ABC FACTORS

FINANCIAL STATEMENTS AS AT 31.12.2013

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

Athens,
12 May 2014

ABC FACTORS

FACTORING S.A.
MICHALAKOPOULOU 48 - 115 28 ATHENS
General Commercial Registry No. 1803101000 - Companies Registry ID 32684/01/B/95/32

FINANCIAL INFORMATION FOR THE YEAR
FROM JANUARY 1st, 2013 to December 31st, 2013

(Listed under CL2190/20 article 135 for companies preparing annual financial statements, consolidated or not, according to IFRS)

(Amounts in Euro)

The following information, derived from the financial statements, aim at providing general information on the financial condition and results of ABC FACTORS. We, therefore, advise the reader, before making any investment decision or other transaction with the company, to visit the company's web site where the annual financial statements and the audit report of the auditor are posted.

Competent Department - Prefecture	: Bank of Greece – Athens Prefecture
Website address	: www.abcfactors.gr
Board of Directors	: Chairman (Executive member): Artemis C. Theodoridis Vice-President (Non-Executive member): Panagiotis K. Drossos CEO & General Director (Executive member): Maria M. Raikou Non-Executive members: Athanasios A. Gatsis, Panagiotis K. Kamarinopoulos , Ioannis G. Mourgelas, Athanasios K. Sakellarakis
Date of approval of the Financial Statements by the Board of Directors (from which the financial information were derived) :	12 May 2014
Certified Auditors	: Athanasios A. Tsangalis (A.M. SOEL 30631)
Audit Firm	: SOL S.A, member of Crowe Horwath International (A.M. 125)
Type of Auditors' Report	: Unqualified opinion

BALANCE SHEET

	31.12.2013	31.12.2012
ASSETS		
Cash and balances	2.443,64	447,11
Due from banks	1.171.805,28	1.065.376,84
Due from customers	471.177.072,93	408.215.084,37
Property,plant and equipment	113.773,16	133.501,46
Intangible assets	606.620,29	549.759,98
Deferred tax assets	53.139,32	40.484,93
Other assets	2.861.523,65	2.795.981,86
TOTAL ASSETS	**475.986.378,27**	**412.800.636,55**
LIABILITIES		
Due to banks	55.854.630,85	9.613.130,99
Due to customers	8.529.464,69	2.422.120,44
Debt securities in issue	300.084.700,00	300.009.606,00
Liabilities for current income tax and other taxes	4.075.820,90	3.979.399,63
Deferred tax liabilities	4.897.294,10	3.292.419,06
Employee defined benefit obligations	173.581,99	156.224,59
Other liabilities	1.409.590,67	1.576.126,15
Total liabilities (a)	**375.025.083,20**	**321.049.026,86**
EQUITY		
Share capital (1.366.667 shares of 30 Euro each one)	41.000.010,00	41.000.010,00
Share premium	64.746,88	64.746,88
Reserves	5.146.938,57	4.417.858,25
Retained earnings	54.749.599,62	46.268.994,56
Total Equity (b)	**100.961.295,07**	**91.751.609,69**
TOTAL LIABILITIES AND EQUITY (a)+(b)	**475.986.378,27**	**412.800.636,55**

STATEMENT OF COMPREHENSIVE INCOME

	1.1-31.12.2013	1.1-31.12.2012
Interest and similar income	27.215.842,32	23.504.727,91
Interest expense and similar charges	(16.333.265,96)	(4.803.575,10)
Net interest income	10.882.576,36	18.701.152,81
Fee and commission income	13.018.069,08	10.014.217,68
Fee and commission expense	(4.720.679,35)	(4.649.176,10)
Net commission income	8.297.389,73	5.365.041,58
Profit/loss from financial activities	2.801,15	(109.233,94)
Other income	58.340,59	54.969,92
	61.141,74	(54.264,02)
TOTAL INCOME	**19.241.107,83**	**24.011.930,37**
Personnel expenses	(2.756.165,09)	(2.722.023,16)
General administrative expenses	(831.635,44)	(796.438,63)
Depreciation	(93.394,17)	(93.648,24)
Total expenses	**(3.681.194,70)**	**(3.612.110,03)**
Impairment losses on receivables	(1.664.035,01)	(2.178.329,45)
Profit before income tax	**13.895.878,12**	**18.221.490,89**
Income tax	(4.685.878,92)	(3.640.546,20)
Profit/loss for the year	**9.209.999,20**	**14.580.944,69**
Other comprehensive income recognized directly in equity :		
Change in actuarial gains / losses, Employee defined benefit obligations	(313,82)	(32.642,26)
Profit/Loss after income tax	**9.209.685,38**	**14.548.302,43**
Earnings per share :		
Basic and diluted (in Euro)	6,7388	10,6690
Proposed dividend under Law 4172 (Euro per share)	0,3267	-

STATEMENT OF CASH FLOWS

	1.1-31.12.2013	1.1-31.12.2012
Total inflows/ (outflows) from operating activities (a)	15.288.429,40	42.631.044,82
Total inflows/ (outflows) from investing activities (b)	(130.587,53)	(159.148,08)
Total inflows / (outflows) from financing activities (c)	(15.052.218,05)	(44.713.673,38)
Net increase / (decrease) in cash and cash equivalents of the period (a)+(b)+(c)	105.623,82	(2.241.776,64)
Effect of exchange rate fluctuations on cash and cash equivalents	2.801,15	(3.140,88)
Total inflows / (outflows) of the period	**108.424,97**	**(2.244.917,52)**
Cash and cash equivalents at the beginning of the year	**1.065.823,95**	**3.310.741,47**
Cash and cash equivalents at the end of the year	**1.174.248,92**	**1.065.823,95**

STATEMENT OF CHANGES IN EQUITY

	31.12.2013	31.12.2012
Equity at the beginning of the year (1.1.2013 and 1.1.2012 respectively)	91.751.609,69	77.039.246,52
Effect of the retrospective application of amendments in new accounting policies	-	164.060,74
Total comprehensive income for the year, after income tax	9.209.685,38	14.548.302,43
Equity at the end of the year (31.12.2013 and 31.12.2012 respectively)	**100.961.295,07**	**91.751.609,69**

ADDITIONAL INFORMATION

1. The unaudited tax years are listed in note 39b of the financial statements as at 31.12.2013.
2. There are no liens or encumbrances on the Company's assets.
3. There are neither pending legal cases or issues in progress, nor decisions of legal or arbitrary authorities, which may have a material impact on the financial position or operation of the Company.
4. The number of employees as at 31.12.2013 and 31.12.2012 remained stable at 82 people.
5. The results arising from the related party transactions, during the period from 1.1.2013 until 31.12.2013, are as follows:
   - With Executives and members of the Board of Directors: expenses euro 168.003,10.
   - With other related parties a) income Euro 78.745,61 b) expenses Euro 19.547.969,85.

   The balances as at 31.12.2013 of receivables and liabilities arising from the above transactions are as follows:
   - With other related parties a) Receivables Euro 901.951,83 b) Liabilities Euro 356.564.346,14.
6. The financial statements of ABC FACTORS are included in the consolidated financial statements of ALPHA BANK S.A., with the method of full consolidation. ALPHA BANK S.A. is established in Greece and participates in the share capital of ABC FACTORS with a percentage of 100%.
7. Certain figures of the financial statements of the year 2012 were restated due to the amendment of IAS 19. The restatements are analytically described in note 44 of the Financial Statements as at 31.12.2013.

Athens, May 12, 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE FINANCE AND ADMINISTRATION MANAGER
ARTEMIS C. THEODORIDIS I.D. No AB 281969	MARIA M. RAÏKOU I.D. No AH 647040	ANTONIOS K. CHRONIS I.D. No AZ 007940

ABC FACTORS

THE BOARD OF DIRECTORS REPORT
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
FOR THE FISCAL YEAR 2013

(From 1st January to 31st December 2013)

Athens,
12 May 2014

To the Shareholders

According to Article 136 of Law 2190/20, which refers to 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 2013 with our observations on these and request for your approval.

Detailed information on the accounting policies applied are listed in the Notes of the Financial Statements of 31 December 31,2013.

1. Financial position and progress of the Company

The continuing economic recession in the Greek economy in 2013 was a factor for the decrease in total market turnover for factoring services, for the second consecutive year, 5.2% standing at € 12.1 billion.

Despite the above, the Company achieved a significant increase in turnover (value of business requirements which are factoring) in 2013, by 33.07% compared to 2012, amounting to € 3,820,322,699.80, through further penetration in individual market segments, and achieving increasing share from 22.5% to 31.6%, ranking first in the Greek market factoring.

The Company continued its profitable course in 2013, with profit before tax standing at € 13,895,878.12 a decrease by 23.7% compared to 2012, due to an increase in borrowing costs of € 4,803,575.10 in 2012 € to 16,333,265.96 in 2013.

The Company, in 2013, continued the successful restructuring of its portfolio, while achieving growth in the average balance of discounting by 22.9% compared to 2012, standing at € 473,057,471.62 in 31.12.2013, maintaining the percentage of impaired loans and advances to customers, at 0.4% of total discounting in 31.12.2013, given further emphasis on manage in credit risk rationally and the implementing best practices.

ABC FACTORS, having already established a systematic and rigorous risk management framework in previous years, received in 2013 all necessary and appropriate measures to better protect and have a stronger defense against all kinds of financial risks.

Having as its main objective the implementation and continuous improvement of the risk framework, the company focused on minimizing it's exposure to price risk (interest rate risk), credit and operational risk as well as liquidity risk and cash flow, which are monitored on a competent bodies.

The capital adequacy of the Company is monitored by the Bank of Greece, to which data is submitted, under Bank of Greece Governor's Act 2651/20.01.2012, which replaced Bank of Greece Governor's Act 2640/18.01.2011.

Also, by act of the Governor of Bank of Greece, minimum ratios (core capital and capital adequacy) the Company should have, are established.

For the calculation of capital adequacy from 1 January 2010, now applies, under Bank of Greece Governor's Act 2622/21.12.2009 for factoring companies too, the new regulatory framework (Basel II), which was incorporated into Greek law by Law 3601/2007.

The main developments that have characterized the course of the Company in 2013 are the following:

1. On 1.2.2013, the purchase by the present company, ALPHA BANK, of the entire share capital of Emporiki Bank SA by Credit Agricole S.A. was completed, following the relevant agreement that was signed between the two partners on 16.10.2012 and after receiving all required regulatory approvals. On that date, the Bank acquired control of Emporiki Bank S.A. On 28.6.2013, the ALPHA BANK merger, was completed by law, with the acquisition of Emporiki Bank, in accordance with the details of the Draft Merger Agreement in 21/03/2013.
   After 28.6.2013, ABC FACTORS undertook works of portfolio management factoring of Emporiki Bank.

2. Increased turnover from export factoring by 30.2% in the period 01.01.-31.12.2013 in relation to the corresponding period of 2012 and the image enhance of the company as a member of the International Organization Factors Chain International, as it took advantage of business extroversion and interest to turn to markets where growth conditions exists, while aiming at liquidity and ensuring their sales.

3. Strengthening cooperation with Business Centres and the Department of Large Corporates of our parent Bank.

4. Gradual incorporation, during 2013, of quality improvements and additions such as modules MIS and Fraud Detection in the new IT application factoring services (proxima+), to optimize and automate further analysis / risk assessments of customers and buyers, so as to determine more accurately the business risks, performing an analysis of combinatorial parameters such as customer's relationship with the buyer, the combined products, reinsurance risk as well as industry risk.

5. Automate, wherever rendered possible, the flow of incoming data to new computer application service factoring (proxima+), contributing substantially to productivity improvement.

2. Prospects of the Company

The multiple functions and advantages of factoring will continue to be, during the early stages of Greek economy restructuring, assistance to businesses, especially in the export sector, which is one of the pillars for development.

As it appears, from the course of business of the Company so far, profitability in the current year, is expected to be marginally higher than 2013.

Plans and prospects of the Company for the current year are summarized as follows:

1. Keeping both, the leading position in industry, as far as market share is concerned, as well as high profitability, exploiting the opportunities created by sectors of the Greek economy, which are the pillars of development, and providing support to its customers to continuously improving of services.

2. Emphasis on further development of International Factoring services, either by direct involvement in foreign markets or through bilateral factoring, working with members of Factors Chain International (FCI) chain.

3. Promotion of forfaiting (Forfaiting - Reverse Factoring) through the IFA (International Forfaiting Association) network and the network of our partner Bank.

4. Exploiting the full potential offered by new IT application service factoring (proxima +), so as to achieve new scale economies, in connection with efforts to reduce general operating costs, and also increase the workforce productivity.

5. Complete the installation of Risk Management modules and the activation function Client / WEB interface. These developments give additional value to the company's cooperation with its customers, supporting the growth / differentiation of service in accordance with developments in the European market while enhancing the effectiveness of the processes that are required on the regulatory framework and supervisory authorities.

The continuous growth of the company, is achieved from the high expertise of skilled staff, the support of the parent bank, but mainly from the Company's commitment to its customers to create value for them, providing services and products tailored to their needs.

3. Securities owned by the Company

None.

4. Available exchange

None.

5. Company's Property

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

Under law 4172/2013 the Board of Directors will propose to the Annual General Meeting of Shareholders the distribution amount € 446,525.56 (reserves based on tax law 4172/2013 € 551,266.19, corresponding tax (19%) € 104,740.63).

Moreover, by the end of the current year 2013, untill this report's preparation day, no other significant events occurred that should be mentioned here and the entire course of the Company's goes smoothly.

Athens, 12 May 2014

The Chairman

of the Board of Directors,

Artemis C. Theodoridis

We confirm that the above Directors' Report, which consists of four (4) pages, is mentioned in our audit report, dated 14.05.2014.

Athens, 14 May 2014

The Chartered Accountant,

Athanasios A.Tsangalis,
R.N. S.O.E.L (The Institute of Certified Public Accountants of Greece) 30631

SOL S.A.
Member of Crowe Horwath International (R.N. 125)

FINANCIAL STATEMENTS AS AT 31.12.2013

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

Athens,
12 May 2014

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SOL s.a.
CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of

ABC FACTORS S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of ABC FACTORS S.A. (the "Company") which comprise of the balance sheet as at 31 December 2013, 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, which 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 2013, 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, 14 May 2014

Certified Auditor Accountant

Athanasios A.Tsangalis,
A.M. SOEL 30631

SOL S.A.
member of Crowe Horwath International (R.N. 125)

INCOME STATEMENT

	Note	*(Amounts in Euro)* From 1 January to 31.12.2013	31.12.2012*
Interest and similar income	15	27,215,842.32	23,504,727.91
Interest expense and similar charges	15	(16,333,265.96)	(4,803,575.10)
Net interest income	15	10,882,576.36	18,701,152.81
Commission income	16	13,018,069.08	10,014,217.68
Commission expense	16	(4,720,679.35)	(4,649,176.10)
Net commission income	16	8,297,389.73	5,365,041.58
Profits less losses on financial transactions		2,801.15	(109,233.94)
Other income	17	58,340.59	54,969.92
		61,141.74	(54,264.02)
Total income		**19,241,107.83**	**24,011,930.37**
Staff costs	18	(2,756,165.09)	(2,722,023.16)
General administrative expenses	19	(831,635.44)	(796,438.63)
Depreciation and amortization expenses	25-26	(93,394.17)	(93,648.24)
Total expenses		**(3,681,194.70)**	**(3,612,110.03)**
Impairment losses of receivables	20	(1,664,035.01)	(2,178,329.45)
Profit before income tax		**13,895,878.12**	**18,221,490.89**
Income tax	21	(4,685,878.92)	(3,640,546.20)
Profit after income tax		**9,209,999.20**	**14,580,944.69**
Earnings per share:			
Basic and diluted (€ per share)	22	6.74	10.67

(*) The figures in the Income Statement for the comparative period have been restated due to the retrospective application of new accounting policies (note 44).

The attached notes (pages 8 to 54) form an integral part of the financial statements.

BALANCE SHEET

	Note	31.12.2013	31.12.2012*
		(Amounts in Euro)	
ASSETS			
Cash and balances in banks	23.1	2,443.64	447.11
Due from banks	23.2	1,171,805.28	1,065,376.84
Due from customers	24	471,177,072.93	408,215,084.37
Property, plant and equipment	25	113,773.16	133,501.46
Intangible assets	26	606,620.29	549,759.98
Deferred tax assets	27	53,139.32	40,484.93
Other assets	28	2,861,523.65	2,795,981.86
Total Assets		**475,986,378.27**	**412,800,636.55**
LIABILITIES			
Due to banks	29	55,854,630.85	9,613,130.99
Due to customers	30	8,529,464.69	2,422,120.44
Debt securities in issue	31	300,084,700.00	300,009,606.00
Liabilities for current income tax and other taxes	32	4,075,820.90	3,979,399.63
Deferred tax liabilities	27	4,897,294.10	3,292,419.06
Employee defined benefit obligations	33	173,581.99	156,224.59
Other liabilities	34	1,409,590.67	1,576,126.15
Total Liabilities		**375,025,083.20**	**321,049,026.86**
EQUITY			
Share capital	35	41,000,010.00	41,000,010.00
Share premium		64,746.88	64,746.88
Statutory reserve	36	5,146,938.57	4,417,858.25
Retained earnings	37	54,749,599.62	46,268,994.56
Total Equity		**100,961,295.07**	**91,751,609.69**
Total Liabilities and Equity		**475,986,378.27**	**412,800,636.55**

(*) Certain figures in the Balance Sheet for the comparative period have been restated due to the retrospective application of new accounting policies (note 44)

The attached notes (pages 8 to 54) form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Note	*(Amounts in Euro)* From 1 January to 31.12.2013	31.12.2012*
Profit after income tax		**9,209,999.20**	**14,580,944.69**
Amounts that may be reclassified in the Income Statement			-
Amounts that will not be reclassified in the Income Statement			-
Change in actuarial gains/(losses)	33	(424.08)	(40,802.83)
Income tax		110.26	8,160.57
Total other comprehensive income recognized directly in equity, after income tax		**(313.82)**	**(32,642.26)**
Total comprehensive income for the period, after income tax		**9,209,685.38**	**14,548,302.43**

(*) The figures in the Statement of Comprehensive Income for the comparative period have been restated due to the retrospective application of new accounting policies (note 44).

The attached notes (pages 8 to 54) 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 1.1.2012		**41,000,010.00**	**64,746.88**	**3,761,826.02**	**32,212,663.62**	**77,039,246.52**
Impact from the retrospective application of new accounting policies		-	-	-	164,060.74	164,060.74
Restated balance 1.1.2012		**41,000,010.00**	**64,746.88**	**3,761,826.02**	**32,376,724.36**	**77,203,307.26**
Changes in equity for the Period 1.1 - 31.12.2012						
Statutory reserve	36	-	-	656,032.23	(656,032.23)	-
Total comprehensive income for the year, after income tax		-	-	-	14,548,302.43	14,548,302.43
Balance 31.12.2012		**41,000,010.00**	**64,746.88**	**4,417,858.25**	**46,268,994.56**	**91,751,609.69**
Balance 1.1.2013		**41,000,010.00**	**64,746.88**	**4,417,858.25**	**46,268,994.56**	**91,751,609.69**
Changes in equity for the Period 1.1 - 31.12.2013						
Statutory reserve	36	-	-	729,080.32	(729,080.32)	-
Total comprehensive income for the year, after income tax		-	-	-	9,209,685.38	9,209,685.38
Balance 31.12.2013		**41,000,010.00**	**64,746.88**	**5,146,938.57**	**54,749,599.62**	**100,961,295.07**

The attached notes (pages 8 to 54) form an integral part of the financial statements.

CASH FLOW STATEMENT

	Note	*Amounts in Euro* **From 1 January to** **31.12.2013**	**31.12.2012***
Cash flows from operating activities			
Profit before income tax		**13,895,878.12**	**18,221,490.89**
Adjustments for:			
Depreciation of fixed assets	25	34,606.67	39,689.74
Amortization of intangible assets	26	58,787.50	53,958.50
Expenses / (income) for pension plans	33	16,933.32	(31,614.15)
Impairment loss on receivables	20	1,670,035.02	2,178,329.45
Interest on bonds	15	15,127,312.05	4,653,932.71
Other adjustments		-	106,093.06
		30,803,552.68	**25,221,880.20**
Increase/(decrease):			
Advances to customers		(64,801,855.45)	20,084,198.19
Other assets		21,179.67	(25,719.84)
Due to banks		46,241,499.86	5,353,966.67
Due to customers		6,107,344.25	(3,835,785.78)
Other liabilities		(152,016.32)	(910,384.79)
Other taxes		495,439.81	(4,011.99)
Net cash flows from operating activities before taxes		**18,715,144.50**	**45,884,142.66**
Income tax paid		(3,426,715.10)	(3,253,097.84)
Net cash flows from operating activities		**15,288,429.40**	**42,631,044.82**
Cash flows from investing activities			
Purchase of fixed assets	25-26	(130,587.53)	(159,148.08)
Net cash flows from investing activities		**(130,587.53)**	**(159,148.08)**
Cash flows from financing activities			
Issue of debt securities	31	-	80,000,000.00
Repayment of debt securities		(15,052,218.05)	(124,713,673.38)
Net cash flows from financing activities		**(15,052,218.05)**	**(44,713,673.38)**
Effect of exchange rate fluctuations on cash and cash equivalents		2,801.15	(3,140.88)
Net increase/(decrease) in cash flows		**108,424.97**	**(2,244,917.52)**
Cash and cash equivalents at the beginning of the year	23	**1,065,823.95**	**3,310,741.47**
Cash and cash equivalents at the end of the year	23	**1,174,248.92**	**1,065,823.95**

(*) The figures of the Cash Flow Statement for the comparative period have been restated due to the retrospective application of new accounting policies (note 44).

The attached notes (pages 8 to 54) form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

The Company was established in 1995 and is still operating under the name “ABC FACTORS S.A.”, with the distinctive title “ABC FACTORS” (the Company). Its headquarters are in Athens, Michalakopoulou Street 48, and it is registered in the General Commercial Registry under number 1803101000, as well as in the Companies Registry under number 32684/01/V/95/32.
The duration of the Company is fifty years and may be extended by decision of the General Assembly.

Its purpose is to exercise all types of factoring services within the framework of Law 1905/1990.

ABC FACTORS belongs to the ALPHA BANK group, which participates in its share capital by 100%.

The tenure of the Board of Directors, elected by the General Meeting of Shareholders on December 7, 2009, expires in 2014 and consists of:

PRESIDENT (Executive Member)

Artemis C. Theodoridis
Executive Director & General Manager, Alpha Bank

VICE PRESIDENT (Non-executive Member)

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

CEO & GENERAL DIRECTOR (Executive Member)
Maria M. Raikou
Managing Director, ABC Factors

NON EXECUTIVE MEMBERS
Athanasios A. Gatsis
Senior Manager, Alpha Bank

Panagiotis K. Kamarinopoulos
Ex Manager, Alpha Bank

Ioannis G. Mourgelas
Lawyer

Athanasios K. Sakellarakis
Senior Manager- Wealth Management, Alpha Bank

SECRETARIES

Antonios K. Chronis
Finance & Administration Manager, ABC FACTORS

The auditor of the annual financial statements is Mr Athanasios A. Tsangalis with R.N. SOEL 30631, who is a member of the SOL S.A., a member of Crowe Horwath International (R.N. 125).

The financial statements have been approved by the Board of Directors on 12 May, 2014.

ACCOUNTING POLICIES APPLIED

1. Basis of presentation

These consolidated financial statements relate to the fiscal year 1.1 – 31.12.2013 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 the 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 principles followed by the Company in the preparation of annual financial statements have been consistently applied for the years 2012 and 2013, after taking into account the following new standards, the interpretation 20 and the amendments to standards issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2013:

- **Amendment of International Financial Reporting Standard 1** "Government loans" (Regulation 183/4.3.2013)

  On 13.3.2012 the International Accounting Standards Board issued an amendment of IFRS 1 according to which, a first-time adopter shall not apply retrospectively the requirements in IFRS 9 (or IAS 39) and IAS 20 regarding government loans existing at the date of transition to IFRSs and shall not recognize the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequently, if a first-time adopter did not, under its previous GAAP, recognize and measure a government loan at a below-market rate of interest on a basis consistent with IFRS requirements, it shall use its previous GAAP carrying amount of the loan in the opening IFRS statement of financial position. However, as an exception, an entity may apply the requirements in IFRS 9 (or IAS 39) and IAS 20 retrospectively to any government loan originated before the date of transition to IFRSs, provided that the information needed to do so had been obtained at the time of initially accounting for that loan.

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

- **Amendment of International Financial Reporting Standard 7** "Disclosures – Offsetting Financial Assets and Financial Liabilities" (Regulation 1256/13.12.2012)

  On 16.12.2011 the International Accounting Standards Board issued an amendment of IFRS 7 relating to offsetting financial assets and liabilities. The amendment requires additional disclosures not only for the recognized financial instruments that can be offset in accordance with the provisions of IAS 32, but also for the instruments that are subject to an enforceable master netting agreement or a similar agreement irrespective of whether the netting criteria of IAS 32 are met.

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

- **International Financial Reporting Standard 10** "Consolidated Financial Statements" (Regulation 1254/11.12.2012)

On 12 May 2011, the International Accounting Standards Board issued IFRS 10 "Consolidated Financial Statements". The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The major change brought by IFRS 10 is the new definition of the principle of control. Control is the basis for determining which entities are consolidated, regardless of the type of entity. IFRS 10 supersedes the requirements relating to consolidated financial statements in IAS 27 "Consolidated and Separate Financial Statements" and also supersedes SIC 12 "Consolidation – Special Purpose Entities".

According to the new control definition, an investor controls an investee when it is exposed, or has rights, to variable returns from his involvement with the investee and has the ability to affect those returns through his power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

1. power over the investee,
2. exposure, or rights, to variable returns from his involvement with the investee, and
3. ability to use his power over the investee to affect the amount of the investor's returns.

Power arises from existing rights that give the investor the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. Although only one investor can control an investee, more than one party can share in the returns of an investee. Control must be reassessed if facts and circumstances indicate that there are changes to one or more of the three elements of control.

IFRS 10 sets out requirements on how to apply the control principle in various circumstances, i.e. when voting or similar rights give an investor power, when voting rights are not the dominant factor in deciding who controls the investee, in circumstances involving agency relationships or when the investor has control over specified assets of an investee.

IFRS 10 also includes the accounting principles for the preparation and presentation of consolidated financial statements which are substantially the same as the ones that currently apply according to IAS 27 "Consolidated and Separate Financial Statements", which is amended accordingly.

The Company has no participations in other companies and therefore the above standard does not apply to the financial statements.

- **International Financial Reporting Standard 11** "Joint Arrangements" (Regulation 1254/11.12.2012)

On 12 May 2011, the International Accounting Standards Board issued IFRS 11 "Joint Arrangements" which establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. There are two types of joint arrangements according to IFRS 11, i.e. joint operations and joint ventures. The classification depends upon the rights and obligations of the parties to the arrangement. Specifically, in joint operations, the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement, while in joint ventures, they have rights to the net assets of the arrangement.

The parties that have joint control of a joint operation recognise in their consolidated and separate financial statements the assets and the liabilities as well as income or expenses that they own or are entitled to from the joint operation. The same accounting principles apply for parties to joint operations that do not have joint control but have rights to the assets and obligations for the liabilities relating to the joint operation. The parties that have joint control of a joint venture recognise their interest as an investment using the equity method in accordance with IAS 28 "Investments in associates and joint ventures". The alternative of proportionally consolidating joint ventures is no longer provided. A party to a joint venture that does not have joint control of the joint venture accounts for its interest in accordance with IAS 39 (or IFRS 9 if applied), unless it has significant influence over the joint venture, in which case it shall account for it using the equity method.

IFRS 11 supersedes IAS 31 “Interests in Joint Ventures” and SIC 13 “Jointly Controlled Entities – Non Monetary Contributions by Venturers”.

The Company has no participations in other companies and therefore the above standard does not apply to the financial statements.

- **International Financial Reporting Standard 12** “Disclosure of Interests in Other Entities” (Regulation 1254/11.12.2012)

On 12 May 2011, the International Accounting Standards Board issued IFRS 12 which establishes the information that the reporting entity must disclose concerning its interests in other entities. An interest in another entity refers to contractual or non-contractual involvement that exposes an entity to variability of returns from the performance of another entity. IFRS 12 lists the disclosures required depending on the nature of the interest to other entities, i.e. a) subsidiaries, b) joint arrangements, c) associates and d) unconsolidated structured entities.

Structured entities are those that have been designed so that voting or similar rights are not a dominant factor in deciding who controls the entity (ie. the relevant activities are directed by means of contractual arrangements).

IFRS 12 does not apply to separate financial statements to which IAS 27 “Separate financial statements” applies. However, an entity with interests in unconsolidated structured entities that only prepares separate financial statements will include the IFRS 12 disclosure requirements concerning unconsolidated structured entities in those financial statements.

The Company has no participations in other companies and therefore the above standard does not apply to the financial statements.

- **Amendment of International Financial Reporting Standard 10** “Consolidated Financial Statements”, of **International Financial Reporting Standard 11** “Joint Arrangements” and of **International Financial Reporting Standard 12** “Disclosure of Interests in Other Entities”: Transition Guidance (Regulation 313/4.4.2013)

On 28.06.2012, the International Accounting Standards Board issued an amendment to the transition requirements of the above standards. The amendment clarifies that the “date of initial application” is the beginning of the annual reporting period in which IFRS 10 is applied for the first time. In the case that the consolidation conclusion reached at the date of initial application is different when compared with applying IAS 27 and SIC 12, only the immediately preceding comparative period needs to be adjusted retrospectively. The presentation of adjusted comparatives for earlier periods is permitted but not required. A similar exception regarding the presentation of adjusted comparatives is also provided in the transition requirements of IFRS 11 and 12. Also, the disclosures relating to non consolidated structured entities are not required for any period before the first annual period for which IFRS 12 is applied.

The Company has no participations in other companies and therefore the above amendment does not apply to the financial statements.

- **Amendment of International Accounting Standard 27** “Separate Financial Statements” (Regulation 1254/11.12.2012)

On 12 May 2011, the International Accounting Standards Board amended and retitled IAS 27. The amended IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The amended standard does not substantially change the respective accounting requirements that are currently applicable under IAS 27 “Consolidated and Separate Financial Statements” and preserves the option to account for the above investments either at cost or in accordance with IAS 39 (or IFRS 9 if applied).

The Company has no participations in other companies and therefore the above amendment does not apply to the financial statements.

- **Amendment of International Accounting Standard 28** “Investments in Associates and Joint Ventures” (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board amended and retitled IAS 28 to “Investments in Associates and Joint Ventures”. IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. All entities that have joint control of, or significant influence over, an investee shall account for the joint venture or associate using the equity method, except for venture capital organizations, mutual funds, unit trusts or similar entities including investment linked insurance funds, which may elect to measure investments in associates and joint ventures at fair value through profit or loss in accordance with IAS 39 (or IFRS 9).

  Apart from making the equity method compulsory for joint ventures, the amended IAS 28 has not substantially changed the accounting for associates and the application of the equity method.

  The Company has no participations in other companies and therefore the above amendment does not apply to the financial statements.

It is noted that according to the Regulation 1254/11.12.2012 and 313/4.4.2013, under which the above new standards and amendments were adopted, their effective date is, by the latest, the annual period beginning on or after 1.1.2014. The Company, however, decided to adopt them on 1.1.2013, consistently with the effective date defined by the International Accounting Standards Board following the Alpha Bank’s Group policy.

- **International Financial Reporting Standard 13** “Fair Value Measurement”(Regulation 1255/11.12.2012)

  On 12.5.2011, the International Accounting Standards Board issued IFRS 13 which:
  i. Defines fair value
  ii. Sets out a single framework for measuring fair value
  iii. Specifies disclosures about fair value measurements.

  The adoption of the above standard had as a result additional disclosures which are presented in notes 38.

- **Amendment of International Accounting Standard 1** “Presentation of Items of Other Comprehensive Income” (Regulation 475/5.6.2012)

  On 16.6.2011, the International Accounting Standards Board issued an amendment of IAS 1, which although had no financial impact, it resulted in modifications in the presentation of the Statement of Comprehensive Income. In particular, items of other comprehensive income shall be grouped in those that will not be reclassified subsequently to profit or loss and in those that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax is also presented separately for each of the above groups.

- **Amendment of International Accounting Standard 19** “Employee Benefits” (Regulation 475/5.6.2012)

  The International Accounting Standards Board issued on 16.6.2011 the revised IAS 19. The main impact from the adoption of the above amendment is the abolition of the option to defer actuarial gains and losses (corridor approach). Actuarial gains and losses shall be recognized in other comprehensive income and they are not reclassified in profit or loss in a subsequent period. In addition, according to the revised standard, interest on the net defined benefit liability (asset), which is recognised in profit or loss, shall be determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset). The difference between the total return on plan assets and its part that has been included in the interest on the net defined benefit liability (asset) is recognised in other comprehensive income and it is not reclassified in profit or loss in a subsequent period. The application of the revised IAS 19 is retrospective and the impact from its adoption is presented in note 44.

- **Improvements to International Accounting Standards** (Regulation 301/27.3.2013)

  As part of the annual improvements project, the International Accounting Standards Board issued, on 17 May 2012, non urgent but necessary amendments to various standards.

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

- **Interpretation 20** “Stripping costs in the production phase of a surface mine” (Regulation 1255/11.12.2012)

  On 19.10.2011, the International Accounting Standards Board issued IFRIC 20 which clarifies issues relating to the recognition of production stripping costs as an asset as well as to its initial and subsequent measurement.

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

Except for the standards mentioned above, the European Union has adopted the following amendments of standards which are effective for annual periods beginning after 1.1.2013 and which have not been early adopted by the Company.

- **Amendment of International Financial Reporting Standard 10 “**Consolidated Financial Statements”, of **International Financial Reporting Standard 12** “Disclosure of Interests in Other Entities” and of **International Accounting Standard 27** “Separate Financial Statements”:Investment Entities (Regulation 1174/20.11.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 31.10.2012, the International Accounting Standards Board issued the above amendment which defines “investment entities” and introduces an exception to consolidating particular subsidiaries for investment entities. An investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9. The above does not apply to subsidiaries that are not held for the purpose of obtaining returns from the investment, but for providing services that relate to the investment activities of the parent. However, a parent of an investment entity, that is not itself an investment entity, shall consolidate all entities that it controls, including those controlled through an investment entity subsidiary.

  The Company have no participations in other companies and therefore the above amendment does not apply to the financial statements.

- **Amendment of International Accounting Standard 32** “Offsetting Financial Assets and Financial Liabilities” (Regulation 1256/13.12.2012)

  Effective for annual periods beginning on or after 1.1.2014

  On 16.12.2011, the International Accounting Standards Board issued the amendment of IAS 32 regarding offsetting of financial assets and financial liabilities. The amendment of IAS 32 relates to the addition of application guidance concerning the right to offset.

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

- **Amendment of International Accounting Standard 36** “Recoverable amount disclosures for non-financial assets” (Regulation 1374/19.12.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 29.5.2013, the International Accounting Standards Board issued an amendment of IAS 36 with which it removed the requirement, introduced following the issuance of IFRS 13, to disclose the recoverable amount of each cash generating unit to which a material amount of the carrying amount of goodwill or intangible assets with indefinite useful life has been allocated, regardless of whether an impairment loss had been recognized. Furthermore, the above amendment added the following disclosure requirements:

  • the recoverable amount of the asset (or cash-generating unit) for which an impairment loss has been recognized or reversed during the period,
  • if the recoverable amount is fair value less costs of disposal, the level of the fair value hierarchy,
  • for fair value measurements categorized within level 2 and level 3 of the fair value hierarchy, a description of the valuation techniques and the key assumptions used for their determination, as well as the discount rate used if fair value less costs of disposal was calculated using a present value technique.

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

- **Amendment of International Accounting Standard 39** “Novation of derivatives and continuation of hedge accounting” (Regulation 1375/19.12.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 27.6.2013, the International Accounting Standards Board issued an amendment of IAS 39 which provides an exception to the requirement to discontinue hedge accounting when the hedging instrument expires or is sold, terminated or exercised. The exception is provided when the over-the-counter (OTC) derivative designated in a hedging relationship is novated to a central counterparty and at the same time the novation meets all the following conditions:
  • it arises as a consequence of laws or regulations,
  • it achieves the replacement of the previous counterparty with a central one which becomes the new counterparty to each of the parties and finally,
  • no changes are expected to the contract’s initial terms other than changes directly attributable to the change in the counterparty (changes in the collateral requirements, rights to offset receivables and payables balances and charges levied).

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

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

- **International Financial Reporting Standard 9** “Financial Instruments”

  On 12.11.2009, IFRS 9: “Financial Instruments” was issued by the International Accounting Standards Board. The new standard was issued as part of the first phase of the project for the replacement of IAS 39; therefore, the scope of the first phase is the classification and measurement of financial assets. According to the new standard, financial instruments should 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 should 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.

In addition, on 28.10.2010, the International Accounting Standards Board issued the revised requirements regarding the classification and measurement of financial liabilities. According to the new requirements, which were included in IFRS 9, in the case of financial liabilities that are initially designated at fair value through profit or loss, the change in the fair value of the liability should be recognised in profit or loss with the exception of the effect of change in the liability's credit risk which should be recognised directly in other comprehensive income.

Finally, on 19.11.2013 the International Accounting Standards Board issued the new requirements for hedge accounting. The new requirements 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. In addition, except for the new requirements for hedge accounting, the text issued on 19.11.2013:
• allows entities to apply the aforementioned requirements of IFRS 9 regarding the accounting for financial liabilities initially designated at fair value through profit and loss, before adopting the remaining IFRS 9 requirements
• removes the mandatory effective date of 1.1.2015 for the application of the standard (this date had been determined in the amended text of IFRS 9 issued on 16.12.2011). No new mandatory effective date is determined.

Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment of other standards and mainly of IFRS 7 where new disclosures were added.

It should be noted that for the completion of IFRS 9, the finalization of the texts relating to impairment methodology is pending.

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

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

Effective for annual periods beginning on or after 1.1.2016.

On 30.01.2014 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 financial statements of the Company.

- **Amendment of International Accounting Standard 19** "Defined benefit Plans: Employee Contributions"

  Effective for annual periods beginning on or after 1.7.2014

  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 recognise 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 recognised) or to continue to attribute them to periods of service.

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

- **Improvements to International Accounting Standards**

  Effective for annual periods beginning on or after 1.7.2014

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

- **IFRIC Interpretation 21** "Levies"

  Effective for annual periods beginning on or after 1.1.2014

  On 20.05.2013, the International Accounting Standards Board issued IFRIC 21 which addresses the accounting treatment of levies imposed by governments. According to IFRIC 21, a liability to pay a levy shall be recognized in the financial statements when the obligating event, that triggers the payment of the levy, occurs. The obligating event that triggers the payment of the levy is defined as the activity of the entity that triggers the liability in accordance with the relevant legislation.

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

2. Transactions in foreign currency

Items included in the financial statements are 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 items in foreign currency assets and liabilities are recognized at the closing date. The exchange differences, profits or losses arising are recognized in the income statement.

3. Cash and cash equivalents

For purposes of preparing the cash flow statement, this category includes:

a. Cash on hand and balances.
b. Short-term receivables from banks.

Short-term balances 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, 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 are classified as assets or liabilities are recognized in the income statement. Financial instruments are offset when the Company, in accordance with the law, has the legal right and intention to offset the net (between them) or to recover the asset and the liability set off simultaneously.

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

The bonds in issue are recognized initially at fair value, which is determined by the funds raised, including transaction costs. Subsequently measured at amortized cost using the effective interest rate method.

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

5. Property, Plant and Equipment

Property, plant and equipment which the company uses for its operational needs, are initially recognised at cost less accumulated depreciation and impairment losses.
Cost, includes any expenditure directly attributable to the acquisition of the asset.

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

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

Depreciation of leased buildings and equipment are carried at cost less any residual value, is charged on a straight line method taking into account over the expected useful lives.

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 and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.
Fixed assets have been impaired adjusted to its recoverable value.
Profits and losses on disposals of fixed assets are recognized in the income statement.

6. Intangible assets

In this category, the Company has included software, which is carried at cost less accumulated depreciation and accumulated impairment losses.
Depreciation is calculated on the basis of their expected useful lives, which the Company has determined from 5 to 15 years. No residual value is estimated for intangible assets.
Expenses relating to the maintenance of software programs are recognized in the income statement as incurred.

7. Impairment advances to customers

For impairment of advances to customers, the Company performs each balance sheet date, an impairment test in accordance with the general principles and methodology described in IAS 39 and related implementation guidance.

Specifically, the whole process involves the following steps:

a. Establishment of the trigger events for impairment purposes

Receivables, that included amounts in delay from capital or interest over 90 days consist for the Company, the largest proportion of the portfolio, which are tested for impairment.

Impairment test may be performed for amounts less than 90 days, or even when there are no delays when:

i. legal or enforcement procedures against customers, have started either by financial institutions or other creditors or
ii. the Company has been aware of information on the deterioration of the financial position of the debtor (decrease in sales, gross margins, profit etc.) or other events (bankruptcy, random events such as flood, fire, etc. on site enterprise), which occurred after the date of initial recognition and which are expected to affect the proper servicing of loans.

Finally, impairment test is performed on loans to sectors of the economy or geographical areas that are experiencing problems that arose after the date of initial recognition of receivables.

b. Establishment of criteria for assessment on an individual basis or on a portfolio

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.

The advances to customers for which there is no need for impairment under the individual test are included in the assessment which is performed at portfolios level that exhibit common characteristics regarding credit risk. The groups are determined as follows:

i. industry risk.
ii. the nature of the receivables (product type, credit period).

c. Test for impairment

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

d. Handling of impairment amounts

The amounts of impaired balances are monitored using a reserve allowance accounts (allowance accounts). When bad debts are written off, this write-off is done as an expense in the increase statement.

e. Recoveries / cash receipts of impairment of bad debt provision

If after the date of identification of the impairment loss trigger events occurs, leading to a reduction in the recognized amounts already collected or impairment of amounts written-off receivables, these amounts are recognized in the income statement.

8. Accounting for 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 payable or recoverable in future and related accounting transactions made during the current year but are considered taxable income or deductible expenses. It is calculated based on the temporary differences between the tax base of assets and liabilities and their respective book value.

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

Deferred tax assets are recognized only when future taxable profits are expected from which it is possible to deduce the corresponding temporary differences.

Current and deferred tax is recorded in the income statement or directly in equity if it relates to items recognized directly in equity.

9. Obligations for employees upon retirement

The post-employment pension for staff, is covered by the Social Security Fund. The Company and its staff contribute to this fund on a monthly basis. The Company has no further obligations to pay further contributions if the entity does not have the necessary assets to cover benefits associated with the service provided by personnel in the current or past years. The contributions made by the Company are recognized in staff expenses on an accrual basis.

In addition, in accordance with Greek labor law, employees are entitled to benefit obligations for termination of service, the amount of which depends on the amount of earnings, seniority in the Company 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 of the Company by the above defined benefit pension plans is calculated as the present value of expected future payments will be required to settle the obligation resulting from the services of the current and prior periods. For the determination of the liability using the actuarial method Projected Unit Credit (project unit credit) and used as a discount rate the yield highly rated bonds maturing calling about the time limits of liability of the Company.

The interest on the defined benefit obligation is determined by multiplying the liability with the interest rate that is used to calculate the present value of liabilities as the interest rate is determined at the beginning of the period and taking into account any changes in the liability. This interest and other expenses related to the defined benefit plan, except for actuarial profits and losses are recognized in staff costs.

Actuarial gains and losses, which result from increases or decreases in the present value of the defined benefit obligation due to changes in actuarial assumptions are recognized directly in equity and are not reclassified ever to results.

10. Provisions

Provisions are recognized when the Company has a present obligation legal or otherwise documented as a result of past events, it is probable that an outflow of resources and estimating the amount of the obligation can be reliably estimated.

Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities for which it is not probable that an outflow of resources disclosed unless it is not important. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

11. Interest income - Interest expenses

Income and interest expense recognized in income statement for all financial assets carried at amortized cost using the accrual.

Transaction costs by creating a financial asset is measured at amortized cost, such as bonds, are capitalized and amortized over the life of the financial asset, the effective interest rate method.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future payment flows of a financial asset until the end of his life or the next repricing date, so that the value of future cash flows to equal the carrying value of the financial asset.

12. Commission income and expense

Net fees from factoring services and expense are recognized in the income statement at the time when these 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 compile of to the Company or its parent company Alpha Bank:

i) subsidiaries,

ii) joint ventures,

iii) associates

iv) a defined benefit plan, in this case the Supplementary Fund of former Alpha Credit Bank’s employees.

b) Related parties for the Company is also considered the Hellenic Financial Stability Fund and its subsidiaries because, in the context of the Law 3864/2010, the HFSF participates in the Board of Directors and in significant committees of the Bank and as a result is considered to have 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 of assets as a lesee. The lessor transfers the right to use the asset without transferring, however, the risks and benefits of fixed assets, therefore they are considered 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.

INCOME STATEMENT

15. Net interest income

	From 1 January to	
	31.12.2013	31.12.2012
Interest and similar income		
Due from Banks	83,474.83	1,622,834.24
Due from Customers	27,132,367.49	21,881,893.67
Total	**27,215,842.32**	**23,504,727.91**
Interest expense and similar charges		
Due to Banks	1,205,953.91	149,642.39
Bond loans	15,127,312.05	4,653,932.71
Total	**16,333,265.96**	**4,803,575.10**
Net interest income	**10,882,576.36**	**18,701,152.81**

16. Net commission income

	From 1 January to	
	31.12.2013	31.12.2012
Commission Income		
Factoring services	13,018,069.08	10,014,217.68
Total	**13,018,069.08**	**10,014,217.68**
Commission expense		
Domestic factoring	974,745.91	881,324.46
To parent bank Alpha Bank	3,084,815.45	2,994,862.17
Other	661,117.99	772,989.47
Total	**4,720,679.35**	**4,649,176.10**
Net commission income	**8,297,389.73**	**5,365,041.58**

17. Other income

	From 1 January to 31.12.2013	31.12.2012
Subsidized Programs from Manpower Employment Organization (OAED)	-	4,471.69
Other	58,340.59	50,498.23
Total	**58,340.59**	**54,969.92**

18. Staff costs

	From 1 January to 31.12.2013	31.12.2012
Wages and salaries	2,078,436.41	2,144,437.21
Social security contributions	550,980.58	516,962.79
Expense/ (income) for pension plans (note 33)	16,933.32	(31,614.15)
Other	109,814.78	92,237.31
Total	**2,756,165.09**	**2,722,023.16**

The number of employees of the Company on 31.12.2013 and 31.12.2012, remained stable at 82 people, out of which 4 of them are working at the Thessaloniki branch.

The Company has a contract with AXA Insurance, to provide life insurance for employees as well as hospital and outpatient care of accident / illness. The cost for the above provision amounted to € 98.900,58 for the period from 1.1.2013 to 31.12.2013 and € 80.699,16 for the period from 1.1.2012 to 31.12.2012 and are accounted for other staff costs.

19. General administrative expenses

	From 1 January to 31.12.2013	31.12.2012
Rent for buildings	105,476.24	97,905.84
Rent and maintenance of EDP equipment	57,171.99	50,060.85
EDP expenses	853.60	303.51
Marketing and advertisement expenses	20,931.39	24,009.76
Telecommunications and postage	77,702.07	89,247.16
Third party fees	189,533.70	183,517.80
Consultants fees	40,154.77	30,080.49
Insurance	18,420.35	18,854.01
Consumables	21,594.87	17,110.84
Electricity	90,117.48	71,918.43
Donations	-	2,000.00
Other	209,678.98	211,429.94
Total	**831,635.44**	**796,438.63**

20. Impairment losses of receivables

	From 1 January to	
	31.12.2013	**31.12.2012**
Impairment losses on loans and advances to customers (note 24)	(1,670,035.02)	(2,178,329.45)
Recoveries	6,000.01	-
Total	**(1,664,035.01)**	**(2,178,329.45)**

21. Income tax

	From 1 January to	
	31.12.2013	**31.12.2012**
Current tax	2,988,807.38	3,492,566.55
Tax reserve paragraph 11 article 72 of Law 4172/23.7.2013	104,740.63	-
Deferred tax	1,592,330.91	147,979.65
Total	**4,685,878.92**	**3,640,546.20**

According to article 14 of Law 3943/2011 "Tackling tax evasion, staffing of the tax auditing department and other provisions under the responsibility of the Ministry of Finance" a 20% tax rate is effective for legal entities for the periods commencing from 1.1.2011 and thereon. For profit distribution, a withholding tax of 25% is imposed.
In accordance with article 9 of Law 4110/23.1.2013 "Income tax regulations, regulations on issues under the responsibility of the Ministry of Finance and other provisions", the tax rate for legal entities increased from 20% to 26% for profits arising from 1.1.2013 and thereon.

For profit distribution which will be approved from 1.1.2014 and onwards, the withholding tax rate is reduced to 10%.

In accordance with article 48 of Law 4172/23.7.2013 "Income tax, emergency implementation measures of Law 4046/2012, Law 4093/2012 and Law 4127/2013 and other provisions", dividends paid either by local or foreign companies of the same Group, are relieved from both income tax and withholding tax, provided that the parent company's participation, in the share capital of the subsidiaries is 10% is retained for at least 2 years and the legal entity distributing the dividend is not based in a non-cooperating country. The above are applicable from 1.1.2014.

In accordance with article 72 of the same law, the amount included in non-distributed or capitalized reserves of legal entities as presented on the last balance sheet issued before 1.1.2014, and deriving from non-taxable profits as defined by Law 2238/1994, in case of distribution or capitalization until 31.12.2013, are subject to taxation at a rate of 15% which extinguishes the tax liability of the entity and its shareholders. From 1.1.2014 onwards, the above mentioned reserves are compulsory offset at the end of each tax year against losses incurred by any cause in the last 5 years until they are exhausted. But, in case of distribution or capitalization they are subject to taxation on a self assessment basis at a rate of 19%. Since 1.1.2015, the non taxable reserves cannot be established.

The reserves of the company based on the tax legislation under the provisions of Article 72 of Law 4172/2013 amounts to € 551,266.19 and the corresponding tax (19%) in the amount € 104,740.63.

The calculation of deferred tax is at a rate equivalent to the time of recovery or settlement of the respective assets and liabilities.

In addition, deferred tax is recognized in equity € 110.26 (2012: € 8,160.57), concerning actuarial profit / loss on liabilities to employees upon retirement.

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

	From 1 January to			
	31.12.2013		31.12.2012	
Profit/(loss) before income tax		**13,895,878.12**		**18,221,490.89**
Income tax	26.00%	3,612,928.31	20.00%	3,644,298.18
Increase/(decrease) due to:				
Non deductible expenses	0.04%	6,148.83	0.03%	6,155.94
Non taxable income	(0.10%)	(13,567.70)	(0.05%)	(9,907.92)
Effect of changes of tax rates used for deferred tax	7.02%	975,580.24	-	-
Tax reserve paragraph 12 article 72 of Law 4172/23.7.2013 (19% tax rate)	0.75%	104,740.63	-	-
Other temporary differences	0.00%	48.61	-	-
Income tax	**33.72%**	**4,685,878.92**	**19.98%**	**3,640,546.20**

22. Earnings per share

Basic earnings per share:

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

	From 1 January to	
	31.12.2013	31.12.2012
Profit attributable to equity owners	9,209,999.20	14,580,944.69
Weighted average number of outstanding ordinary shares	1,366,667.00	1,366,667.00
Basic earnings (€ per share)	6.74	10.67

Diluted earnings per share:

Diluted earnings per share occur through the adjustment of the weighted average number of outstanding ordinary shares during the period for potentially issued ordinary shares. The Company does not have dilutive potential ordinary shares, consequently the diluted earnings per share are the same with the basic.

ASSETS

23. Cash and cash equivalents

23.1 Cash and balances

	31.12.2013	31.12.2012
Cash	2,443.64	447.11
Total	**2,443.64**	**447.11**

23.2 Due from banks

	31.12.2013	31.12.2012
Sight deposits	1,171,805.28	1,065,376.84
Total	**1,171,805.28**	**1,065,376.84**

	31.12.2013	31.12.2012
Total cash and cash equivalents	**1,174,248.92**	**1,065,823.95**

24. Due from customers

	31.12.2013	31.12.2012
Domestic factoring with recourse	269,016,230.43	244,175,406.38
Domestic factoring without recourse	58,961,483.55	85,186,858.98
Advance payment for invoices	101,577,205.81	30,949,169.24
International factoring	43,502,551.83	49,942,378.65
Total	**473,057,471.62**	**410,253,813.25**
Less: Impairment of receivables	(1,880,398.69)	(2,038,728.88)
Total due from customers	**471,177,072.93**	**408,215,084.37**

Impairment of receivables

Balance 1.1.2012	**2,507,955.04**
Provisions for impaired customers	2,178,329.45
Amounts used during the period (write-offs)	(2,647,555.61)
Provision balance 31.12.2012	**2,038,728.88**

Provision balance 1.1.2013	**2,038,728.88**
Provisions for impaired customers	1,670,035.02
Amounts used during the period (write-offs)	(1,828,365.21)
Provision balance 31.12.2013	**1,880,398.69**

25. Property, plant and equipment

	Land and buildings	Other equipment	Total
Cost			
Balance 1.1.2012	117,312.41	1,058,420.49	1,175,732.90
Additions	2,628.10	17,432.98	20,061.08
31 December 2012	**119,940.51**	**1,075,853.47**	**1,195,793.98**
Cost			
1 January 2013	**119,940.51**	**1,075,853.47**	**1,195,793.98**
Additions	-	14,939.72	14,939.72
Write offs	-	(840.34)	(840.34)
31 December 2013	**119,940.51**	**1,089,952.85**	**1,209,893.36**
Accumulated depreciation			
1 January 2012	97,525.35	925,077.43	1,022,602.78
Depreciation charge for the year	2,822.19	36,867.55	39,689.74
31 December 2012	**100,347.54**	**961,944.98**	**1,062,292.52**
Accumulated depreciation			
1 January 2013	**100,347.54**	**961,944.98**	**1,062,292.52**
Depreciation charge for the year	2,150.06	32,456.61	34,606.67
Write-offs	-	(778.99)	(778.99)
31 December 2013	**102,497.60**	**993,622.60**	**1,096,120.20**
Net book value			
31 December 2012	**19,592.97**	**113,908.49**	**133,501.46**
31 December 2013	**17,442.91**	**96,330.25**	**113,773.16**

26. Intangible assets

	Software
Cost	
1 January 2012	939,799.27
Additions	139,087.00
31 December 2012	**1,078,886.27**
1 January 2013	**1,078,886.27**
Additions	115,647.81
31 December 2013	**1,194,534.08**
Accumulated amortization	
1 January 2012	475,167.79
Amortization charge for the year	53,958.50
31 December 2012	**529,126.29**
Accumulated amortization	
1 January 2013	**529,126.29**
Amortization charge for the year	58,787.50
31 Δεκεμβρίου 2013	**587,913.79**
Net book value	
31 December 2012	**549,759.98**
31 December 2013	**606,620.29**

27. Deferred tax assets and liabilities

	1.1.2013 - 31.12.2013			
	Balance 1.1.2013	Recognized in Income Statement	Recognized in Equity	Balance 31.12.2013
Deferred tax assets				
Share capital increase expenses	9,240.00	(1,231.99)	-	8,008.01
Employee defined benefit obligations	31,244.93	13,776.12	110.26	45,131.31
Total	**40,484.93**	**12,544.13**	**110.26**	**53,139.32**
Deferred tax liabilities				
Depreciation of intangible fixed assets	(25,058.62)	(31,137.84)	-	(56,196.46)
Due to customers	(3,267,360.44)	(1,573,737.20)	-	(4,841,097.64)
Total	**(3,292,419.06)**	**(1,604,875.04)**	**-**	**(4,897,294.10)**
Balance	**(3,251,934.13)**	**(1,592,330.91)**	**110.26**	**(4,844,154.78)**

	1.1.2012 - 31.12.2012			
	Balance 1.1.2012	Recognized in Income Statement	Recognized in Equity	Balance 31.1.2012
Deferred tax assets				
Share capital increase expenses	15,400.03	(6,160.03)	-	9,240.00
Employee defined benefit obligations	30,287.51	(7,203.15)	8,160.57	31,244.93
Total	**45,687.54**	**(13,363.18)**	**8,160.57**	**40,484.93**
Deferred tax liabilities				
Depreciation of intangible fixed assets	(5,388.02)	(19,670.60)	-	(25,058.62)
Due to customers	(3,152,414.57)	(114,945.87)	-	(3,267,360.44)
Total	**(3,157,802.59)**	**(134,616.47)**	**-**	**(3,292,419.06)**
Balance	**(3,112,115.05)**	**(147,979.65)**	**8,160.57**	**(3,251,934.13)**

28. Other assets

	31.12.2013	31.12.2012
Prepaid expenses	74,726.33	92,823.14
Accrued income	75,047.05	78,129.91
Tax advances and withholding taxes	2,692,674.65	2,605,953.19
Other	19,075.62	19,075.62
Total	**2,861,523.65**	**2,795,981.86**

LIABILITIES

29. Due to banks

Due to banks arising under a credit agreement for open (overdraft) account with floating rate euribor, entered into by the Company with its parent bank Alpha Bank.

30. Due to customers

Due to customers arising from credit balances of overdrafts customer's accounts, resulting by collection, which have not been assigned at the date of the financial statements.

31. Debt securities in issue

i. Senior debt securities

1. On 22 July 2004 the Company with the parent bank Alpha Bank signed a contract in order to cover a five year bond, under Law 3156/2003 and 2190/1920.

The initial loan amount equal to €300,000,000 and consists of 60 bonds notes of €5,000,000 each one.
The Company by making use of the right for repayment of the loan at any time during the course, paying all or part of the capital and the corresponding accrued interest, on 29 December 2005 repaid part of capital € 45,000,000 (9 bonds of € 5,000,000) and the corresponding accrued interest.
After a relevant amendment of the above contract the remaining capital of € 255,000,000 consists of 255,000 bonds of € 1,000 each one.

The rate is calculated as Euribor of (1M/3M/6M period) according to the issuer's option, plus a margin. The full amount of capital is payable at maturity on 30.10.2016, pursuant to an amendment to above contract (extension of the maturity of the securities issued bonds, which will expire on 30.10.2016).

2. On 15 December 2006 the Company with her parent bank Alpha Bank signed a contract in order to cover a five year bond, under Law 3156/2003 and 2190/1920.

The initial loan of amount €100,000,000, composed of 20 bonds of € 5,000,000 each one.
The issuer may issue up to five series of bonds within one year from above date of signature of the contract.
By the implementation of the above right, the company on 22 December 2006, issued the first series of bonds, consisted of 6 bonds of €5,000,000 (capital €30,000,000), on 3 April 2007, issued the second series of bonds, consisted of 2 series of €5,000,000 (capital €10,000,000), and on 13 April 2007, issued the third series of bonds, consisted of 4 bonds of €5,000,000 (capital €20,000,000), which in total were purchased at nominal value from the parent bank Alpha Bank.
The Company by making use of the right for repayment of the loan at any time during its life, paying all or part of the capital and the corresponding accrued interest, at 29 February 2012 repaid part of capital of € 40,000,000 (8 bonds of € 5,000,000) and the corresponding accrued interest.
After a relevant amendment of the above contract the remaining capital of €20,000,000 consists of 20,000 bonds of €1,000 each one.

The rate is calculated as Euribor of (1M/3M/6M period) according to the issuer's option, plus a margin. The whole capital is payable at maturity on 22.12.2016, pursuant to an amendment to above contract (extension of the maturity of the securities issued bonds, which will expire on 22.12.2016).

3. On 29 June 2012 the Company with the parent bank Alpha Bank signed a contract in order to cover a Bond loan with three months duration, in accordance to Law 3156/2003 and Law 2190/1920. The loan, with capital of € 80,000.00, consists of 80,000.00 bonds of € 1,000 each. The interest rate is calculated in Euribor of one (1) month period, thus margin. The total capital was payable at its termination on 29.09.2012.
The Company, using the right of loan repayment, at any time, during its period, repaid on 31 August 2012 a part of the capital € 60,000,000 (60,000 bonds of € 1,000) and the respective accrued interests.
The remaining capital was repaid at its termination with the respective accrued interests.

ii. Subordinated Loans

On 26 June 2009 the Company signed a contract for a subordinated ten-year common bond issue, with covering contracts and primary disposals and appointment of payments management of Alpha Bank, under Laws 3156/2003 and 2190/1920.
The loan, which amounted at €25,000,000, composed of 25 bonds of € 1,000,000 each one.
Following a modification on the above contract, the above capital € 25,000,000 consists of 25,000 bonds of € 1,000 each one.

The rate is calculated in Euribor (1M/3M/6M), at the option of the issuer plus a margin. The whole capital is payable at maturity on 30.06.2019.

32. Obligations for current income tax and other taxes

	31.12.2013	31.12.2012
Obligations for current income tax	2,988,807.38	3,492,566.55
Tax liabilities for reserves under Law 4172/23.7.2013	104,740.63	-
Liabilities for other taxes	982,272.89	486,833.08
Total	**4,075,820.90**	**3,979,399.63**

33. 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 retirement, the amount of which depends on the amount of remuneration, seniority in the Company and the reason for departure (dismissal or retirement). The compensation at retirement is 40% of the amount paid in case of unjustified dismissal, calculated based on the regular salary of the last month, before the termination of the employment, on full time contracts(Interpretative circular of Ministry of Labour, Social Security and Welfare Law 26352/839 28.11.2012).

Retirement obligations were determined through an actuarial study.

The amounts that are recognized in income statement are the following:

	From 1 January to	
	31.12.2013	31.12.2012
Current service cost	10,996.79	13,058/19
Financial cost	5,936.53	7,073/02
Score cut (profit)/loss	-	(51,745/36)
Total accrued expense / (income)	**16,933.32**	**(31,614/15)**

The change in present value of accrued liabilities arose from the following:

	31.12.2013	31.12.2012
Obligation at the beginning of the year	**156,224.59**	**151,437.55**
Cost of current service	10,996.79	13,058.19
Interest cost	5,936.53	7,073.02
Allowances paid	-	(35,365.91)
Cost Impact Shedding /Settlement/ of termination	-	(20,781.09)
Actuarial (gains) / losses due to changes in economic assumptions	-	9,153.23
Actuarial (gains) / losses due to change in demographic assumptions	-	(9,292.42)
Actuarial (gains) / losses due to empirical adjustments	424.08	40,942.02
Obligation at the end of the year	**173,581.99**	**156,224.59**

The movement of the reserve for actuarial gains (losses) on equity is the following:

	31.12.2013	31.12.2012
Actuarial gains / (losses) at the beginning of the year	**164,273.09**	**205,075.92**
Change in period	(424.08)	(40,802.83)
Actuarial gains / (losses) at the end of the year	**163,849.01**	**164,273.09**

The principal actuarial assumptions that were used are the following:

	31.12.2013	31.12.2012
Discount rate	3.80%	3.80%
Future salary increases	1.00%	1.00%
Average remaining working life	22.01%	22.95%

Assessment results depend on the assumptions of preparing actuarial study.
So:

- If we use a higher discount rate of 0.5%, then the obligation would be lower by 10%.
- If we use an assumption of higher compensation increase of 0.5%, then the obligation would be higher by 10.2%.

34. Other liabilities

	31.12.2013	31.12.2012
Suppliers	1,264,998.74	1,441,624.79
Accrued expenses	13,333.34	7,217.94
Liabilities to third parties	128,455.86	114,627.50
Other	2,802.73	12,655.92
Total	**1,409,590.67**	**1,576,126.15**

EQUITY

35. Share capital

Share capital at 31 December 2013 amounted to € 41,000,010.00, consist of 1,366,667 ordinary shares of € 30.00 each one, is the same compared to 2012.

36. Statutory reserve

According to Greek corporate law, the Company is required to withhold a minimum amount of 5% from net profit per year as statutory reserve. Withholding ceases to be compulsory when the statutory reserve equals one third of the share capital. This reserve, which is taxed, cannot be distributed throughout the duration of the Company and is intended to cover any accumulated debtors.

On 31 December 2012, the statutory reserve of the Company amounted to € 4.417.858,25.
In the General Assembly Meeting on 25 April 2013, a statutory reserve formation was decided, which reached the amount of €729,080.32, from net profit of the period 1.1 – 31.12.2012, under Law 2190/1920.

Therefore, the statutory reserve of the Company amounted to € 5.146.938,57 on 31st of December, 2013.

37. Retained earnings

Balance at 31.12.2013 € 54,749,599.62.

This account includes untaxed reserves of € 941,536.92, established from untaxed and non distributed income out of this amount, € 551,266.19 were formed under law 2238/1994 and will be taxed under Law 4172/2013 and € 390,270.73 have already been taxed under special rules.
For the year ended 31.12.2012, according to the decision of the General Assembly of the Company held on 25.4.2013, no dividend was distributed from the profits of the year 01.01 – 31.12.2012.

For the year ended 31.12.2013, the Board of Directors will propose to the General Assembly of Shareholders no dividend to be distributed from profits for the year ended 31.12.2013.
In addition, the Board of Directors will propose to the General Assembly of Shareholders the distribution of €446,525.56, under Law 4172/2013 (reserves based on tax Law 4172/2013, which amount to € 551,266.19, corresponding tax (19%) € 104,740.63).

ADDITIONAL INFORMATION

38. Fair value of financial instruments

International Financial Reporting Standards requires companies to disclose fair value of financial assets and liabilities.

Management believes that the carrying value of advances to customers after impairment as well as advances and due to Banks and customers, as shown in the financial statements, do not differ materially from their fair value, either because they have a maturity date less than one year or they are floating rate instruments.

With regards to debt securities in issue, whose book value amounts to €300,084,700.00, their fair value was estimated at €263,326,500.00.
The fair value of the issued bond was calculated using the income approach using data rates and credit spreads that are observable in the market and are classified in Level 2.

39. Contingent liabilities and commitments

a) Legal Issues

According to management's estimates, and Legal Department of the Company, there are no pending 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 up to the year 2008.
It is probable that additional taxes may be imposed by the tax authorities for fiscal years 2009-2010, because the tax audit may not recognize the certain expenses as tax deductible. Management believes that if this occurs this will not have a material impact on the financial statements of the Company.

According to Article 82, par. 5 from 2011 under Law 2238/94, statutory auditors and audit firms that carry out statutory audits for public limited companies are required to issue an annual certificate, according to Greek tax law. This certificate is submitted to the company being audited within 10 days of submission of the company's 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.

Especially for 2012, Ministerial Decision POL.1187/26.7.2013 extended the deadline for submission of Tax Compliance Reports to 30.9.2013, for fiscal year ended at 31.12.2012.

After eighteen months from the submission of Tax Compliance Report and provided that no tax offenses have been identified from tax audits of the Ministry of Finance, the fiscal year is considered from settled with respect to tax obligations.

For the years 2011 and 2012, the Company has received a tax certificate, without a reservation on the tax items tested, while for 2013, the statutory audit is ongoing and it is estimated that no material tax issues will arise, according to the Tax Compliance Report that is going to be granted after the publication of the 2013 financial statements.

c) Operating leases

The company's liabilities from leases relates to buildings used for its headquarters, its branch in Thessaloniki as well as storage areas of the file.

Future minimum lease payments are as follows:

	31.12.2013	**31.12.2012**
Within 1 year	84,739.08	79,581.00
Over 1 year and up to 5 years	132,259.81	188,283.33
Over 5 years	17,111.90	34,239.44
Total	**234,110.79**	**302,103.77**

40. Risk management

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

Given the continuity and stability of its operation, it has set targets for implementation and continuous improvement of this framework, to minimize any adverse effects that financial risks may have the results.
The above management framework and its effectiveness are being reviewed at regular intervals in order to be aligned with international best practices and regulatory environment.

40.1 Credit risk

Credit risk is the potential risk of a loss for the Company, which may arise from the fact that the supplier is not able to meet its contractual obligations, arising from the factoring contract.
Credit risk is the most significant source of risk for the Company and therefore its systematic monitoring and management is a primary concern for management.

The separation of factoring services in segments (domestic factoring with recourse, domestic factoring without recourse, invoice discounting, exporting/importing factoring), reflects the degree of credit risk in each operation. An important distinction in factoring services, in terms of credit risk, is factoring with recourse and non-recourse factoring. In the first case, the risk can be reduced to the supplier (borrower) while in the second case it cannot. As a result, in factoring without resource, credit risk assessment focuses on the debtor (buyer). With respect to this risk, a provision date is made for receivables, whose original value was impaired as of the financial statements.

In addition, significant changes in the economy, or in a particular industry, include additional risks, for which provisions are established in the financial statements it deemed appropriate.

Confronting credit risk is achieved by adopting appropriate credit limits, after rigorous monitoring of solvency, as well as analysis and risk assessments of customers and buyers, in order to identify precisely business risks analyzing combinatorial parameters like customer relationship with the buyer, the combined products, reinsurance risk, industry risk, etc., to determine whether the Company will undertake supplier's financing, while giving him advance the value of assigned claims before they become due.

These limits are constantly monitored and revised regularly by the competent (based on the level limits) authorities.

The assessment of credit risk is managed by the analysis and research of the borrowers abilities to correspond to their obligations. After that, the credit limits are adjusted where necessary. Moreover, based on the above analysis, the collaterals are received and the interest rate margins are determined.

The classification of the credit risk of the due from customers, followed by ABC FACTORS, is consistent with the methodology of the parent bank, is carried out based on the evaluation of specific quantitative and qualitative criteria for the Company and includes the following categories:

1. <u>Regular risk</u>
   Borrowers with good economic performance, being consistent and able to repay their debts without being directly affected by adverse developments in their sector of activity.

2. <u>Medium Risk</u>
   Borrower with financial performance that does not allow unconditional funding. Strongly affected by any adverse developments in its sector of activity.

3. <u>High Risk</u>
   Borrowers with serious problems in their transaction behavior, with delays of over 90 days, disputed or doubtful.

Despite the credit risk from customers, the Company also manages the credit risk for amounts due from banks (Note 23.2). On 31.12.2013 the relevant amount was € 1.171.805,28, of which the largest part concerns receivables from the parent bank ALPHA BANK, classified B-, by FITCH and STANDARD & POOR'S.

FINANCIAL ASSETS SUBJECT TO CREDIT RISK

	31.12.2013			31.12.2012 *		
	Exposure before impairment	Impairment amount	Net exposure to credit risk	Exposure before impairment	Impairment amount	Net exposure to credit risk
Due from Banks	1,171,805.28	-	1,171,805,28	1,065,376.84	-	1,065,376.84
Due to customers	473,057,471.62	(1,880,398.69)	471,177,072.93	410,253,813.25	(2,038,728.88)	408,215,084.37
Total value of balance sheet items subject to credit risk	**474,229,276.90**	**(1,880,398.69)**	**472,348,878.21**	**411,319,190.09**	**(2,038,728.88)**	**409,280,461.21**
Other balance sheet items that are not subject to credit risk	3,637,500.06	-	3,637,500.06	3,520,175.34	-	3,520,175.34
Total assets	**477,866,766.96**	**(1,880,398.69)**	**475,986,378.27**	**414,839,365.43**	**(2,038,728.88)**	**412,800,636.55**

(*) Prior year data are restated to be comparable.

FINANCIAL ASSETS SUBJECT TO CREDIT RISK, ANALYSIS BY INDUSTRY

31.12.2013							
	Financial institutions	Industry and manufacture	Services	Wholesale and retail trade	Hotels / Tourism	Other sectors	Total
Due from banks	1,171,805.28	-	-	-	-	-	**1,171,805.28**
Due from customers	-	336,628,841.83	28,332,052.92	78,685,081.38	2,116,180.94	27,295,314.55	**473,057,471.62**
Total value of balance sheet items subject to credit risk	**1,171,805.28**	**336,628,841.83**	**28,332,052.92**	**78,685,081.38**	**2,116,180.94**	**27,295,314.55**	**474,229,276.90**

31.12.2012							
	Financial institutions	Industry and manufacture	Services	Wholesale and retail trade	Hotels / Tourism	Other sectors	Total
Due from banks	1,065,376.84	-	-	**-**	**-**	**-**	**1,065,376.84**
Due from customers	-	305,823,740.79	20,485,068.70	65,601,403.08	1,296,345.53	17,047,255.15	**410,253,813.25**
Total value of balance sheet items subject to credit risk	**1,065,376.84**	**305,823,740.79**	**20,485,068.70**	**65,601,403.08**	**1,296,345.53**	**17,047,255.15**	**411,319,190.09**

A. Advances to customers

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

31.12.2013	Non Impaired Advances		Impaired Loans and 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	242,942,831.94	2,026,211.43	-	-	244,969,043.37	-	-	244,969,043.37	589,162,558.42
SME Corporate	225,626,450.55	66,306.33	2,395,671.37	-	228,088,428.25	(1,880,398.69)	-	226,208,029.56	408,816,121.29
Total	**468,569,282.49**	**2,092,517.76**	**2,395,671.37**	**-**	**473,057,471.62**	**(1,880,398.69)**	**-**	**471,177,072.93**	**997,978,679.71**

31.12.2012	Non Impaired Advances		Impaired Loans and 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	229,802,972.12	3,998,734.22	-	-	233,801,706.34	-	-	233,801,706.34	501,500,206.86
SME Corporate	173,179,158.91	630,025.49	2,642,922.51	-	176,452,106.91	(2,038,728.88)	-	174,413,378.03	318,332,798.72
Total	**402,982,131.03**	**4,628,759.71**	**2,642,922.51**	**-**	**410,253,813.25**	**(2,038,728.88)**	**-**	**408,215,084.37**	**819,833,005.58**

A.2 An analysis of neither past due nor impaired advances to customers

31.12.2013	Normal risk	Medium risk	High risk	Total neither past due nor impaired	Value of collateral
Large Corporate	231,281,735.15	11,388,514.45	272,582.35	**242,942,831.95**	580,455,413.38
SME Corporate	208,032,485.84	13,723,761.40	3,870,203.30	**225,626,450.54**	402,880,310.60
Total	**439,314,220.99**	**25,112,275.85**	**4,142,785.65**	**468,569,282.49**	**983,335,723.98**

31.12.2012	Normal risk	Medium risk	High risk	Total neither past due nor impaired	Value of collateral
Large Corporate	217,219,356.39	11,335,129.35	1,248,486.39	**229,802,972.13**	485,993,620.49
SME Corporate	155,083,663.74	10,662,380.66	7,433,114.50	**173,179,158.90**	307,952,922.84
Total	**372,303,020.13**	**21,997,510.01**	**8,681,600.89**	**402,982,131.03**	**793,946,543.33**

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

	31.12.2013			31.12.2012		
	Large Corporate	SME's	Total neither past due nor impaired	Large Corporate	SME's	Total neither past due nor impaired
1-30 days	-	-	**-**	-	-	**-**
31-60 days	-	-	**-**	-	-	**-**
61-90 days	-	-	**-**	-	-	**-**
91-180 days	-	-	**-**	3,212,092.36	96,004.60	**3,308,096.96**
181-360 days	-	-	**-**	786,641.86	415,856.65	**1,202,498.51**
>360 days	2,026,211.43	66,306.33	**2,092,517.76**	-	118,164.24	**118.164.24**
Total	**2,026,211.43**	**66,306.33**	**2,092,517.76**	**3,998,734.22**	**630,025.49**	**4,628,759.71**
Value of collateral	8,707,145.04	117,542.70	**8,824,687.74**	15,506,586.37	3,154,671.56	**18,661,257.93**

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

		31.12.2013			31.12.2012		
		Large Corporate	SME's	Total of impaired advances	Large Corporate	SME's	Total of impaired advances
A, Amount before impairment	Current	-	-	-	-	-	-
	1-30 days	-	-	-	-	-	-
	31-60 days	-	-	-	-	-	-
	61-90 days	-	-	-	-	-	-
	91-180 days	-	225,389.69	**225,389.69**	-	-	-
	181-360 days	-	928,030.85	**928,030.85**	-	606,080.26	**606,080.26**
	>360 days	-	1,242,250.83	**1,242,250.83**	-	2,036,842.25	**2,036,842.25**
	Total	**-**	**2,395,671.37**	**2,395,671.37**	**-**	**2,642,922.51**	**2,642,922.51**
B, Accumulated provisions for impairment	Current	-	-	-	-	-	-
	1-30 days	-	-	-	-	-	-
	31-60 days	-	-	-	-	-	-
	61-90 days	-	-	-	-	-	-
	91-180 days	-	66,039.69	**66,039.69**	-	-	-
	181-360 days	-	907,822.17	**907,822.17**	-	228,886.63	**228,886.63**
	>360 days	-	906,536.83	**906,536.83**	-	1,809,842.25	**1,809,842.25**
	Total	**-**	**1,880,398.69**	**1,880,398.69**	**-**	**2,038,728.88**	**2,038,728.88**
C, Net value of impaired receivables	Current	-	-	-	-	-	-
	1-30 days	-	-	-	-	-	-
	31-60 days	-	-	-	-	-	-
	61-90 days	-	-	-	-	-	-
	91-180 days	-	159,350.00	**159,350.00**	-	-	-
	181-360 days	-	20,208.68	**20,208.68**	-	377,193.63	**377,193.63**
	>360 days	-	335,714.00	**335,714.00**	-	227,000.00	**227,000.00**
	Total	**-**	**515,272.68**	**515,272.68**	**-**	**604,193.63**	**604,193.63**
Value of collateral		**-**	**5,818,267.99**	**5,818,267.99**	**-**	**7,225,204.32**	**7,225,204.32**

A.5 Reconciliation of impaired advances to customers by line

	1.1-31.12.2013		
	Large Corporate	SME's	Total
Opening balance at 1.1.2013	**-**	**2,642,922.51**	**2,642,922.51**
Advances identified as impaired during the period	-	1,954,375.33	1,954,375.33
Advances leaving the impaired category	-	-	-
Proceeds from impaired advances	-	(373,261.26)	(373,261.26)
Write off impaired advances	-	(1,828,365.21)	(1,828,365.21)
Total amount of impaired advances at 31.12.2013	**-**	**2,395,671.37**	**2,395,671.37**
Accumulated provision for impairment	-	(1,880,398.69)	(1,880,398.69)
Balance of impaired advances at 31.12.2013 (Net Value)	**-**	**515,272.68**	**515,272.68**

A.6 Advances to customers, impaired advances and impaired allowance by advanced line, industry and geographical region

31.12.2013

Corporate Lending	Greece			Rest of Europe		
	Gross amount	Impaired amount	Accumulated impairment allowance	Gross amount	Impaired amount	Accumulated impairment allowance
Financial institutions	-	-	-	-	-	-
Manufacturing	325,066,254.61	1,702,669.08	(1,346,746.40)	11,562,587.22	-	-
Real estate	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Wholesale and retail trade	78,685,081.38	467,612.60	(467,612.60)	-	-	-
Transportation	2,680,978.85	-	-	-	-	-
Shipping	-	-	-	-	-	-
Hotels / Tourism	2,116,180.94	-	-	-	-	-
Services	28,332,052.92	-	-	-	-	-
Other sectors	24,614,335.70	225,389.69	(66,039.69)	-	-	-
Total	**461,494,884.40**	**2,395,671.37**	**(1,880,398.69)**	**11,562,587.22**	**-**	**-**

31.12.2012

Corporate Lending	Greece			Rest of Europe		
	Gross amount	Impaired amount	Accumulated impairment allowance	Gross amount	Impaired amount	Accumulated impairment allowance
Financial institutions	-	-	-	-	-	-
Manufacturing	291,560,722.83	1,432,053.15	(967,361.52)	14,263,017.96	-	-
Real estate	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Wholesale and retail trade	65,601,403.08	1,030,656.56	(891,154.56)	-	-	-
Transportation	2,671,250.18	-	-	-	-	-
Shipping	-	-	-	-	-	-
Hotels / Tourism	1,296,345.53	-	-	-	-	-
Services	20,485,068.70	45,522.22	(45,522.22)	-	-	-
Other sectors	14,376,004.97	134,690.58	(134,690.58)	-	-	-
Total	**395,990,795.29**	**2,642,922.51**	**(2,038,728.88)**	**14,263,017.96**	**-**	**-**

A.7 Interest income and similar income recognised by quality of advances to customers and by category

	31.12.2013			31.12.2012		
	Interest income on non impaired advances	Interest income on impaired advances	Total income	Interest income on non impaired advances	Interest income on impaired advances	Total income
Corporate lending	27,049,395.79	166,446.53	**27,215,842.32**	23,428,260.91	76,467.00	**23,504,727.91**
Total	**27,049,395.79**	**166,446.53**	**27,215,842.32**	**23,428,260.91**	**76,467.00**	**23,504,727.91**

B. Analysis of restructured advances to customers

B.1 Analysis of restructured advances to customers, based on the credit quality

	31.12.2013		31.12.2012	
	Total amount of advances	Total amount of restructured advances	Total amount of advances	Total amount of restructured advances
Neither past due nor impaired	468,569,282.49	3,045,019.93	402,982,131.03	6,943,376.67
Past due but not impaired	2,092,517.76	-	4,628,759.71	-
Impaired	2,395,671.37	-	2,642,922.51	-
Total gross amount	**473,057,471.62**	**3,045,019.93**	**410,253,813.25**	**6,943,376.67**
Individual Impairment allowance	(1,880,398.69)	-	(2,038,728.88)	-
Collective Impairment allowance	-	-	-	-
Total net amount	**471,177,072.93**	**3,045,019.93**	**408,215,084.37**	**6,943,376.67**
Value of collateral	997,978,679.71	5,571,592.83	819,833,005.58	11,275,599.91

B.2 Reconciliation of rescheduled advances to customers

Rescheduled advances to customers (Net Value)	
	1.1-31.12.2013
Opening balance at 1.1.2013	**6,943,376.67**
Advances rescheduled during the year	188,902.86
Income from prepayment commission	46,922.81
Repayments of Advances (partial or total)	(3,915,633.27)
Loans re-classified as not rescheduled during the year	(218,549.14)
Balance at 31.12.2013	**3,045,019.93**

These reschedulements relate to clients who experienced delays over 90 days and their repayment period was amended / extended (pursuant to the existing regulatory framework). The above rescheduled advances were reviewed by the Company during the process of individual assessment of impaired advances at 31.12.2013.

40.2 Foreign currency risk

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

The Company undertakes exposure to risks from changes in foreign exchange rates that do not significantly affect its financial position and cash flows. The following table describes the report of the Company to foreign exchange rate risks on December 31, 2013 and December 31, 2012.

The table includes the assets and liabilities of the Company by currency. The Finance Department monitors the exposure to currency risk and promote appropriate action.

	Foreign currency risk 31.12.2013				
In thousand Euro	USD	GBP	OTHER F/C	EURO	TOTAL
ASSETS					
Cash and balances	-	-	-	2.44	2.44
Due from banks	-	2.45	-	1,169.36	1,171.81
Due from customers	-	518.77	-	470,658.30	471,177.07
Property, plant and equipment	-	-	-	113.77	113.77
Intangible assets	-	-	-	606.62	606.62
Deferred tax assets	-	-	-	53.14	53.14
Other assets	-	-	-	2,861.53	2,861.53
Total Assets	**-**	**521.22**	**-**	**475,465.16**	**475,986.38**
LIABILITIES					
Due to banks	-	448.82	-	55,405.81	55,854.63
Due to customers	-	-	-	8,529.46	8,529.46
Debt securities in issue	-	-	-	300,084.70	300,084.70
Liabilities for current income tax and other taxes	-	-	-	4,075.82	4,075.82
Deferred tax liabilities	-	-	-	4,897.29	4,897.29
Employee defined benefit obligations	-	-	-	173.58	173.58
Other liabilities	9.50	-	-	1,400.10	1,409.60
Total liabilities	**9.50**	**448.82**	**-**	**374,566.76**	**375,025.08**
Net balance sheet position	**(9.50)**	**72.40**	**-**	**100,898.40**	**100,961.30**

	Foreign currency risk 31.12.2012

In thousand €	USD	GBP	Other F/C	EUR	TOTAL
ASSETS					
Cash and balances	-	-	-	0.45	0.45
Due from banks	0.71	0.01	-	1,064.66	1,065.38
Due from customers	-	1,587.99	-	406,627.09	408,215.08
Property, plant and equipment	-	-	-	133.50	133.50
Intangible assets	-	-	-	549.76	549.76
Deferred tax assets	-	-	-	40.49	40.49
Other assets				2,795.98	2,795.98
Total assets	**0.71**	**1,588.00**	**-**	**411,211.93**	**412,800.64**
LIABILITIES					
Due to banks	-	1,587.69	-	8,025.44	9,613.13
Due to customers	-	-	-	2,422.12	2,422.12
Debt securities in issue	-	-	-	300,009.60	300,009.60
Liabilities for current income tax and other taxes	-	-	-	3,979.40	3,979.40
Deferred tax liabilities	-	-	-	3,292.42	3,292.42
Employee defined benefit obligations	-	-	-	156.23	156.23
Other liabilities	9.85	-	-	1,566.28	1,576.13
Total liabilities	**9.85**	**1,587.69**	**-**	**319,451.49**	**321,049.03**
Net balance sheet position	**(9.14)**	**0.31**	**-**	**91,760.44**	**91,751.61**

40.3 Interest rate risk

As part of the analysis for Assets-Liabilities, a maturity analysis is performed (Gap Analysis). Assets and Liabilities are classified into periods (gaps) depending on when their interest rate is redefined, in relation to the date of the financial statements, for floating rate, or the maturity date for fixed rate items.

In thousands. €	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
	Interest Rate Risk (Gap Analysis) 31.12.2013							
ASSETS								
Cash and balances	-	-	-	-	-	-	2.44	2.44
Due from Banks	1,171.81	-	-	-	-	-	-	1,171.81
Due from customers	12,716.65	365,649.46	-	-	-	-	92,810.96	471,177.07
Property, plant and equipment	-	-	-	-	-	-	113.77	113.77
Intangible assets	-	-	-	-	-	-	606.62	606.62
Deferred tax assets	-	-	-	-	-	-	53.14	53.14
Other assets	-	-	-	-	-	-	2,861.53	2,861.53
Total Assets	**13,888.46**	**365,649.46**	**-**	**-**	**-**	**-**	**96,448.46**	**475,986.38**
LIABILITIES								
Due to banks	55,854.63	-	-	-	-	-	-	55,854.63
Due from customers	-	-	-	-	-	-	8,529.46	8,529.46
Debt securities in issue	300,084.70	-	-	-	-	-	-	300,084.70
Liabilities for current income tax and other taxes	-	-	-	-	-	-	4,075.82	4,075.82
Deferred tax liabilities	-	-	-	-	-	-	4,897.29	4,897.29
Employee defined benefit obligations	-	-	-	-	-	-	173.58	173.58
Other liabilities	-	-	-	-	-	-	1,409.60	1,409.60
Total Liabilities	**355,939.33**	**-**	**-**	**-**	**-**	**-**	**19,085.75**	**375,025.08**
EQUITY								
Share capital	-	-	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	-	-	5,146.94	5,146.94
Retained earnings	-	-	-	-	-	-	54,749.60	54,749.60
Total Equity	**-**	**-**	**-**	**-**	**-**	**-**	**100,961.30**	**100,961.30**
Total Liabilities and Equity	**355,939.33**	**-**	**-**	**-**	**-**	**-**	**120,047.05**	**475,986.38**
OPEN EXPOSURE	**(342,050.87)**	**365,649.46**	**-**	**-**	**-**	**-**	**(23,598.59)**	**-**
CUMULATIVE EXPOSURE	**(342,050.87)**	**23,598.59**	**-**	**-**	**-**	**-**	**-**	**-**

In thousands. €	Interest rate risk (Gap Analysis) 31.12.2012							
	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 balances	-	-	-	-	-	-	0.45	0.45
Due from banks	1,065.38	-	-	-	-	-	-	1,065.38
Due from customers	20,614.43	274,605.12	-	-	-	-	112,995.53	408,215.08
Property, plant and equipment	-	-	-	-	-	-	133.50	133.50
Intangible assets	-	-	-	-	-	-	549.76	549.76
Deferred tax assets	-	-	-	-	-	-	40.49	40.49
Other assets	-	-	-	-	-	-	2,795.98	2,795.98
Total Assets	**21,679.81**	**274,605.12**	**-**	**-**	**-**	**-**	**116,515.71**	**412,800.64**
LIABILITIES								
Due to banks	9,495.71	-	-	-	-	-	117.42	9,613.13
Due to customers	-	-	-	-	-	-	2,422.12	2,422.12
Debt securities in issue	300,009.60	-	-	-	-	-	-	300,009.60
Liabilities for current income tax and other taxes	-	-	-	-	-	-	3,979.40	3,979.40
Deferred tax liabilities	-	-	-	-	-	-	3,292.42	3,292.42
Employee defined benefit obligations	-	-	-	-	-	-	156.23	156.23
Other liabilities	-	-	-	-	-	-	1,576.13	1,576.13
Total Liabilities	**309,505.31**	**-**	**-**	**-**	**-**	**-**	**11,543.72**	**321,049.03**
EQUITY								
Share capital	-	-	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	-	-	4,417.86	4,417.86
Retained earnings	-	-	-	-	-	-	46,268.99	46,268.99
Total Equity	**-**	**-**	**-**	**-**	**-**	**-**	**91,751.61**	**91,751.61**
Total Liabilities and Equity	**309,505.31**	**-**	**-**	**-**	**-**	**-**	**103,295.33**	**412,800.64**
OPEN EXPOSURE	**(287,825.50)**	**274,605.12**	**-**	**-**	**-**	**-**	**13,220.38**	**-**
CUMULATIVE EXPOSURE	**(287,825.50)**	**(13,220.38)**	**-**	**-**	**-**	**-**	**-**	**-**

40.4 Liquidity risk

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

Based on the Liquidity Gap Analysis, the cash flows arising from balance sheet items are calculated and classified into time periods based on the time that they occurred. Liquidity gap is presented on the table below.

	Liquidity risk (Liquidity Gap Analysis) 31.12.2013					
In thousands. €	**Less than 1 month**	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**TOTAL**
ASSETS						
Cash and balances	2.44	-	-	-	-	2.44
Due from banks	1,171.81	-	-	-	-	1,171.81
Due from customers	70,037.33	107,206.94	217,711.37	64,125.37	12,096.06	471,177.07
Property, plant and equipment	-	-	-	-	113.77	113.77
Intangible assets	-	-	-	-	606.62	606.62
Deferred tax assets	-	-	-	-	53.14	53.14
Other assets	81.38	0.59	2,738.64	-	40.92	2,861.53
Total Assets	**71,292.96**	**107,207.53**	**220,450.01**	**64,125.37**	**12,910.51**	**475,986.38**
LIABILITIES						
Due to banks	27,357.47	28,497.16	-	-	-	55,854.63
Due to customers	8,529.46	-	-	-	-	8,529.46
Debt securities in issue	84.70				300,000.00	300,084.70
Liabilities for current income tax and other taxes	982.27	-	3,093.55	-	-	4,075.82
Deferred tax liabilities	-	-	-	-	4,897.29	4,897.29
Employee defined benefit obligation	-	-	-	-	173.58	173.58
Other liabilities	1,393.46	-	16.14	-	-	1,409.60
Total Liabilities	**38,347.36**	**28,497.16**	**3,109.69**	**-**	**305,070.87**	**375,025.08**
EQUITY						
Share capital	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	64.75	64.75
Statutory reserve	-	-	-	-	5,146.94	5,146.94
Retained earnings	-	-	-	-	54,749.60	54,749.60
Total Equity	**-**	**-**	**-**	**-**	**100,961.30**	**100,961.30**
Total Liabilities and Equity	**38,347.36**	**28,497.16**	**3,109.69**	**-**	**406,032.17**	**475,986.38**
Open liquidity gap	**32,945.60**	**78,710.37**	**217,340.32**	**64,125.37**	**(393,121.66)**	**-**

In thousand Euro	(Liquidity Gap Analysis) 31.12.2012 Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances	0.45	-	-	-	-	0.45
Due from banks	1,065.38	-	-	-	-	1,065.38
Due from customers	26,530.75	112,207.89	183,136.01	61,681.95	24,658.48	408,215.08
Property, plant and equipment	-	-	-	-	133.50	133.50
Intangible assets	-	-	-	-	549.76	549.76
Deferred tax assets	-	-	-	-	40.49	40.49
Other assets	87.48	-	2,565.57	53.94	88.99	2,795.98
Σύνολο Ενεργητικού	**27,684.06**	**112,207.89**	**185,701.58**	**61,735.89**	**25,471.22**	**412,800.64**
LIABILITIES						
Due to banks	8,025.44	1,587.69	-	-	-	9,613.13
Due to customers	2,422.12	-	-	-	-	2,422.12
Debt securities in issue	-	-	-	255,007.87	45,001.73	300,009.60
Liabilities for current income tax and other taxes	486.83	-	3,492.57	-	-	3,979.40
Deferred tax liabilities	-	-	-	-	3,292.42	3,292.42
Employee defined benefit obligation	-	-	-	-	156.23	156.23
Other liabilities	1,569.66	-	-	3.67	2.80	1,576.13
Total liabilities	**12,504.05**	**1,587.69**	**3,492.57**	**255,011.54**	**48,453.18**	**321,049.03**
EQUITY						
Share capital	-	-	-	-	41,000.01	41,000.01
Share premium	-	-	-	-	64.75	64.75
Statutory Reserve	-	-	-	-	4,417.86	4,417.86
Retained earnings	-	-	-	-	46,268.99	46,268.99
Total Equity	**-**	**-**	**-**	**-**	**91,751.61**	**91,751.61**
Total Liabilities and Equity	**12,504.05**	**1,587.69**	**3,492.57**	**255,011.54**	**140,204.79**	**412,800.64**
Open liquidity gap	**15,180.01**	**110,620.20**	**182,209.01**	**(193,275.65)**	**(114,733.57)**	**-**

Bonds in issue are presented in the above tables, based on their contractual obligations. However, there is the right of direct (partial or full) repayment at any time, throughout that life, paying the entire capital and the respective accrued interest.

As set forth in detail above, in paragraphs 40.3 and 40.4, taking into account the interest rate risk table and the analysis maturity of liquidity table, we can imply that a possible change in interest rates would not result in a significant change in the profit and loss and equity of the Company.

In the table below the Cash flows arising from financial liabilities are allocated according to their maturity date. Estimated interest payments are also included. Liabilities in foreign currency have been converted into Euro.

	Nominal inflows / (outflows) 31.12.2013					
In thousand 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	27,471.89	28,724.00	-	-	-	56,195.89
Due to customers	8,529.46	-	-	-	-	8,529.46
Debt securities in issue	1,319.31	2,510.94	3,872.81	7,830.73	331,470.35	347,004.14
Total	**37,320.66**	**31,234.94**	**3,872.81**	**7,830.73**	**331,470.35**	**411,729.49**

	Nominal inflows / (outflows) 31.12.2012					
In thousand Euro	**Less than 1 month**	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**Total**
LIABILITIES	8,038.27	1,592.52	-	-	-	9,630.79
Due to banks	2,422.12	-	-	-	-	2,422.12
Due to customers	335.49	638.51	984.82	256,385.83	48,206.69	306,551.34
Debt securities in issue	**10,795.88**	**2,231.03**	**984.82**	**256,385.83**	**48,206.69**	**318,604.25**

41. Capital adequacy

The Company's capital adequacy 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 the "Bank of Greece Governor's Act 2606/21.02.2008".

The minimum requirements regarding Tier I ratio and the capital adequacy ratio of the Company are stipulated by Bank of Greece Governor's Acts.

From 1.1.2010, capital adequacy calculation is determined under the new regulatory framework (Basel II),based on the "Bank of Greece Governor's Act 2622/ 21.12.2009", for the factoring companies as well, which has been incorporated in the Greek legislation by Law 3601/2007.

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 include the credit risk and operational risk. For the calculation of credit risk the Company uses the standardized approach while for the operational risk the approach of basic indicator is used.

Both ratios (Tier I ratio and capital adequacy ratio) are much higher than the minimum required by the Act of the Governor of the Bank of Greece and they enable the Company to develop its business in all sectors in the following years.

The Company utilizes modern methods to manage capital adequacy and therefore proceeded with an issue of subordinated debt which are included in regulatory capital (note 31).

	31.12.2013	**31.12.2012**
(Tier I)	21.19%	20.41%
(Tier I+Tier II)	26.47%	26.01%

42. Related-party transactions

The Company belongs to the ALPHA BANK group and cooperates in the ordinary course of business with ALPHA BANK and other group companies.
The terms and conditions do not differ substantially from the usual terms applicable in the activities of the Company to non-affiliated companies and are approved by the competent bodies.

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

	31.12.2013	**31.12.2012**
Expenses		
Senior management and BoD members income	168,003.10	146,308.70
Total	**168,003,10**	**146,308.70**

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:

		31.12.2013	**31.12.2012**
Assets			
A)	**Advances to Banks**		
1.	ALPHA BANK S.A.	850,978.57	724,504.80
B)	**Other Assets**		
1.	ALPHALIFE INSURANCE COMPANY S.A.	-	609.62
	Total	**850,978.57**	**725,114.42**

			31.12.2013	31.12.2012
Liabilities				
A)		**Due to Banks**		
	1.	ALPHA BANK S.A.	55,854,630.85	9,613,130.99
B)		**Debt securities in issue**		
	1.	ALPHA BANK S.A.	300,081,700.00	300,009,606.00
	2.	ALPHA BANK LONDON LTD	3,000.00	-
Γ)		**Other Liabilities**		
	1.	ALPHA BANK S.A.	625,015.29	851,476.29
		Total	**356,564,346.14**	**310,474,213.28**

Income Statement			1.1.-31.12.2013	1.1.-31.12.2012
		INCOME		
A)		**Interest and similar income**		
	1.	ALPHA BANK S.A.	77,537.98	1,263,724.78
B)		**Payroll and related costs**		
	1.	ALPHA BANK S.A.	-	60,191.15
	2.	ALPHALIFE INSURANCE COMPANY S.A.	1,207.63	2,111.57
		Total Income	**78,745.61**	**1,326,027.50**
		EXPENSES		
A)		**Interest expense and similar charges**		
	1.	ALPHA BANK S.A.	16,330,101.68	4,799,474.20
	2.	ALPHA BANK LONDON LTD	134.94	-
B)		**Commission Costs**		
	1.	ALPHA BANK S.A.	3,084,815.45	2,994,862.17
Γ)		**General administrative expenses**		
	1.	ALPHA BANK S.A.	48,318.54	44,849.67
	2.	"OCEANOS ATOEE"	84,599.24	77,028.84
		Total expenses	**19,547,969.85**	**7,916,214.88**

C. The Hellenic Financial Stability Fund (HFSF) exerts significant influence on ALPHA BANK S.A., the final entity exercising control over the Company. In particular, according to Law 3864/2010, HFSF acquired representation in the Board of Directors and other significant Committees of ALPHA BANK S.A. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Company.

The Company's transactions with related parties in the HFSF, are as follows:

			31.12.2013	31.12.2012
Assets				
		Due from banks		
	1.	Eurobank Ergasias S.A.	50,973.26	-
		Total	**50,973.26**	**-**

43. Auditors' fees

The total fees of the auditor "SOL Limited Company Certified Public Accountants" in accordance with the provisions of article 43a of Codified Law 2190/1920, as amended by Article 30 of Law 3756/2009, are as follows:

	1.1-31.12.2013	1.1-31.12.2012
Fees for statutory audit	13,400.00	13,739.00
Audit in accordance with article 82§5 of Law 2238/94, for the issuance of tax certificate	13,739.00	15,000.00
Total	**27,139.00**	**28,739.00**

44. Restatement of financial statements

The main impact from the amendment of IAS 19 is the removal of the option to defer actuarial gains and losses. Actuarial gains and losses are recognized directly in equity and are not reclassified in profit or loss. The retrospective adoption of the amendment resulted in the recognition of actuarial gains, which were not recorded as of 31.12.2011 and in retained earnings of 1.1.2012.

According to the above, certain amounts in the Income Statement, the Balance Sheet, the Statement of Comprehensive Income and Statement of Cash Flows have been restated as follows.

It is noted that the Company has not a restated balance sheet at the beginning of the comparative period, as the effect of the above retroactive application of 1.1.2012 is not considered significant.

INCOME STATEMENT

	Amounts in Euro **From 1.1.2012 to 31.12.2012**		
	Published Amounts	**Restatements due to IAS 19**	**Restated Amounts**
Interest and similar income	23,504,727.91	-	23,504,727.91
Interest expense and similar charges	(4,803,575.10)	-	(4,803,575.10)
Net interest income	18,701,152.81		18,701,152.81
Commission income	10,014,217.68	-	10,014,217.68
Commission expense	(4,649,176.10)	-	(4,649,176.10)
Net commission income	5,365,041.58	-	5,365,041.58
Profits less losses on financial transactions	(109,233.94)	-	(109,233.94)
Other income	54,969.92	-	54,969.92
	(54,264.02)	-	(54,264.02)
Total income	**24,011,930.37**	**-**	**24,011,930.37**
Staff costs	(2,721,195.97)	(827.19)	(2,722,023.16)
General administrative expenses	(796,438.63)	-	(796,438.63)
Depreciation and amortization expenses	(93,648.24)	-	(93,648.24)
Total expenses	**(3,611,282.84)**	**(827.19)**	**(3,612,110.03)**
Impairment losses of customers	(2,178,329.45)	-	(2,178,329.45)
Profit before income tax	**18,222,318.08**	**(827.19)**	**18,221,490.89**
Tax income	(3,640,711.64)	165.44	(3,640,546.20)
Profit after income tax	**14,581,606.44**	**(661.75)**	**14,580,944.69**
Earnings per share:			
Basic and diluted (€ per share)	10.67	-	10.67

BALANCE SHEET

	Amounts in Euro 31.12.2012 Published Amounts	Restatements due to IAS 19	Restated Amounts
ASSETS			
Deferred tax assets	73,174.10	(32,689.17)	40,484.93
LIABILITIES			
Employee defined benefit obligations	319,670.49	(163,445.90)	156,224.59
EQUITY			
Retained earnings	46,138,237.83	130,756.73	46,268,994.56

STATEMENT OF COMPREHENSIVE INCOME

	Amounts in Euro From 1.1.2012 to 31.12.2012 Published Amounts	Restatements due to IAS 19	Restated Amounts
Profit after income tax	**14,581,606.44**	(661.75)	**14,580,944.69**
Amounts that may be reclassified in the Income Statement	-	-	-
Amounts that will not be reclassified in the Income Statement	-	-	-
Change in actuarial gains/(losses) of employee defined benefit obligations	-	(40,802.83)	(40,802.83)
Income tax	-	8,160.57	8,160.57
Total other comprehensive income recognized directly in Equity, after income tax	**-**	**(32,642.26)**	**(32,642.26)**
Total comprehensive income for the period, after income tax	**14,581,606.44**	**(33,304.01)**	**14,548,302.43**

STATEMENT OF CASH FLOWS

	Amounts in Euro		
	From 1.1.2012 to 31.12.2012		
	Published Amounts	**Restatements due to IAS 19**	**Restated Amounts**
Cash flows from operating activities			
Profit before income tax	**18,222,318.08**	**(827.19)**	**18,221,490.89**
Adjustments for:			
Depreciation of fixed assets	39,689.74		39,689.74
Amortization of intangible assets	53,958.50		53,958.50
Expenses / (income) of pension plans	(32,441.34)	827.19	(31,614.15)
Impairment loss receivables	2,178,329.45		2,178,329.45
Interest on Bonds	4,653,932.71		4,653,932.71
Other adjustments	106,093.06		106,093.06
	25,221,880.20	**-**	**25,221,880.20**
Increase/(Decrease):			
Due from customers	20,084,198.19		20,084,198.19
Other assets	(25,719.84)		(25,719.84)
Due to Banks	5,353,966.67		5,353,966.67
Due to customers	(3,835,785.78)		(3,835,785.78)
Other liabilities	(910,384.79)		(910,384.79)
Other taxes	(4,011.99)		(4,011.99)
Net cash flows from operating activities before taxes	**45,884,142.66**		**45,884,142.66**
Income tax paid	(3,253,097.84)		(3,253,097.84)
Net cash flows from operating activities	**42,631,044.82**		**42,631,044.82**
Cash flows from investing activities			
Purchases of fixed assets	(159,148.08)		(159,148.08)
Net cash flows from investing activities	**(159,148.08)**		**(159,148.08)**
Cash flows from financing activities			
Debt securities in issue	80,000,000.00		80,000,000.00
Repayment of Bond	(124,713,673.38)		(124,713,673.38)
Net cash flows from financing activities	**(44,713,673.38)**		**(44,713,673.38)**
Effect of exchange rate fluctuations on cash and cash equivalents	(3,140.88)		(3,140.88)
Net increase/(decrease) in cash flows	**(2,244,917.52)**		**(2,244,917.52)**
Cash and cash equivalents at the beginning of the year	**3,310,741.47**		**3,310,741.47**
Cash and cash equivalents at the end of the year	**1,065,823.95**		**1,065,823.95**

45. Events after the balance sheet date

There are no significant events after the date of the Company's financial statements.

Athens, 12 May 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE FINANCE AND ADMINISTRATION MANAGER
ARTEMIS C. THEODORIDIS I.D. No AB 281969	MARIA M. RAÏKOU I.D. No AH 647040	ANTONIOS K. CHRONIS I.D. No AZ 007940

It is certified that the above Financial Statements (pages 3-54) are those listed in our auditor's report, dated May 14, 2014.

Athens, 14 May 2014

Certified Auditor Accountant

Athanasios A.Tsangalis,
A.M. SOEL 30631

SOL S.A.
member of Crowe Horwath International (R.N. 125)