

**EFG New Europe Funding B.V.**  
**(Amsterdam)**

**ANNUAL REPORT**  
**December 31, 2006**

PHE/PHE/BWL

---

**EFG New Europe Funding B.V.**  
**(Amsterdam)**

**Managing Directors:**

Mrs. Elli Giannopoulou  
8, Orthonos Str.,  
105 57 Athens,  
Greece.

TMF Management B.V.  
Parnassustoren  
Locatellikade 1  
1076 AZ Amsterdam  
The Netherlands

EFG New Europe Funding B.V.  
(Amsterdam)

**CONTENTS**

---

	Page
Managing Directors	2
Managing Directors' Report	3
Financial Statements:	
Income Statement	4
Balance Sheet	5
Statement of Changes in Shareholder's Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8-15
Other Information	16
Auditors Report	17

**EFG New Europe Funding B.V.**  
**(Amsterdam)**

**Report of Managing Directors**

In accordance with the Articles of Association of EFG New Europe Funding B.V., management herewith submits the Annual Report of EFG New European Funding B.V. (the Company) for the first financial year from October 19, 2006 to December 31, 2006.

The Company does not have supervisory directors.

**Key activities**

The Company acts as an intra group financing company. In such a capacity it is engaged in the the granting of loans to Serbian corporate customers, following the origination thereof by the EFG group in Serbia.

In 2006, the Company initiated a corporate loan portfolio originating from the EFG group's activities in Serbia.

**Result**

During the period under review, the Company recorded a profit (loss) of EUR (66,926), which is set out in detail in the attached Income Statement.

**Risk Management**

The managing board utilizes a risk management policy and receives regular reports to enable prompt identification of financial risks so that appropriate actions may be taken. The company employs written policy and procedures that sets out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these.

**Outlook**

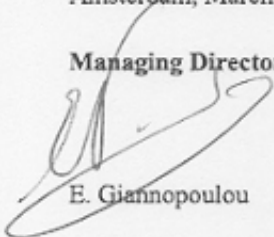
It is expected that the nature of the activities of the company will remain unchanged during 2007.

**Subsequent events**

No material subsequent events, affecting the financial statements, have occurred to date.

Amsterdam, March 9, 2007

**Managing Directors**

  
E. Giannopoulou

  
TMF Management B.V.

**EFG New Europe Funding B.V.**  
(Amsterdam)

**INCOME STATEMENT**  
for the period October 19, 2006, to December 31, 2006

	<u>Note</u>	EUR 19-Oct-06 31-Dec-06
Interest income on loans & advances		39,943
Interest expense on borrowings		<u>(37,652)</u>
Net interest income		2,291
Commission due to EFG Eurobank Ergasias S.A, Athens		(1,042)
Introduction fee to EFG Stedionica a.d, Serbia		<u>(600)</u>
Net result from trading		649
Other income	4	819
Operating costs	5	<u>(85,125)</u>
<b>Profit / (loss) before taxation</b>		<b>(83,657)</b>
Income tax	6	16,731
<b>Net Profit / (loss)</b>		<b><u>(66,926)</u></b>

The notes to the accounts on page 8 to 15 are an integral part of these financial statements.



EFG New Europe Funding B.V.  
(Amsterdam)

BALANCE SHEET  
DECEMBER 31, 2006

	<u>Note</u>	31-Dec-06 EUR
<b><u>ASSETS:</u></b>		
Loans & advances to customers	7	27,000,000
Interest receivable	8	40,762
VAT receivable	9	11,273
Deferred tax asset	6	16,731
Cash and cash equivalents	10	999,187
		28,067,953
<b>TOTAL ASSETS</b>		<b>28,067,953</b>
<b><u>SHAREHOLDER'S EQUITY and LIABILITIES:</u></b>		
<b><u>LIABILITIES:</u></b>		
Borrowings from group company	11	27,000,000
Interest payable to group companies	12	37,652
Trade payables	13	1,642
Other payables & accrued expenses	14	95,585
		27,134,879
<b>TOTAL LIABILITIES</b>		<b>27,134,879</b>
<b><u>SHAREHOLDER'S EQUITY:</u></b>		
Issued share capital	15	18,000
Share premium		982,000
Retained earnings		(66,926)
		933,074
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>933,074</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>28,067,953</b>

The notes to the accounts on page 8 to 15 are an integral part of these financial statements.

EFG New Europe Funding B.V.  
(Amsterdam)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY  
for the period October 19, 2006, to December 31, 2006

	EUR Share Capital	EUR Share Premium	EUR Accumulated deficit	EUR Total
Balance at October 19, 2006	-	-	-	0
Issue of common shares	18,000			18,000
Contributions		982,000		982,000
Profit (loss) for the year	-	-	(66,926)	(66,926)
Statement of Changes in Shareholders' Equity	<u>18,000</u>	<u>982,000</u>	<u>(66,926)</u>	<u>933,074</u>

The notes to the accounts on page 8 to 15 are an integral part of these financial statements.

EFG New Europe Funding B.V.  
(Amsterdam)

CASH FLOW STATEMENT  
for the period October 19, 2006, to December 31, 2006

	EUR
<b>Operating Activities:</b>	
Profit for the year	(66,926)
<i>Cash generated from operations</i>	<u>(66,926)</u>
Increase in other assets	(68,766)
Increase in other liabilities	134,879
<b>Cash flow generated from operating activities</b>	<u>(813)</u>
<b>Investment Activities:</b>	
Investments in loans & advances	(27,000,000)
<b>Cash flow generated from investing activities</b>	<u>(27,000,000)</u>
<b>Financing Activities:</b>	
Proceeds from borrowing	27,000,000
Proceeds from issue of capital	1,000,000
<b>Cash flow generated from financing activities</b>	<u>28,000,000</u>
Net cash flow increase (decrease) from above activities	<u>999,187</u>
Cash and banks at October 19, 2006	-
Currency exchange result	-
Cash and banks at December 31, 2006	<u><u>999,187</u></u>

The notes to the accounts on page 8 to 15 are an integral part of these financial statements.



**EFG New Europe Funding B.V.**  
**(Amsterdam)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

**1. General information**

EFG New Europe Finance B.V. (the Company) was incorporated on October 19, 2006 and has its registered address at Locatellikade 1, Amsterdam, The Netherlands. The Company is incorporated in The Netherlands, and is a wholly owned by EFG Eurobank Ergasias SA, in Greece. The ultimate parent company is EFG Bank European Financial Group, in Switzerland. As 2006 is the first financial period of the Company, no comparative figures are disclosed.

The Company acts as an intra group financing company. In such a capacity it is engaged in the the granting of loans to Serbian corporate customers, following the origination thereof by the EFG group in Serbia.

**2. Basis of preparation and accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

**Basis of preparation**

The Company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Commission. These standards are subject to ongoing amendments by the IASB (International Accounting Standard Board) and subsequent endorsement by the European Commission.

At the date of authorisation of the financial statements, the following Standards and Interpretations were in issue but not yet effective:

- IFRS 8 Operating Segments (effective 1 January 2008)
- IFRIC 7 Applying the Restatement Approach under IAS 29 (effective 1 march 2006)
- IFRIC 8 Scope of IFRS 2 (effective 1 May 2006)
- IFRIC 9 Reassessment of embedded derivative (effective 1 June 2006)
- IFRIC 10 Interim Financial Reporting and Impairment (effective 1 November 2006)
- IFRIC 11 Group Treasury Share Transactions (effective 1 March 2007)
- IFRIC 12 Service Concession Arrangements (effective 1 January 2009)

The Management anticipates that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company, although disclosures may be more extensive.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property, available-for-sale financial assets and financial assets and liabilities at fair value through profit and loss, which are carried at fair value.

**Presentation currency**

These financial statements are presented in Euro as this is the currency of the primary economic environment in which the Company operates ("the functional currency").

**Revenue recognition**

Interest income and interest expenses are recognised in the income statement as they accrues, using effective interest method.

Fees and Commissions are generally recognised on an accrual basis when the service has been provided.

**EFG New Europe Funding B.V.**  
(Amsterdam)

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

**Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Group's sources and nature of risks and rates of return are affected predominantly by the fact that it operates in different countries or other geographical areas. Therefore its primary format for reporting segment information is geographical segments. Secondary information, if any, is reported for groups of related products and services. At this time the only geographical segment (Serbia) coincides with the only product segment (corporate lending).

**Foreign currency**

Transactions in foreign currencies are translated into Euro at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities stated in foreign currencies at the balance sheet date are translated into Euro at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary assets and liabilities in foreign currencies, which are stated at historical cost, are translated into Euro at the foreign exchange rate prevailing at the date of the transaction, in the Balance Sheet. Any resulting movement is also recognised in the Income Statement.

**Income tax**

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable based on the taxable profit for the year, using tax rates enacted or substantially prevailing at the balance sheet date. Taxable profit may differ from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

**Deferred tax**

Deferred income tax is provided in full, using the liability method, on 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 (and laws) 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 tax liability is settled.

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

**Financial instruments**

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the investment.

**Held-to-maturity investments**

Held-to-maturity investments are measured at initial recognition at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

**EFG New Europe Funding B.V.**  
(Amsterdam)

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

**Loans and receivables**

These represent Loans and Advances to customers, and are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate provisions for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

The nominal or cost value of the other receivables, which are not traded in active markets or for which no valuation techniques can be applied is assumed to appropriate their fair value.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Impairment**

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments, carried at amortised cost has occurred, 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 been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset will be reduced either directly or through use of an allowance account. Any such loss would be recognised in the Income Statement.

**Interest-bearing borrowings**

Interest-bearing borrowings are initially recognised at their fair value net of transaction costs incurred. Interest-bearing borrowings are stated at amortised cost using the effective interest method. Applying the effective interest method, the entity amortises any fees, transaction costs and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the underlying liability. Any such amortisation would be recognised in the Income Statement.

**Provisions**

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**Trade payables**

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

**Other payables**

The nominal or cost value of the other payables, which are not traded in active markets or for which no valuation techniques can be applied is assumed to appropriate their fair value.

**Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

**Cash-flow statement**

The Cash-flow statement has been prepared in accordance with the direct method.



EFG New Europe Funding B.V.  
(Amsterdam)

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006

3. Financial risk management

The company's activities expose it to a variety of risks. Exposure to credit, interest rate, currency and liquidity risk arises in the normal course of the Company's business. The Company's overall risk management policy focus on the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The management considers there is no significant concentration of the following risks at the balance sheet date:

*Credit risk* -the risk that a counterparty will be unable to pay amounts in full when due.

*Interest rate risk* -the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

*Foreign currency risk* -the risk that assets or liabilities in foreign currencies will fluctuate in value due to exchange rate fluctuations

*Liquidity risk* - the risk that daily calls on its cash may exceed available cash resources.

STATEMENT OF INCOME - NOTES:

4. Other income	19-Oct-06	31-Dec-06
Interest income on bank deposits		819
		<u>819</u>
5. Operating costs	19-Oct-06	31-Dec-06
Management and domiciliation fee		58,895
Tax advisory fee		7,500
Legal fees		435
Audit fees		12,500
Chamber of Commerce fees		166
Bank charges		129
Travel and entertainment		5,500
		<u>85,125</u>

The company does not have any employees.

**EFG New Europe Funding B.V.**  
(Amsterdam)

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

6. Income tax	19-Oct-06 31-Dec-06
Income tax provision - 2006	-
Deferred tax on losses - 2006	16,731
	16,731

A reconciliation of the current corporate income tax and effective corporate income tax is presented below:

Profit (loss) before taxation	(83,657)
<i>Statement of Changes in Shareholder's Equity</i>	
- permanent differences due to tax ruling	-
Taxable profit (loss)	(83,657) 8-15
Corporate income tax expense for the period (at average 0%)	-
Deferred tax on losses for the period (at 20% tax rate)	16,731 16
<i>Effective corporate income tax rate</i>	0.00% 17

Permanent difference relate to the specific tax ruling that has been agreed with, or is in process of being agreed with, the Dutch Tax Authorities. The ruling is currently in process of being agreed.

The Company reports a net mark-up over the amount on-lent of effectively 15bps. The Company will also report a return on equity. The equity to be taken into account will be the equity as contributed to the Company.

For the years 2006 and after, the Company and the Dutch Tax Authorities will conclude an Advance Pricing Agreement.

The corporate income tax rates in 2006 were 25.5% for profits up to and including € 22,689 and 29.6%, for profits exceeding € 22,689.

<b>Deferred tax asset</b>	
Balance at October 19, 2006	-
Movement during the period	16,731
Balance at December 31, 2006	16,731



**EFG New Europe Funding B.V.**  
(Amsterdam)

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

**BALANCE SHEET - NOTES:**

<b>7.</b>	<b>Loans &amp; advances to customers</b>	<b>31-Dec-06</b>	
	Loans to Serbian corporate clients	27,000,000	
		<u>27,000,000</u>	
	Repayments due:		
	0-1 months	-	
	1-3 months	-	
	3-12 months	-	
	1-5 years	27,000,000	
	over 5 years	-	
		<u>27,000,000</u>	
<p>Loans bear interest at 3 month Euribor plus 1.1%, and according to the client specific Credit Facility Agreements. They are 99% secured by virtue of the Master and Guarantee Agreement with EFG Stedionica a.d, in Serbia, dated December 4, 2006, however amended. The current loans are repayable at variable periods, ranging from bullet repayments in 13 months to instalments due within the year 2008.</p>			
<b>8.</b>	<b>Interest receivable</b>	<b>31-Dec-06</b>	
	Interest on loans to Serbian corporate clients	39,943	
	Interest due on bank deposits	819	
		<u>40,762</u>	
<b>9.</b>	<b>VAT receivable</b>	<b>31-Dec-06</b>	
	Value added tax reclaimable	11,273	
		<u>11,273</u>	
<b>10.</b>	<b>Cash and cash equivalents</b>	<b>31-Dec-06</b>	
	Bank – F. van Lanschot, Netherlands	17,187	
	Bank deposits – EFG Private Bank, Luxembourg.	982,000	
		<u>999,187</u>	

**EFG New Europe Funding B.V.**  
(Amsterdam)

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

<b>11. Borrowings from group company</b>		<b>31-Dec-06</b>
	Financing borrowings from group company, EFG Private Bank, Luxembourg	27,000,000
		<u>27,000,000</u>
	Repayments due:	
	0-1 months	-
	1-3 months	-
	3-12 months	-
	1-5 years	27,000,000
	over 5 years	-
		<u>27,000,000</u>
<p>Borrowings bear interest at 3 month Euribor plus 0.825%. They are fully secured by virtue of the Request for the Issuance of a Letter of Guarantee, dated December 14, 2006, however amended., in which the EFG Eurobank Ergasias S.A. undertakes to repay the EFG Private bank in case of default by the Company after being called to repay. The current loans are repayable on a basis mirroring that in the Loans in Note 7 above.</p>		
<b>12. Interest payable to group companies</b>		<b>31-Dec-06</b>
	EFG Private Bank, Luxembourg	<u>37,652</u>
<b>13. Trade payables</b>		<b>31-Dec-06</b>
	Commission due to EFG Eurobank Ergasias S.A, Athens	1,042
	Introduction fee to EFG Stedionica a.d, Serbia	600
		<u>1,642</u>
<b>14. Other payables &amp; accrued expenses</b>		<b>31-Dec-06</b>
	Payable on demand or limited terms:	
	Accrued management and domiciliation fees	72,585
	Accrued tax advisory fees	7,500
	Accrued audit fees	12,500
	Accrued travel expenses	3,000
		<u>95,585</u>

**EFG New Europe Funding B.V.**  
**(Amsterdam)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

**15. Share Capital**

The authorised share capital of the Company consists of 90,000 shares with a par value of EUR 1.00 each (EUR 90,000). At December 31, 2006, 18,000 shares were issued and fully paid (EUR 18,000).

**16. Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company is involved in several related party transactions, mainly with regard to the issuing of loans – refer to Interest expense on Borrowings, the Income Statement, and Notes 10, 11, 12 and 13.

**17. Subsequent events**

No subsequent events, affecting these financial statements, have occurred.

**18. Directors' remuneration**

The Board of Directors consists of two members, who received no remuneration.

The Company does not have a Board of Supervisory Directors.

**EFG New Europe Funding B.V.**  
**(Amsterdam)**

**OTHER INFORMATION**

**Statutory provision regarding appropriation of Result**

In accordance with Article 13 of the Articles of Association, profit shall be at the disposal of the Annual General Meeting of Shareholders. Profit distribution can only be made to the extent that Shareholder's Equity exceeds the issued and paid-up share capital and legal reserves.

**Appropriation of profit**

The Managing Directors proposed that the loss for the past financial period to be credited to the accumulated deficit.

**Auditor's Report**

The audit opinion is set forth on the next page.



To the General Meeting of Shareholders of EFG New Europe  
Funding B.V.

## Auditor's report

PricewaterhouseCoopers  
Accountants N.V.  
Thomas R. Malthusstraat 5  
1066 JR Amsterdam  
P.O. Box 90357  
1006 BJ Amsterdam  
The Netherlands  
Telephone +31 (20) 568 66 66  
Facsimile +31 (20) 568 68 88  
[www.pwc.com/nl](http://www.pwc.com/nl)

### Report on the financial statements

We have audited the accompanying financial statements for the period from 19 October 2006 to 31 December 2006 of EFG NEW Europe Funding B.V., Amsterdam as set out on pages 8 to 20 which comprise the balance sheet as at 31 December 2006, the income statement, statement of changes in equity and cash flow statement for the period from 19 October 2006 to 31 December 2006 and a summary of significant accounting policies and other explanatory notes.

### Managing Directors' responsibility

Managing Directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Managing Directors in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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 the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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



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

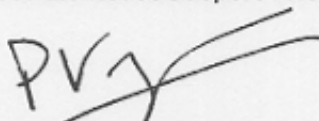
**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of EFG NEW Europe Funding B.V. as at 31 December 2006, and of its result and its cash flows for the period from 19 October 2006 to 31 December 2006 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

**Report on other legal and regulatory requirements**

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the Managing Directors is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 9 March 2007  
PricewaterhouseCoopers Accountants N.V.



drs. P.F.J. Veuger RA