EUROBANK EFG FACTORS S.A.

REG. No. 44428/01AT/B/99/39/03

Financial Statements
for the year ended December 31st, 2008

Contents

DIRECTORS' REPORT FOR THE YEAR 2008
FOR THE SOCIÉTÉ ANONYME
EUROBANK EFG FACTORS SA

TO THE ANNUAL GENERAL ASSEMBLY
OF THE SHAREHOLDERS OF THE COMPANY
"EUROBANK EFG FACTORS S.A."

Dear Shareholders,

We submit the company's financial information for the financial year 2008.

FINANCIAL CONDITION OF THE COMPANY

The said financial year is the eight consecutive such year for the company and includes the period from January 1st, 2008 to December 31st, 2008.

The financial statements for the aforementioned year that are published and submitted to the General Assembly have been prepared in accordance with the International Financial Reporting Standards. Detailed information with respect to the principal accounting policies pursued as per above, is presented in the Notes to the Financial Statements, as at December 31st, 2008. The Company's Board of Directors has approved said financial statements in its meeting dated March 30th, 2009.

The Board of Directors states the following:

Overview:

2008 was a year of dynamic growth for Eurobank EFG Factors in the Factoring and Forfaiting sectors, both in Greece, and in the countries where the company is present. The 01/01/2008 – 31/12/2008 financial year closed with significant results and further growth prospects for the company.

Factoring turnover amounted to € 2,891,394 thousand in total, as compared to € 2,023,593 thousand in the previous year, thus registering an increase of 42.88 %, and which can be attributed to the continuous supply of Factoring and Forfaiting specialized products to our customers. As a result of that, customer financing increased markedly by 61.31% and amounted to € 885,849 thousand in end 2008 (2007: € 549,147).

The company holds in 2008, much as it did in past years, a leading position within the Greek Factoring and Forfaiting market, achieving an increase in turnover and a concurrent growth of its active customer roster by 17%. The company also registered significant growth in International Factoring at a yearly volume of € 463,510 thousand, and, in accordance with F.C.I. official data, its market share is estimated at 48,23% (47,79 % export and 50,67% import factoring) for the year 2008.

This important yearly increase of the company's market share was reflected equally in total profits (pre-tax), which amounted to € 10,826,499 as compared to € 7,605,721 in the previous year (2007), that is, marking an increase of 42.35 %.

In December of the year 2008 and despite the existing global economic recession, the company successfully implemented an increase of its share capital, issuing new shares with a total value of € 15,000,000. Total Share Capital, including share premium, amounts to € 39,898,300 from € 24,928,000 in 2007, while total equity for the company, now amounts to € 59,957,275 from € 42,197,706.

On 31/12/2008 the company numbered a total of 61 employees in Greece and 9 employees in Bulgaria, in the Sofia Branch (2007: 59 in Greece and 10 in Bulgaria).

Major events:

Operating in a markedly competitive environment, Eurobank EFG Factors achieved in the year 2008, rates of development greater than the total domestic Factoring and Forfaiting market, via its continuously improving quality of services and innovative products offered.

Eurobank EFG Factors was ranked 4th "Export & Import Factor" worldwide and 1st "Export Factor" in Europe for Year 2007. The company attained this important distinction on the basis of specific quality and quantity criteria, in the course of the 40th annual Factors Chain International (F.C.I.) Meeting, which was held in Kyoto, Japan, in October 2008..

Eurobank EFG Factors, alongside its domestic activities, cooperates directly with the affiliate companies or Factoring departments of the Eurobank EFG Group in Bulgaria, Turkey and Romania, bolstering the presence and enhancing the portfolio of the Group in the countries of New Europe.

The *'N-Factor'* client-centered system, the *'CRM'* Factoring system, as well as the *'F.I.S'* Forfaiting systems are software applications that have been developed in-house and installed with success both in Greece and in the collaborating units abroad, as fully supporting the Factoring and Forfaiting services of the Eurobank EFG Group.

Eurobank EFG, our parent company, one of the most innovative banking institutions, and one that aims principally at optimal customer satisfaction, has created a new Division under the name **Corporate Transaction Banking (CTB)**. The Core / Membership of this new team, is our own company, Eurobank EFG Factors, as well as the Trade Finance and Payments & Cash Management departments. CTB's main aim is the effective coverage of the customer's needs in Greece and abroad, both in terms of liquidity and payments, and with respect to cash and receivables management and collection.

Outlook:

The increasing need of enterprises for liquidity as well as with respect to the management, collection and credit protection of their trade receivables, renders Factoring and Forfaiting a necessary financial instrument for their further development both in Greece and abroad, while, at the same time, the increased preference of financial groups for short-term financing based on the customer's supply chain, aiming at the optimal safeguarding of their credits as well as at the better management of liquidity, leads the Factoring and Forfaiting market to new levels of growth.

The company's participation in the Corporate Transaction Banking Division for the development of its operations, in conjunction with the optimization of software applications to manage operational and credit risks, will establish Eurobank EFG Factors as a leader among Factoring and Forfaiting providers.

At the same time, growth is expected in the company's international activities, in the context of its strategic partnership with the affiliate companies or of the Factoring departments of the Eurobank EFG Group in Bulgaria, Turkey and Romania, mostly via cross-selling and the further exploration of the client base and of the gamut or products on offer.

Moreover, you should be informed and alerted to the fact that the company does not hold any securities, maintains no foreign currency deposits and does not own any real property. Furthermore, from the end of the financial year and to this date, no events have occurred that would alter the financial position of the company, or would dictate any readjustment of the Balance Sheet items.
Given the present report, and the financial statements before you, you are kindly requested to decide on the issues constituting the agenda of this General Assembly.

In concluding our report, we consider necessary to thank all our employees for their contribution to the company's growing success.

Ag. Paraskevi, March 30th, 2009

THE CHAIRMAN OF THE BOARD & BOARD MEMBER	THE GENERAL MANAGER
ANDREAS CHASAPIS	GEORGE KARAGIANNOPOULOS

EUROBANK EFG FACTORS A.E.
Income statement
9th Fiscal Year (January 1st - December 31st, 2008)

(Amounts in €)

	Note	Year ended December 31st 2008	2007
Interest and related income	5	29.160.009,27	21.476.426,45
Interest and related expenses	5	(20.160.806,83)	(14.888.632,75)
Net interest income		8.999.202,44	6.587.793,70
Commission income	6	7.218.670,16	5.829.481,84
Commission expenses	6	(1.207.309,45)	(1.486.188,94)
Net commission income		6.011.360,71	4.343.292,90
Other income (expenses)	7	(24.032,40)	130.097,17
Total income		**14.986.530,75**	**11.061.183,77**
Impairment of trade receivables	10	**(272.784,24)**	**(66.192,13)**
Payroll and staff costs	8	(3.024.889,47)	(2.578.086,84)
Administration expenses	9	(756.574,06)	(704.934,99)
Depreciation	14,15	(105.783,64)	(106.248,36)
Total expenses		**(3.887.247,17)**	**(3.389.270,19)**
Profit before tax		**10.826.499,34**	**7.605.721,45**
Income tax expense	11	(2.356.493,85)	(1.931.196,21)
Net profit after tax		**8.470.005,49**	**5.674.525,24**

Ag. Paraskevi, March 30th, 2009

THE CHAIRMAN OF THE BOARD	THE GENERAL MANAGER	THE DEPUTY GEN. MANAGER FINANCE ADMINISTRATION CONTROL
ANDREAS CHASAPIS	GEORGE KARAGIANNOPOULOS	CONSTANTIN COUROUSSIS

EUROBANK EFG FACTORS S.A.
Balance Sheet at December 31st, 2008
9th Fiscal Year (January 1st - December 31st, 2008)

(Amounts in €)

	Note	31.12.2008	31.12.2007
ASSETS			
Cash and cash equivalents	12	354,06	521,99
Receivables from banks	12	3.212.940,23	2.258.898,59
Advances to customers	13	883.090.061,07	546.661.666,61
Intangible assets	14	32.332,24	40.725,94
Property, plant and equipment	15	341.915,68	407.629,03
Financial derivative instruments	21	0,00	5.435,94
Deferred income tax assets	16	19.974,69	109.766,95
Other assets	17	142.145,80	149.976,12
Total Assets		**886.839.723,77**	**549.634.621,17**
LIABILITIES			
Amounts due to banks	18	112.137.704,55	65.113.227,58
Amounts due to clients	19	2.858.456,14	3.108.566,13
Corporate Bonds	20	707.441.452,98	435.966.854,33
Income tax liabilities	22	868.167,56	748.728,64
Retirement benefit obligations	23	78.311,00	58.448,00
Financial derivative instruments	21	4.916,89	0,00
Deferred income tax liabilities	16	0,00	1.358,98
Other liabilities	24	2.812.702,95	2.439.731,30
Total liabilities		**826.201.712,07**	**507.436.914,96**
EQUITY			
Share Capital	25	22.950.000,00	20.700.000,00
Share premium	25	16.948.300,00	4.228.000,00
Statutory reserve	26	1.567.304,90	1.140.155,69
Retained earnings	27	19.172.406,80	16.129.550,52
Total equity		**60.638.011,70**	**42.197.706,21**
Total equity and liabilities		**886.839.723,77**	**549.634.621,17**

Ag. Paraskevi, March 30th, 2009

THE CHAIRMAN OF THE BOARD	THE GENERAL MANAGER	THE DEPUTY GEN. MANAGER FINANCE ADMINISTRATION CONTROL
ANDREAS CHASAPIS	GEORGE KARAGIANNOPOULOS	CONSTANTIN COUROUSSIS

The notes in pages 9 to 32 are an integral part of the financial statements

EUROBANK EFG FACTORS SA
Statement of changes in equity

(Amounts in €)

	Share Capital	Share premium	Statutory reserve	Retained Earnings	Total
Balance at 01.01.2007	13.500.000,00	1.500.000,00	849.545,89	14.345.635,08	30.195.180,97
Dividend paid				(3.600.000,00)	(3.600.000,00)
Capital increase 21/12	7.200.000,00	2.800.000,00			10.000.000,00
Capital increase expenses		(72.000,00)			(72.000,00)
Result for the year				5.674.525,24	5.674.525,24
Statutory reserve			290.609,80	(290.609,80)	0,00
Balance at 31.12.2007	**20.700.000,00**	**4.228.000,00**	**1.140.155,69**	**16.129.550,52**	**42.197.706,21**
Balance at 01.01.2008	20.700.000,00	4.228.000,00	1.140.155,69	16.129.550,52	42.197.706,21
Dividend paid				(5.000.000,00)	(5.000.000,00)
Capital increase 23/12	2.250.000,00	12.750.000,00			15.000.000,00
Capital increase expenses		(29.700,00)			(29.700,00)
Result for the year				8.470.005,49	8.470.005,49
Statutory reserve			427.149,21	(427.149,21)	0,00
Balance at 31.12.2008	**22.950.000,00**	**16.948.300,00**	**1.567.304,90**	**19.172.406,80**	**60.638.011,70**

Ag. Paraskevi, March 30th, 2009

THE CHAIRMAN OF THE BOARD	THE GENERAL MANAGER	THE DEPUTY GEN. MANAGER FINANCE ADMINISTRATION CONTROL
ANDREAS CHASAPIS	GEORGE KARAGIANNOPOULOS	CONSTANTIN COUROUSSIS

EUROBANK EFG FACTORS A.E.
Cash flow statement
for the period January 1st - December 31st, 2008

(Amounts in €)

	Note	31.12.2008	31.12.2007
Cash Flows from Operating Activities			
Profit before tax		10.826.499,34	7.605.721,45
Adjustments for:			
Interest expense for the year	5	20.160.806,83	14.888.632,75
Depreciation	14,15	105.783,64	106.248,36
Provisions	10,23	292.647,24	74.110,13
Other non-cash expense (income)		0,00	(5.543,74)
Operating profit before changes in Working Capital		31.385.737,05	22.669.168,95
Decrease (increase) in receivables		(336.057.987,64)	(56.856.239,33)
Decrease (increase) in liabilities		(492.852,45)	2.018.424,57
Interest paid		(19.593.513,52)	(16.143.532,08)
Income tax paid		(2.157.915,46)	(1.922.187,95)
Net cash generated from operating activities		**(326.916.532,02)**	**(50.234.365,84)**
Cash flows from investing activities			
Purchases of property, plant and equipment	14,15	(31.676,59)	(67.420,22)
Net cash generated from operating activities		**(31.676,59)**	**(67.420,22)**
Cash flows from financing activities			
Corporate Bonds	20	714.451.909,39	613.142.241,19
Less - Corporate bonds repayments	20	(443.471.599,31)	(470.954.489,40)
Less - Dividend payment		(5.000.000,00)	(3.600.000,00)
Funds drawn from banks	18	46.951.472,24	(98.641.051,09)
Capital increase less tax expenses		14.970.300,00	9.928.000,00
Net cash generated from financing activities		**327.902.082,32**	**49.874.700,70**
Net increase (decrease) in cash and cash equivalents		953.873,71	(427.085,36)
Cash and cash equivalents at beginning of the year	12	2.259.420,58	2.686.505,94
Cash and cash equivalent at end of the year	12	3.213.294,29	2.259.420,58

The notes in pages 9 to 32 are an integral part of the financial statements

1. General Information

The Company was established on November 18th 1999 under the name EFG FACTORS SA and the trade name EFG FACTORS. On 10.12.2008 the General Assembly of the company approved the amendment of the articles of the charter among which is the naming of the company as EUROBANK EFG FACTORS SA and the trade name EUROBANK EFG FACTORS. The above decision of the General Assembly was entered into the Sociétés Anonymes Register of the Athens Prefecture on 19.12.08 (Government Gazette 316/15.1.09).

The Company seat is in Agia Paraskevi, No. 3 Kapodistriou Street, and has been entered into the Sociétés Anonymes Register with ref. no. 44428/01AT/B/99/39/03.

The lifespan of the Company is ninety-nine years, starting from the date that the administrative decision approving its establishment was entered in the Sociétés Anonymes Register.

The lifespan of the Company may be extended or shortened by decision of the General Assembly.

The sole purpose of the company is to conduct factoring operations, in accordance with the provisions of Law 1905/1990, as currently in force, and, in general, to carry out all operation that factoring companies are allowed to perform by law, more specifically:
a) The legal and/or accounting control of, existing or future, third-party accounts receivable, in Greece and abroad.
b) The collection of third-party accounts receivable, both in Greece and abroad, by the relevant authorization or on behalf of third-party beneficiaries.
c) The assumption of third-party accounts receivable upon either payment or maturity, or discounting, with or without recourse.
d) The management of third-party accounts receivable, and the total, or partial coverage of the relevant credit risk.

The Company is part of the Group of the EFG EUROBANK ERGASIAS Bank, which participates in its share capital at 100%.

The Board of Directors has nine members, appointed for a term of three years, as starting prom the date of the General Assembly that elected the Board, that is, April 23rd 2007, and ending with the election of a new Board of Directors by the General Assembly that will convene within 2010.

The present financial statements have been approved by the Board of Directors of the company on March 30th, 2009.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set forth below. These policies have been consistently applied to all fiscal periods presented, unless otherwise stated.

2.1 Framework for drafting the financial statements

The financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union, and the IFRS issued by the International Accounting Standards Board (IASB).

The principles set forth below have been consistently applied to all fiscal periods with the exception of cases that concern the classification and measurement of derivative financial products.
Statements have been drafted under the convention of historical cost accounting, as modified by the revaluation of derivative financial instruments at fair value.

The preparation of financial statements in conformity with IFRS requires the adoption of certain critical accounting estimates and assumptions. It also requires that management exercise its judgment in the process of applying the company’s accounting policies. The areas involving a greater exercise of such judgment or where the assumptions and estimates are critical in the drafting of financial statements are discussed in Note 4.

Financial statements are prepared in Euro (€), the company’s base currency.

2.2 Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet, when there is a legally enforceable right to offset recognized amounts and there is an intention to settle on a net basis.

2.3 Foreign currency transactions
Assets and liabilities denominated in foreign currency are translated into euro using there change rates prevalent at the balance sheet date, while any foreign exchange gains or losses are recognized in the income statement.
Foreign exchange currency translations are recorded using the exchange rates prevailing at the dates of the transactions. All foreign exchange gains or losses are recorded in the income statement.

2.4 Cash and cash equivalents
Cash and cash equivalents include cash in hand, sight deposits in banks, and other short-term, highly liquid and low-risk investments with original maturities at three months or less.

2.5 Property, plant and equipment
All property, plant and equipment are stated at historical costs less accumulated depreciation and any impairment losses. Plant and equipment are periodically reviewed for impairment, while any impairment loss is directly recognized in the income statement.
Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company, and their cost can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they take place.
Depreciation is calculated using the straight-line method over the estimated useful life of the assets, as follows:
- Improvements on third-party property: over the duration of the lease contract or the estimated useful life, whichever is the shortest,
- Computers and software: 3-5 years
- Furniture, fittings and equipment: 6-7 years
- Vehicles: 5 years

2.6 Intangible assets
Costs associated with in-house maintenance of computer software programs are recognized as expenses, as incurred. Costs that are directly associated with the development of identifiable and unique software programs controlled by the company and that are expected to generate economic benefits exceeding costs beyond one year, are recognized ass intangible assets, and are amortized over their estimated useful lives. Computer software is amortized in 3-4 years.

2.7 Financial assets
(i) Factoring advance
The company advances monies to its clientele, offering management services that emanate from the factoring agreements already signed.
The company also discounts trading securities deriving from signed forfaiting agreements obtained for indefinite time periods, and which may be sold due to cash flow shortages or to exchange rate changes, so as to maximize returns.

(ii) Accounting treatment and calculation
Purchases and sales of financial assets are carried using the effective interest method at fair value through profit and loss. Securities are recognized on the trade date, i.e. the date that the company commits to purchase or sell the asset.

Advances are recognized whenever cash is disbursed to the beneficiates of such credit.
Financial assets that are not presented at fair value through profit and loss are initially recognized at fair value. Financial assets are derecognized when the rights to receive cash flows from these have been executed, or when the company has transferred substantially all the risks and rewards of the assets.

2.8 Impairment of financial assets

The company assesses at each balance date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired only and solely if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("harmful event") and this/these event(s) affect(s) the expected future cash flows from the financial asset(s) and can be calculated reliably. The objective evidence that an impairment loss on a financial asset or a group of financial assets has been incurred includes data coming into the attention of the company with respect to the following harmful events:
a) the considerable financial hardship of the debtor,
b) a violation of a contract, such as default, or delinquency in payments or interest or capital,
c) The company, for financial or legal reasons related to the hardship of the debtor, proceeds to settlements that would otherwise not be offered,
d) There is the probability that the debtor will file for bankruptcy or financial reorganization,
e) There is evidence that indicates a measurable reduction of the future cash flows from a group of financial assets, subsequent to their initial recognition, even if the reduction cannot be connected to specific evidence, such as
- adverse changes in the payment status of the debtors of the group of financial assets,
- economic conditions on the national or local level that relate to the delinquencies of servicing the group of financial assets,
f) If there is objective evidence that an impairment loss on factoring advances has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account, and the amount of the impairment loss is recognized in the income statement. If the factoring advances bear a floating interest rate, then the discount rate for the calculation of the impairment loss is the current effective interest rate defined in the contract.

2.9 Borrowings

Borrowings are initially recognized at fair value, which is determined by the proceeds, including transaction costs. Borrowings are subsequently stated at amortized cost and the difference between the initial proceeds and the redemption value is recognized in the income statement over the period of the borrowings, using the effective interest method.

2.10 Derivative financial instruments that do not qualify for hedge accounting

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into, and are subsequently re-measured at their fair value. The fair value is their market price, taking into consideration recent market transactions, while in the cases that there is no market price, the fair value is calculated using discounted cash flow models. When the fair value is positive, the derivatives are recognized as assets, while, when the fair value is negative, they are recognized as liabilities.
Gains and losses resulting from changes in the fair value of derivatives are recognized in the income statement of the fiscal period in which they are incurred.

2.11 Leases

Lease accounting when the company is the lessor

Leases of assets under which the lessor effectively retains the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.12 Current and deferred taxation

Deferred income tax is calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.
Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that the future taxable profits will be available, against which the temporary differences can be utilized.

Income tax on profits is calculated in accordance with the tax laws enacted in the country that the company conducts its operations, and is debited or credited in the income statement, unless it concerns items that are directly debited or credited to equity, in which case deferred income tax is directly accounted in equity.

2.13 Interest income and expense

Interest income and expense is recognized in the income statement on an accrual basis for all interest-bearing instruments, using the effective interest method. The effective interest rate is the one that discounts exactly the estimated future cash inflows or outflows during the estimated life of the financial instrument or, wherever deemed appropriate, during a shorter period, on the basis of the net carrying value of the financial asset or liability. In order to calculate the effective rate, cash flow estimation takes into account the terms of the financial instrument agreement, but not any future losses from credit risk.
Calculation includes the fees and the basis points paid or collected by the contracting parties and which constitute an integral part of the effective interest rate, transaction costs, and other premiums and discounts.

Wherever a financial asset or a group of similar financial assets is impaired, interest income is recognized using the rate that discounts future cash flow for the purposes of calculating the impairment loss.

2.14 Fees and commissions

Fees and commissions are generally recognized on an accrual basis. Fees and commissions concerning transactions with Factors abroad, transfer charges and banking expenses, are recognized upon completion of the relevant transaction and the dispatch of the debit note.

2.15 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation, the amount of which can be reliably estimated.

Provisions are reviewed prior to the preparation of financial statements, in order to reflect optimal current estimates. Contingent liabilities that cannot possibly incur cash flows are also disclosed, unless they are immaterial. Contingent claims are not recognized in the financial statements, but are disclosed if there is the possibility of an inflow of financial gain.

2.16 Employee benefits

(i) Pension obligations

The company participates in defined contribution pension schemes under which it pays fixed contributions to social security funds. The company has no other pension obligations, apart from its contributions to the funds. The company’s payments to the defined contribution pension plans are recognized as employee benefit expenses for the period that they concern.

(ii) Employee termination payments

In accordance with Greek law, employees who remain in service up to the customary retirement age are entitled to a lump sum payment, which is estimated on the basis of their years of service and their earnings upon the retirement date. A provision has been made for the actuarial value of this lump sum payment, using the projected unit credit method. According to this method, the retirement benefit cost is recognized in the income statement in the course of the employees' service, based on the actuarial assessments performed each year. The retirement benefit obligation is calculated at the present value of the estimated future cash outflows using interest rates of state bonds that have terms to maturity approximating the terms of the relevant liability. Actuarial gains or losses arising from the calculation of the retirement benefit are recognized directly in the income statement.

(iii) Profit sharing and bonus schemes

The company periodically rewards its high-performance employees with cash bonuses, at its discretion. Cash bonuses, which have to be authorized by Management only, are recognized as accrued staff costs. Profit sharing, which must be authorized by the General Assembly, is recognized as a staff expense for the fiscal year approved by the shareholders of the company.

2.17 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, free of tax, from the proceeds.
The distribution of a dividend to the shareholders is recognized as an obligation in the financial statements when said distribution is approved by the General Assembly of Shareholders.

2.18 Related-party transactions
Related parties include the parent Bank, as well as the affiliate or associate companies of the parent Bank Group. All transactions carried out with related parties fall within the usual framework of operations and are executed under strictly commercial terms.

2.19 Comparative data
Wherever deemed necessary, comparative data have been readjusted so that they are consistent with the changes in the presentation adopted by the company for the present fiscal year.

2.20 New IFRS and interpretations (IFRIC interpretations)
New standards, amendments and interpretations: Specific new standards, amendments and interpretations have been issued, which are mandatory for the accounting periods commencing within the present fiscal year or after that. The assessment of the company with respect to the effects of the application of these new standards, amendments and interpretations is set forth below.

Mandatory standards for the fiscal year December 31st 2008

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial Instruments: Disclosures and Reclassifications" (applied on or after July 1st 2008)
This amendment allows for a financial entity to reclassify non-derivative financial items (with the exception of data classified by the business at fair value and initial recognition through profit or loss) in a category other than "fair value through profit or loss" and for specific cases. The amendment also allows for a financial entity to transfer out of the "Available-for-sale" and into to the "Loans and Receivables" category a financial item which could be characterized as a "Loans and Receivables" item (if it has not been classified available-for-sale), insofar the financial entity had the intent and the ability to hold on to the said financial item in the near future. The above amendment has no bearing on the financial statements of the company.

Mandatory standards for the fiscal year December 31st 2008

IFRIC 11 - IFRS 2: Group and Treasury Share Transactions (applied to annual accounting periods commencing on or after March 1st 2007)
This interpretation clarifies procedure in cases where the employees of a subsidiary company receive shares of the company. It also clarifies whether certain transactions must be accounted as share-based or as cash-based. The interpretation has no bearing on the financial statements of the company.

IFRIC 12 – Service Concession Arrangements (applied to annual accounting periods commencing on or after January 1st 2008)
This interpretation refers to companies participating in concession arrangements. The interpretation does not apply to the company.

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (applied to annual accounting periods commencing on or after January 1st 2008)
This interpretation refers to benefits following retirement from service and other long-term programs of defined benefits to employees. The interpretation clarifies when benefits in the form of plan refunds or reductions in future contributions to the plan must be considered as a defined asset or liability, and the interaction between a minimum funding requirement and the relevant limit on the measurement of a defined asset or liability. Since the company does not provide for such employee benefit plans, the interpretation does not apply to the company.

Mandatory standards after the fiscal year December 31st 2008

IAS 1 (Revised) "Financial Statement Presentation" (applied to annual accounting periods commencing on or after January 1st 2009)

IAS 1 has been revised to upgrade the usefulness of data presented in financial statements. The most important among these are: changes in equity including only group share transactions, the introduction of a new comprehensive income statement combining all credit and debit entries recognized in the income statement as "other comprehensive income", and restatements of income statements or retrograde applications of new accounting policies as presented in the commencement of the earlier accounting period. The company will implement the above revisions and make all necessary changes in the presentation of its financial statements for the year 2009.

IFRS 2 (Amendment) "Share-Based Payment, Vesting Conditions and Cancellations" (applied to annual accounting periods commencing on or after January 1st 2009)
This amendment clarifies the term "vesting conditions" by introducing the term "non-vesting conditions" for terms that do not constitute service or performance conditions. It is also clarified that all cancellations originating either in the financial entity in question or in the counter parties, must receive the same accounting treatment. The company does not expect this amendment to affect the financial statements.

Amendments to standards which constitute part of the International Accounting Standards Board (IASB) annual improvements project.
The following amendments describe the most significant changes the IASB published in May 2008. Insofar no provisions to the contrary have been stated, the amendments apply to annual accounting periods commencing on or after January 1st 2009.

IAS 1 (Amendment) "Financial Statement Presentation"
The amendment clarifies that some of the financial assets and liabilities that have been categorized as available-for-sale in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", constitute examples of current assets and liabilities respectively. The company will apply this amendment as of January 1st 2009, but it nevertheless does not expect it to affect the financial statements.

IAS 19 (Amendment) "Employee Benefits"
The changes to the original standard are as follows:

- An amendment to the plan producing a change in the extent where benefit commitments are affected by future pay rises is considered a curtailment, while an amendment changing the benefits related to past service creates a negative cost service if it culminates in a decrease of the present value of defined benefit costs.
- The definition of return of plan assets has been amended to state that the costs of providing employee benefits are discounted from the calculation of return of plan assets only to the degree that these costs have been excluded from the measurement of defined benefit cost.
- The distinction between short-tem and long-tem employee benefits will be based on whether the benefits will be paid within or after the 12 months of employee service provision.
- IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" requires that contingent liabilities be disclosed and not recognized. IAS 19 has been amended to comply accordingly.

The company will apply these amendments as of January 1st 2009. These amendments are not expected to affect the financial statements.

3. Financial risk management

The company is exposed to various financial risks, such as credit risk, liquidity risk and market risk.
Risk management is carried out by the management of the company, with the support of specific departments of the Parent Company, EFG EUROBANK ERGASIAS S.A.

3.1 Credit risk
The company is exposed to credit risk when a counter party is unable to pay amounts in full when due, either as a debtor (customer of the seller) or as the recipient of an advance against the sale of the accounts receivable (seller).
The company structures the levels of acceptable credit risk based on the financial analysis of the borrower or the group of borrowers, their industry, their position in the market and the dispersion of their credit risks.
Factoring Services are classified, in terms of risk, as follows:
1) Recourse factoring 2) Non-recourse factoring, 3) Collection factoring only

The **right of recourse** that allows the Factoring Company to go back to the seller (borrower) to collect its claims mitigates the credit risk it assumes against the debtor.
The provision of **non-recourse factoring services** implies that the credit risk has been assumed by the Factoring Company, in the case that the debtor (customer) becomes insolvent.

In order to provide **non-recourse** factoring services, EUROBANK EFG FACTORS examines in depth the creditworthiness of the debtor (customer), his commercial transactions through time, evaluates his market position, the commercial particularities of the goods or services provided by the debtor, and decides whether to accept (or to reject) the provision of Services, determining at each time, a specific credit limit for the debtor.

On December 31st, the company's claims from advances extended for non-recourse factoring services amounted to a total of € 593,392,154 that is, 67 % of total advances for in 2008, as compared to € 328,756,076.63 -that is 60 % for 2007 respectively.

For non-recourse Factoring Services provided to its customers, EUROBANK EFG FACTORS obtains insurance coverage for credit risk, insofar it deems that a possibility, however small, exists that the debtor will be insolvent in the future.

The company does not amass risk with respect to any one customer or debtor for over 10% of total claims.
EUROBANK EFG FACTORS reassesses the credit and advance limits approved on the basis of the customer's creditworthiness at regular intervals, so as to ascertain that these correspond to the needs of the customer, but also to the limits of his creditworthiness.

Assets underlie credit risk

	December 31st 2008	December 31st 2008
On balance sheet items underlie credit risk	Receivables from banks	Advances to customers
Receivables neither past due nor impaired	3.212.940,23	881.034.009,00
Receivables past due but not impaired	0,00	0,00
Receivables past due and impaired	0,00	4.815.103,77
Total	**3.212.940,23**	**885.849.112,77**
Less : Provisions on impaired assets	0,00	(2.759.051,70)
Total	**3.212.940,23**	**883.090.061,07**

	December 31st 2007	December 31st 2007
On balance sheet items underlie credit risk	Receivables from banks	Advances to customers
Receivables neither past due nor impaired	2.258.898,59	544.612.494,93
Receivables past due but not impaired	0,00	0,00
Receivables past due and impaired	0,00	4.535.439,15
Total	**2.258.898,59**	**549.147.934,08**
Less : Provisions on impaired assets	0,00	(2.486.267,47)
Total	**2.258.898,59**	**546.661.666,61**

(a) Receivables neither past due nor impaired

The credit rating of the portfolio that is not past due or impaired on 31 December 2008 and 2007 can be evaluated based on the credit rating of the Group. The following information is based on this system.

	December 31st 2008	December 31st 2008

Credit risk evaluation	Receivables from banks	Advances to customers
Acceptable risk	3.212.940,23	881.034.009,15
Watching list - follow-up	0,00	0,00
Total	**3.212.940,23**	**881.034.009,00**

	December 31st 2007	December 31st 2007
Credit risk evaluation	Receivables from banks	Advances to customers
Acceptable risk	2.258.898,59	544.421.889,26
Watching list - follow-up		190.605,67
Total	**2.258.898,59**	**544.612.494,93**

(b) Receivables past due and impaired

	December 31st 2008	December 31st 2007
	Advances to customers	Advances to customers
Receivables impaired per case	4.815.103,77	4.535.439,15
Total	**4.815.103,77**	**4.535.439,15**
Letter of credit coverage	1.279.883,79	2.399.498,78

Credit risk concentration

	Greece	West Europe countries	New Europe countries	Other countries	Total
Receivables from banks					
Advances to customers					
- Large corporate companies	581.401.204,47	105.953,47	5.692.329,07	19.237,50	587.218.724,50
- Middle corporate companies	279.517.621,76	6.207.915,88	2.695.798,67	2.551.833,61	290.973.169,92
- Small corporate companies	4.898.166,80	0,00	0,00	0,00	4.898.166,80
Forfaiting deals					
December 31st 2008	865.816.993,03	6.313.869,35	8.388.127,74	2.571.071,11	883.090.061,22
December 31st 2007	**527.272.713,85**	**2.133,26**	**21.643.234,77**	**2.483,31**	**548.920.565,19**

Activity sector

	Commerce and Services	Industry	Banks	Constructions	Total
Receivables from banks					
Advances to customers					
- Large corporate companies	390.831.446,16	185.556.117,37	0,00	10.831.160,97	587.218.724,50
- Middle corporate companies	180.852.410,99	109.850.295,38	0,00	270.463,55	290.973.169,92
- Small corporate companies	4.205.476,43	692.690,37	0,00	0,00	4.898.166,80
Forfaiting deals					

December 31st 2008	**575.889.333,58**	**296.099.103,12**	**0,00**	**11.101.624,52**	**883.090.061,22**
December 31st 2007	**351.441.941,14**	**185.389.562,27**	**2.258.898,59**	**9.830.163,19**	**548.920.565,19**

3.2 Market Risk

Market risk arises from open positions in interest rates or foreign exchange or from a combination of the two, as exposed to general and special fluctuations in the market.

3.2.1 Currency risk

The company extends advances to its customers against accounts receivable assigned to it, denominated in the currency the assigned transactions have been invoiced. Nevertheless, the risk assumed by the company is limited, by virtue of its policy to draw the necessary cash from open accounts, denominated in the same currency with the advances extended to the customers. Currency risk is limited to the company's own foreign exchange reserves form the annual period's profits, which are converted to euro, the base currency of the company, at regular intervals.

Sensitivity to currency risk

The foreign currencies that the company manages for the most part, in order to meet the needs of its customers, are the US dollar (USD) and the British pound (GBP). In order to hedge the risk from revaluation or devaluation relative to the base currency, the claims in foreign exchange are weighed against the respective liabilities, to minimize the effect from any change in the currency rate. Moreover, foreign currency rate can be safeguarded against future recognition of claims or liabilities by using "swap" financial derivatives.

On the basis of the balances of December 31st 2008 any possible 10% revaluation or devaluation of the US dollar would impact results by (€ 32,700) or € 32,700 respectively. Such a change in the British pound would correspond to (€1,000) or €1,000 respectively.

Currency risk at 31.12.2008

ASSETS	**USD**	**GBP**	**Other For. Cur.**	**EUR**	**TOTAL**
Cash and cash equivalents			58,30	295,76	354,06
Receivables from banks	42.101,87	536,48	74,15	3.170.227,73	3.212.940,23
Advances to customers	24.722.893,00	280.150,63	136.184,75	857.950.832,69	883.090.061,07
Intangible assets			54,79	32.277,45	32.332,24
Property, plant and equipment			0,00	341.915,68	341.915,68
Deferred income tax assets			0,00	19.974,69	19.974,69
Other assets			0,00	142.145,80	142.145,80
Total Assets	**24.764.994,87**	**280.687,11**	**136.371,99**	**861.657.669,80**	**886.839.723,77**
LIABILITIES					
Amounts due to banks	3.051.040,39	270.512,70	37.821,58	108.778.329,88	112.137.704,55
Amounts due to clients	142,04		164,22	2.858.149,88	2.858.456,14
Corporate Bonds	21.383.506,08			686.057.946,90	707.441.452,98
Income tax liabilities				868.167,56	868.167,56
Retirement benefit obligations				78.311,00	78.311,00
Financial derivative instruments				4.916,89	4.916,89
Deferred income tax liabilities				0,00	0,00
Other liabilities				2.812.702,95	2.812.702,95

Total liabilities	**24.434.688,51**	**270.512,70**	**37.985,80**	**801.458.525,06**	**826.201.712,07**
Net Currency Position	**330.306,36**	**10.174,41**	**98.386,19**	**60.199.144,74**	**60.638.011,70**

Currency risk at 31.12.2007

ASSETS	**USD**	**GBP**	**Other For. Cur.**	**EUR**	**TOTAL**
Cash and cash equivalents				521,99	521,99
Receivables from banks	36.856,79	543.995,61	415,11	1.677.631,08	2.258.898,59
Advances to customers	62.110.751,14	636.024,26		483.914.891,21	546.661.666,61
Intangible assets				40.725,94	40.725,94
Property, plant and equipment				407.629,03	407.629,03
Financial derivative instruments				5.435,94	5.435,94
Deferred income tax assets				109.766,95	109.766,95
Other assets				149.976,12	149.976,12
Total Assets	**62.147.607,93**	**1.180.019,87**	**415,11**	**486.306.578,26**	**549.634.621,17**
LIABILITIES					
Amounts due to banks	5.709.906,53	3.201,69		59.400.119,36	65.113.227,58
Amounts due to clients	69,81	381,55		3.108.114,77	3.108.566,13
Corporate Bonds	56.310.873,67			379.655.980,66	435.966.854,33
Income tax liabilities				748.728,64	748.728,64
Retirement benefit obligations				58.448,00	58.448,00
Deferred income tax liabilities				1.358,98	1.358,98
Other liabilities	4.097,70	8.565,71	1.163,62	2.425.904,27	2.439.731,30
Total liabilities	**62.024.947,71**	**12.148,95**	**1.163,62**	**445.398.654,68**	**507.436.914,96**
Net Currency Position	**122.660,22**	**1.167.870,92**	**(748,51)**	**40.907.923,58**	**42.197.706,21**

3.2.2 Interest rate risk

The company is exposed to interest rate risk that arises from changes in the prevailing market interest rates. Such changes may increase or decrease interest rate margins, leading to a reduction in estimated profits. The company's policy is to set fixed interest rate margins with its customers for each currency, based on the rates determined by the market for certain time periods (monthly or quarterly euribor), covering its cash flows with a corresponding agreement with the lending bank. In cases where a fixed interest rate is established, the company follows market trends and adjusts the rate at regular intervals, in accordance with parent Bank policy.

Sensitivity to interest rate risk

To cover itself against interest rate risk the company keeps its customers in receivables volumes, relevant to loan liabilities so that, if any fluctuation of interest rates occurs, the rate margin will remain stable. In cases where that cannot be accomplished via the use of "swap" derivatives, it converts floating rate receivables to fixed rate and vice versa, so as to achieve hedging of the risk.

On the basis of the balances of December 31st 2008, any possible 1% increase (or decrease) of the interest rate would impact results by € 564,367 or (€ 564,367), influence by 94% from the use of own capital.

Interest rate risk at 31.12.2008

ASSETS	Up to 3 months	3-12 months	1-5 years	Over 5 years	Non-affected items	Total
Cash and cash equivalents	354,06					**354,06**
Receivables from banks	3.212.940,23					**3.212.940,23**
Advances to customers	838.844.692,47				44.245.368,60	**883.090.061,07**
Intangible assets					32.332,24	**32.332,24**
Property, plant and equipment					341.915,68	**341.915,68**
Deferred income tax assets					19.974,69	**19.974,69**
Other assets					142.145,80	**142.145,80**
Total Assets	**842.057.986,76**	**0,00**	**0,00**	**0,00**	**44.781.737,01**	**886.839.723,77**
LIABILITIES						
Amounts due to banks	112.137.704,55					**112.137.704,55**
Amounts due to clients	2.858.456,14					**2.858.456,14**
Corporate Bonds	670.625.038,08				36.816.414,90	**707.441.452,98**
Income tax liabilities					868.167,56	**868.167,56**
Retirement benefit obligations					78.311,00	**78.311,00**
Financial derivative instruments					4.916,89	**4.916,89**
Deferred income tax liabilities					0,00	**0,00**
Other liabilities					2.812.702,95	**2.812.702,95**
Total liabilities	**785.621.198,77**	**0,00**	**0,00**	**0,00**	**40.580.513,30**	**826.201.712,07**
Total on balance sheet interest rate gap	**56.436.787,99**	**0,00**	**0,00**	**0,00**	**4.201.223,71**	**60.638.011,70**

Interest rate risk at 31.12.2007

ASSETS	Up to 3 months	3-12 months	1-5 years	Over 5 years	Non-affected items	Total
Cash and cash equivalents	521,99					**521,99**
Receivables from banks	2.258.898,59					**2.258.898,59**
Advances to customers	465.701.986,92	15.041.007,58			65.918.672,11	**546.661.666,61**
Intangible assets					40.725,94	**40.725,94**
Property, plant and equipment					407.629,03	**407.629,03**
Financial derivative instruments					5.435,94	**5.435,94**
Deferred income tax assets					109.766,95	**109.766,95**
Other assets					149.976,12	**149.976,12**
Total Assets	**467.961.407,50**	**15.041.007,58**	**0,00**	**0,00**	**66.632.206,09**	**549.634.621,17**
LIABILITIES						
Amounts due to banks	65.113.227,58					**65.113.227,58**
Amounts due to clients	3.108.566,13					**3.108.566,13**
Corporate Bonds	370.048.182,22				65.918.672,11	**435.966.854,33**
Income tax liabilities					748.728,64	**748.728,64**

Retirement benefit obligations					58.448,00	**58.448,00**
Deferred income tax liabilities					1.358,98	**1.358,98**
Other liabilities					2.439.731,30	**2.439.731,30**
Total liabilities	**438.269.975,93**	**0,00**	**0,00**	**0,00**	**69.166.939,03**	**507.436.914,96**
Total on balance sheet interest rate gap	**29.691.431,57**	**15.041.007,58**	**0,00**	**0,00**	**(2.534.732,94)**	**42.197.706,21**

3.3 Liquidity risk.

The company is exposed daily to liquidity risks arising from the management of its receivables portfolio. The analysis of customer cash flows is indicative, and not conclusive, as it is determined by the commercial arrangements between the sellers and their customers (debtors), but, nevertheless, the liquidity requirements of the company can be thus determined to provide for the adequate planning and optimization of its borrowing needs. The company maintains sufficient liquidity from the issuance of corporate bonds, which cover the greatest part of its cash flows. Open borrowing covers the remaining liquidity in the currency that the necessary cash flows are denominated, in order to enable cash flow management with the best possible returns. In case of temporary cash flow surpluses, the company places its cash in overnight deposits.

The table below presents the financial liabilities of the company on the basis of the contractual non-discounted cash flows for 2008 and 2007.

These liabilities can be readjusted with premature repayment of the borrowed capital or the bond issue without penalty clauses, and with the safeguarding of the optimal liquidity of the company as the basic criterion.

Liquidity risk at 31.12.2008

LIABILITIES	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**Total**
Amounts due to banks					
Capital due	111.517.759,57				**111.517.759,57**
Interest expense	951.710,31				**951.710,31**
Corporate Bonds					
Capital due	8.801.396,49	17.434.255,39	306.001.763,02	374.579.000,00	**706.816.414,90**
Interest expense	2.432.749,20	3.513.075,84	14.848.293,32	8.423.248,86	**29.217.367,22**
Total Liabilities	**123.703.615,57**	**20.947.331,23**	**320.850.056,34**	**383.002.248,86**	**848.503.252,00**

Liquidity risk at 31.12.2007

LIABILITIES	**Up to 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**Total**
Amounts due to banks					
Capital due	65.113.227,58				**65.113.227,58**
Interest expense	251.771,15				**251.771,15**
Corporate Bonds					
Capital due	13.501.690,00	40.808.391,00	104.070.024,00	277.456.000,00	**435.836.105,00**
Interest expense	1.569.897,00	2.914.157,00	10.683.341,00	18.867.623,00	**34.035.018,00**
Total Liabilities	**80.436.585,73**	**43.722.548,00**	**114.753.365,00**	**296.323.623,00**	**535.236.121,73**

3.4 Capital adequacy.

The Bank of Greece, in order to monitor financial companies, has set certain rules through the issue of directives for the measurement of sufficient coverage against risk of claims depreciation and for assets in general, and determining adequate provisions and capital adequacy.

The supervisory capital of companies for their assets, weighed by the relative risk factors (as per Presidential Decree 2053/18.3.92) creates the capital adequacy indicator.
As arising from the following table, the capital adequacy indicator of the company on December 31st is 10% higher than the minimum required by the relevant directive of the Governor of the Bank of Greece. Factoring companies follow a seasonal fluctuation of customer invoicing, and as a result, total factored claims reach their maximum limit in December of each year.

CAPITAL ADEQUASY INDICATOR

	31.12.2008	31.12.2007
Supervisory Capital	53.382.093,55	38.406.508,89
Weighted assets and memo accounts	505.441.239,04	290.952.635,58
Capital adequacy Indicator	**10,56%**	**13,20%**

3.5 Fair value determination
The fair value of derivative financial instruments is determined on the basis of cash flow pre-payment models. Nominal value minus provisions for the impairment of receivables from customers and banking institutions is estimated to approach fair value.
The real values of financial liabilities are considered to approach their nominal value.

4. Critical estimates and assumptions

a) ***Principal assumptions of management regarding provision estimate methods***

The company is constantly reviewing its factoring advance portfolio to assess impairment. In order to determine whether an impairment loss should be recognized in the income statement, the company uses its own judgment to establish whether there are indications of a measurable reduction in the cash flows arising from a group, before this reduction can be correlated to a specific customer or debtor. Such indications may include observed data that show an adverse change in the payment status of borrowers in a group, as due to negative economic conditions in a specific industry, or local or national economic conditions that correlate to defaults on assets in the group, or to random events such as floods, fires etc. which are expected to affect the repayment of debts to the company. Management employs estimates based on loss history and experience as regarding estimates of future cash flows, and for assets with credit risk characteristics and evidence of objective impairment similar to those in the group of loans and receivables. The methodology and assumptions used in estimating the amounts and the timing of future cash flows are reviewed regularly, so as to reduce any discrepancies between estimated and actual loss.
The amount of the impairment of receivables arises from the difference between the receivable that has been accounted and the estimated recoverable amount. The recoverable amount is the present value of the future cash flows from doubtful debts, after taking into account any collateral, and discounted by the effective interest rate of the agreement.
Events that alter and reverse prior loss estimates, affect accordingly the provisions formed, and are recognized in the income statement.

b) Fair value of derivative financial instruments

The fair value of financial instruments that are not traded in the active market is determined by using valuation techniques. Whenever valuation techniques are used for determining fair value, they are carried out by experienced and specialized executives of the parent bank.

c) Income tax

The management of the company makes estimates in order to determine the income tax provision. The company recognizes liabilities for anticipated tax audit issues, based on estimates with respect to whether additional taxes will be due. In cases where the final tax outcome of these issues is different from the amounts initially recognized, such differences will impact the income tax and the deferred tax provisions for the period of that determination.

5. Net interest income

	31.12.2008	31.12.2007
Interest and related income		
Advances to customers	27.421.464,46	19.790.934,48
Interest income from derivatives (swap)	27.960,97	100.648,69
Other interest income	1.710.583,84	1.584.843,28
Total	**29.160.009,27**	**21.476.426,45**
Interest and related expense		
Amounts due to banks	1.592.192,31	1.135.273,75
Interest expense from derivatives (swap)	22.643,86	128.485,52
Corporate bonds issued	18.545.970,66	13.624.873,48
Total	**20.160.806,83**	14.888.632,75
Net interest Income	**8.999.202,44**	6.587.793,70

6. Net commission income

	31.12.2008	31.12.2007
Commission income		
Factoring services	7.218.670,16	5.829.481,84
Total	**7.218.670,16**	**5.829.481,84**
Fee and commission expense	1.207.309,45	1.486.188,94
Total	**1.207.309,45**	**1.486.188,94**
Net commission income	**6.011.360,71**	**4.343.292,90**

7. Other income

	31.12.2008	31.12.2007
Foreign exchange gain (loss)	(32.633,89)	71.662,34
Income from derivatives evaluation	(10.352,83)	5.435,94
Other income	18.954,32	52.998,89
Total	**(24.032,40)**	**130.097,17**

8. Payroll and staff costs

	31.12.2008	31.12.2007
Salaries	1.627.434,59	1.490.999,16
Employer contributions	404.973,64	360.502,56

Pension costs	19.863,00	7.918,00
Other cost	972.618,24	718.667,12
Total	**3.024.889,47**	**2.578.086,84**

The average number of persons employed by the company during the fiscal year 2008 was 68.
(2007 : 64)

9. Administrative expenses	**31.12.2008**	**31.12.2007**
Building operating leases	336.136,54	316.827,07
Thirt party compensation and charges	87.234,80	68.851,19
Telephone - Postage - Information systems	65.836,45	77.319,71
Repairs - Maintenance - Insurance premiums	32.409,49	27.411,23
Electricity - Water - Cleaning	67.627,93	64.249,81
Advertising costs	36.206,61	38.952,68
Subscriptions	21.192,55	17.830,13
Office supplies	31.179,55	36.536,73
Other overheads	78.750,14	56.956,44
Total	**756.574,06**	**704.934,99**

10. Impairment provisions on customer receivables	**31.12.2008**	**31.12.2007**
Impairment charged for the year	272.784,24	66.192,13
Total	**272.784,24**	**66.192,13**

11. Income tax expense	**31.12.2008**	**31.12.2007**
Current income tax	2.187.277,57	2.043.698,18
Prior year tax audit defferences	80.783,00	0,00
Deferred tax	88.433,28	(112.501,97)
Total	**2.356.493,85**	**1.931.196,21**

The Greek tax rate for 2008 is 25% (2007 : 25%)

		31.12.2008		**31.12.2007**
Profit before tax		**10.826.499,34**		**7.605.721,45**
Income tax expense	25,00%	2.706.624,84	25,00%	1.901.430,36
Increase or decrease arising from:				
Prior year tax audit differences	0,75%	80.783,00		
Income not subject to tax	-0,02%	(1.800,00)		
Tax from non-deductible expenses	2,73%	295.886,01	0,39%	29.765,85
Other permanent tax differences	-6,70%	(725.000,00)		
Income tax expense	**21,77%**	**2.356.493,85**	**25,39%**	**1.931.196,21**

Assets

12. Cash and cash equivalents	31.12.2008	31.12.2007
12.1 Cash	354,06	521,99
12.2 Receivables from banks		
Current accounts	3.212.940,23	2.258.898,59
Total cash and cash equivalents	**3.213.294,29**	**2.259.420,58**

13. Advances to customers	31.12.2008	31.12.2007
Invoice discounting	362.657.527,52	71.458.078,60
Domestic factoring with recourse	145.138.236,90	121.487.771,26
Domestic non-recourse factoring	311.563.184,11	246.633.525,44
International factoring	22.244.795,64	82.122.551,19
Forfaiting deals	44.245.368,60	27.446.007,58
Total	**885.849.112,77**	**549.147.934,07**
Less : Provision for impairment of receivables	(2.759.051,70)	(2.486.267,46)
Total	**883.090.061,07**	**546.661.666,61**

Provision for impairment of receivables	1/1 - 31/12/2008	1/1 - 31/12/2007
Starting balance	2.486.267,46	2.671.386,26
Provisions charge for the year	272.784,24	66.192,13
Less : Provisions used for written off loans	0,00	(251.310,93)
Provision balance end of year	**2.759.051,70**	**2.486.267,46**

14. Intangible Assets

Balance at 1.1.2007	
Acquisition cost	**162.100,28**
Accumulated amortization	**(116.077,10)**
Net book balance	**46.023,18**
Period 1.1.2007 - 31.12.2007	
Additions	**17.162,00**
Disposals	
Wastages	
Amortisation charge	**(22.459,24)**
Balance at 31.12.2007	
Acquisition cost	**179.262,28**
Accumulated amortization	**(138.536,34)**
Net book balance at 31.12.2007	**40.725,94**

Period 1.1.2007 - 31.12.2008	
Additions	**14.506,59**
Disposals	**0,00**
Wastages	
Amortisation charge	**(22.900,29)**
Balance at 31.12.2008	
Acquisition cost	**193.768,87**
Accumulated amortization	**(161.436,63)**
Net book balance at 31.12.2008	**32.332,24**

15. Property, plant and equipment	**Improvements of third party property**	**Other Equipment**	**TOTAL**
Balance at 1.1.2007			
Acquisition cost	**500.988,21**	**407.641,74**	**908.629,95**
Accumulated amortization	**(215.324,49)**	**(252.145,53)**	**(467.470,02)**
Net book balance	**285.663,72**	**155.496,21**	**441.159,93**
Period 1.1.2007 - 31.12.2007			
Additions		50.258,22	50.258,22
Disposals			
Wastages			
Amortisation charge	(34.659,24)	(49.129,88)	(83.789,12)
Balance at 31.12.2007			
Acquisition cost	**500.988,21**	**457.899,96**	**958.888,17**
Accumulated amortization	**(249.983,73)**	**(301.275,41)**	**(551.259,14)**
Net book balance at 31.12.2007	**251.004,48**	**156.624,55**	**407.629,03**
Period 1.1.2008 - 31.12.2008			
Additions	0,00	17.170,00	17.170,00
Disposals			
Wastages			
Amortisation charge	(35.025,60)	(47.857,75)	(82.883,35)
Balance at 31.12.2008			
Acquisition cost	**500.988,21**	**475.069,96**	**976.058,17**
Accumulated amortization	**(285.009,33)**	**(349.133,16)**	**(634.142,49)**
Net book balance at 31.12.2008	**215.978,88**	**125.936,80**	**341.915,68**

16. Deferred income tax assets - liabilities

Deferred income tax assets	Balance at 1.1.2007	Recognised in income statement	Recognised in equity	Balance at 31.12.2007
Provision for retirement obligations	0,00	14.612,00		14.612,00
Provision for personnel bonus	0,00	95.154,95		95.154,95
Total	**0,00**	**109.766,95**	**0,00**	**109.766,95**

Deferred income tax liabilities	Balance at 1.1.2007	Recognised in income statement	Recognised in equity	Balance at 31.12.2007
Derivatives (Swap)	(4.094,00)	2.735,02		(1.358,98)
Total	**(4.094,00)**	**2.735,02**		**(1.358,98)**
Grant total at 31/12/2007	**(4.094,00)**	**112.501,97**	**0,00**	**108.407,97**

Deferred income tax assets	Balance at 1.1.2008	Recognised in income statement	Recognised in equity	Balance at 31.12.2008
Provision for retirement obligations	14.612,00	4.182,64		18.794,64
Provision for personnel bonus	95.154,95	(95.154,95)		0,00
		1.180,05		1.180,05
Total	**109.766,95**	**(89.792,26)**	**0,00**	**19.974,69**

Deferred income tax liabilities	Balance at 1.1.2008	Recognised in income statement	Recognised in equity	Balance at 31.12.2008
Derivatives (Swap)	(1.358,98)	1.358,98		0,00
Total	**(1.358,98)**	**1.358,98**		**0,00**
Grant total at 31/12/2008	**108.407,97**	**(88.433,28)**	**0,00**	**19.974,69**

17. Other assets	**31.12.2008**	**31.12.2007**
Guarantees - advances	26.768,23	20.215,95
Prepaid expenses	49.990,40	74.554,30
Other receivables	65.387,17	55.205,87
Total	**142.145,80**	**149.976,12**

Liabilities

18. Amounts due to banks

Obligations towards banks arise from credit agreement, concerning an open, floating interest rate account, signed by EFG Factors and EFG Eurobank Ergasias.

The above agreement allows the company to maintain open accounts in foreign currency in order to extend advances to its clients in the corresponding currencies.

The interest rate charged to customers depend on the particular customer deal and is either a monthly Euribor or Libor floating interest rate or a fix rate for the given period, plus spread in the relevant currency.

Open account agreement	31/12/2008	31/12/2007
Loans balance	€ 111.517.759,57	€ 64.566.287,33
Accrued interest payable	€ 619.944,99	€ 546.940,25
Total amount due	€ 112.137.704,56	€ 65.113.227,58

The fair value of the above loans approached their book value on the corresponding balance sheet dates.

19. Amounts due to customers

Amounts due to clients arise from the credit balances of client open accounts, resulting from collections that had not been rendered on the date the financial statements were prepared.

	31.12.2008	**31.12.2007**
Amounts due to clients on December 31	**2.858.456,14**	**3.108.566,13**

20. Corporate Bonds

In order to cover its borrowing requirement EFG Factors SA issued the following Corporate Bonds

CORPORATE BONDS AT 31/12/2008

AMMOUNT	ISSUE DATE	DUE DATE	INTEREST RATE FIX/FLOATING	BONDS PCS	BONDS BALANCE (FACE VALUE)	
					IN FOR. CUR.	IN EUR
€ 250.000.000	23/12/2008	23/12/2009	FLOATING	250.000		€ 250.000.000,00
€ 50.000.000	17/12/2008	17/12/2010	FLOATING	50.000		€ 50.000.000,00
€ 4.135.000	7/11/2008	4/2/2009	FIX	4.135		€ 4.135.000,00
€ 3.487.000	21/10/2008	3/4/2009	FIX	3.487		€ 3.487.000,00
€ 890.000	15/9/2008	12/1/2009	FIX	890		€ 690.000,00
€ 60.000.000	9/7/2008	9/7/2009	FLOATING	60.000		€ 50.000.000,00
€ 50.000.000	27/6/2008	27/6/2011	FLOATING	50.000		€ 50.000.000,00
€ 2.570.000	13/12/2007	1/6/2011	FIX	2.570		€ 1.895.000,00
€ 3.895.000	29/11/2007	15/1/2012	FIX	3.895		€ 3.067.000,00
€ 2.790.000	17/9/2007	17/2/2012	FIX	2.790		€ 2.234.000,00
€ 270.000.000	29/6/2007	30/6/2010	FLOATING	270.000		€ 270.000.000,00

€ 650.000	29/12/2006	31/05/09	FIX	65		€ 130.000,00
€ 698.417.000						**€ 685.638.000,00**

$1.910.000,00	2/12/2008	25/2/2009	FIX	1.910	$1.910.000,00	€ 1.372.422,22
$8.590.000,00	10/11/2008	5/2/2009	FIX	8.590	$8.590.000,00	€ 6.172.307,26
$3.245.000,00	22/10/2008	2/1/2009	FIX	3.245	$3.245.000,00	€ 2.331.680,68
$4.305.000,00	17/10/2008	15/1/2009	FIX	4.305	$4.305.000,00	€ 3.093.339,08
$6.858.000,00	30/9/2008	26/1/2009	FIX	6.858	$3.509.000,00	€ 2.521.376,73
$548.000,00	11/7/2008	2/4/2009	FIX	548	$548.000,00	€ 393.763,02
$667.000,00	13/6/2008	26/2/2009	FIX	667	$667.000,00	€ 479.269,96
$6.700.000,00	18/3/2008	11/3/2009	FIX	6.700	$6.700.000,00	€ 4.814.255,95
$32.823.000,00					**$29.474.000,00**	**€ 21.178.414,90**

BONDS GENERAL TOTAL AT 31/12/2008	**€ 706.816.414,90**
BONDS ACCRUED INTEREST AT 31/12/2008	**€ 625.038,08**
BONDS TOTAL DUE AT 31/12/2008	**€ 707.441.452,98**

CORPORATE BONDS AT 31/12/2007						
AMMOUNT	**ISSUE DATE**	**DUE DATE**	**INTEREST RATE FIX/FLOATING**	**BOND S PCS**	**BONDS BALANCE (FACE VALUE)**	
					IN FOR. CUR.	**IN EUR**
€ 100.000.000,00	31/12/2007	30/6/2008	FLOATING	100.000		€ 100.000.000,00
€ 2.570.000,00	18/12/2007	6/2008-6/2011	FIX	2.570		€ 2.570.000,00
€ 3.895.000,00	29/11/2007	15/1/2012	FIX	3.895		€ 3.867.000,00
€ 26.000.000,00	5/10/2007	31/10/2007	FIX	26		€ 0,00
€ 2.790.000,00	17/9/2007	17/2/2012	FIX	2.790		€ 2.754.000,00
€ 270.000.000,00	29/6/2007	30/6/2010	FLOATING	270		€ 270.000.000,00
€ 650.000,00	29/12/2006	30/11/08	FIX	65		€ 390.000,00
€ 405.905.000,00						**€ 379.581.000,00**

$7.900.000,00	31/12/2007	19/2/2008	FIX	7.900		€ 5.377.075,96
$9.600.000,00	28/12/2007	14/2/2008	FIX	9.600		€ 6.534.168,25
$22.500.000,00	28/12/2007	11/2/2008	FIX	22.500		€ 15.314.456,85
$19.750.000,00	21/12/2007	18/2/2008	FIX	19.750		€ 13.442.689,90
$19.750.000,00	21/12/2007	18/1/2008	FIX	19.750		€ 13.442.689,90
$3.150.000,00	4/12/2007	11/9/2008	FIX	3.150		€ 2.144.023,96
$82.650.000,00						**€ 56.255.104,82**

BONDS GENERAL TOTAL AT 31/12/2007	**€ 435.836.104,82**
BONDS ACCRUED INTEREST AT 31/12/2007	**€ 130.749,51**
BONDS TOTAL DUE AT 31/12/2007	**€ 435.966.854,33**

21. Assets - Liabilities due to derivatives

The company within 2006 entered interest rate swap agreement to be paid in 8 semi-annual equal instalments, the last due on February 2010, in order to hedge interest rate risks, the outstanding amount at 31.12.08 was € 513.202.53 (at 31.12.2007 the outstanding amount was € 855.337,55)

The valuation of derivatives at 31.12.2008 produces liability of (€ 4.916.89) and at 31.12.2007 the valuation was an asset of € 5.435,94 respectively..

22. Income tax liabilities

	31.12.2008	31.12.2007
Current year income tax	2.187.277,57	2.043.698,18
Less last year advancement	(1.299.495,39)	(1.266.061,11)
Less witholded taxes	(19.614,62)	(28.908,43)
Income tax liabilities	**868.167,56**	**748.728,64**

23. Retirement benefit obligations

	31.12.2008	31.12.2007
Balance at January 1st	58.448,00	50.530,00
Provision for the period	19.863,00	7.918,00
Benefits paid		
Balance at December 31st	**78.311,00**	**58.448,00**

Expenses recognised in the income statement		
Current service cost	6.509,64	6.509,64
Interest cost	1.408,36	1.408,36
Total, included in staff costs	**7.918,00**	**7.918,00**

	2008	2007
Actuarial assumptions	**%**	**%**
Discount rate	5,25	4,90
Future salary increases	3,50	3,50
Inflation	2,50	2,50

24. Other liabilities	**31.12.2008**	**31.12.2007**
Social security organizations	90.162,96	81.442,46
Accrued expenses	381.263,34	483.298,70
Suppliers	191.542,59	430.383,85
Other Liabilities	166.905,53	129.222,60
Other tax liabilities	1.982.828,53	1.315.383,69
Total	**2.812.702,95**	**2.439.731,30**

25. Share Capital

By decision of the Extraordinary General Assembly of December 22nd 2008, the share capital of the company was increased by the sum of Euro 2,250,000, cash-financed through the issuance of 50,000 new shares with a nominal value of 45 euros each and a sale price of 300 euros each. In this manner, capital totaling Euro 15,000,000 was raised. The new shares include a share premium of Euro 12,750,000.00 and are incorporated in the "share premium" account. Thus, and after the above share capital increase, the share capital of the company amounted to Euro 22,950,000 divided into 510,000.00 shares with a nominal value of 45 euros each.

26. Statutory reserve

The company is required under Greek commercial law to retain a minimum of 5% from its net annual accounting profits as a statutory reserve.
Retention is not mandatory if the total statutory reserve exceeds 1/3 of the paid-in share capital. This reserve is not distributable throughout the entire lifespan of the company and is intended to cover any debit balances of the retained earnings account.
On 31.12.2008 the company statutory reserve amounted to € 1,567,304.90 (2007: € 1,140,155.69).

27. Retained earnings

This account includes untaxed reserves at € 62,746.33 resulting from untaxed income that was not distributed and will not be distributed in the future, and, as a consequence, no deferred tax was calculated in accordance with IAS 12.
Total retained earnings on 31.12.2008 amounted to the sum of € 19,172,406.80 (2007: € 16,129,550.52).

28. Operational lease Commitments

The Company leases various assets under operating lease agreements, whose cancellation incurs liability for the payment damages.

α) Damage payable in case all leases are cancelled.

December 31st, 2008		December 31st, 2007	
Buildings	Vehicles	Buildings	Vehicles
€	€	€	€
93.639,56	18.723,69	119.840,00	17.166,00

29. Related party transactions

The Company is controlled by EFG Eurobank Ergasias (which is headquartered in Athens and is listed in the Athens Stock Exchange), which owns 100% of the Company's share capital. The ultimate parent company is EFG Bank European Financial Group, a bank incorporated in Switzerland.
All the related party transactions, are performed as common business practice and are based on trade rules..

Related party transactions	**31.12.2008**	**31.12.2008**
	EFG Eurobank Ergasias	**Other related parties**
Assets		
Receivables from banks	2.105.519,29	106.720,42
Other assets		
	2.105.519,29	106.720,42
Liabilities		

Amounts due to banks	111.966.847,65	37.417,05
Debt securities issued	707.441.452,98	
Other liabilities		
	819.408.300,63	37.417,05
Memo accounts		
Letters of credit on our behalf	795.311.972,42	
Income		
Income from derivatives (swap)	27.960,97	4.653,20
Interest income	53.556,43	171.500,00
Commission Income	174.765,60	
	256.283,00	**176.153,20**
Expenses		
Interest and related expenses	20.120.775,65	17.387,32
Interest expense from derivatives (swap)	22.643,86	
Commission expenses	96.624,63	
Administration expenses	144.514,80	45.048,07
	20.384.558,94	**62.435,39**

Related party transactions	**31.12.2007**	**31.12.2007**
	EFG Eurobank Ergasias	**Other related parties**
Assets		
Receivables from banks	2.006.798,88	106.720,42
Other assets		
	2.006.798,88	106.720,42
Liabilities		
Amounts due to banks	65.113.227,58	
Debt securities issued	435.966.854,33	
Other liabilities		
	501.080.081,91	
Memo accounts		
Letters of credit on our behalf	331.645.000,00	
Income		
Income from derivatives (swap)	100.648,69	
Interest income	278.057,00	85.507,00
	378.705,69	**85.507,00**
Expenses		
Interest and related expenses	14.760.147,23	
Interest expense from derivatives (swap)	128.485,52	
Commission expenses	66.700,00	
Administration expenses	94.959,10	4.085,00
	15.050.291,85	**4.085,00**

Transactions with other related parties concern the companies Be-Business Exchange SA, EFG Insurance Services SA, Eurobank Tekfen in Turkey,and Eurobank EFG Bulgaria.
The necessary financing cash flows of the company are covered with open account financing from the parent company EFG Eurobank Ergasias, the issuance of corporate bonds, or share capital increases.

Cash flows from financing activities	**1/1 – 31/12/2008**	**1/1 – 31/12/2007**
Corporate Bonds	714.451.909,39	613.142.241,19
Less - Corporate bonds repayments	(443.471.599,31)	(470.954.489,40)
Less - Dividend payment	(5.000.000,00)	(3.600.000,00)
Funds drawn from banks	46.951.472,24	(98.641.051,09)
Capital increase less tax expenses	14.970.300,00	9.928.000,00
	327.902.082,32	**49.874.700,70**

Key management compensation.

Salaries and other short-term benefits € 452.400 (€ 468.048 in 2007)

30. Contingent Liabilities

(a) Legal issues.

The Company's Management and its Legal Department judge that there are no outstanding cases, which may have a major impact on the Company's financial position.

(b) Taxation issues.

EFG FACTORS has been tax audited for the financial years including 2006, and therefore its tax liabilities have been finalized. The financial years 2007 and 2008 have not been tax audited, but the Company has made tax adjustments in order to determine taxable profits in accordance with income tax legislation.

31. Events after the balance sheet date.

There are no events after the balance sheet date that have a significant impact on the Company's financial statements.

Independent Auditor's Report
To the Shareholders of EFG Factors SA
Reg. No. 44428/01AT/B/99/39/03

Report on the Financial Statements

We have audited the accompanying financial statements of EFG Factors SA (the Company) which comprise the balance sheet as of 31 December 2008 and the 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 fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by 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 International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the system of 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 system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of December 31st 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on other legal and regulatory requirements

The contents of the Directors' Report comply with the accompanying financial statements.

Athens, 7 April 2009
The Certified Auditor - Accountant

PricewaterhouseCoopers
Certified Auditors - Accountants
268 Kifissias Avenue, Halandri 152 32
SOEL Reg. No. 113

Marios Psaltis
SOEL REG. No 38081