



ABC FACTORS

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## **ANNUAL REPORT 2009**

Athens, April 26, 2010

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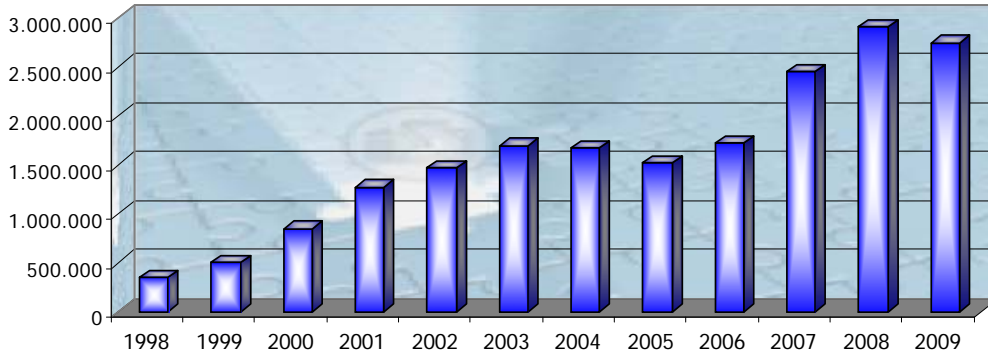
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## FINANCIAL HIGHLIGHTS

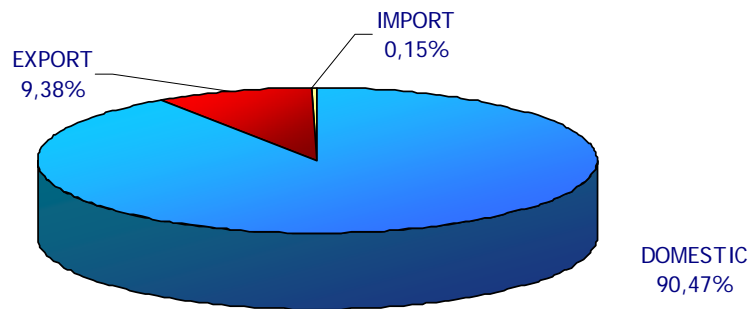
|   | <b>2009</b>  | <b>2008</b>  |
|---|--------------|--------------|
|   | <b>€ mil</b> | <b>€ mil</b> |
| TURNOVER  | 2.744,50     | 2.911,45     |
| TOTAL ASSETS                                    | 582,27       | 545,65       |
| FIXED ASSETS                                    | 0,17         | 0,13         |
| ADVANCES TO CUSTOMERS                           | 583,37       | 545,86       |
| SHARE CAPITAL – RESERVES –<br>SUBORDINATED DEBT | 84,77        | 77,66        |
| DUE TO CUSTOMERS                                | 4,80         | 2,08         |
| DUE TO BANKS                                    | 169,54       | 143,16       |
| BOND ISSUE                                      | 339,99       | 314,94       |
| TOTAL INCOME                                    | 14,74        | 16,22        |
| TOTAL EXPENSES                                  | 4,08         | 4,19         |
| IMPAIRMENT LOSSES ON ADVANCES                   | (0,38)       | 0,01         |
| PROFITS BEFORE TAXES                            | 10,28        | 12,04        |
| PROFITS AFTER TAXES                             | 7,21         | 9,49         |

## FINANCIAL HIGHLIGHTS

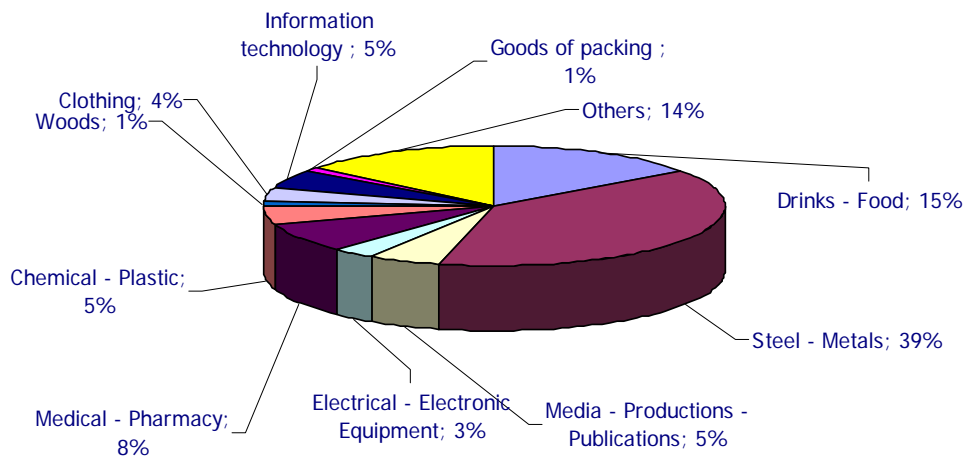
### TURNOVER



### TURNOVER 2009



### TURNOVER 2009 BY INDUSTRIAL SECTOR



## THE BOARD OF DIRECTORS

### **THE BOARD OF DIRECTORS**

#### **CHAIRMAN**

Artemis C. Theodoridis

#### **VICE CHAIRMAN**

Panayotis K. Drosos

#### **MANAGING DIRECTOR**

Maria M. Raikou

#### **MEMBERS**

Athanassios A. Yatsis

Panayotis K. Kamarinopoulos

Ioannis G. Mourgelas

Athanassios K. Sakellarakis

## AUDITOR'S REPORT



### **Independent Auditors' Report** (Translated from the original in Greek)

To the Shareholders of  
ABC FACTORS A.E.

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of ABC FACTORS A.E. (the "Company") which comprise of the balance sheet as at 31 December 2009, and income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards, that have been adopted by the European Union. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **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 Greek Auditing Standards, which are based on the 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 of 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and 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 accompanying Financial Statements give a true and fair view, of the financial position of the Company as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that have been adopted by the European Union.

### **Report on Other Legal and Regulatory Requirements**

The Board of Director's report is consistent with the accompanying Financial Statements.

Athens, 2 March 2010

SOL Certified Public Accountants- Auditors S.A.

Dimitrios Dedoulis  
Certified Auditor Accountant  
AM SOEL 10451

## INCOME STATEMENT

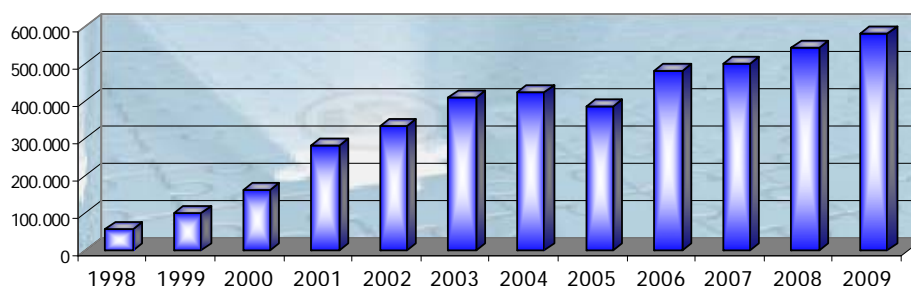
|   |      | (Thousands of Euro)                   |                        |
|---|------|---------------------------------------|------------------------|
|   |      | <b>From 1<sup>st</sup> January to</b> |                        |
|   | Note | <b>31.12.2009</b>                     | <b>31.12.2008</b>      |
| Interest and similar income                 | 6    | 17.662,39                             | 28.496,45              |
| Interest expense and similar charges        |      | <u>(7.998,01)</u>                     | <u>(17.114,55)</u>     |
| Net interest income                         |      | 9.664,38                              | 11.381,90              |
| <br>  |      |                                       |                        |
| Fees and commissions income                 | 6    | 8.999,00                              | 9.066,36               |
| Commissions expense                         |      | <u>(3.887,33)</u>                     | <u>(4.220,19)</u>      |
| Net commission income                       |      | 5.111,67                              | 4.846,17               |
| <br>  |      |                                       |                        |
| Gains less losses on financial transactions |      | 3,17                                  | (8,24)                 |
| Other income                                |      | <u>3,30</u>                           | <u>2,82</u>            |
|   |      | 6,47                                  | (5,42)                 |
| <br>  |      |                                       |                        |
| <b>Total Income</b>                         |      | <b>14.742,52</b>                      | <b>16.222,65</b>       |
| <br>  |      |                                       |                        |
| Staff costs                                 |      | (3.023,77)                            | (3.102,20)             |
| General administrative expenses             |      | (1.002,09)                            | (1.029,84)             |
| Depreciation and amortization expenses      |      | <u>(54,09)</u>                        | <u>(56,81)</u>         |
| <b>Total Expenses</b>                       | 7    | <b>(4.079,95)</b>                     | <b>(4.188,85)</b>      |
| <br>  |      |                                       |                        |
| Impairment losses on advances (Recoveries)  |      | (383,14)                              | 6,30                   |
| <br>  |      |                                       |                        |
| <b>Profit before tax</b>                    | 8    | <b>10.279,43</b>                      | <b>12.040,10</b>       |
| <br>  |      |                                       |                        |
| Income tax expense                          |      | <u>(3.073,79)</u>                     | <u>(2.551,19)</u>      |
| <b>Profit after tax</b>                     |      | <b><u>7.205,64</u></b>                | <b><u>9.488,90</u></b> |
| <br>  |      |                                       |                        |
| <b>Earnings per share</b>                   |      |                                       |                        |
| Basic and diluted earnings per share (€)    |      | 5,5668                                | 8,7134                 |



## BALANCE SHEET AS AT 31.12.2009

|                    |  | (Thousands of Euro) |                   |
|--------------------|--|---------------------|-------------------|
| Note               | <b>31.12.2009</b>                                  | <b>31.12.2008</b>   |                   |
| <b>ASSETS</b>      |  |                     |                   |
|                    | Cash and cash equivalent                           | 0,71                | 2,31              |
|                    | Due from banks                                     | 165,42              | 1.167,50          |
|                    | Advances to customers                              | 579.744,68          | 542.649,63        |
| 2                  |  |                     |                   |
|                    | Tangible assets                                    | 136,52              | 119,72            |
| 3                  |  |                     |                   |
|                    | Intangible assets                                  | 35,47               | 9,89              |
| 4                  |  |                     |                   |
|                    | Deffered tax assets                                | 98,50               | 119,07            |
|                    | Other assets                                       | 2.093,10            | 1.577,76          |
|                    | <b>Total Assets</b>                                | <b>582.274,40</b>   | <b>545.645,88</b> |
| <b>LIABILITIES</b> |  |                     |                   |
|                    | Due to banks                                       | 169.536,36          | 143.160,09        |
|                    | Due to customers                                   | 4.803,85            | 2.076,67          |
| 5                  |  |                     |                   |
|                    | Bond issue   | 339.988,52          | 314.940,00        |
|                    | Liabilities for current income tax and other taxes | 2.765,42            | 3.082,04          |
|                    | Deffered tax liabilities                           | 2.464,54            | 1.984,28          |
|                    | Employee defined benefit obligations               | 316,00              | 283,36            |
|                    | Other liabilities                                  | 2.629,14            | 2.460,55          |
|                    | <b>Total Liabilities</b>                           | <b>522.503,83</b>   | <b>467.986,99</b> |
| <b>EQUITY</b>      |  |                     |                   |
|                    | Share Capital                                      | 41.000,01           | 27.000,00         |
|                    | Share premium                                      | 64,75               | 64,75             |
|                    | Reserves   | 2.954,14            | 2.479,70          |
|                    | Retained earnings                                  | 15.751,67           | 48.114,44         |
|                    | <b>Total Equity</b>                                | <b>59.770,57</b>    | <b>77.658,89</b>  |
|                    | <b>Total Liabilities and Equity</b>                | <b>582.274,40</b>   | <b>545.645,88</b> |

Advances to customers



## STATEMENTS OF CHANGES IN EQUITY

| (Thousands of Euro)                                    | Note | Share capital    | Share premium | Reserves        | Retained earnings | Total              |
|--|------|------------------|---------------|-----------------|-------------------|--------------------|
| <b>Balance 1.1.2008</b>                                |      | <b>27.000,00</b> | <b>64,75</b>  | <b>2.088,59</b> | <b>39.016,64</b>  | <b>68.169,98</b>   |
| <b>Changes in equity for the period 1.1-1.12.2008</b>  |      |                  |               |                 |                   |                    |
| Reserves appropriation                                 |      | -                | -             | 391,10          | (391,10)          | -                  |
| Profit for the period                                  |      | -                | -             | -               | 9.488,89          | <b>9.488,89</b>    |
| <b>Balance 31.12.2008</b>                              |      | <b>27.000,00</b> | <b>64,75</b>  | <b>2.479,70</b> | <b>48.114,43</b>  | <b>77.658,88</b>   |
| <b>Balance 1.1.2009</b>                                |      | <b>27.000,00</b> | <b>64,75</b>  | <b>2.479,70</b> | <b>48.114,43</b>  | <b>77.658,88</b>   |
| <b>Changes in equity for the period 1.1-31.12.2009</b> |      |                  |               |                 |                   |                    |
| Share capital increase                                 |      | 14.000,01        | -             | -               | -                 | <b>14.000,01</b>   |
| Expenses in share capital increase after taxes         |      | -                | -             | -               | (123,97)          | <b>(123,97)</b>    |
| Reserves appropriation                                 |      | -                | -             | 474,44          | (474,44)          | -                  |
| Distributed Dividends                                  |      | -                | -             | -               | (38.970,00)       | <b>(38.970,00)</b> |
| Profit for the period                                  |      | -                | -             | -               | 7.205,64          | <b>7.205,64</b>    |
| <b>Balance 31.12.2009</b>                              |      | <b>41.000,01</b> | <b>64,75</b>  | <b>2.954,14</b> | <b>15.751,66</b>  | <b>59.770,56</b>   |

## CASH FLOW STATEMENT

|   | (Thousands of Euro)      |                   |
|---|--------------------------|-------------------|
|   | <b>From 1 January to</b> |                   |
| Note  | <b>31.12.2009</b>        | <b>31.12.2008</b> |
| Cash flows from operating activities                              | 6.629,18                 | 18.022,65         |
| Cash flows from investing activities                              | (96,48)                  | (36,32)           |
| Cash flows from financing activities                              | (7.539,55)               | (19.171,26)       |
| <b>Net increase (decrease) in cash and cash equivalents</b>       | <b>(1.006,85)</b>        | <b>(1.184,93)</b> |
| Effect of exchange rate fluctuations on cash and cash equivalents | 3,18                     | (8,24)            |
| <b>Total Cash flows for the period</b>                            | <b>(1.003,67)</b>        | <b>(1.193,17)</b> |
| <b>Cash and cash equivalents at beginning of the period</b>       | <b>1.169,80</b>          | <b>2.362,97</b>   |
| <b>Cash and cash equivalents at end of the period</b>             | <b>166,13</b>            | <b>1.169,80</b>   |

## **BASIC ACCOUNTING PRACTICES**

### **1. Accounting principles applied**

#### **1.1 Basis of presentation**

These financial statements relate to the fiscal year from January 1, 2009 to December 31, 2009 and they are prepared in accordance with International Financial Reporting Standards (I.F.R.S.), as adopted by the European Union with Regulation 1606/2002 of the European Parliament and the Council of the European Union on July 19, 2002.

#### **1.2 Foreign currency transactions**

The financial statements are presented in Euro, which is the currency of the country of incorporation of ABC FACTORS (functional currency).

Transactions in foreign currencies are translated to Euro at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euro at the closing exchange rate on that date. Foreign exchange differences arising on translation are recognized in the income statement.

#### **1.3 Financial instruments**

Financial assets and liabilities in the balance sheet include cash, advances to customers, short and long term liabilities.

Financial instruments are classified as assets or liabilities according to the nature and the contents of the relevant agreements that have derived from.

#### **1.4 Impairment losses on advances to customers**

ABC FACTORS S.A. has assessed as at 1.12.2003, and at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

#### **1.5 Deferred taxation**

Deferred taxation is the tax that will be paid or for which relief will be obtained in the future resulting from the different period that certain items are recognized for financial reporting and tax purposes. Deferred tax is provided for temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

#### **1.6 Tangible Assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the costs relating to the acquisition of the assets.

Subsequent expenditure is capitalized or recognized as separate asset only when it increases the future economic benefits.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of any item.

The estimated useful lives are as follows:

- Additions to leased fixed assets and improvements: over the term of the lease 33 years.
- Equipment: 4 to 9 years

The residual value of the fixed assets and their useful lives are reviewed and adjusted, if necessary, at each reporting date.

Tangible fixed assets which are considered impaired are carried at their recoverable amount. Gains and losses arising from the sale of assets are recognized in the income statement.

#### **1.7 Intangible Assets**

In this caption the company has included mainly software, which is carried at cost less amortization. Amortization is charged over the estimated useful life, which the company has estimated is 4 years. For intangible assets no residual value is estimated.

#### **1.8 Employee defined benefit obligations**

In accordance with Greek labor law, employees are entitled to compensation payments in case of dismissal or retirement with the amount of payment varying in relation to the employee's compensation, length of service and manner of termination (dismissed or retired). Employees, who resign or are dismissed with cause, are not entitled to termination payments. The amount payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. The above liability is calculated by a qualified actuary using the projected unit credit method.

## NOTES TO THE ACCOUNTS

1. The 1<sup>st</sup> financial year was from 17.01.95 to 31.12.96.

### 2. Advances to customers :

Advances to customers amounted to EURO: 579,74 millions on 31/12/09, compared to EURO: 542,65 millions on 31/12/08 and are allocated to various sectors of the economy as shown in the following table :

|                                 | 2009<br>€('000)   | 2008<br>€('000)   |
|---------------------------------|-------------------|-------------------|
| Advances to customers           | 583.368,84        | 545.864,36        |
| Provision for impairment losses | (3.624,17)        | (3.214,73)        |
| <b>Total</b>                    | <b>579.744,67</b> | <b>542.649,63</b> |

### 3. Tangible Assets

|                         | 2009<br>€('000) | 2008<br>€('000) |
|-------------------------|-----------------|-----------------|
| Fixed Assets at cost    | 1.072,83        | 1.012,13        |
| Less Depreciation       | (936,31)        | (892,41)        |
| <b>Net Fixed Assets</b> | <b>136,52</b>   | <b>119,72</b>   |

The total fixed assets are allocated as follows :

|               | 2009 | 2008 |
|---------------|------|------|
| EDP equipment | 53%  | 51%  |
| Other         | 47%  | 49%  |

### 4. Intangible Assets

The Intangible Fixed Assets comprise of:

|                         | 2009<br>€('000) | 2008<br>€('000) |
|-------------------------|-----------------|-----------------|
| Software                | 456,87          | 421,09          |
| Less Depreciation       | (421,40)        | (411,20)        |
| <b>Net Fixed Assets</b> | <b>35,47</b>    | <b>9,89</b>     |

### 5. Due to customers

Due to customers amounted to EURO: 4,80 millions for 2009 compared to EURO: 2,08 millions for 2008 and represent total amounts owed to clients due to purchased factored debts.

### 6. Interest and Commission

Income represents the invoiced amount of service commissions and discount charged during the period, net of value added tax.

### 7. Total Expenses

Total Expenses amounted to EURO 4,08 millions for 2009 compared to EURO 4,19 millions for 2008 and are analyzed as follows:

|  | 2009<br>€('000) | 2008<br>€('000) |
|--|-----------------|-----------------|
| Staff costs                            | 3.023,77        | 3.102,20        |
| Rent of buildings                      | 96,64           | 89,22           |
| Rent and maintenance of EDP equipment  | 73,31           | 83,72           |
| EDP expenses                           | 15,70           | 18,17           |
| Other                                  | 816,45          | 838,73          |
| Depreciation and amortization expenses | 54,09           | 56,81           |
| <b>Total</b>                           | <b>4.079,96</b> | <b>4.188,85</b> |

The number of employees in 2009 decreased to 94 (2008: 96).

### 8. Profit before Tax

After deducting total revenue amounted to EURO 26,63 millions from total expenses amounted to EURO 16,35 millions, net profit for 2009 amounts to EURO 10,28 millions.