ABC FACTORS

FINANCIAL STATEMENTS AS AT 31.12.2015

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

Athens, May 18, 2016

ABC FACTORS

ABC FACTORS S.A.
48 MICHALAKOPOULOU STREET - 115 28 ATHENS
General Commercial Registry No. 1803101000 - S.A. Registration No 32684/01/B/95/32

FINANCIAL INFORMATION
FOR THE YEAR FROM JANUARY 1, 2015 to December 31, 2015

(according to C.L. 2190/20, article 135 for companies preparing annual financial statements, consolidated or not, in accordance with IFRS)

(Amounts in Euro)

The following information, which is derived from the financial statements, aims to provide a general overview of the financial position and performance of ABC FACTORS. We, therefore, advise the reader to visit the company's web site where the annual financial statements as well as the auditors' report can be found, before making any investment decision or engaging in any other transaction with the company.

Competent Authority - Prefecture	: Bank of Greece – Athens Prefecture
Website address	: www.abcfactors.gr
Board of Directors	: Chairman (Executive member): Artemios Ch. Theodoridis Vice-Chairman (Non-Executive member): Panagiotis K. Drossos Managing Director & General Manager (Executive member): Maria M. Raikou Tilemachos D. Georgakis (Non-Executive member), Ioannis G. Mourgelas (Non-Executive Independent member), Christos A. Economou (Non-Executive member), Antonios K. Chronis (Executive member)
Date of approval of the Financial Statements by the Board of Directors (from which the financial information were derived)	: 18 May 2016
Certified Auditor	: Harry Sirounis (A.M. SOEL 19071)
Audit Firm	: KPMG Certified Auditors A.E. (A.M. 114)
Type of Auditors' Report	: Unqualified opinion

BALANCE SHEET

	31.12.2015	31.12.2014
ASSETS		
Cash and balances	407,05	1.271,14
Due from banks	2.639.842,47	1.110.575,49
Due from customers	581.153.612,48	554.311.438,34
Property, plant and equipment	107.206,86	123.060,47
Intangible assets	547.511,19	576.393,52
Other assets	3.695.665,92	2.574.626,95
TOTAL ASSETS	**588.144.245,97**	**558.697.365,91**
LIABILITIES		
Due to banks	146.023.829,77	127.545.622,73
Due to customers	5.395.612,45	6.936.761,15
Debt securities in issue	300.080.833,00	300.121.850,00
Liabilities for current income tax and other taxes	4.672.115,83	4.420.131,59
Deferred tax liabilities	7.099.067,58	5.592.691,33
Employee defined benefit obligations	338.249,30	306.262,44
Other liabilities	1.369.927,97	1.615.440,10
Total Liabilities (a)	**464.979.635,90**	**446.538.759,34**
EQUITY		
Share capital (1,366,667 shares of Euro 30 each)	41.000.010,00	41.000.010,00
Share premium	64.746,88	64.746,88
Reserves	6.194.547,36	5.607.438,53
Retained earnings	75.905.305,83	65.486.411,16
Total Equity (b)	**123.164.610,07**	**112.158.606,57**
TOTAL LIABILITIES AND EQUITY (a)+(b)	**588.144.245,97**	**558.697.365,91**

STATEMENT OF COMPREHENSIVE INCOME

	1.1-31.12.2015	1.1-31.12.2014
Interest and similar income	33.420.440,90	30.665.604,53
Interest expense and similar charges	(20.582.388,21)	(18.805.212,53)
Net interest income	12.838.052,69	11.860.392,00
Commission income	12.755.869,26	14.751.757,02
Commission expense	(4.019.577,31)	(5.187.176,39)
Net commission income	8.736.291,95	9.564.580,63
Gains less losses on financial transactions	(18.912,53)	5.242,87
Other income	87.297,37	1.754,70
	68.384,84	6.997,57
Total income	**21.642.729,48**	**21.431.970,20**
Staff costs	(2.956.317,35)	(3.033.677,14)
General administrative expenses	(939.487,09)	(861.748,18)
Depreciation and amortization expenses	(83.024,45)	(85.977,00)
Total expenses	**(3.978.828,89)**	**(3.981.402,32)**
Impairment losses on customer receivables	(1.229.892,86)	(1.369.760,95)
Profit before income tax	**16.434.007,73**	**16.080.806,93**
Income tax	(5.415.912,12)	(4.338.630,34)
Profit after income tax	**11.018.095,61**	**11.742.176,59**
Other comprehensive income recognized directly in equity:		
Change in actuarial gains / (losses) on employee defined benefit obligations	(15.723,06)	(132.891,26)
Income tax	3.630,95	34.551,73
Total comprehensive income for the period, after income tax	**11.006.003,50**	**11.643.837,06**
Earnings per share:		
Basic and diluted (Euro per share)	8,0620	8,5918
Proposed dividend (Euro per share)	-	-
Proposed dividend under article 72, Law 4172 (Euro per share)	-	-

STATEMENT OF CASH FLOWS

	1.1-31.12.2015	1.1-31.12.2014
Net cash inflows / (outflows) from operating activities (a)	16.369.292,57	15.598.134,53
Net cash inflows/ (outflows) from investing activities (b)	(38.288,51)	(65.037,54)
Net cash inflows / (outflows) from financing activities (c)	(14.802.601,17)	(15.600.742,15)
Net increase / (decrease) in cash and cash equivalents during the period (a)+(b)+(c)	1.528.402,89	(67.645,16)
Effect of exchange rate differences on cash and cash equivalents	-	5.242,87
Net cash inflows / (outflows) for the period	**1.528.402,89**	**(62.402,29)**
Cash and cash equivalents at the beginning of the period	**1.111.846,63**	**1.174.248,92**
Cash and cash equivalents at the end of the period	**2.640.249,52**	**1.111.846,63**

STATEMENT OF CHANGES IN EQUITY

	31.12.2015	31.12.2014
Equity at the beginning of the period (1.1.2015 and 1.1.2014 respectively)	112.158.606,57	100.961.295,07
Total comprehensive income for the period, after income tax	11.006.003,50	11.643.837,06
Dividends paid	-	(446.525,56)
Equity at the end of the period (31.12.2015 and 31.12.2014 respectively)	**123.164.610,07**	**112.158.606,57**

ADDITIONAL DATA AND INFORMATION

1. The unaudited tax years for the Company are listed in note 42b of the financial statements as at 31.12.2015.
2. There are no liens or encumbrances on the Company's fixed assets.
3. There are neither pending legal cases nor issues in progress, nor decisions of legal or arbitrary authorities, which may have a material impact on the financial position or operations of the Company.
4. The number of employees as at 31.12.2015 and 31.12.2014 were 86 and 87 respectively.
5. The monetary value and nature of amounts recognized directly in equity are listed in detail under the Statement of Comprehensive Income.
6. The results arising from related party transactions, during the period from 1.1.2015 until 31.12.2015, are as follows:
   - With members of the Board of Directors and other key management personnel: expenses of Euro 249,254.39.
   - With other related parties: a) income of Euro 7,096.27 and b) expenses of Euro 23,608,661.49.

   The balances of receivables and liabilities arising from the above transactions as at 31.12.2015 are as follows:
   - With other related parties: a) Receivables of Euro 1,715,818.89 and b) Liabilities of Euro 446,968,254.24.
7. The financial statements of ABC FACTORS are included in the consolidated financial statements of ALPHA BANK S.A., under the method of full consolidation. ALPHA BANK S.A. is established in Greece and holds 100% of equity of ABC FACTORS.

Athens, May 18, 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR AND GENERAL MANAGER	THE FINANCE AND ADMINISTRATION MANAGER
ARTEMIOS CH. THEODORIDIS I.D. No AB 281969	MARIA M. RAÏKOU I.D. No AK 199121	ANTONIOS K. CHRONIS I.D. No AZ 007940

ABC FACTORS

BOARD OF DIRECTORS' MANAGEMENT REPORT
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
FOR THE FISCAL YEAR 2015

(January 1 to December 31, 2015)

Athens, May 18, 2016

To the Shareholders,

According to Article 136 of C.L. 2190/20, 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 Meeting, the Company's financial statements for the fiscal year 2015 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 2015.

1. Financial position and progress of the Company

According to the latest available data, the Greek economy contracted by 0.2% in 2015. Irrespective of the exact rate of contraction, recessionary conditions in the economy returned following a year of marginal growth in 2014 and failing to meet previous forecasts for further future growth.

Economic growth momentum carried forward from 2014, decelerated and gradually reversed, following the dramatic fluctuations and developments taking place during the previous year.

Despite investments being held back over the course of the last year due to the prevailing uncertainty and the bank holiday declared, the available liquidity for households through deposit withdrawals from the banking system as well as the delays allowed for payment of certain taxes, retained consumption at relatively high levels.

At the same time, the positive effects of market reforms implemented over the course of the last 3 years, seem to contribute towards a recovery, especially through a decline in the levels of unemployment and the growth of exports which although notable, is not yet sufficient to establish a sustainable growth momentum for the economy.

Positive developments in tourism, energy costs and foreign exchange rates, also assisted in limiting the degree of contraction relative to the forecasts made at the time that capital controls were imposed during the previous summer.

The aforementioned developments were also reflected in levels of turnover recorded for the factoring market, with the rising volumes of receivables factored over the course of the first semester of 2015 being gradually settled during the second semester of the year.

Within this constantly changing environment, the Company's turnover (volume of factored receivables) in 2015 increased by 3.7% compared to 2014 and reached the amount of € 4,391,965,646.00. This expansion was achieved through a higher degree of penetration into the various segments of the market as well as through the Company's activities in derivative products (Forfaiting – Reverse Factoring), while its market share rose from 32.5% to 34.1% allowing the Company to retain its position as market leader in the Greek factoring market.

The Company maintained its profitability in 2015, with the recorded profits before tax amounting to

€ 16,434,007.73 and growing by 2.2% compared to 2014, despite the increased impairment losses recognized on collectively assessed exposures and IBNR provisions following the implementation of IAS 39 Financial Instruments: Recognition and Measurement requirements.

In 2015, the Company continued the successful restructuring of its portfolio, with the average balances of advances to customers through receivables discounting increasing by 13.3% compared to 2014 and reaching € 585,655,287.41 as at 31.12.2015, while the impairment rate on total advances to customers remained low at 0.77% by focusing on effectively managing credit risk and implementing best practices.

ABC FACTORS, having already established a systematic and rigorous risk management framework in the previous years, took all the appropriate measures that were necessary in 2015, to address and ensure protection against all kinds of financial risks.

The implementation and continuous improvement of this framework was a major objective for the Company, which placed great emphasis on minimizing its exposure to market risk (interest rate risk), credit and operational risk as well as liquidity risk and cash flows, with these risks being monitored by the competent bodies.

The capital adequacy of the Company is supervised by the Bank of Greece, to which reports are submitted according to "Bank of Greece Governor's Act 2651/20.01.2012", which replaced "Bank of Greece Governor's Act 2640/18.01.2011".

Additionally, the minimum requirements for the capital adequacy ratios (Tier I and Total Capital Adequacy ratios) of the Company, are also determined in accordance with Bank of Greece Governor's Act.

Following "Bank of Greece Governor's Act 2622/ 21.12.2009", starting January 1, 2010, the measurement of capital adequacy in accordance with the new regulatory framework (Basel II) which has been incorporated into Greek law through l. 3601/2007, has been extended to factoring companies.

The main developments for the Company in 2015 are the following:

1. Expansion of the customer base, maintaining a high portfolio quality, growth in derivative products (Forfaiting – Reverse Factoring), further development in synergies achieved with the parent Bank and enhanced collaboration with the Business Centers and Large Corporate Division of the parent Bank.

2. Gradual incorporation, during 2015, of quality improvements and additions in the new IT application for factoring services (Proxima+) aiming both at complying with regulatory requirements as well as further improving and automating the process of borrower and debtor risk analysis/assessment, in order to more accurately evaluate business risks through a combined analysis of parameters such as relationships between borrowers and debtors, factoring product diversity, reinsurance against risk, market segment risk etc.

3. Higher degree of automation, where applicable, for data inflows of the new IT application for factoring services (Proxima+), contributing towards increasing productivity and updating information flows to customers.

2. Prospects for the Company

The multiple functions and advantages of factoring will continue to be an important pillar for businesses, assisting them to improve their liquidity position and financing their expansion in both the domestic and international markets.

As shown by the course of business for the Company so far, the current year profitability is expected to remain at satisfactory levels.

The objectives and prospects for the Company in the current year are summarized as follows:

1. Retaining its leadership position in the market with regards to its market share and its high levels of profitability, by exploiting the prevailing conditions of illiquidity in the market as well as opportunities presented in segments which comprise the pillars for the support and development of the Greek economy, anticipating a recovery during the second semester of 2016.

2. Continuous improvement of services rendered to customers and providing support to their development plans.

3. Emphasis placed on a further expansion of the International Factoring operations, either through directly operating in foreign markets or through bilateral factoring by collaborating with members of the Factors Chain International (FCI) network.

4. Expansion in derivative products (Forfaiting – Reverse Factoring) through the network of I.T.F.A. (International Trade & Forfaiting Association) as well as through the parent Bank's network.

5. Exploiting the full potential offered by the new IT application for factoring services (Proxima+) and aiming at achieving new economies of scale, in connection with measures for reducing general administrative expenses and increasing workforce productivity.

6. Incorporation of further quality improvements and additions in the new IT application for factoring services (Proxima+), aiming at improving compliance with regulatory requirements.

7. Completing the configuration of new derivative products (Forfaiting – Reverse Factoring) and the activation of the Client / Web interface application. These developments will add value to the Company's relationship with its customers, support the development/diversification of the range of services rendered, in accordance with the European market progress, while also improving efficiency in the processes required by regulatory authorities.

The continuous growth of the Company is attributed to the high level of expertise of its workforce, to the support provided by the parent Bank and mostly to the Company's commitment towards its customers to create value by providing services and products customized to meet their needs.

3. Securities held by the Company

None.

4. Available foreign exchange reserves

None.

5. Real estate property owned by the Company

None.

6. Significant losses of the Company.

There are no losses either for this year or from prior years. No losses are expected for the current fiscal year.

7. Other significant issues

No significant events, which should be disclosed in this report, have occurred since 31 December 2015 and up to the date this report has been prepared and the Company carries out its normal course of business.

Athens, May 18, 2016

The Chairman of the Board of Directors,

Artemios Ch. Theodoridis

ABC FACTORS

FINANCIAL STATEMENTS AS AT 31.12.2015

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

Athens, May 18, 2016

TABLE OF CONTENTS

Independent Auditor's Report

(Translated from the original in Greek)

To the Shareholders of

ABC FACTORS S.A.

Audit Report on the Financial Statements

We have audited the accompanying financial statements of ABC FACTORS S.A. (the "Company") which comprise the balance sheet as of 31 December 2015 and the statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ABC FACTORS S.A. as of 31 December 2015 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Other matter

The financial statements of ABC FACTORS S.A. for the year ended 31 December 2014, were audited by another auditor who expressed an unmodified opinion on those statements on 14 May 2015.

Report on Other Legal and Regulatory Requirements

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying financial statements within the scope set by articles 43a and 37 of C.L. 2190/1920.

Athens, 20 May 2016

KPMG Certified Auditors A.E.
AM SOEL 114

Harry Sirounis, Certified Auditor Accountant
AM SOEL 19071

INCOME STATEMENT

	Note	*Amounts in Euro* From 1 January to 31.12.2015	31.12.2014
Interest and similar income	18	33,420,440.90	30,665,604.53
Interest expense and similar charges	18	(20,582,388.21)	(18,805,212.53)
Net interest income	18	12,838,052.69	11,860,392.00
Commission income	19	12,755,869.26	14,751,757.02
Commission expense	19	(4,019,577.31)	(5,187,176.39)
Net commission income	19	8,736,291.95	9,564,580.63
Gains less losses on financial transactions		(18,912.53)	5,242.87
Other income	20	87,297.37	1,754.70
		68,384.84	6,997.57
Total income		**21,642,729.48**	**21,431,970.20**
Staff costs	21	(2,956,317.35)	(3,033,677.14)
General administrative expenses	22	(939,487.09)	(861,748.18)
Depreciation and amortization expenses	28-29	(83,024.45)	(85,977.00)
Total expenses		**(3,978,828.89)**	**(3,981,402.32)**
Impairment losses on customer receivables	23	(1,229,892.86)	(1,369,760.95)
Profit before income tax		**16,434,007.73**	**16,080,806.93**
Income tax	24	(5,415,912.12)	(4,338,630.34)
Profit after income tax		**11,018,095.61**	**11,742,176.59**
Earnings per share:			
Basic and diluted (€ per share)	25	8.06	8.59

The attached notes (pages 8 to 53) form an integral part of the financial statements.

BALANCE SHEET

	Note	31.12.2015	31.12.2014
		Amounts in Euro	
ASSETS			
Cash and balances in banks	26.1	407.05	1,271.14
Due from banks	26.2	2,639,842.47	1,110,575.49
Due from customers	27	581,153,612.48	554,311,438.34
Property, plant and equipment	28	107,206.86	123,060.47
Intangible assets	29	547,511.19	576,393.52
Other assets	31	3,695,665.92	2,574,626.95
Total Assets		**588,144,245.97**	**558,697,365.91**
LIABILITIES			
Due to banks	32	146,023,829.77	127,545,622.73
Due to customers	33	5,395,612.45	6,936,761.15
Debt securities in issue	34	300,080,833.00	300,121,850.00
Liabilities for current income tax and other taxes	35	4,672,115.83	4,420,131.59
Deferred tax liabilities	30	7,099,067.58	5,592,691.33
Employee defined benefit obligations	36	338,249.30	306,262.44
Other liabilities	37	1,369,927.97	1,615,440.10
Total Liabilities		**464,979,635.90**	**446,538,759.34**
EQUITY			
Share capital	38	41,000,010.00	41,000,010.00
Share premium		64,746.88	64,746.88
Statutory reserve	39	6,194,547.36	5,607,438.53
Retained earnings	40	75,905,305.83	65,486,411.16
Total Equity		**123,164,610.07**	**112,158,606.57**
Total Liabilities and Equity		**588,144,245.97**	**558,697,365.91**

The attached notes (pages 8 to 53) form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Note	*Amounts in Euro* From 1 January to 31.12.2015	31.12.2014
Profit/(loss), after income tax, recognized in the Income Statement		**11,018,095.61**	**11,742,176.59**
Amounts that will not be reclassified in the Income Statement			
Change in actuarial gains/(losses) on employee defined benefit obligations	36	(15,723.06)	(132,891.26)
Income tax		3,630.95	34,551.73
Total of other comprehensive income recognized directly in equity, after income tax		**(12,092.11)**	**(98,339.53)**
Total comprehensive income for the period, after income tax		**11,006,003.50**	**11,643,837.06**

The attached notes (pages 8 to 53) form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Amounts in Euro	Note	Share Capital	Share premium	Statutory reserve	Retained earnings	Total
Balance 1.1.2014		**41,000,010.00**	**64,746.88**	**5,146,938.57**	**54,749,599.62**	**100,961,295.07**
Changes in equity for the period 1.1 - 31.12.2014		-	-	-	-	-
Total comprehensive income for the period, after income tax		-	-	-	11,643,837.06	11,643,837.06
Statutory reserve	39	-	-	460,499.96	(460,499.96)	-
Dividends	40	-	-	-	(446,525.56)	(446,525.56)
Balance 31.12.2014		**41,000,010.00**	**64,746.88**	**5,607,438.53**	**65,486,411.16**	**112,158,606.57**
Balance 1.1.2015		**41,000,010.00**	**64,746.88**	**5,607,438.53**	**65,486,411.16**	**112,158,606.57**
Changes in equity for the period 1.1 - 31.12.2015		-	-	-	-	-
Total comprehensive income for the period, after income tax		-	-	-	11,006,003.50	11,006,003.50
Statutory reserve	39	-	-	587,108.83	(587,108.83)	-
Balance 31.12.2015		**41,000,010.00**	**64,746.88**	**6,194,547.36**	**75,905,305.83**	**123,164,610.07**

The attached notes (pages 8 to 53) form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Note	31.12.2015	31.12.2014
		Amounts in Euro	
		From 1 January to	
Cash flows from operating activities			
Profit before income tax		**16,434,007.73**	**16,080,806.93**
Adjustments to profit before income tax for:			
Depreciation of fixed assets	28	27,932.12	28,687.23
Amortization of intangible assets	29	55,092.33	57,289.77
Expense / (income) on pension plans	36	37,263.80	35,477.04
Impairment losses on customer receivables	23	1,248,030.21	1,373,246.03
Interest on debt securities in issue	18	14,761,584.17	15,191,366.59
		32,563,910.36	**32,766,873.59**
Increase / (decrease):			
Due from customers		(28,090,204.35)	(84,962,730.62)
Other assets		(97,835.76)	286,896.70
Due to banks		18,478,207.04	71,690,991.88
Due to customers		(1,541,148.70)	(1,592,703.54)
Other liabilities		(330,975.24)	156,871.62
Other taxes		(251,510.62)	35,448.64
Net cash flows from operating activities before taxes		**20,730,442.73**	**18,381,648.27**
Income tax paid		(4,361,150.16)	(2,783,513.74)
Net cash flows from operating activities		**16,369,292.57**	**15,598,134.53**
Cash flows from investing activities			
Acquisitions of fixed assets	28-29	(39,427.76)	(65,037.54)
Disposals of fixed assets	28	1,139.25	-
Net cash flows from investing activities		**(38,288.51)**	**(65,037.54)**
Cash flows from financing activities			
Repayments of debt securities in issue		(14,802,601.17)	(15,154,216.59)
Dividends paid		-	(446,525.56)
Net cash flows from financing activities		**(14,802,601.17)**	**(15,600,742.15)**
Effect of exchange rate differences on cash and cash equivalents		-	5,242.87
Net increase/(decrease) in cash flows		**1,528,402.89**	**(62,402.29)**
Cash and cash equivalents at the beginning of the year	26	**1,111,846.63**	**1,174,248.92**
Cash and cash equivalents at the end of the year	26	**2,640,249.52**	**1,111,846.63**

The attached notes (pages 8 to 53) form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

ABC Factors S.A. was established in 1995 and up to this date operates 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 be 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 according to the provisions of law 1905/1990.

ABC FACTORS is a subsidiary of ALPHA BANK, which owns 100% of the Company's share capital.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on December 5, 2014 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 (Executive Member)

Artemios Ch. Theodoridis
Executive Director & General Manager for Wholesale Banking and International Network, Alpha Bank

VICE CHAIRMAN (Non-Executive Member)

Panagiotis K. Drossos
Public Sector Affairs Advisor to the Management, Alpha Bank

MANAGING DIRECTOR & GENERAL MANAGER (Executive Member)

Maria M. Raikou

MEMBERS

Tilemachos D. Georgakis (Non-Executive Member)
Senior Manager, Business Centres Division, Alpha Bank

Ioannis G. Mourgelas (Non-Executive Independent Member)
Lawyer

Christos A. Economou (Non-Executive Member)
Manager, Wholesale Credit Division, Alpha Bank

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Finance & Administration Manager, ABC FACTORS

SECRETARY

Antonios K. Chronis

The auditor of the annual financial statements is Mr. Harry G. Sirounis with A.M. SOEL 19071, who is a member of KPMG Certified Auditors A.E. (A.M. 114).

The financial statements have been approved by the Board of Directors on May 18, 2016.

ACCOUNTING POLICIES APPLIED

1. Basis of presentation

These financial statements relate to the fiscal year 1.1 -31.12.2015 and they have been prepared:

a) 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 and

b) on the historical cost basis:

The financial statements are presented in Euro, unless otherwise stated.

The estimates and judgments 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 appropriate.

The estimates and judgments 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 they are incurred.

The accounting policies for the preparation of the financial statements have been consistently applied by the Company to the years 2014 and 2015, after taking into account the following amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2015:

- **Amendment to International Accounting Standard 19** «Employee Benefits»: Defined Benefit Plans: Employee Contributions (Regulation 2015/29/17.12.2014)

On 21.11.2013, the International Accounting Standards Board amended the requirements of IAS 19 for the accounting of employee contributions that are linked to service but are independent of the number of years of service. Examples of contributions that are independent of the number of years of service include those that are a fixed percentage of the employee's salary, a fixed amount throughout the service period or dependent on the employee's age. In accordance with this amendment, the entity is permitted to recognize such contributions either as a reduction of service cost in the period in which the related service is rendered (as if a short term employee benefit is recognized) or to continue to attribute them to periods of service.

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

- **Improvements to International Accounting Standards:**
  - **cycle 2010-2012** (Regulation 2015/28/17.12.2014)
  - **cycle 2011-2013** (Regulation 1361/18.12.2014)

As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2013, non – urgent but necessary amendments to various standards.

The adoption of the above amendments had no impact on the financial statements of the Company.

Except for the standards mentioned above, the European Union has adopted the following amendments to standards which are effective for annual periods beginning after 1.1.2015 and have not been early adopted by the Company.

- **Amendment to International Financial Reporting Standard 11** «Joint Arrangements»: Accounting for acquisitions of interests in joint operations (Regulation 2015/2173/24.11.2015)

Effective for annual periods beginning on or after 1.1.2016

On 6.5.2014 the International Accounting Standards Board issued an amendment to IFRS 11 with which it is clarified that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business (as defined in IFRS 3), it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11. In addition, it shall disclose the information required by IFRS 3 and other related standards. This applies both when acquiring the initial interest in the joint operation that constitutes a business and when acquiring an additional interest.

The above amendment does not apply to the activities of the Company.

- **Amendment to International Accounting Standard 1** «Presentation of Financial Statements»: Disclosure Initiative (Regulation 2015/2406/18.12.2015)

Effective for annual periods beginning on or after 1.1.2016

On 18.12.2014 the International Accounting Standards Board issued an amendment to IAS 1 in the context of the project it has undertaken to analyze the possibilities for improving the disclosures in financial statements prepared in accordance with IFRS (Disclosure Initiative). The main amendments are summarized below:

- the restriction to disclose only a summary of significant accounting policies is removed;
- it is clarified that even when other standards require specific disclosures as minimum requirements, an entity may not provide them if this is considered immaterial. In addition, in case the disclosures required by the IFRS are insufficient to enable users to understand the impact of particular transactions, the entity shall consider whether to provide additional disclosures;
- it is clarified that the line items that IFRS require to be presented in the balance sheet and the statements of profit or loss and other comprehensive income are not restrictive and that the entity may present additional line items, headings and subtotals;
- it is clarified that in the Statement of Comprehensive Income the share of other comprehensive income of associates and joint ventures accounted for using the equity method shall be separated into:
    - amounts that will not be subsequently reclassified to profit or loss and
    - amounts that will be subsequently reclassified to profit or loss;
- it is clarified that the standard does not specify the presentation order of the notes and that each entity shall determine a systematic manner of presentation taking into account the understandability and comparability of its financial statements.

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

- **Amendment to International Accounting Standard 16** «Property, Plant and Equipment» and to **International Accounting Standard 38** «Intangible Assets»: Clarification of Acceptable Methods of Depreciation and Amortization (Regulation 2015/2231/2.12.2015)

Effective for annual periods beginning on or after 1.1.2016

On 12.5.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 38 with which it expressly prohibits the use of revenue as a basis for the depreciation and amortization method of property, plant and equipment and intangible assets respectively. An exception is provided only for intangible assets and only when the following conditions are met:
(a) when the intangible asset is expressed as a measure of revenue, i.e. when the right over the use of the intangible asset is expressed as a function of revenue to be generated in such a way that the generation of a specific amount of revenue determines the end of the right of use, or
(b) when it can be demonstrated that the revenue and the consumption of the economic benefits are highly correlated.

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

- **Amendment to International Accounting Standard 16** «Property, Plant and Equipment» and to **International Accounting Standard 41** «Agriculture»: Bearer plants (Regulation 2015/2113/23.11.2015)

Effective for annual periods beginning on or after 1.1.2016

On 30.6.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 41 with which it clarified that bearer plants, which are living plants that:

a) are used in the production or supply of agricultural produce;

b) are expected to bear produce for more than one period; and

c) have remote likelihood of being sold as agricultural produce, except for incidental scrap sales,

shall be accounted for based on IAS 16 instead of IAS 41.

The above amendment does not apply to the activities of the Company.

- **Amendment to International Accounting Standard 27** «Separate Financial Statements»: Equity Method in Separate Financial Statements (Regulation 2015/2441/18.12.2015)

Effective for annual periods beginning on or after 1.1.2016

On 12.8.2014 the International Accounting Standards Board issued an amendment to IAS 27 with which it provides the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. In addition, with the above amendment it is clarified that the financial statements of an investor that does not have investments in subsidiaries but has investments in associates or joint ventures, which under IAS 28 are accounted for with the equity method, do not constitute separate financial statements.

The above amendment does not apply to the activities of the Company.

- **Improvements to International Accounting Standards – cycle 2012-2014** (Regulation 2015/2343/15.12.2015)

Effective for annual periods beginning on or after 1.1.2016

As part of the annual improvements project, the International Accounting Standards Board issued, on 25.9.2014, non- urgent but necessary amendments to various standards.

The Company is evaluating the impact from the adoption of the above amendments on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments to standards which have not yet been adopted by the European Union and they have not been early applied by the Company.

- **International Financial Reporting Standard 9**: «Financial Instruments»

Effective for annual periods beginning on or after 1.1.2018

On 24.7.2014, the International Accounting Standards Board completed the issuance of the final text of IFRS 9: Financial Instruments, which replaces the existing IAS 39. The new standard provides for significant differentiations in the classification and measurement of financial instruments as well as in hedge accounting. An indication of the new requirements is presented below:

Classification and measurement

Financial assets shall be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

i. the entity's business model for managing the financial assets and

ii. the contractual cash flow characteristics of the financial assets.

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, if the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative shall not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

With regards to the financial liabilities, the main difference is that the change in the fair value of a financial liability initially designated at fair value through profit or loss shall be recognized in profit or loss with the exception of the effect of change in the liability's credit risk which shall be recognized directly as other comprehensive income.

Impairment

Contrary to the existing IAS 39, under which an entity recognizes only incurred credit losses, the new standard requires the recognition of credit losses expected to arise over the lifetime of an instrument if the credit risk of the financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, 12-month expected credit losses shall be recognized.

Hedge accounting

The new requirements for hedge accounting are more aligned with the entity's risk management. The main changes in relation to the current requirements of IAS 39 are summarized below:

- more items become eligible for participating in a hedging relationship either as hedging instruments or as hedged items,
- the requirement for hedge effectiveness tests to be within the range of 80%-125% is removed. Hedge effectiveness test is performed progressively only and under certain circumstances a qualitative assessment is considered adequate,
- in case that a hedging relationship ceases to be effective but the objective of risk management regarding the hedging relationship remains the same, the entity shall rebalance the hedging relationship in order to satisfy the hedge effectiveness criteria.

It is noted that the new requirements for hedge accounting do not include those that relate to macro hedging, since they have not been finalized yet.
Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment to other standards and mainly to IFRS 7 where new disclosures were added.

The Company is evaluating the impact from the adoption of IFRS 9 on its financial statements.

- **Amendment to International Financial Reporting Standard 10** «Consolidated Financial Statements», to **International Financial Reporting Standard 12** «Disclosure of Interests in Other Entities» and to **International Accounting Standard 28** «Investments in Associates and Joint Ventures»: Investment Entities: Applying the Consolidation Exception

Effective for annual periods beginning on or after 1.1.2016

On 18.12.2014, the International Accounting Standards Board issued an amendment to the above standards with which it clarified that the exception provided in IFRS 10 and IAS 28, for the preparation of consolidated financial statements and the application of the equity method respectively, applies also to a parent entity that it is a subsidiary of an investment entity which measures all of its subsidiaries at fair value according to IFRS 10. In addition, with the aforementioned amendment it was clarified that the disclosure requirements of IFRS 12 apply to the investment entities which measure all of their subsidiaries at fair value through profit or loss.

The adoption of the above amendment by the Company is not expected to have any impact on its financial statements.

- **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 loses control of a subsidiary, which does not contain 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 assets involved do not constitute a business. Otherwise, the total of 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 adoption of the above amendments had no impact on the financial statements of the Company.

- **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 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.

The above standard does not apply to the activities of the Company.

- **International Financial Reporting Standard 15:** «Revenue from Contracts with Customers»

Effective for annual periods beginning on or after 1.1.2018

IFRS 15 "Revenue from Contracts with Customers" was issued on 28.5.2014 by the International Accounting Standards Board. The new standard is the outcome of a joint project undertaken by the IASB and the Financial Accounting Standards Board (FASB) aimed at developping common requirements as far as the revenue recognition principles are concerned.
The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments.
According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A new revenue recognition model is introduced, by applying the following five steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The performance obligation notion is new and in effect represents a promise in a contract with a customer to transfer to the customer either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The new IFRS 15 supersedes:

- IAS 11 «Construction Contracts»
- IAS 18 «Revenue»
- IFRIC 13 «Customer relationship programs»
- IFRIC 15 «Agreements for the Construction of Real Estate»
- IFRIC 18 «Transfers of Assets from Customers»; and
- IFRIC 31 «Revenue – Barter Transactions Involving Advertising Services».

The Company is examining the impact from the adoption of IFRS 15 on its financial statements.

- **International Financial Reporting Standard 16:** «Leases»

Effective for annual periods beginning on or after 1.1.2019

On 13.1.2016 the International Accounting Standards Board issued IFRS 16 “Leases” which supersedes:

- IAS 17 «Leases»,
- IFRIC 4 «Determining whether an arrangement contains a lease»,
- SIC 15 «Operating Leases - Incentives» and
- SIC 27 «Evaluating the substance of transactions involving the legal form of a lease».

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use of the asset as well as the corresponding lease payment obligations. The above treatment is not required when the asset is of low value.

The Company is examining the impact from the adoption of IFRS 16 on its financial statements.

- **Amendment to International Accounting Standard 7** «Statement of Cash Flows»: Disclosure Initiative

Effective for annual periods beginning on or after 1.1.2017

On 29.1.2016 the International Accounting Standards Board issued an amendment to IAS 7 according to which an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities for which cash flows are classified in the statement of cash flows as cash flows from financing activities. The changes that shall be disclosed, which may arise both from cash flows and non-cash changes, include:

– changes from financing cash flows,
– changes arising from obtaining or losing control of subsidiaries or other businesses,
– the effect of changes in foreign exchange rates,
– changes in fair values and
– other changes.

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

- **Amendment to International Accounting Standard 12** «Income taxes»: Recognition of Deferred Tax Assets for Unrealized Losses

Effective for annual periods beginning on or after 1.1.2017

On 19.1.2016 the International Accounting Standards Board issued an amendment to IAS 12 with which the following were clarified:

- Unrealized losses on debt instruments measured at fair value for accounting purposes and at cost for tax purposes may give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the asset by sale or by use.
- The recoverability of a deferred tax asset is assessed in combination with other deferred tax assets. However, if tax law offsets specific types of losses only against a particular type of income, the relative deferred tax asset shall be assessed in combination with other deferred tax assets of the same type.
- During the deferred tax asset recoverability assessment, an entity compares the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences.
- The estimate of probable future taxable profit may include the recovery of some of the entity’s assets for more than their carrying amount if there is sufficient evidence indicating that it is probable that the entity will achieve this.

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 within three months of the balance sheet date.

4. Financial instruments

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, profit 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 when the Company has both the legal right and the intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Advances to customers are initially recognized at fair value, including direct acquisition costs. Subsequently, they are measured at amortized cost using the effective interest rate method.

Debt securities in issue are initially recognized at fair value, which is determined by the funds raised and includes issuance costs. Subsequently, they are measured at amortized cost using the effective interest rate method.

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

A financial asset is derecognized by the Company when the cash flows from the financial asset expire. Respectively, the Company derecognizes a financial liability (or part thereof) when its contractual obligations are discharged or cancelled or expire.

5. Property, Plant and Equipment

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 as part of the carrying amount of the item when it increases its future economic benefits.
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 has been impaired, is adjusted to its recoverable amount.
Gains and losses on disposals of property, plant and equipment are recognized in profit or loss.

6. Intangible assets

This category is comprised of software, which is carried at cost less accumulated amortization and accumulated impairment losses.

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 customer receivables

In order to determine the impairment allowance on customer receivables, an impairment test is carried out by the Company at each reporting date in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, this process involves the following steps:

a. Establishment of *criteria for assessment on an individual or collective basis*

The Company assesses whether there is objective evidence of impairment for the assessment on an individual basis. The process for the identification of impaired receivables and the estimation of the respective impairment allowance involves the following steps:

1. Identification of receivables which will be individually assessed and for which events exist which constitute objective evidence that an impairment loss has occurred.
2. Impairment calculation for receivables identified in the previous step and assessed individually as the difference between the estimated recoverable amount and the carrying amount of the receivable.
3. Receivables which are individually assessed and found not impaired are assessed for impairment collectively.

The Company has accumulated a significant amount of historical data, which includes the loss given default (LGD) rates for receivables after the completion of forced recovery actions or other measures taken to secure the collection of receivables.

b. Establishment of the trigger events for impairment purposes

<u>Impairment Assessment on an Individual Basis</u>

Customer receivables are individually assessed for impairment when one of the following trigger events exists:

1. Customers with amounts past due more than 90 days;
2. Customers under litigation;
3. Customers under forbearance status;
4. Customers assessed as unlikely to pay;
5. Customers with detrimentals (e.g. payment orders, denounced checks, auctions, bankruptcies, overdue amounts to the State, overdue amounts to Social Security or employees – employment retention);
6. Significant deterioration in the future outlook for the industry sector in which the customer operates.
7. Occurrence of unexpected, extreme events such as fraud, natural disasters, etc.;
8. Interventions and actions taken by regulatory bodies / local authorities against the debtor (e.g. Athens Stock Exchange, Hellenic Capital Market Commission);
9. Breach of contract or credit terms and conditions;
10. Adverse changes in the shareholding structure or the management of the company or serious management issues/problems;

11. Significant adverse changes in cash flows arising from the loss of a key/major customer, a significant fall in demand for the primary product or service, the loss of a key/major supplier or suppliers not extending credit etc.

When trigger events occur the Company performs impairment testing on an individual basis regardless of the amount of the unpaid balance of any advances to customers.

Impairment Assessment on a Collective Basis

Customer receivables are collectively assessed for impairment when the trigger events detailed above are not met and therefore are not individually assessed.

Additionally, receivables which are individually assessed and fount not impaired are also assessed on a collective basis.

The need for the existence of objective evidence in order for the impairment loss to be measured and recognized on individually assessed receivables, may lead to a delay in the recognition of an impairment loss for a receivable which is already incurred. Within this context and in accordance with IAS 39, it is appropriate to recognize impairment losses for those losses “which have been incurred but have not yet been reported» (Incurred But Not Reported - IBNR).

Provisions for loss events that have been incurred but not yet reported are assessed collectively. For purposes of IBNR provisions, receivables are classified in groups sharing similar credit risk characteristics. These characteristics relate to estimates of future cash flows applying for each group of receivables, indicating the ability of the debtors to repay the amounts due according to the contractual terms of the assets under assessment.

c. Impairment Testing

The level of the impairment allowance for customer receivables is equal to the difference between the carrying amount of the receivable and the estimated recoverable amount which is defined as the present value of future cash inflows for bad debt amounts, including the value of any collateral, discounted with the effective interest rate of the contract.

d. Impairment recognition

Amounts of impaired receivables are monitored using reserve allowance accounts.
A receivable which is assessed as non-collectible is written-off against the recorded allowance account.

e. Recoveries on impaired receivables

If in a subsequent period, after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of receivable amounts previously written-off, the recoveries are recognized in the income statement.

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, taking into account 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

The post-employment pension benefits for staff, are covered by the Social Security Fund. The Company and its staff contribute to this fund on a monthly basis. The Company has no further obligation to pay further contributions if the Fund does not have sufficient assets to cover benefits 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, 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 plans 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 after taking into account any changes in the liability. This interest and other expenses incurred in relation to the defined benefit plan, excluding actuarial gains 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. Provisions

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.

11. Interest Income – Interest Expense

Interest income and expense are recognized in the income statement for all financial instruments carried at amortized cost, on an accrual basis.

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 method.

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

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts of a financial instrument throughout its expected life or until the next re-pricing date, so that the discounted value of future cash flows is equal to the carrying value of the financial instrument.

12. 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.

13. Related Parties Definition

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

a) the parent company, Alpha Bank and entities which constitute for the Company or the parent company, Alpha Bank:

i) a subsidiary,
ii) a joint venture,
iii) an associate and
iv) a Post-Employment Benefit Plan, in this case, the Supplementary Fund of former Alpha Credit Bank's employees.

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 and as a result is considered to have a significant influence over the Group.

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%.

14. Operating leases

The Company enters into lease agreements as a lessee. The lessor transfers the right of use for the asset, while the risks and rewards incident to ownership of the asset are not transferred and therefore these agreements are classified as operating leases. For operating leases, the Company as a lessee, does not recognize the leased asset but charges in "General Administrative Expenses" the lease payments on an accrual basis.

15. 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 regarded 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 particular 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 cashflows, 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

16. Operating Segments

The Company is not listed and therefore is not required to disclose financial information by line of business.

17. Estimates, Decision Making Criteria and Significant Sources of Uncertainty

The Company, in the context of applying accounting policies and preparing financial statements in accordance with International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part for the recognition of amounts in the financial statements relating to the following:

- Fair value of assets and liabilities
- Impairment losses of financial assets
- Impairment losses of non-financial assets
- Income tax
- Employee defined benefit obligations
- Provisions and contingent liabilities

The Company applied the going concern principle for the preparation of its financial statements as at 31.12.2015.

The main factors that create uncertainties regarding the application of this principle relate to the adverse economic environment in Greece, and abroad, as well as the liquidity levels of the Hellenic Republic and the banking system.

In particular, due to the existing uncertainties in the domestic economic environment which mainly relate to the outcome of the negotiations between the Hellenic Republic, the European Commission, the European Central Bank and the International Monetary Fund, significant deposit outflows were recorded at the beginning of the year. At the end of the first semester, the significant rise in the rate of outflows, coupled with the decision of the European Central Bank not to increase the maximum permitted level of funding for banks through Bank of Greece's emergency liquidity assistance program following the expiry of the stability support program, led to the imposition of capital controls and a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. Capital controls remain in place until the date of approval of the financial statements, while the detailed provisions for their application are amended where appropriate by the adoption of a legislative act. During the third quarter, the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy were concluded on the basis of the announcements made at the Euro Summit on 12.7.2015 resulting in an agreement for a new financial support program by the European Stability Mechanism. The relative agreement with the European Stability Mechanism, that was signed on 19.8.2015, among others, provides for:

- the coverage of the medium term financing needs of the Hellenic Republic, contingent on the implementation of the economic reforms which are expected to contribute to the economic stability and sustainable development of the Greek economy.
- an amount of € 10 up to € 25 billion to be made available for the coverage of any recapitalization needs and/ or resolution of credit institutions.

The Company, taking into account:

- its financial position
- the fact that the medium-term financing of the Hellenic Republic by the European Stability Mechanism ('ESM'), in the context of the aforementioned program, which will contribute to the improvement of the economic environment within the country, has been ensured under certain conditions,
- actions taken by the Hellenic Republic thus far towards fulfilling the necessary conditions for the successful completion of the first evaluation for the Greek program
- the successful completion of the parent company, Alpha Bank's, recapitalization exclusively through private sources.

- the limited effect that the capital controls, under the provisions in effect as of the date of approval of the financial statements, have on Company's operations.

estimates that the conditions for the application of the going concern principle for the preparation of its financial statements are met, noting, however, the negative impact that a significant deterioration of the economic environment would have on the application of the going concern principle.

INCOME STATEMENT

18. Net interest income

	From 1 January to	
	31.12.2015	31.12.2014
Interest and similar income		
Due from Banks	7,736.84	4,168.21
Due from Customers	33,412,704.06	30,661,436.32
Total	**33,420,440.90**	**30,665,604.53**
Interest expense and similar charges		
Due to Banks	5,820,804.04	3,613,845.94
Debt securities in issue	14,761,584.17	15,191,366.59
Total	**20,582,388.21**	**18,805,212.53**
Net interest income	**12,838,052.69**	**11,860,392.00**

19. Net commission income

	From 1 January to	
	31.12.2015	31.12.2014
Commission Income		
Factoring services	12,755,869.26	14,751,757.02
Total	**12,755,869.26**	**14,751,757.02**
Commission expense		
Domestic factoring	753,145.78	1,069,551.75
To parent bank Alpha Bank	2,659,832.84	3,402,748.88
Other	606,598.69	714,875.76
Total	**4,019,577.31**	**5,187,176.39**
Net commission income	**8,736,291.95**	**9,564,580.63**

20. Other income

	From 1 January to	
	31.12.2015	31.12.2014
Income tax deduction on lump-sum payments	87,223.01	-
Other	74.36	1,754.70
Total	**87,297.37**	**1,754.70**

21. Staff costs

	From 1 January to	
	31.12.2015	31.12.2014
Wages and salaries	2,318,689.55	2,351,500.64
Social security contributions	499,547.02	531,102.19
Expense for pension plans (note 36)	37,263.80	35,477.04
Other charges	100,816.98	115,597.27
Total	**2,956,317.35**	**3,033,677.14**

The total number of employees of the Company on 31.12.2015 and 31.12.2014, were 86 and 87 respectively, out of which 4 are working at the Thessaloniki branch.

The Company has entered into a contract with AXA Insurance, to provide life insurance for employees as well as hospital and outpatient care for accident / illness. The cost for the above provision amounted to € 94,568.50 for the period from 1.1.2015 to 31.12.2015 and € 108,908.32 for the period from 1.1.2014 to 31.12.2014 and is classified under caption "Other charges".

22. General administrative expenses

	From 1 January to	
	31.12.2015	31.12.2014
Rent for buildings	103,249.68	103,249.68
Rent and maintenance of EDP equipment	114,700.72	100,127.81
EDP expenses	798.12	714.28
Marketing and advertisement expenses	21,177.87	18,616.73
Telecommunications and postage	71,689.79	77,146.56
Third party fees	187,978.35	199,838.45
Consultants fees	40,036.88	41,158.31
Insurance	73,280.75	16,173.98
Consumables	21,290.56	18,252.50
Electricity	78,001.73	78,303.00
Donations	5,000.00	3,000.00
Building and equipment maintenance	69,118.75	61,102.50
Security services for buildings and cash in transit	35,697.49	33,048.64
Taxes	10,302.25	10,537.98
Other	107,164.15	100,477.76
Total	**939,487.09**	**861,748.18**

23. Impairment losses on customer receivables

		From 1 January to	
		31.12.2015	31.12.2014
Impairment losses on customer receivables	(note 27)	(1,248,030.21)	(1,373,246.03)
Recoveries		18,137.35	3,485.08
Total		**(1,229,892.86)**	**(1,369,760.95)**

24. Income tax

	From 1 January to	
	31.12.2015	31.12.2014
Current tax	3,905,904.92	3,402,410.06
Deferred tax	1,510,007.20	783,088.28
Tax differences on unaudited tax years	-	153,132.00
Total	**5,415,912.12**	**4,338,630.34**

Deferred tax recognized in the income statement is analyzed as follows:

	From 1 January to	
	31.12.2015	**31.12.2014**
Share capital increase expenses	4,004.01	4,004.00
Employee defined benefit obligations	(14,833.11)	54.80
Amortization of intangible assets	38,084.34	24,953.01
Due from customers	1,482,751.96	754,076.47
Total	**1,510,007.20**	**783,088.28**

In accordance with Article 1 par. 4 of Law 4334/2015 "Urgent prerequisites for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)" the corporate income tax rate for legal entities has been set to 29% from 26%. The increased rate will apply for profits arising in fiscal years commencing on or after 1 January 2015 on the absence of an explicit definition in the law regarding the retrospective application of income tax rate for profits of fiscal year 2014. The effect of the tax rate adjustment has been incorporated in the income statement as described in the table above.

According to article 72 of Law 4172/2013, non-distributed or capitalized untaxed reserves recorded up to 31.12.2013 and recognized according to Law 2238/1944, were subject to taxation at a rate of 15% in case of their distribution up to that date with an extinguishment of the tax liability for the legal entity and its shareholders. From 1.1.2014 onwards, these reserves are required to be offset at the end of each tax year against tax losses incurred by any cause over the previous 5 years until these are exhausted. In cases where the reserves are distributed or capitalized, they are individually taxed at a rate of 19%. Starting from 1.1.2015, records of untaxed reserves are not allowed to be kept. The reserves of the Company meeting the criteria of the provisions of Article 72 of Law 4172/2013 amounted to € 551,266.19 and the corresponding tax (19%) which was paid in 2015, amounted to € 104,740.63.

In 2014, the Company was audited by the tax authorities for the tax year 2009 and additional taxes of €153,132.00 were imposed.

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.

In addition, an amount of € 3,630.95 (2014: € 34,551.73), has been recognized in equity and concerns deferred tax on actuarial gains/losses on defined benefit obligations.

Reconciliation between the effective and nominal tax rate

	From 1 January to			
	31.12.2015		31.12.2014	
Profit before income tax		**16,434,007.73**		**16,080,806.93**
Income tax	29.00%	4,765,862.24	26.00%	4,181,009.80
Increase / (decrease) due to:				
Non deductible expenses	0.02%	4,009.75	0.02%	2,888.54
Effect of changes in tax rates used for deferred tax	3.92%	644,381.80	-	-
Tax differences on unaudited tax years	-	-	0.95%	153,132.00
Other temporary differences	0.01%	1,658.33	0.01%	1,600.00
Income tax	**32.96%**	**5,415,912.12**	**26.98%**	**4,338,630.34**

25. Earnings per share

Basic earnings per share:

Basic earnings per share are calculated by dividing the profits after tax, with the weighted average number of outstanding ordinary shares during the reporting period.

	From 1 January to	
	31.12.2015	**31.12.2014**
Profit attributable to equity owners	11,018,095.61	11,742,176.59
Weighted average number of outstanding ordinary shares	1,366,667.00	1,366,667.00
Basic earnings (€ per share)	8.06	8.59

Diluted earnings per share:

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.

ASSETS

26. Cash and cash equivalents

26.1 Cash and balances

	31.12.2015	31.12.2014
Cash on hand	407.05	1,271.14
Total	**407.05**	**1,271.14**

26.2 Due from banks

	31.12.2015	31.12.2014
Sight deposits	2,639,842.47	1,110,575.49
Total	**2,639,842.47**	**1,110,575.49**

	31.12.2015	31.12.2014
Total cash and cash equivalents	**2,640,249.52**	**1,111,846.63**

27. Due from customers

	31.12.2015	31.12.2014
Domestic factoring with recourse	305,422,582.95	325,486,364.56
Domestic factoring without recourse	128,992,664.61	129,914,337.23
Invoice discounting	28,749,211.88	35,212,540.73
International factoring	43,219,726.01	66,856,131.16
Forfaiting of receivables	79,271,101.96	95,709.38
Total	**585,655,287.41**	**557,565,083.06**
Less: Impairment allowance on customer receivables	(4,501,674.93)	(3,253,644.72)
Total due from customers	**581,153,612.48**	**554,311,438.34**

Impairment allowance on customer receivables

Balance 1.1.2014	**1,880,398.69**
Impairment losses for the year	1,373,246.03
Balance 31.12.2014	**3,253,644.72**

Balance 1.1.2015	**3,253,644.72**
Impairment losses for the year	1,248,030.21
Balance 31.12.2015	**4,501,674.93**

28. Property, plant and equipment

	Leasehold improvements	Other equipment	Total
Cost			
January 1, 2014	**119,940.51**	**1,089,952.85**	**1,209,893.36**
Additions	3,119.71	34,854.83	37,974.54
December 31, 2014	**123,060.22**	**1,124,807.68**	**1,247,867.90**
Cost			
January 1,2015	**123,060.22**	**1,124,807.68**	**1,247,867.90**
Additions	-	13,217.76	13,217.76
Disposals	-	(6,866.89)	(6,866.89)
December 31, 2015	**123,060.22**	**1,131,158.55**	**1,254,218.77**
Accumulated depreciation			
January 1, 2014	**102,497.60**	**993,622.60**	**1,096,120.20**
Depreciation charge for the year	2,252.60	26,434.63	28,687.23
December 31, 2014	**104,750.20**	**1,020,057.23**	**1,124,807.43**
Accumulated depreciation			
January 1,2015	**104,750.20**	**1,020,057.23**	**1,124,807.43**
Depreciation charge for the year	2,274.85	25,657.27	27,932.12
Reversal of depreciation upon disposal	-	(5,727.64)	(5,727.64)
December 31, 2015	**107,025.05**	**1,039,986.86**	**1,147,011.91**
Net book value			
December 31, 2014	**18,310.02**	**104,750.45**	**123,060.47**
December 31, 2015	**16,035.17**	**91,171.69**	**107,206.86**

29. Intangible assets

	Software
Cost	
January 1, 2014	**1,194,534.08**
Additions	27,063.00
December 31, 2014	**1,221,597.08**
January 1,2015	**1,221,597.08**
Additions	26,210.00
December 31, 2015	**1,247,807.08**
Accumulated amortization	
January 1, 2014	**587,913.79**
Amortization charge for the year	57,289.77
December 31, 2014	**645,203.56**
January 1, 2015	**645,203.56**
Amortization charge for the year	55,092.33
December 31, 2015	**700,295.89**
Net book value	
December 31, 2014	**576,393.52**
December 31, 2015	**547,511.19**

30. Deferred tax assets and liabilities

	1.1.2015 - 31.12.2015			
	Balance 1.1.2015	**Recognized in Income Statement**	**Recognized in Equity**	**Balance 31.12.2015**
Deferred tax assets				
Share capital increase expenses	4,004.01	(4,004.01)	-	-
Employee defined benefit obligations	79,628.24	14,833.11	3,630.95	98,092.30
Total	**83,632.25**	**10,829.10**	**3,630.95**	**98,092.30**
Deferred tax liabilities				
Amortization of intangible assets	(81,149.47)	(38,084.34)	-	(119,233.81)
Due from customers	(5,595,174.11)	(1,482,751.96)	-	(7,077,926.07)
Total	**(5,676,323.58)**	**(1,520,836.30)**	**-**	**(7,197,159.88)**
Deferred tax liability, net	**(5,592,691.33)**	**(1,510,007.20)**	**3,630.95**	**(7,099,067.58)**

	1.1.2014 - 31.12.2014			
	Balance 1.1.2014	**Recognized in Income Statement**	**Recognized in Equity**	**Balance 31.12.2014**
Deferred tax assets				
Share capital increase expenses	8,008.01	(4,004.00)	-	4,004.01
Employee defined benefit obligations	45,131.31	(54.80)	34,551.73	79,628.24
Total	**53,139.32**	**(4,058.80)**	**34,551.73**	**83,632.25**
Deferred tax liabilities				
Amortization of intangible assets	(56,196.46)	(24,953.01)	-	(81,149.47)
Due from customers	(4,841,097.64)	(754,076.47)	-	(5,595,174.11)
Total	**(4,897,294.10)**	**(779,029.48)**	**-**	**(5,676,323.58)**
Deferred tax liability, net	**(4,844,154.78)**	**(783,088.28)**	**34,551.73**	**(5,592,691.33)**

Deferred tax assets for the comparative year 2014 (€83,632.25) were netted off in the balance sheet against deferred tax liabilities for purposes of presentation of deferred tax.

31. Other assets

	31.12.2015	**31.12.2014**
Prepaid expenses	139,678.23	81,414.65
Accrued income	85,935.75	46,899.18
Tax advances and withholding taxes	3,450,976.32	2,427,237.50
Other	19,075.62	19,075.62
Total	**3,695,665.92**	**2,574,626.95**

LIABILITIES

32. Due to banks

Due to banks concern an open (overdaft) account bearing a floating Euribor rate initiated between the Company and its parent, Alpha Bank under a credit agreement.

33. Due to customers

Due to customers amounts consist 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.

34. Debt securities in issue

i. Senior debt securities

1. On July 22, 2004 the Company signed a contract with the parent bank Alpha Bank for a five year bond loan issuance, under the provisions of Law 3156/2003 and 2190/1920.

   The initial loan of a €300,000,000 nominal value consisted of 60 bond notes with a face value of €5,000,000 each.
   The Company, on December 29, 2005 repaid a capital amount of €45,000,000 (9 notes of €5,000,000) and the corresponding interest accrued by exercising its right for an early redemption of the full amount or part of the bond loan along with the payment of the respective accrued interest at any time over the life of the bond.
   Following an amendment to the initial contract, the remaining capital of € 255,000,000 consists of 255,000 bonds with a face value of € 1,000 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 30.10.2016 in accordance with the amended contractual terms of the issue (maturity of the issued bonds was extended to 30.10.2016).

   Taking into account the fact that the aforementioned debt issue has been fully covered by the parent, Alpha Bank, the Company has a reasonable expectation that the maturity date of the issued bonds will be extended.

2. On December 15, 2006 the Company signed a contract with the parent bank Alpha Bank for a five year bond loan issuance, under the provisions of Law 3156/2003 and 2190/1920.

   The initial loan of a €100,000,000 nominal value consisted of 20 bond notes with a face value of €5,000,000 each.
   The issuer may issue up to five tranches of bonds within a period of one year from the date the contract was signed.
   Pursuant to this right, the Company, issued on December 22, 2006, the first tranch of bonds consisting of 6 notes with a face value of €5,000,000 each (total nominal value €30,000,000), on April 3, 2007 a second tranch consisting of 2 notes with a face value of €5,000,000 each (total nominal value €10,000,000) and on April 13, 2007 a third tranch consisting of 4 notes with a face value of €5,000,000 each (total nominal value €20,000,000). These issues were covered at their full nominal amount by the parent bank, Alpha Bank.
   Furthermore, the Company, on February 29, 2012 repaid a capital amount of €40,000,000 (8 notes of €5,000,000) and the corresponding interest accrued by exercising its right for an early redemption of the full amount or part of the bond loan along with the payment of the respective accrued interest at any time over the life of the bond.
   Following an amendment to the initial contract, the remaining capital of € 20,000,000 consists of 20,000 bonds with a face value of € 1,000 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 22.12.2016 in accordance with the amended contractual terms of the issue (maturity of the issued bonds was extended to 22.12.2016).

Taking into account the fact that the aforementioned debt issue has been fully covered by the parent, Alpha Bank, the Company has a reasonable expectation that the maturity date of the issued bonds will be extended.

ii. Subordinated debt

1. On June 26, 2009 the Company signed a contract with the parent bank Alpha Bank for a subordinated 10 year bond loan issuance, under the provisions of Law 3156/2003 and 2190/1920. The contract also provided for the coverage of the loan, the primary issuance of the titles and the appointment of the managing agent for the issue.

   The initial loan of a €25,000,000 nominal value consisted of 25 bond notes with a face value of €1,000,000 each.
   Following an amendment to the initial contract, the issue amount of € 25,000,000 consists of 25,000 bonds with a face value of € 1,000 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 30.06.2019.

35. Liabilities for current income tax and other taxes

	31.12.2015	31.12.2014
Current income tax liability	3,905,904.92	3,402,410.06
Liabilities for other taxes	766,210.91	1,017,721.53
Total	**4,672,115.83**	**4,420,131.59**

36. Employee defined benefit obligations

Under Greek labor law (Law 2112/1920 as amended by Law 4093/2012), employees are entitled to compensation, in case of redundancy or retirement, the amount of which depends on the level of remuneration, the years of service in the Company and the reason for exiting the service (dismissal or retirement). The retirement compensation is determined at 40% of the amount paid in case of redundancy, and is calculated based on the regular salary of the final month of service, before the termination of employment under full time contract (Interpretative circular of Ministry of Labour, Social Security and Welfare, article 26352/839 28.11.2012).

Retirement benefit obligations have been determined through an actuarial study.

The amounts recognized in the income statement are analyzed below:

	From 1 January to	
	31.12.2015	31.12.2014
Current service cost	14,313.44	10,926.63
Interest cost	6,125.25	6,596.12
(Gains) / losses on settlement	16,825.11	17,954.29
Total expense / (income) recognized in the income statement	**37,263.80**	**35,477.04**

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

	31.12.2015	31.12.2014
Defined benefit obligation at the beginning of the year	**306,262.44**	**173,581.99**
Current service cost	14,313.44	10,926.63
Interest cost	6,125.25	6,596.12
Benefits paid	(21,000.00)	(35,687.85)
(Gains) / losses on settlement	16,825.11	17,954.29
Actuarial (gains) / losses	15,723.06	132,891.26
Defined benefit obligation at the end of the year	**338,249.30**	**306,262.44**

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

	31.12.2015	31.12.2014
Actuarial gains / (losses) at the beginning of the year	**30,957.75**	**163,849.01**
Change in the period	(15,723.06)	(132,891.26)
Actuarial gains / (losses) at the end of the year	**15,234.69**	**30,957.75**

The principal actuarial assumptions used are the following:

	31.12.2015	31.12.2014
Discount rate	2.50%	2.00%
Future salary growth	1.80%	1.00%

The valuation of defined benefit obligations depends on the assumptions used in the actuarial study.
As a result:

An increase of the discount rate used by 0.5% would reduce the defined benefit obligation by 9% while a counter movement, that is, a decrease in the discount rate by 0.5% would raise the defined benefit obligation by 10%.

A respective sensitivity analysis on future salary growth shows that an increase in the growth rate used by 0.5% would raise the defined benefit obligation by 10% and a decrease in the growth rate by 0.5% would reduce the defined benefit obligation by 9%.

37. Other liabilities

	31.12.2015	31.12.2014
Suppliers	1,209,078.90	1,340,911.46
Accrued expenses	28,671.30	142,380.70
Liabilities to third parties	116,443.02	117,646.54
Other	15,734.75	14,501.40
Total	**1,369,927.97**	**1,615,440.10**

EQUITY

38. Share capital

The share capital of the Company as at 31 December 2015 amounted to € 41,000,010.00, divided into 1,366,667 ordinary shares with a nominal value of € 30.00 per share and presenting no changes compared to 2014.

39. Statutory reserve

According to Greek corporate law, the Company is required to allocate as a minimum 5% of its annual profit after tax to the 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 of the Company as at 31 December 2014 amounted to € 5,607,438.53.

On June 23, 2015, the General Assembly Meeting of Shareholders, in accordance with the provisions of C.L. 2190/1920, decided the appropriation of the amount of €587,108.83 as a statutory reserve, arising from the profit after tax for the period 1.1-31.12.2014.

Following the aforementioned decision, the statutory reserve of the Company as at 31 December 2015 amounted to € 6,194,547.36.

40. Retained earnings

Retained earnings as at 31.12.2015 amounted to € 75,905,305.83.

This account includes an amount of € 390,270.73 which concerns reserves from specially taxed income.

As at 31.12.2013, in addition to the above reserves, the account also included an amount of €551,266.19 which concerned untaxed reserves arising from tax free income.

On June 24, 2014, the General Assembly Meeting of Shareholders, in accordance with the provisions of L. 4172/2013, decided the distribution of an amount of €446,525.56 as dividend.

For the year ended 31.12.2015, the Board of Directors will propose to the General Assembly of Shareholders no dividends to be distributed for the profits of the period 1.1.-31.12.2015.

ADDITIONAL INFORMATION

41. Fair value of financial instruments

International Financial Reporting Standards require companies to disclose the fair value of their reported financial assets and liabilities.

Management believes that the carrying value of advances to customers net of impairment as well as the carrying values for amounts 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 their term is less than a year or they carry a floating interest rate.

With regards to the Company's debt securities in issue with a carrying amount of €300,080,833.00, their fair value was estimated at €265,035,500.00.

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.

42. 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.

b) Tax issues

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

Although additional tax liabilities may arise for the unaudited fiscal year 2010 due to the non-recognition of certain expenses as tax deductible by the tax authorities, Management estimates that this will not have a material effect on the financial statements of the Company.

Under article 65 A of L. 4174/2013, statutory auditors and audit firms that carry out statutory audits for public limited companies are required to issue an annual Tax Compliance Report, according to Greek tax law. This report is submitted to the company under audit within 10 days of submission of the company's corporate income tax return and, electronically to the Ministry of Finance no later than 10 days from the date of approval of the Financial Statements by the General Assembly.

For the years 2011, 2012, 2013 and 2014 the tax audit has been concluded and the Company has received a Tax Compliance Report without qualifications, while for 2015, the tax audit is ongoing and it is estimated that no material tax issues will arise.

c) Operating leases

The Company's commitments on operating lease rentals concern buildings used for its head office and its Thessaloniki branch as well as file storage facilities.

The minimum future lease payments are as follows:

	31.12.2015	**31.12.2014**
Less than one year	28,208.13	84,739.08
Between one and five years	39,948.62	58,939.09
Over five years	-	5,693.54
Total	**68,156.75**	**149,371.71**

43. Risk management

The Company, following the policy of the parent bank, has established a systematic and rigorous risk management framework which is developed over time, in order to reliably measure financial risks.

Given the continuity and stability in its operations, its targets are to effectively implement and continuously improve this framework in order to minimize the potential adverse effects of financial risks.

This framework is reviewed and re-assessed for its effectiveness at regular time intervals in order to achieve consistency with international best practices and regulatory requirements.

43.1 Credit risk

Credit risk is defined as the potential risk of a loss for the Company, which may arise from a failure of the counterparty (seller) to meet its contractual obligations as these arise from the factoring contract agreement.

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 separation of factoring services between different factoring products offered (domestic factoring with recourse, domestic factoring without recourse, invoice discounting, exporting/importing factoring, receivables forfaiting), also reflects the degree of credit risk inherent for each product. An important distinction in factoring services, in terms of credit risk, is factoring with recourse, factoring without recourse and forfaiting. In the first case, credit risk is retained by the seller (borrower) while in the second and third cases credit risk is assumed by the factor. As a result, in factoring without recourse and forfaiting, credit risk assessment focuses on the debtor (buyer). With respect to this risk, a provision is recognized for receivables, whose original value has been impaired as of the reporting date.

In addition to the above, significant changes taking place in the economy, or in a particular industry, incorporate additional risks, for which further provisions may be recognized if deemed appropriate.

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 seller through an advance payment on the value of factored receivables before they become due.

These limits are continuously reviewed and re-assessed and are regularly adjusted by the competent (based on the limit levels) approval bodies.

Credit risk assessment is carried out by analyzing the ability of each borrower to meet their obligations. Following that analysis, credit limits are adjusted as necessary. Furthermore, interest rate margins are determined based on the above analysis which also takes into account the collateral received.

The risk rating system adopted by ABC FACTORS on advances to customers, is consistent with the methodology of the parent bank and is applied on both a borrower/seller and a debtor/buyer basis by also taking into account quantitative and qualitative criteria (transactional behavior) through a combined analysis of parameters applying in each case such as the customer-debtor mix, factoring product diversity and collaterals assigned. The rating system includes the following categories:

1. Regular risk
   Borrowers presenting a strong financial performance, showing consistency in their repayments and not directly affected by adverse changes in their industry of activity.
2. Medium risk
   Borrowers whose financial performance that does not allow for unconditional funding. Strongly affected by any adverse developments in their industry of activity.
3. High risk
   Borrowers presenting serious problems in their transactional behavior.

In addition to credit risk relating to advances to customers, the Company also manages the credit risk arising from amounts due from banks (Note 26.2). As at 31.12.2015, the relevant amount was € 2,639,842.47, the largest part of which concerned amounts due from the parent bank ALPHA BANK, which is given a credit rating of CCC- by FITCH and STANDARD & POOR'S.

All collateral values presented in the tables below, concern receivables factored to the Company and values are capped at 100% of the outstanding amount due from the customer.

FINANCIAL INSTRUMENTS CREDIT RISK

	31.12.2015			31.12.2014		
	Exposure before impairment	Impairment	Net exposure to credit risk	Exposure before impairment	Impairment	Net exposure to credit risk
Due from banks	2,639,842.47	-	2,639,842.47	1,110,575.49	-	1,110,575.49
Due from customers	585,655,287.41	(4,501,674.93)	581,153,612.48	557,565,083.06	(3,253,644.72)	554,311,438.34
Total amount of balance sheet items exposed to credit risk	**588,295,129.88**	**(4,501,674.93)**	**583,793,454.95**	**558,675,658.55**	**(3,253,644.72)**	**555,422,013.83**
Other balance sheet items not exposed to credit risk	4,350,791.02	-	4,350,791.02	3,275,352.08	-	3,275,352.08
Total assets	**592,645,920.90**	**(4,501,674.93)**	**588,144,245.97**	**561,951,010.63**	**(3,253,644.72)**	**558,697,365.91**

FINANCIAL INSTRUMENTS CREDIT RISK, ANALYSIS PER INDUSTRY

	31.12.2015						
	Financial institutions	Industry and manufacturing	Services	Wholesale and retail trade	Hotels/Tourism	Other sectors	Total
Due from banks	2,639,842.47	-	-	-	-	-	**2,639,842.47**
Due from customers	-	379,218,513.90	28,361,381.83	153,769,220.27	1,095,046.47	23,211,124.94	**585,655,287.41**
Total amount of balance sheet items exposed to credit risk	**2,639,842.47**	**379,218,513.90**	**28,361,381.83**	**153,769,220.27**	**1,095,046.47**	**23,211,124.94**	**588,295,129.88**

	31.12.2014						
	Financial institutions	Industry and manufacturing	Services	Wholesale and retail trade	Hotels/Tourism	Other sectors	Total
Due from banks	1,110,575.49	-	-	-	-	-	**1,110,575.49**
Due from customers	-	379,505,218.76	31,154,866.62	117,660,797.61	2,092,204.85	27,151,995.22	**557,565,083.06**
Total amount of balance sheet items exposed to credit risk	**1,110,575.49**	**379,505,218.76**	**31,154,866.62**	**117,660,797.61**	**2,092,204.85**	**27,151,995.22**	**558,675,658.55**

A. Advances to customers

A.1 Advances to customers by asset quality (impaired or not impaired – impairment allowance – value of collateral)

31.12.2015	Not impaired advances		Impaired advances		Total gross amount	Impairment allowance		Total net amount	Value of collateral
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed		Individually assessed	Collectively assessed		
Large corporate	349,645,663.85	-	2,083,829.55	-	351,729,493.40	1,662,829.55	306,535.50	349,760,128.35	351,588,714.57
SMEs	229,204,153.10	-	2,200,231.20	2,521,409.71	233,925,794.01	2,188,231.20	344,078.68	231,393,484.13	233,183,717.38
Total	**578,849,816.95**	**-**	**4,284,060.75**	**2,521,409.71**	**585,655,287.41**	**3,851,060.75**	**650,614.18**	**581,153,612.48**	**584,772,431.95**

31.12.2014	Not impaired advances		Impaired advances		Total gross amount	Impairment allowance		Total net amount	Value of collateral
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed		Individually assessed	Collectively assessed		
Large corporate	303,037,037.89	37,705.56	2,401,273.71	-	305,476,017.16	(1,691,307.33)	-	303,784,709.83	305,451,940.67
SMEs	250,469,060.00	57,668.51	1,562,337.39	-	252,089,065.90	(1,562,337.39)	-	250,526,728.51	251,025,878.80
Total	**553,506,097.89**	**95,374.07**	**3,963,611.10**	**-**	**557,565,083.06**	**(3,253,644.72)**	**-**	**554,311,438.34**	**556,477,819.47**

The accumulated impairment allowance for collectively assessed advances to customers as at 31.12.2015 includes an amount of €525,067.92 (31.12.2014: €0) concerning IBNR provisions.

A.2 Analysis of neither past due not impaired advances to customers

31.12.2015					
	Regular risk	Medium risk	High risk	Total neither past due not impaired	Value of collateral
Large corporate	322,690,944.55	23,234,094.06	3,720,625.24	**349,645,663.85**	349,538,993.64
SMEs	207,961,321.50	20,913,043.19	329,788.41	**229,204,153.10**	229,066,867.18
Total	**530,652,266.05**	**44,147,137.25**	**4,050,413.65**	**578,849,816.95**	**578,605,860.82**

31.12.2014					
	Regular risk	Medium risk	High risk	Total neither past due not impaired	Value of collateral
Large corporate	273,874,585.42	29,161,640.43	812.04	**303,037,037.89**	303,012,961.40
SMEs	230,902,762.50	16,344,678.60	3,221,618.90	**250,469,060.00**	249,971,416.48
Total	**504,777,347.92**	**45,506,319.03**	**3,222,430.94**	**553,506,097.89**	**552,984,377.88**

A.3 Ageing analysis of past due but not impaired advances to customers by category

	31.12.2015			31.12.2014		
	Large corporate	SMEs	Total past due but not impaired	Large corporate	SMEs	Total past due but not impaired
1-30 days	-	-	**-**	-	-	**-**
31-60 days	-	-	**-**	-	-	**-**
61-90 days	-	-	**-**	-	-	**-**
91-180 days	-	-	**-**	37,705.56	57,668.51	**95,374.07**
181-360 days	-	-	**-**	-	-	**-**
>360 days	-	-	**-**	-	-	**-**
Total	**-**	**-**	**-**	**37,705.56**	**57,668.51**	**95,374.07**
Value of collateral	-	-	**-**	37,705.56	57,668.51	**95,374.07**

A.4 Ageing analysis of impaired advances to customers by category (net amount after impairment)

		31.12.2015			31.12.2014		
		Large corporate	SMEs	Total impaired advances	Large corporate	SMEs	Total impaired advances
A. Total gross amount	Current	2,049,720.93	1,557,907.13	**3,607,628.06**	2,367,098.82	-	**2,367,098.82**
	1-30 days	-	-	**-**	-	-	**-**
	31-60 days	-	-	**-**	-	-	-
	61-90 days	-	-	**-**	-	-	-
	91-180 days	-	674,766.55	**674,766.55**	-	-	**-**
	181-360 days	-	321,794.23	**321,794.23**	-	-	**-**
	>360 days	34,108.62	2,167,173.00	**2,201,281.62**	34,174.89	1,562,337.39	**1,596,512.28**
	Total	**2,083,829.55**	**4,721,640.91**	**6,805,470.46**	**2,401,273.71**	**1,562,337.39**	**3,963,611.10**
B. Cumulative impairment allowance (Specific and Collective)	Current	(1,628,720.93)	(124,605.76)	**(1,753,326.69)**	(1,657,132.44)	-	**(1,657,132.44)**
	1-30 days	-	-	**-**	-	-	**-**
	31-60 days	-	-	**-**	-	-	**-**
	61-90 days	-	-	**-**	-	-	**-**
	91-180 days	-	(21,468.19)	**(21,468.19)**	-	-	**-**
	181-360 days	-	(530.51)	**(530.51)**	-	-	**-**
	>360 days	(34,108.62)	(2,167,173.00)	**(2,201,281.62)**	(34,174.89)	(1,562,337.39)	**(1,596,512.28)**
	Total	**(1,662,829.55)**	**(2,313,777.46)**	**(3,976,607.01)**	**(1,691,307.33)**	**(1,562,337.39)**	**(3,253,644.72)**
C. Total net amount	Current	421,000.00	1,433,301.37	**1,854,301.37**	709,966.38	-	**709,966.38**
	1-30 days	-	-	**-**	-	-	**-**
	31-60 days	-	-	**-**	-	-	**-**
	61-90 days	-	-	**-**	-	-	**-**
	91-180 days	-	653,298.36	**653,298.36**	-	-	**-**
	181-360 days	-	321,263.72	**321,263.72**	-	-	**-**
	>360 days	-	-	**-**	-	-	**-**
	Total	**421,000.00**	**2,407,863.45**	**2,828,863.45**	**709,966.38**	**-**	**709,966.38**
Value of collateral		**2,049,720.93**	**4,116,850.20**	**6,166,571.13**	**2,401,273.71**	**996,793.81**	**3,398,067.52**

Impaired advances to customers include an amount of €2,049,720.93 which concerns individually assessed performing forborne exposures with the relevant impairment allowance recognized amounting to €1,628,720.93 (31.12.2014: €1,657,132.44) and an amount of €1,557,907.13 concerning collectively assessed performing forborne exposures with the relevant impairment allowance recognized amounting to €124,605.76 (31.12.2014: €0).

A.5 Reconciliation of impaired advances to customers by category

	1.1-31.12.2015		
	Large corporate	**SMEs**	**Total**
Opening balance as at 1.1.2015	**2,401,273.71**	**1,562,337.39**	**3,963,611.10**
New impaired advances	-	3,137,246.83	3,137,246.83
Transfer to non-impaired advances	**-**	-	-
Repayments of impaired advances	**(332,299.11)**	(4,935.92)	(337,235.03)
Other charges	14,854.95	26,992.61	41,847.56
Balance as at 31.12.2015	**2,083,829.55**	**4,721,640.91**	**6,805,470.46**
Accumulated impairment allowance	**(1,662,829.55)**	(2,313,777.46)	(3,976,607.01)
Net value of impaired advances as at 31.12.2015	**421,000.00**	**2,407,863.45**	**2,828,863.45**

A.6 Advances to customers, Impaired advances and Impairment allowance by category, industry and geographical region

31.12.2015						
	Greece			Rest of Europe		
Corporate lending	**Gross amount**	**Impaired amount**	**Accumulated impairment allowance**	**Gross amount**	**Impaired amount**	**Accumulated impairment allowance**
Financial institutions	-	-	-	-	-	-
Industry and manufacturing	375,405,474.50	2,881,207.03	1,537,328.63	3,813,039.40	-	51.24
Real estate	-	-	-	-	-	-
Construction	3,000,000.00	-	171.09	-	-	-
Wholesale and retail trade	153,631,021.57	1,596,675.70	1,033,650.54	138,198.70	-	185.41
Transportation	6,470,957.46	-	12,509.03	-	-	-
Shipping	-	-	-	-	-	-
Hotels / Tourism	1,095,046.47	-	142.57	-	-	-
Services	28,361,381.83	2,197,418.14	1,779,062.08	-	-	-
Other sectors	13,740,167.48	130,169.59	138,574.33	-	-	-
Total	**581,704,049.31**	**6,805,470.46**	**4,501,438.27**	**3,951,238.10**	**-**	**236.65**

31.12.2014						
	Greece			Rest of Europe		
Corporate lending	**Gross amount**	**Impaired amount**	**Accumulated impairment allowance**	**Gross amount**	**Impaired amount**	**Accumulated impairment allowance**
Financial institutions	-	-	-	-	-	-
Industry and manufacturing	370,669,143.34	947,781.52	947,781.52	8,836,075.42	-	-
Real estate	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Wholesale and retail trade	117,660,797.61	521,355.69	521,355.69	-	-	-
Transportation	8,342,655.86	-	-	-	-	-
Shipping	-	-	-	-	-	-
Hotels / Tourism	2,092,204.85	-	-	-	-	-
Services	31,154,866.62	2,367,098.82	1,657,132.44	-	-	-
Other sectors	18,809,339.36	127,375.07	127,375.07	-	-	-
Total	**548,729,007.64**	**3,963,611.10**	**3,253,644.72**	**8,836,075.42**	**-**	**-**

A.7 Interest and similar income by credit quality and type of advances to customers

	31.12.2015			31.12.2014		
	Interest income on non-impaired advances	Interest income on impaired advances	Total interest income	Interest income on non-impaired advances	Interest income on impaired advances	Total interest income
Corporate lending	33,305,900.17	106,803.89	**33,412,704.06**	30,564,473.57	96,962.75	**30,661,436.32**
Total	**33,305,900.17**	**106,803.89**	**33,412,704.06**	**30,564,473.57**	**96,962.75**	**30,661,436.32**

B. Forborne advances to customers

B.1 Analysis of forborne advances to customers by credit quality

	31.12.2015		31.12.2014	
	Total advances to customers	Forborne advances to customers	Total advances to customers	Forborne advances to customers
Neither past due nor impaired	578,849,816.95	-	553,506,097.89	2,404,136.01
Past due but not impaired	-	-	95,374.07	-
Impaired	6,805,470.46	3,607,628.06	3,963,611.10	2,367,098.82
Total gross amount	**585,655,287.41**	**3,607,628.06**	**557,565,083.06**	**4,771,234.83**
Specific impairment allowance	(3,851,060.75)	(1,628,720.93)	(3,253,644.72)	(1,657,132.44)
Collective impairment allowance	(650,614.18)	(124,605.76)	-	-
Total net amount	**581,153,612.48**	**1,854,301.37**	**554,311,438.34**	**3,114,102.39**
Value of collateral	584,772,431.95	3,607,628.06	556,477,819.47	4,596,449.96

The value of collateral presented in the tables above, is capped to the outstanding amount due for each exposure. The comparative figures for the year 2014 have been restated for comparability purposes.

B.2 Reconciliation of forborne advances to customers

Forborne advances to customers (Net Value)	
	1.1-31.12.2015
Opening balance as at 1.1.2015	**3,114,102.39**
Forbearance measures during the period	529,808.68
Interest income	5,701.17
Repayments of advances (partial or full)	(550,555.69)
Advances that exited forbearance status during the period	(969,411.61)
Impairment loss	(293,361.17)
Other	18,017.60
Closing balance as at 31.12.2015	**1,854,301.37**
Out of which:	
Large corporate	421,000.00
SMEs	1,433,301.37

Forborne exposures as presented above concern advances to customers showing amounts past due over 90 days and for which an amendment / extension has been provided for their repayment (in accordance with the existing regulatory framework). These forborne exposures have been assessed for impairment (individually and collectively) by the Company as at 31.12.2015.

43.2 Foreign currency risk

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

The Company undertakes 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 31.12.2015 and 31.12.2014.

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 31.12.2015				
Amounts in thousands of Euro	USD	GBP	OTHER FCY	EURO	TOTAL
ASSETS					
Cash and cash equivalents	-	-	-	0.41	0.41
Due from banks	105.59	4.70	-	2,529.55	2,639.84
Due from customers	43,000.91	0.44	-	538,152.26	581,153.61
Property, plant and equipment	-	-	-	107.21	107.21
Intangible assets	-	-	-	547.51	547.51
Other assets	-	-	-	3,695.66	3,695.66
Total Assets	**43,106.50**	**5.14**	**-**	**545,032.60**	**588,144.24**
LIABILITIES					
Due to banks	43,057.23	-	-	102,966.60	146,023.83
Due to customers	-	-	-	5,395.61	5,395.61
Debt securities in issue	-	-	-	300,080.83	300,080.83
Liabilities for current income tax and other taxes	-	-	-	4,672.11	4,672.11
Deferred tax liabilities	-	-	-	7,099.07	7,099.07
Employee defined benefit obligations	-	-	-	338.25	338.25
Other liabilities	11.95	-	-	1,357.98	1,369.93
Total Liabilities	**43,069.18**	**-**	**-**	**421,910.45**	**464,979.63**
Total Foreign Exchange Position	**37.32**	**5.14**	**-**	**123,122.15**	**123,164.61**

	Foreign currency risk 31.12.2014				
Amounts in thousands of Euro	USD	GBP	OTHER FCY	EURO	TOTAL
ASSETS					
Cash and cash equivalents	-	-	-	1.27	1.27
Due from banks	0.01	-	-	1,110.57	1,110.58
Due from customers	-	0.07	-	554,311.37	554,311.44
Property, plant and equipment	-	-	-	123.06	123.06
Intangible assets	-	-	-	576.39	576.39
Other assets	-	-	-	2,574.63	2,574.63
Total Assets	**0.01**	**0.07**	**-**	**558,697.29**	**558,697.37**
LIABILITIES					
Due to banks	-	-	-	127,545.62	127,545.62
Due to customers	-	-	-	6,936.76	6,936.76
Debt securities in issue	-	-	-	300,121.85	300,121.85
Liabilities for current income tax and other taxes	-	-	-	4,420.13	4,420.13
Deferred tax liabilities	-	-	-	5,592.69	5,592.69
Employee defined benefit obligations	-	-	-	306.26	306.26
Other liabilities	10.71	0.02	-	1,604.72	1,615.45
Total Liabilities	**10.71**	**0.02**	**-**	**446,528.03**	**446,538.76**
Total Foreign Exchange Position	**(10.70)**	**0.05**	**-**	**112,169.26**	**112,158.61**

43.3 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) 31.12.2015							
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	-	-	-	-	-	-	0.41	0.41
Due from banks	2,639.84	-	-	-	-	-	-	2,639.84
Due from customers	52,338.25	481,663.18	45,671.36	-	-	-	1,480.82	581,153.61
Property, plant and equipment	-	-	-	-	-	-	107.21	107.21
Intangible assets	-	-	-	-	-	-	547.51	547.51
Other assets	-	-	-	-	-	-	3,695.66	3,695.66
Total Assets	**54,978.09**	**481,663.18**	**45,671.36**	**-**	**-**	**-**	**5,831.61**	**588,144.24**
LIABILITIES								
Due to banks	102,966.60	43,057.23	-	-	-	-	-	146,023.83
Due to customers	-	-	-	-	-	-	5,395.61	5,395.61
Debt securities in issue	300,080.83	-	-	-	-	-	-	300,080.83
Liabilities for current income tax and other taxes	-	-	-	-	-	-	4,672.11	4,672.11
Deferred tax liabilities	-	-	-	-	-	-	7,099.07	7,099.07
Employee defined benefit obligations	-	-	-	-	-	-	338.25	338.25
Other liabilities	-	-	-	-	-	-	1,369.93	1,369.93
Total Liabilities	**403,047.43**	**43,057.23**	**-**	**-**	**-**	**-**	**18,874.97**	**464,979.63**
EQUITY								
Share capital	-	-	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	-	-	6,194.55	6,194.55
Retained earnings	-	-	-	-	-	-	75,905.30	75,905.30
Total Equity	**-**	**-**	**-**	**-**	**-**	**-**	**123,164.61**	**123,164.61**
Total Liabilities and Equity	**403,047.43**	**43,057.23**	**-**	**-**	**-**	**-**	**142,039.58**	**588,144.24**
OPEN EXPOSURE	**(348,069.34)**	**438,605.95**	**45,671.36**	**-**	**-**	**-**	**(136,207.97)**	**-**
CUMULATIVE EXPOSURE	**(348,069.34)**	**90,536.61**	**45,671.36**	**-**	**-**	**-**	**-**	**-**

Amounts in thousands of Euro	Interest Rate Risk (Gap Analysis) 31.12.2014							
	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	-	-	-	-	-	-	1.27	1.27
Due from banks	1,110.58	-	-	-	-	-	-	1,110.58
Due from customers	93,235.38	457,946.07	-	-	-	-	3,129.99	554,311.44
Property, plant and equipment	-	-	-	-	-	-	123.06	123.06
Intangible assets	-	-	-	-	-	-	576.39	576.39
Other assets	-	-	-	-	-	-	2,574.63	2,574.63
Total Assets	**94,345.96**	**457,946.07**	**-**	**-**	**-**	**-**	**6,405.34**	**558,697.37**
LIABILITIES								
Due to banks	127,545.62	-	-	-	-	-	-	127,545.62
Due to customers	-	-	-	-	-	-	6,936.76	6,936.76
Debt securities in issue	300,121.85	-	-	-	-	-	-	300,121.85
Liabilities for current income tax and other taxes	-	-	-	-	-	-	4,420.13	4,420.13
Deferred tax liabilities	-	-	-	-	-	-	5,592.69	5,592.69
Employee defined benefit obligations	-	-	-	-	-	-	306.26	306.26
Other liabilities	-	-	-	-	-	-	1,615.45	1,615.45
Total Liabilities	**427,667.47**	**-**	**-**	**-**	**-**	**-**	**18,871.29**	**446,538.76**
EQUITY								
Share capital	-	-	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	-	-	5,607.44	5,607.44
Retained earnings	-	-	-	-	-	-	65,486.41	65,486.41
Total Equity	**-**	**-**	**-**	**-**	**-**	**-**	**112,158.61**	**112,158.61**
Total Liabilities and Equity	**427,667.47**	**-**	**-**	**-**	**-**	**-**	**131,029.90**	**558,697.37**
OPEN EXPOSURE	**(333,321.51)**	**457,946.07**	**-**	**-**	**-**	**-**	**(124,624.56)**	**-**
CUMULATIVE EXPOSURE	**(333,321.51)**	**124,624.56**	**-**	**-**	**-**	**-**	**-**	**-**

43.4 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 balance sheet items are determined and classified into time bands based on their date of realization. A liquidity gap analysis is presented in the table below.

	Liquidity Risk (Liquidity Gap Analysis) 31.12.2015					
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	0.41	-	-	-	-	0.41
Due from banks	2,639.84	-	-	-	-	2,639.84
Due from customers	92,975.34	113,272.65	220,243.85	127,340.37	27,321.40	581,153.61
Property, plant and equipment	-	-	-	-	107.21	107.21
Intangible assets	-	-	-	-	547.51	547.51
Other assets	127.63	32.64	20.81	3,423.76	90.82	3,695.66
Total Assets	**95,743.22**	**113,305.29**	**220,264.66**	**130,764.13**	**28,066.94**	**588,144.24**
LIABILITIES						
Due to banks	92,975.34	9,991.26	43,057.23	-	-	146,023.83
Due to customers	5,395.61	-	-	-	-	5,395.61
Debt securities in issue	80.83	-	-	275,000.00	25,000.00	300,080.83
Liabilities for current income tax and other taxes	88.52	677.69	-	3,905.90	-	4,672.11
Deferred tax liabilities	-	-	-	-	7,099.07	7,099.07
Employee defined benefit obligations	-	-	-	-	388.25	388.25
Other liabilities	1,337.46	-	28.67	3.80	-	1,369.93
Total Liabilities	**99,877.76**	**10,668.95**	**43,085.90**	**278,909.70**	**32,437.32**	**464,979.63**
EQUITY						
Share capital	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	6,194.55	6,194.55
Retained earnings	-	-	-	-	75,905.30	75,905.30
Total Equity	**-**	**-**	**-**	**-**	**123,164.61**	**123,164.61**
Total Liabilities and Equity	**99,877.76**	**10,668.95**	**43,085.90**	**278,909.70**	**155,601.93**	**588,144.24**
Open Liquidity Gap	**(4,134.54)**	**102,636.34**	**177,178.76**	**(148,145.57)**	**(127,534.99)**	**-**
Cumulative Liquidity Gap	**(4,134.54)**	**98,501.80**	**275,680.56**	**127,534.99**	**-**	**-**

Amounts in thousands of Euro	Liquidity Risk (Liquidity Gap Analysis) 31.12.2014					
	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	1.27	-	-	-	-	1.27
Due from banks	1,110.58	-	-	-	-	1,110.58
Due from customers	15,313.37	209,902.50	216,933.61	100,652.74	11,509.22	554,311.44
Property, plant and equipment	-	-	-	-	123.06	123.06
Intangible assets	-	-	-	-	576.39	576.39
Other assets	51.52	9.65	2,413.20	11.27	88.99	2,574.63
Total Assets	**16,476.74**	**209,912.15**	**219,346.81**	**100,664.01**	**12,297.66**	**558,697.37**
LIABILITIES						
Due to banks	33,647.85	93,897.77	-	-	-	127,545.62
Due to customers	6,936.76	-	-	-	-	6,936.76
Debt securities in issue	121.85	-	-	-	300,000.00	300,121.85
Liabilities for current income tax and other taxes	1,017.72	-	3,402.41	-	-	4,420.13
Deferred tax liabilities	-	-	-	-	5,592.69	5,592.69
Employee defined benefit obligations	-	-	-	-	306.26	306.26
Other liabilities	1,023.98	449.08	142.39	-	-	1,615.45
Total Liabilities	**42,748.16**	**94,346.85**	**3,544.80**	**-**	**305,898.95**	**446,538.76**
EQUITY						
Share capital	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	5,607.44	5,607.44
Retained earnings	-	-	-	-	65,486.41	65,486.41
Total Equity	**-**	**-**	**-**	**-**	**112,158.61**	**112,158.61**
Total Liabilities and Equity	**42,748.16**	**94,346.85**	**3,544.80**	**-**	**418,057.56**	**558,697.37**
Open Liquidity Gap	**(26,271.42)**	**115,565.30**	**215,802.01**	**100,664.01**	**(405,759.90)**	**-**
Cumulative Liquidity Gap	**(26,271.42)**	**89,293.88**	**305,095.89**	**405,759.90**	**-**	**-**

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.

As set forth in detail in paragraphs 43.3 and 43.4, the consideration of both interest rate and liquidity risk analysis implies that the effect on the profit or loss and the equity of the Company from a change in interest rates would not be significant.

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.

	Nominal inflows / (outflows) 31.12.2015					
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
LIABILITIES						
Due to banks	93,298.79	10,093.29	43,936.65	-	-	147,328.73
Due to customers	5,395.61	-	-	-	-	5,395.61
Debt securities in issue	1,252.92	2,425.00	3,677.92	280,220.83	27,530.56	315,107.23
Total	**99,947.32**	**12,518.29**	**47,614.57**	**280,220.83**	**27,530.56**	**467,831.57**

	Nominal inflows / (outflows) 31.12.2014					
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
LIABILITIES						
Due to banks	33,765.49	94,522.56	-	-	-	128,288.05
Due to customers	6,936.76	-	-	-	-	6,936.76
Debt securities in issue	1,270.23	2,417.53	3,728.73	7,539.40	315,324.20	330,280.09
Total	**41,972.48**	**96,940.09**	**3,728.73**	**7,539.40**	**315,324.20**	**465,504.90**

43.5 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 hedge against 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.

44. Capital adequacy

The capital adequacy of the Company is supervised by the Bank of Greece, to which reports are submitted according to "Bank of Greece Governor's Act 2640/18.01.2011", which replaced "Bank of Greece Governor's Act 2606/21.02.2008". Starting January 1, 2010, capital adequacy is measured according to "Bank of Greece Governor's Act 2622/ 21.12.2009".

The minimum requirements for Tier I and Total Capital Adequacy ratio of the Company have been determined at 8% in accordance with "Bank of Greece Governor's Act 2592/ 20.08.2007".

The capital adequacy ratio compares regulatory capital with the risks assumed by the Company (risk-weighted assets). Regulatory capital includes Tier I capital (share capital, reserves), and Tier II capital (subordinated debt).

Risk-weighted assets incorporate credit risk, operational risk and market risk. The Company has no capital requirements for market risk.

The capital adequacy ratios for the Company are at levels significantly above the minimum requirements set by the Bank of Greece Governor's Act, allowing the Company to expand its operations in all areas of activity over the course of the following years.

The Company employs modern methods for the management of its capital adequacy and towards this purpose has proceeded with the issuance of subordinated debt which forms part of regulatory capital (note 31).

	31.12.2015	**31.12.2014**
Tier I	21.67%	18.70%
Tier I+Tier II	26.09%	22.89%

45. Related-party transactions

The Company, as a subsidiary of ALPHA BANK GROUP, enters into transactions within the normal course of its business, with ALPHA BANK and other Group companies.

The terms and conditions applying for those transactions do not differ substantially from the usual terms applicable in the activities of the Company towards non-affiliated companies 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:

	31.12.2015	**31.12.2014**
Expenses		
Fees paid to key management personnel and members of the Board of Directors	249,254.39	255,472.73
Total	**249,254.39**	**255,472.73**

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

		31.12.2015	**31.12.2014**
Assets			
A)	**Due from banks**		
1.	ALPHA BANK S.A.	1,659,665.77	1,094,369.26
2.	ALPHA BANK CYPRUS LTD	56,153.12	-
	Total	**1,715,818.89**	**1,094,369.26**

		31.12.2015	**31.12.2014**
Liabilities			
A)	**Due to banks**		
1.	ALPHA BANK S.A.	146,023,829.77	127,530,373.90
B)	**Debt securities in issue**		
1.	ALPHA BANK S.A.	300,077,833.00	300,118,850.00
2.	ALPHA BANK LONDON LTD	3,000.00	3,000.00
C)	**Other liabilities**		
1.	ALPHA BANK S.A.	863,591.47	1,066,307.76
	Total	**446,968,254.24**	**428,724,531.66**

Income Statement		1.1.-31.12.2015	1.1.-31.12.2014
	INCOME		
A)	**Interest and similar income**		
1.	ALPHA BANK S.A.	6,112.32	948.49
B)	**Staff costs**		
1.	ALPHALIFE A.A.E.Z.	983.95	1,204.21
	Total Income	**7,096.27**	**2,152.70**
	EXPENSES		
A)	**Interest expense and similar charges**		
1.	ALPHA BANK S.A.	20,578,169.84	18,801,701.06
2.	ALPHA BANK LONDON LTD	132.27	135.84
B)	**Commission expense**		
1.	ALPHA BANK S.A.	2,659,832.84	3,402,748.88
C)	**Staff costs**		
1.	ALPHA BANK S.A.	212,379.48	246,305.35
D)	**General administrative expenses**		
1.	ALPHA BANK S.A.	75,774.38	52,632.71
2.	OCEANOS A.T.O.E.E.	82,372.68	82,372.68
	Total Expenses	**23,608,661.49**	**22,585,896.52**

C. The Hellenic Financial Stability Fund (HFSF) exerts significant influence on ALPHA BANK. In particular, in the context of Law 3864/2010 and based on the Relationship Framework Agreement (RFA) signed on 23.11.2015 and replacing the previous agreement signed in 2013, HFSF participates in the Board of Directors and other significant Committees of ALPHA BANK. Therefore, in accordance with IAS 24, HFSF and its related entities are considered related parties to the Company.

During the period 1.1.-31.12.2015, the Company did not transact with related parties to the HFSF.

46. Auditors' fees

The total fees of "KPMG Certified Auditors A.E.", statutory auditor of the Company for the year 2015 and “SOL Limited Company Certified Public Accountants”, statutory auditor for the year 2014, are analyzed below, as stated in paragraph 2 and 32, article 29, of Law 4308/2014.

	1.1-31.12.2015	1.1-31.12.2014
Fees for statutory audit	25,000.00	13,400.00
Fees for the issuance of the tax certificate in accordance with article 65A of L. 4174/2013	14,000.00	13,400.00
Total	**39,000.00**	**26,800.00**

47. Events after the balance sheet date

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

Athens, May 18, 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR AND GENERAL MANAGER	THE FINANCE AND ADMINISTRATION MANAGER
ARTEMIOS CH. THEODORIDIS I.D. No AB 281969	MARIA M. RAIKOU I.D. No AK 199121	ANTONIOS K. CHRONIS I.D. No AZ 007940