace period	-	-	-	-	-	-
Past due settlement	-	-	-	-	-	-
Total	1,432.73	(1,432.73)	-	1,431.70	(1,431.70)	-
Grand Total	**2,924.11**	**(2,088.58)**	**835.53**	**3,184.07**	**(2,087.57)**	**1,096.50**

The forborne Due from customers concern the geographical area of Greece.

B.2 Analysis of forborne Due from customers and provision for impairment losses by IFRS 9 stage and according to their credit quality

Amounts in thousands of Euro	31.12.2023			31.12.2022		
	Total exposures	Total forborne exposures	(%)	Total exposures	Total forborne exposures	(%)
Stage 1	719,780.38	-	0.00%	715,972.17	-	0.00%
Stage 2	977.02	835.53	85.52%	1,093.97	1,093.97	100.00%
Stage 3	5,413.05	2,088.58	38.58%	5,426.46	2,090.10	38.52%
Exposure (before impairment)	**726,170.45**	**2,924.11**	**0.40%**	**722,492.60**	**3,184.07**	**0.44%**
Stage 1 (Provision for impairment losses)	(3.41)	-	0.00%	(18.75)	-	0.00%
Stage 2 (Provision for impairment losses)	-	-	0.00%	(0.05)	(0.05)	100.00%
Stage 3 (Provision for impairment losses)	(5,367.79)	(2,088.58)	38.91%	(5,382.96)	(2,087.52)	38.78%
Total net carrying amount	**720,799.25**	**835.53**	**0.12%**	**717,090.84**	**1,096.50**	**0.15%**
Value of collaterals	715,974.41	-		713,700.14	2.58	

B.3 Reconciliation of forborne Due from customers

Forborne advances to customers (Net Value)		
Amounts in thousands of Euro	1.1-31.12.2023	1.1-31.12.2022
Opening balance (as at 1.1.2023 and 1.1.2022 respectively)	**1,096.50**	**1,358.33**
Forbearance measures during the year	-	-
Discount Commission income	60.38	27.93
Repayments of advances (partial or full)	(321.39)	(296.50)
Advances that exited forbearance status during the period	-	-
Impairment (Losses)/Gains	0.04	0.04
Other	-	6.70
Closing balance (as at 31.12.2023 and 31.12.2022 respectively)	**835.52**	**1,096.50**
of which:		
Large corporate	-	-
SMEs	835.53	1,096.50

Forborne exposures presented above concern advances to customers facing financial difficulties or showing amounts past due over 90 days and for which modifications have been extended on the contractual terms agreed with the Company (in accordance with the existing regulatory framework). These forborne exposures have been assessed for impairment (either individually or collectively) by the Company as at 31.12.2023.

45.2 Foreign currency risk

As described in Note 2, Euro is the functional and presentation currency for the Company.

The Company has exposure to risks arising from changes in foreign exchange rates which do not materially affect its financial position and cash flows. The following tables depict the Company's exposure to foreign currency risk as at 31.12.2023 and 31.12.2022.

The tables below present the Company's assets and liabilities by currency. The Finance Department monitors exposure to foreign currency risk and takes appropriate actions.

	Foreign currency risk 31.12.2023				
Amounts in thousands of Euro	USD	GBP	OTHER FC	EURO	TOTAL
ASSETS					
Cash and cash equivalents	-	-	-	1.26	1.26
Due from banks	0.72	0.10		274.29	275.11
Due from customers	888.68	-	-	719,910.57	720,799.25
Tangible assets	-	-	-	2,112.30	2,112.30
Intangible assets	-	-	-	614.37	614.37
Other assets	-	-	-	351.42	351.42
Total assets	**889.40**	**0.10**		**723,264.21**	**724,153.71**
LIABILITIES					
Due to banks	767.15	-	-	96,942.14	97,709.29
Due to customers	-	-	-	3,310.34	3,310.34
Debt securities in issue	-	-	-	445,336.23	445,336.23
Liabilities for current income tax	-	-	-	1,186.62	1,186.62
Liabilities for other taxes	-	-	-	1,753.37	1,753.37
Deferred tax liabilities	-	-	-	10,284.39	10,284.39
Employee defined benefit obligations	-	-	-	205.48	205.48
Other liabilities	-	-	-	3,418.67	3,418.67
Total Liabilities	**767.15**	**-**	**-**	**562,437.24**	**563,204.39**
Total Foreign Exchange Position	**122.25**	**0.10**	**-**	**160,826.97**	**160,949.32**

Amounts in thousands of Euro	Foreign currency risk 31.12.2022				
	USD	GBP	OTHER FCY	EURO	TOTAL
ASSETS					
Cash and cash equivalents	-	-	-	0.76	0.76
Due from banks	0.44	2.25	-	1,198.22	1,200.91
Due from customers	2,815.59	-	-	714,275.25	717,090.84
Tangible assets	-	-	-	2,421.56	2,421.56
Intangible assets	-	-	-	606.25	606.25
Other assets	-	-	-	203.82	203.82
Total assets	**2,816.03**	**2.25**	**-**	**718,705.86**	**721,524.14**
LIABILITIES					
Due to banks	2,766.89	-	-	86,066.16	88,833.05
Due to customers	-	-	-	3,074.20	3,074.20
Debt securities in issue	-	-	-	465,192.87	465,192.87
Liabilities for current income tax	-	-	-	333.42	333.42
Liabilities for other taxes	-	-	-	1,147.25	1,147.25
Deferred tax liabilities	-	-	-	9,613.01	9,613.01
Employee defined benefit obligations	-	-	-	165.86	165.86
Other liabilities	-	-	-	3,635.94	3,635.94
Total Liabilities	**2,766.89**	**-**	**-**	**569,228.71**	**571,995.60**
Total Foreign Exchange Position	**49.14**	**2.25**	**-**	**149,477.15**	**149,528.54**

45.3 Interest rate risk

In the context of analyzing the Assets-Liabilities of the Company, an Interest Rate Gap Analysis is performed. More specifically, assets and liabilities are classified into time bands (gaps) based on their re-pricing date, relative to the reporting date, in the case of variable interest rate instruments, or the maturity date for fixed rate instruments.

	Interest Rate Risk (Gap Analysis) 31.12.2023							
Amounts in thousands of Euro	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	TOTAL
ASSETS								
Cash and cash equivalents	-	-	-	-	-	-	1.26	1.26
Due from banks	-	275.11	-	-	-	-	-	275.11
Due from customers	21,983.28	693,870.99	-	-	-	-	4,944.98	720,799.25
Tangible assets	-	-	-	-	-	-	2,112.30	2,112.30
Intangible assets	-	-	-	-	-	-	614.37	614.37
Other assets	-	-	-	-	-	-	351.42	351.42
Total Assets	**21,983.28**	**694,146.10**	**-**	**-**	**-**	**-**	**8,024.33**	**724,153.71**
LIABILITIES								
Due to banks	-	97,709.29	-	-	-	-	-	97,709.29
Due to customers	-	-	-	-	-	-	3,310.34	3,310.34
Debt securities in issue	40,084.51	405,251.72	-	-	-	-	-	445,336.23
Liabilities for current income tax	-	-	-	-	-	-	1,186.62	1,186.62
Liabilities for other taxes	-	-	-	-	-	-	1,753.37	1,753.37
Deferred tax liabilities	-	-	-	-	-	-	10,284.39	10,284.39
Employee defined benefit obligations	-	-	-	-	-	-	205.48	205.48
Other liabilities	-	-	-	-	-	-	3,418.67	3,418.67
Total Liabilities	**40,084.51**	**502,961.01**	**-**	**-**	**-**	**-**	**20,158.87**	**563,204.39**
EQUITY								
Share capital	-	-	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	-	-	10,057.67	10,057.67
Retained earnings	-	-	-	-	-	-	109,826.89	109,826.89
Total Equity	**-**	**-**	**-**	**-**	**-**	**-**	**160,949.32**	**160,949.32**
Total Liabilities and Equity	**40,084.51**	**502,961.01**	**-**	**-**	**-**	**-**	**181,108.19**	**724,153.71**
TOTAL INTEREST GAP	**(18,101.23)**	**191,185.09**	**-**	**-**	**-**	**-**	**(173,083.86)**	**-**
CUMULATIVE EXPOSURE	**(18,101.23)**	**173,083.86**	**-**	**-**	**-**	**-**	**-**	**-**

Amounts in thousands of Euro	Interest Rate Risk (Gap Analysis) 31.12.2022							
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**TOTAL**
ASSETS								
Cash and cash equivalents	-	-	-	-	-	-	0.76	0.76
Due from banks	1,200.91	-	-	-	-	-	-	1,200.91
Due from customers	6,427.15	710,603.23	-	-	-	-	60.46	717,090.84
Tangible assets	-	-	-	-	-	-	2,421.56	2,421.56
Intangible assets	-	-	-	-	-	-	606.25	606.25
Other assets	-	-	-	-	-	-	203.82	203.82
Total Assets	**7,628.06**	**710,603.23**	**-**	**-**	**-**	**-**	**3,292.85**	**721,524.14**
LIABILITIES								
Due to banks	-	88,833.05	-	-	-	-	-	88,833.05
Due to customers	-	-	-	-	-	-	3,074.20	3,074.20
Debt securities in issue	40,054.95	425,137.92	-	-	-	-	-	465,192.87
Liabilities for current income tax	-	-	-	-	-	-	333.42	333.42
Liabilities for other taxes	-	-	-	-	-	-	1,147.25	1,147.25
Deferred tax liabilities	-	-	-	-	-	-	9,613.01	9,613.01
Employee defined benefit obligations	-	-	-	-	-	-	165.86	165.86
Other liabilities	-	-	-	-	-	-	3,635.94	3,635.94
Total Liabilities	**40,054.95**	**513,970.97**	**-**	**-**	**-**	**-**	**17,969.68**	**571,995.60**
EQUITY								
Share capital	-	-	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	-	-	9,641.21	9,641.21
Retained earnings	-	-	-	-	-	-	98,822.57	98,822.57
Total Equity	**-**	**-**	**-**	**-**	**-**	**-**	**149,528.54**	**149,528.54**
Total Liabilities and Equity	**40,054.95**	**513,970.97**	**-**	**-**	**-**	**-**	**167,498.22**	**721,524.14**
TOTAL INTEREST GAP	**(32,426.89)**	**196,632.26**	**-**	**-**	**-**	**-**	**(164,205.37)**	**-**
CUMULATIVE EXPOSURE	**(32,426.89)**	**164,205.37**	**-**	**-**	**-**	**-**	**-**	**-**

As detailed above, based on the interest rate risk table, it is estimated that a possible change in interest rates will not result in a significant change in the Company's profit and loss and equity.

45.4 Liquidity risk

The monitoring of liquidity risk focuses on the Company's ability to maintain sufficient funds to cover its obligations. For this purpose, a Liquidity Gap Analysis is performed.

The cash flows arising from Assets and Liabilities are determined and classified into time bands based on their date of recovery or settlement respectively. A liquidity gap analysis is presented in the table below:

	Liquidity Risk (Liquidity Gap Analysis) 31.12.2023					
Amounts in thousands of Euro	**Less than 1 month**	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**TOTAL**
ASSETS						
Cash and cash equivalents	1.26	-	-	-	-	1.26
Due from banks	275.11	-	-	-	-	275.11
Due from customers	64,828.88	289,826.82	153,504.86	133,110.58	79,528.11	720,799.25
Tangible assets	-	-	-	-	2,112.30	2,112.30
Intangible assets	-	-	-	-	614.37	614.37
Other assets	160.40			91.15	99.87	351.42
Total Assets	**65,265.65**	**289,826.82**	**153,504.86**	**133,201.73**	**82,354.65**	**724,153.71**
LIABILITIES						
Due to banks	47,681.90	50,027.39	-	-	-	97,709.29
Due to customers	1,465.03	1,543.53	301.78	-	-	3,310.34
Debt securities in issue	84.51	251.72	140,000.00	55,000.00	250,000.00	445,336.23
Liabilities for current income tax	-	-	-	1,186.62	-	1,186.62
Liabilities for other taxes	949.72	803.65	-	-		1,753.37
Deferred tax liabilities	-	-	-	-	10,284.39	10,284.39
Employee defined benefit obligations	-	-	-	-	205.48	205.48
Other liabilities	1,234.96	208.42	87.12	129.82	1,758.35	3,418.67
Total Liabilities	**51,416.12**	**52,834.71**	**140,388.90**	**56,316.44**	**262,248.22**	**563,204.39**
EQUITY						
Share capital	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	10,057.67	10,057.67
Retained earnings	-	-	-	-	109,826.89	109,826.89
Total Equity					**160,949.32**	**160,949.32**
Total Liabilities and Equity	**51,416.12**	**52,834.71**	**140,388.90**	**56,316.44**	**423,197.54**	**724,153.71**
Liquidity Gap	**13,849.53**	**236,992.11**	**13,115.96**	**76,885.29**	**(340,842.89)**	**-**
Cumulative Liquidity Gap	**13,849.53**	**250,841.64**	**263,957.60**	**340,842.89**	**-**	**-**

Amounts in thousands of Euro	Liquidity Risk (Liquidity Gap Analysis) 31.12.2022					
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**TOTAL**
ASSETS						
Cash and cash equivalents	0.76	-	-	-	-	0.76
Due from banks	1,200.91	-	-	-	-	1,200.91
Due from customers	118,507.35	342,883.26	218,725.88	35,827.91	1,146.44	717,090.84
Tangible assets	-	-	-	-	2,421.56	2,421.56
Intangible assets	-	-	-	-	606.25	606.25
Other assets	93.31			30.65	79.86	203.82
Total Assets	**119,802.33**	**342,883.26**	**218,725.88**	**35,858.56**	**4,254.11**	**721,524.14**
LIABILITIES						
Due to banks	48,819.09	40,013.96	-	-	-	88,833.05
Due to customers	1,932.86	643.99	497.35	-	-	3,074.20
Debt securities in issue	54.95	137.92	80,000.00	-	385,000.00	465,192.87
Liabilities for current income tax	-	-	-	333.42	-	333.42
Liabilities for other taxes	621.33	525.92	-	-	-	1,147.25
Deferred tax liabilities	-	-	-	-	9,613.01	9,613.01
Employee defined benefit obligations	-	-	-	-	165.86	165.86
Other liabilities	1,120.32	190.44	60.83	204.82	2,059.53	3,635.94
Total Liabilities	**52,548.55**	**41,512.23**	**80,558.18**	**538.24**	**396,838.40**	**571,995.60**
EQUITY						
Share capital	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	9,641.21	9,641.21
Retained earnings	-	-	-	-	98,822.57	98,822.57
Total Equity	**-**	**-**	**-**	**-**	**149,528.54**	**149,528.54**
Total Liabilities and Equity	**52,548.55**	**41,512.23**	**80,558.18**	**538.24**	**546,366.94**	**721,524.14**
Liquidity Gap	**67,253.78**	**301,371.03**	**138,167.70**	**35,320.32**	**(542,112.83)**	**-**
Cumulative Liquidity Gap	**67,253.78**	**368,624.81**	**506,792.51**	**542,112.83**	**-**	**-**

Debt securities in issue presented in the tables above, have been classified based on their related contractual obligations. However, the Company retains the right to redeem them (fully or partial) at any time during their lifetime, through a repayment of the full capital amount and the corresponding interest accrued.

The table below presents the cash flows arising from financial liabilities classified based on their contractual maturity date. Estimated interest payments are also included. Liabilities denominated in foreign currency have been converted into Euro.

Amounts in thousands of Euro	Nominal inflows / outflows 31.12.2023					
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**TOTAL**
LIABILITIES						
Due to banks	48,139.65	50,438.53	-	-	-	98,578.18
Due to customers	1,465.03	1,543.53	301.78	-	-	3,310.34
Debt securities in issue	2,186.24	4,231.43	146,384.20	63,466.64	261,679.39	477,947.90
Lease Liabilities	28.92	59.90	85.84	140.94	1,828.18	2,143.78
Total	**51,819.84**	**56,273.39**	**146,771.82**	**63,607.58**	**263,507.57**	**581,980.20**

Amounts in thousands of Euro	Nominal inflows / outflows 31.12.2022					
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**TOTAL**
LIABILITIES						
Due to banks	49,105.51	40,218.89	-	-	-	89,324.41
Due to customers	1,932.86	643.99	497.35	-	-	3,074.20
Debt securities in issue	1,600.06	3,045.27	83,990.31	7,967.46	401,639.53	498,242.62
Lease Liabilities	32.20	58.28	61.35	217.65	2,156.33	2,525.81
Total	**52,670.63**	**43,966.43**	**84,549.01**	**8,185.11**	**403,795.86**	**593,167.04**

45.5 Operational risk

The Company, by applying the operational risk management framework set by the Group, is aligned with the implementation of preventive methods for risk identification and assessment while also strengthening the process of monitoring and analyzing operational risk events.

More specifically, the Risk Control Self-Assessment (RCSA) methodology is applied on an annual basis. It is noted that this methodology allows the identification and assessment of potential operational risks after tests have been carried out (residual risks). Following that, the competent Units proceed with taking actions to offset any potential unfavorable outcomes.

Operational risk events, self-assessment results and other current issues relating to operational risk are systematically monitored by the Company's Risk Management Unit as well as by the Group's competent Operational Risk Management Committees which are responsible for reviewing all relevant information and for taking measures for mitigating Operational Risk.

Regarding the operational risk and emergency response plans, the Company within the Alpha Services and Holdings Group, has developed and adopted a Business Recovery Plan which describes in detail the necessary human resources, equipment, information (data) as well as actions required in case of interruption of work-critical systems.

46. Capital adequacy

The supervisory framework concerning factoring services companies is specified by the Governor's Acts of the Bank of Greece dated 27.09.2021 as follows:

Decision No. 193/1: Terms and conditions for the granting of operational and establishment license to: a) leasing companies, b) companies engaged in credit granting services and c) factoring agency companies - Special holdings - Repeal of no. 2622/21.12.2009 of the Act of the Governor "Conditions for granting operational and establishment license and supervision rules related to a) financial leasing companies, b) companies engaged in credit granting services and c) factoring agency companies" (B΄ 3/2010) and other Acts Governor of the Bank of Greece.

Decision No. 193/2: Rules for the prudential supervision of financial leasing companies, companies engaged in credit granting services, factoring agency companies and companies engaged in providing microfinance services of Law 4701/2020.

In particular, under Decision No.193/2 states that "The amount of the supervisory equity capital of the institutions herein is not allowed to fall short of the prescribed, as the case may be, minimum initial capital throughout the period of their operation".

The Company is in full compliance with the above decisions, and the amount of its supervisory capital exceeds the capital required, based on the above decisions.

47. Disclosures on interest rate benchmark reform

The London Interbank Offered Rate (LIBOR), one of the main and most important interest rate benchmarks used in global financial markets, ceased to exist or to be representative.

According to announcements by the UK's financial regulator (Financial Conduct Authority), the end of 2021 marked the completion of the first major phase of LIBOR's termination with 24 of the 35 LIBOR issues (maturities) ceasing to exist.

Specific LIBOR issues (durations) in Pound Sterling (GBP) and Japanese Yen (JPY), following guidance from the FCA, will continue to be published with a different calculation methodology known as "synthetic" for a limited period of time to ease the transition. In addition, the continuation of certain specific US Dollar (USD) LIBOR publications (maturities) until 30 June 2023 is intended to support the transition of legacy products.

The Group has taken all necessary steps to ensure compliance with the above Regulations and is also currently preparing the transition of the remaining LIBOR issues (maturities) denominated in US Dollar (USD) that will continue to exist until 30 June 2023.

In terms of new developments in the sector, on 3 April 2023 the FCA announced a consultation on its proposal to require the LIBOR administrator (IBA) to continue to publish 1, 3 and 6 month issues in US Dollar LIBOR using a different calculation methodology known as "synthetic", effective until the end of September 2024, for legacy contracts only.

For GBP Libor, the FCA intends to continue requiring the IBA to publish the 3-month synthetic LIBOR arrangement until the end of March 2024, after which it will cease permanently.

The Company continues to monitor all relevant market developments, taking all necessary steps to ensure compliance where required and to support its customers.

The transition to the new IBOR rates has no impact on the Company's financial statements, as the Company uses the discretion provided with respect to changes in contractual cash flows, i.e. when changing the basis for calculating cash flows of financial assets and liabilities, the changes required by the interest rate change do not result in the recognition of a gain or loss on modification in the income statement but in a recalculation of the interest rate.

As at 31.12.2023, the Company had no exposure to financial assets and liabilities at the USD Libor benchmark rate. At 31.12.2022 the Company's exposure to financial assets and liabilities at USD Libor benchmark rates that had not been transitioned to alternative benchmark rates amounted to EUR 2,815,597.99 from Due from customers and EUR 2,766,894.94 from Due to banks.

48. Related Party Transactions

The Company, as a subsidiary of Alpha Services and Holdings Group (100% of the Company's shares owned directly by ALPHA HOLDINGS S.M.S.A.), enters into transactions within the normal course of its business, with Alpha Bank and other Group companies.

The terms and conditions under which these transactions are carried out are at arm's length and do not differentiate compared to the terms normally used in no related party transactions and are approved by the competent bodies.

A. The outstanding balances of the Company's transactions with key management personnel, members of the Company's Board of Directors and their close family members as well as the results related to these transactions are as follows:

	31.12.2023	31.12.2022 As restated
Expenses		
Compensation of key management personnel and members of the Board of Directors	478,001.22	465,933.00
Defined benefit obligations	34,935.67	13,048.03
Bonus Incentive program expenses	67,531.00	65,673.75
Employer contributions	96,064.04	92,063.80
Total	**676,531.93**	**636,718.58**

During 2023, as part of an update of the Related Party Transactions Policy, the figures for the fiscal year 2022 were restated in order to be comparable.

B. The outstanding balances of the Company's transactions with Alpha Bank (100% indirect participation) and the other companies of the Group as well as the results related to these transactions, are as follows:

		31.12.2023	31.12.2022
Assets			
A)	**Due from Banks**		
1.	ALPHA BANK S.A.	233,848.41	1,142,405.93
B)	**Property, Plant & Equipment**		
	Right-of-Use on Buildings		
1.	ALPHA BANK S.A.	34,574.90	99,892.68
C)	**Right-of-Use on Buildings - Depreciation**		
1.	ALPHA BANK S.A.	29,934.77	94,495.89
D)	**Intangible Assets**		
	Software Expenses		
1.	ALPHA SUPPORTING SERVICES S.A.	36,083.42	36,043.42
	Software Expenses- Depreciation		
1.	ALPHA SUPPORTING SERVICES S.A.	26,502.19	19,122.88
E)	**Other receivables**		
1.	ALPHALIFE A.A.E.Z.	41.68	-
	Total	**360,985.37**	**1,391,960.80**

		31.12.2023	31.12.2022
Liabilities			
A)	**Due to banks**		
1.	ALPHA BANK S.A.	47,412,323.29	48,819,092.46
B)	**Debt securities in issue**		
1.	ALPHA BANK S.A.	445,336,231.00	465,192,874.00
C)	**Other Liabilities**		
1.	ALPHA BANK S.A.	596,889.08	508,354.85
2.	ALPHA SUPPORTING SERVICES S.A.	194,976.40	-
3.	TEA Group Alpha Services and Holdings	23,539.67	
	Total	**493,563,959.44**	**514,520,321.31**

Income Statement		**1.1.-31.12.2023**	**1.1.-31.12.2022**
	INCOME		
A)	**Interest and similar income**		
1.	ALPHA BANK S.A	8,391.33	200.56
B)	**Staff costs**		
1.	ALPHALIFE A.A.E.Z.	6,799.06	5,592.14
	Total income	**15,190.39**	**5,792.70**
	EXPENSES		
A)	**Interest expense and similar charger**		
1.	ALPHA BANK S.A.	20,190,692.92	8,838,875.64
2.	ALPHA BANK CYPRUS LTD	-	1,786.54
B)	**Commission expense**		
1.	ALPHA BANK S.A	1,981,736.93	1,438,419.23
C)	**Staff costs**		
1.	ALPHA BANK S.A	11,941.87	12,316.22
2.	TEA Group Alpha Services and Holdings	48,387.17	
D)	**General administrative expenses**		
1.	ALPHA BANK S.A	78,880.92	84,110.92
2.	ALPHA SUPPORTING SERVICES S.A.	263,612.98	169,461.53
3.	ALPHA BANK LONDON	5,686.99	-
E)	**Insurance**		
1.	ALPHA SERVICES & HOLDINGS S.A.	126,392.55	103,709.55
F)	**Interest expense from Lease Liabilities**		
	ALPHA BANK S.A	148.02	22.68
G)	**Right-of-Use on Lease - Depreciation Charge**		
1.	ALPHA BANK S.A	29,934.77	26,396.65
	Total Expenses	**22,737,415.12**	**10,675,098.96**

C. On 13.11.2023 the HFSF fully divested from the parent company of Alpha Services and Holdings Group and is no longer considered a related party of the Company.

During the period 01.01.-31.12.2023 the Company had no transactions with related parties of the HFSF.

D. During the financial year, the company participated in the TEA Group Alpha Services and Holdings, which was established in March 2023, aiming to provide additional insurance protection, beyond that provided by the main and supplementary social insurance. It is a voluntary participation fund for all Group employees, both for those with indefinite duration labor contracts or those having salaried mandate contracts relationship., therefore it is considered an affiliated part of the Company.

49. Auditors' fees

The total fees of statutory auditors, as stated in paragraphs 2 and 32, article 29, of Law 4308/2014, are analyzed as follows:

	1.1-31.12.2023	1.1-31.12.2022
Fees for the statutory audit of financial statements	36,225.00	35,000.00
Fees for the issuance of tax compliance report in accordance with article 65A of L.4174/2013	19,665.00	19,000.00
Fees for non-audit services	4,500.00	4,500.00
Total	**60,390.00**	**58,500.00**

50. Events after the balance sheet date

1. The breakdown of the balances of the Company's Debt Securities in Issue, as disclosed in note 36, is as follows:

Contract date	End date	Balance at 31.12.2023	Repayments	Reallocation	Balance at 31.05.2024
22.07.2004	30.10.2024	55,000,000	(15,000,000)	-	40,000,000
19.04.2019	30.06.2024	100,000,000	-	-	100,000,000
07.04.2020	30.06.2026	80,000,000	-	-	80,000,000
16.03.2022	16.03.2025	40,000,000	(30,000,000)	-	10,000,000
16.03.2022	28.06.2024	40,000,000	-	-	40,000,000
28.07.2022	28.07.2025	40,000,000	-	-	40,000,000
28.07.2022	28.07.2025	60,000,000	(80,000,000)	60,000,000	40,000,000
18.08.2022	18.08.2025	30,000,000	(30,000,000)	-	-
Σύνολο		**445,000,000**	**(155,000,000)**	**60,000,000**	**350,000,000**

Except for the above, no significant events occurred after the balance sheet date of the financial statements of the Company.

Athens, June 20, 2024

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER	THE FINANCE AND ADMINISTRATION MANAGER
IOANNIS M. EMIRIS I.D. No AP 104025	MARIA M. RAIKOU I.D. No AK 199121	ANTONIOS K. CHRONIS I.D. No AZ 007940