Company Registration Number: 05449607

THEMELEION II MORTGAGE FINANCE PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

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THEMELEION II MORTGAGE FINANCE PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mr M H Filer Mrs R L Samson Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	05449607
Registered office	Tower 42 (Level 11) 25 Old Broad Street London EC2N 1HQ
Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors Southwark Towers 32 London Bridge Street London SE1 9SY

THEMELEION II MORTGAGE FINANCE PLC

THE DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the audited financial statements of Themeleion II Mortgage Finance PLC (the "Company") for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of a securitisation vehicle with legal ownership of mortgage loans secured by first charges over residential properties within Greece. In accordance with the terms of the offering circular dated 17 June 2005, the Company issued floating rate notes of €750 million and purchased the mortgage loans portfolio from EFG Eurobank Ergasias S.A. (the "Originator" or "EFG Eurobank"). The floating rate notes are due to mature in January 2040 and are listed on the Irish Stock Exchange.

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The profit on ordinary activities after taxation for the year was €1,329,034 (Period ended 2005: €175,368). The directors have not recommended a dividend (2005: €nil).

FUTURE DEVELOPMENTS

Due to repayments decreasing the principal value of the mortgage loans each year, the deemed loan, loan notes, interest income and interest expense are expected to decrease in future years. The rate of decrease is dependent on future redemptions and further advances, if any.

KEY PERFORMANCE INDICATORS

The key performance indicator of the business is considered to be the net interest margin. During 2006, the Company achieved a net interest margin, before fair value gains on derivative financial instruments, of 0.63% (2005: 1.20%). At the year end, the Company had net assets of €1,522,994 (2005: €193,960).

Under the terms of the Notes the Company can repurchase the outstanding Notes of a securitisation issue at par once the outstanding principal amount of the Notes falls below 10% of the amount originally issued. The current Notes outstanding as a percentage of the original principal balance is 76.4% (2005: 97.8%).

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the Company during the year together with their beneficial interests in the shares of the parent Company were as follows:

Mr M H Filer
Mrs R L Samson
Wilmington Trust SP Services (London) Limited

Ordinary shares of £1 in the Company	**No. of shares 31 Dec 2006 & 2005**
Wilmington Trust SP Services (London) Limited	49,999

The shares held by Wilmington Trust SP Services (London) Limited in the Company are held under Declarations of Trust for charitable purposes.

CREDITOR PAYMENT POLICY

The Company's policy concerning the payment of its trade creditors is to pay in accordance with its contractual and other legal obligations.

PRINCIPAL RISKS AND UNCERTAINTIES

EFG Eurobank manages the mortgage portfolio under the servicer agreement with the Company. In managing the mortgage portfolio, EFG Eurobank applies the Bank's formal structure for managing risk, including established risk limits, reporting lines, mandates and other control procedures. This structure is reviewed regularly by the Bank's Assets and Liabilities Commitment (ALCO), which is charged with the responsibility for managing and controlling the balance sheet exposures of the Bank. The minutes of ALCO relating to the operations of the Company are presented to the Board of the Company.

Interest rate risk
The Company is exposed to movements in interest rates and manages this exposure using interest rate swaps. More specifically, the Company is exposed to basis risk due to the timing difference in interest payment dates on the Notes and the deemed loan. This is hedged using an interest rate 'basis' swap that is taken out on inception of the securitisation.

After taking into consideration the Company's derivative instruments, the administered interest rate nature of the Company's deemed loan, the regular re-pricing of the Company's notes, together with the nature of the Company's other assets and liabilities, the directors do not believe that the Company has any significant interest rate re-pricing exposure.

Credit risk
Credit risk on the deemed loan to the Originator is considered to be minimal because the directors do not expect the amount of incurred credit losses on the Originator's securitised mortgage loans to customers to exceed the amount of credit enhancement supplied by the Originator. With regard to credit risk on derivatives, the directors monitor the credit rating of the swap provider and in case of any downgrade may require the swap provider to provide sufficient collaterals or transfer its obligations to another bank of the same credit rating.

Liquidity risk
The Company's policy is to manage liquidity risk through its use of its start-up loan and excess spread, a reserve fund and an over-collateralisation of mortgage loans underlying the loan to the Originator. As the length of the loan notes is designed to match the length of the mortgage loans underlying the loan to the Originator, there are deemed to be limited liquidity risks facing the Company.

Currency risk
All of the Company's assets and liabilities are denominated in Euros ("€"), and therefore there is no foreign currency risk.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Company has adopted IFRS's for the first time during the current year. Application of IFRS to the 2005 comparatives has had no impact on the reported profit for the year ended 31 December 2005.

Full disclosures are given in the notes to these financial statements for the year ended 31 December 2006 that explain the financial effects of transition to IFRSs.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under the law the directors have elected to prepare financial statements in accordance with IFRSs as adopted by the European Union.

The financial statements are required by law and IFRSs as adopted by the European Union ("EU") to give a true and fair view of the state of affairs of the Company and the profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

By order of the Board

On behalf of Wilmington Trust SP Services (London) Limited
Director
Date: 11 JUNE 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEMELEION II MORTGAGE FINANCE PLC

We have audited the financial statements (the ''financial statements'') of Themeleion II Mortgage Finance Plc (the "Company") for the year ended 31 December 2006 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 December 2006 and of its profit and cash flows for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
Dated: 11 June 2007

THEMELEION II MORTGAGE FINANCE PLC

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	1 January 2006 to 31 December 2006	11 May 2005 to 31 December 2005
		€	€
Interest income	3	21,496,928	9,786,839
Interest expense	4	(21,362,199)	(9,669,640)
Net interest income		134,729	117,199
Net income from derivative financial instruments		1,324,868	173,696
Administrative expenses	5	(128,778)	(114,810)
Profit before tax for the year		1,330,819	176,085
Taxation	6	(1,785)	(717)
Profit for the year		1,329,034	175,368
Attributable to:			
Equity holders		1,329,034	175,368

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2006

	Share Capital	Retained Earnings	Total
	€	€	€
Balance at 11 May 2005	2	-	2
Capital subscribed	18,590	-	18,590
Profit for the period	-	175,368	175,368
Balance at 1 January 2006	18,592	175,368	193,960
Profit for the year	-	1,329,034	1,329,034
Balance at 31 December 2006	18,592	1,504,402	1,522,994

The notes on pages 9 to 20 form part of these financial statements.

THEMELEION II MORTGAGE FINANCE PLC

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Note	2006 €	2005 €
Non-current Assets			
Deemed Loan to the Originator	7	**434,068,401**	706,720,736
Total non-current assets		**434,068,401**	706,720,736
Current Assets			
Other assets	9	**2,515,034**	2,786,768
Derivative financial instruments	8	**1,498,564**	173,696
Cash and cash equivalents		**151,154,964**	37,624,960
Total current assets		**155,168,562**	40,585,424
Total assets		**589,236,963**	747,306,160
Equity			
Issued capital	10	**18,592**	18,592
Retained earnings	10	**1,504,402**	175,368
Total equity	10	**1,522,994**	193,960
Non-current Liabilities			
Liabilities evidenced by paper	11	**571,125,886**	731,573,075
Subordinated loans	13	**11,471,706**	11,158,216
Total non-current liabilities		**582,597,592**	742,731,291
Current Liabilities			
Other liabilities	14	**5,113,875**	4,380,192
Tax payable		**2,502**	717
Total current liabilities		**5,116,377**	4,380,909
Total liabilities		**587,713,969**	747,112,200
Total equity and liabilities		**589,236,963**	747,306,160

These financial statements were approved by the board of directors on 11 JUNE 2007 and are signed on their behalf by:

On behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 9 to 19 form part of these financial statements.

THEMELEION II MORTGAGE FINANCE PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	1 January 2006 to 31 December 2006	11 May 2005 to 31 December 2005
	€	€
Cash flows from operating activities		
Profit before tax for the year / period	**1,330,819**	176,085
Adjustments for:		
Amortisation of issue costs	**326,826**	167,215
Fair value movement in derivatives	**(1,324,868)**	(173,696)
Operating profit before changes in operating assets and liabilities	**332,777**	169,604
Decrease/(increase) in other receivables	**271,734**	(2,786,768)
Increase in other payables	**12,329,311**	12,083,386
Net decrease/(increase) in the deemed loan to the Originator	**261,380,893**	(714,315,714)
Net cash from operating activities before tax	**273,981,938**	(705,019,096)
Tax paid	**-**	-
Net cash from operating activities after tax	**274,314,715**	(704,849,492)
Cash flows from financing activities		
Issue of equity share capital	**-**	18,592
Issue of loan notes	**-**	750,000,000
Redemption of loan notes	**(160,784,711)**	(16,294,140)
Issue costs	**-**	(2,300,000)
Issue of subordinated loans	**-**	11,050,000
Net cash from financing activities	**(160,784,711)**	742,474,452
Net increase in cash and cash equivalents	**113,530,004**	37,624,960
Cash and cash equivalents at start of year / period	**37,624,960**	-
Cash and cash equivalents at end of year / period	**151,154,964**	37,624,960

The notes on pages 9 to 19 form part of these financial statements.

THEMELEION II MORTGAGE FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

1. PRINCIPAL ACCOUNTING POLICIES

Themeleion II Mortgage Finance PLC is a public limited company incorporated and domiciled in the United Kingdom with registered number 05449607.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the European Union (EU) and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative contracts.

The financial statements were prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP) until 31 December 2005. The Company has applied IFRS1 "First time adoption of International Financial Reporting Standards" in preparing these financial statements. The IFRS transition date is 11 May 2005. In preparing these financial statements, management has concluded that no changes are required to the accounting and valuation methods of the assets, liabilities, income and expenses of the Company to comply with IFRS. However, certain new disclosures and reclassifications were required to comply with the requirements of IFRS which have been included in these financial statements as explained in Note 16.

The Company mainly transacts in euros ("€"), therefore, the euro is its functional and presentational currency.

There are no significant uncertainties or estimates applied in the basis of preparing these financial statements.

Standards issued but not adopted

The directors considered the following IFRS standards which are currently in issue but are not mandatory. The directors do not consider the financial effect or disclosure of these standards to be material to the financial statements.

IAS 1: Presentation of Financial Statements – amendment on Capital Disclosures; and

IFRS 7: Financial Instruments: Disclosures

These standards will be adopted in the next financial year. A summary of the more important accounting policies which have been used for the preparation of these financial statements is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial assets
The Company classifies its financial assets into two categories: financial assets at fair value through profit or loss and carried at amortised cost using effective interest method.

The Company's derivative instruments are classified as financial assets or liabilities at fair value through profit or loss. These derivatives are accounted for as set out in the 'derivative financial instruments' accounting policy set out below.

Legal ownership of mortgage loans is classified as "Deemed loan to the Originator" and is carried at amortised cost using the effective interest method. Cash and cash equivalents are also carried at amortised cost using the effective interest method.

Deemed loan to the Originator
The legal ownership of the mortgage loans sold to the Company by the Originator fail the derecognition criteria of IAS 39 and, therefore, these loans remain on the Balance sheet of the Originator. IAS 39, therefore, requires the Originator to recognise a "deemed loan" financial liability on its balance sheet and the resulting "deemed loan" asset is held on the Company's balance sheet.

This deemed loan initially represents the consideration paid by the Company in respect of the acquisition of the legal ownership of the securitised mortgage loans and is subsequently adjusted due to repayments made by the Originator to the Company. The deemed loan is carried at amortised cost using the effective interest method.

The directors do not expect the amount of incurred credit losses on the Originator's securitised mortgage loans to customers to exceed the amount of credit enhancement supplied by the Originator and accordingly conclude that there is no objective evidence of impairment of the deemed loan. Therefore, in accordance with IAS 39, there is no requirement to recognise any impairment loss against this deemed loan.

Deferred consideration payable to the Originator
Deferred consideration is netted off against the deemed loan since it is due to and from the same counterparty.

Derivative financial instruments
The Company uses derivative financial instruments to economically hedge its exposure to interest rate risk arising from its activities. In accordance with its policy, the Company does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value with gains and losses recognised in the income statement. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Liabilities evidenced by paper
Liabilities evidenced by paper are comprised of loan notes issued by the Company through its offering circular dated 17 June 2005. These loan notes were initially recognised at fair value net of transaction costs incurred and are subsequently stated at amortised cost using the effective interest method.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Subordinated loan
Subordinated loans are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method.

Cash and cash equivalents
For the purposes of the Cash flow Statement, cash and cash equivalents comprise balances with less than 3 months maturity from the date of acquisition.

Interest income and interest expense
Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Foreign currencies
Assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

Taxation
Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates at the balance sheet date.

Under the Finance Act 2005 temporary tax regime for securitisation companies, the Company's tax charge for the year ended 31 December 2006 is based on the taxable profits calculated in accordance with the Generally Accepted Accounting Principles in the United Kingdom ("UK GAAP") as applicable as of 31 December 2004.

2. SEGMENTAL REPORTING

The principal asset of the Company is the deemed loan to the Originator which is originated in Greece, funded by floating rate loan notes issued and listed on the Irish Stock Exchange. Cash is held mainly in the UK. The directors do not use any other segments for the purpose of managing the Company.

3. INTEREST INCOME

Interest income represents the interest income on deemed loan to the Originator together with interest on bank deposits, as analysed below.

	1 January 2006 to 31 December 2006 €	11 May 2005 to 31 December 2005 €
Interest income on deemed loan to the Originator		-
Interest receivable on mortgage loans	31,512,264	17,608,861
Other income on mortgage loans	28,668	39,217
Amounts payable to Bank of Greece under Law 128/75	(741,571)	(463,406)
Deferred consideration payable to the Originator	(11,271,442)	(7,594,978)
	19,527,919	9,589,694
Bank interest income	1,969,009	197,145
	21,496,928	9,786,839

The analysis of interest receivable by geographic location is as follows:

Geographic		
Greece	19,529,471	9,589,694
United Kingdom	1,967,457	197,145
	21,496,928	9,786,839

4. INTEREST EXPENSE

	1 January 2006 to 31 December 2006 €	11 May 2005 to 31 December 2005 €
Interest on liabilities evidenced by paper	20,910,233	9,481,311
Interest on subordinated loans	451,966	188,329
	21,362,199	9,669,640

5. ADMINISTRATIVE EXPENSES

The profit on ordinary activities before taxation is stated after charging:

	1 January 2006 to 31 December 2006 €	11 May 2005 to 31 December 2005 €
Auditors' remuneration – audit of the statutory financial statements of the Company	30,000	21,873
Auditors' remuneration – tax and other services	15,000	29,000
Unrecoverable VAT on above fees	7,875	8,903
Accountancy fees	4,230	4,230
Management fees	65,834	39,888
Other expenses	6,174	10,550
Exchange (gains)/losses recognised	(335)	366
	128,778	114,810

The Company has no employees and, other than the fees paid to Wilmington Trust SP Services (London) Limited as set out in note 15, the directors received no remuneration during the year (Period ended 2005: £nil).

6. TAXATION

(a) Analysis of charge in the period

	1 January 2006 to 31 December 2006	11 May 2005 to 31 December 2005
	€	€
Current tax:		
Corporation tax charge for the year / period	1,785	717
Total income tax charge in income statement	1,785	717

(b) Reconciliation of effective tax rate

The tax assessed on the profit on ordinary activities for the period is less than the standard rate of corporation tax in the UK of 30% (2005: 30%).

	1 January 2006 to 31 December 2006	11 May 2005 to 31 December 2005
	€	€
Profit before tax	1,330,819	176,085
Profit before tax multiplied by the standard rate of corporation tax in the UK of 30% (2005: 30%)	399,246	52,826
Adjustment to reconcile the profit to UK GAAP as required by tax rules – fair value adjustment to Derivative Financial Instruments which is not taxable	(397,461)	(52,109)
Total income tax charge	1,785	717

The Finance Act 2005 provided that corporation tax for a 'securitisation company' within the meaning of the Act, would be calculated with reference to UK GAAP as applicable up to 31 December 2004, for accounting periods ending by 1 January 2008.

Under the powers conferred by the Finance Act 2005, secondary legislation was enacted in November 2006 which ensures that, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the retained profit of the securitisation company required. As a consequence, the taxation treatment of securitisation companies will remain largely unchanged as a result of the introduction of IFRS.

The directors are satisfied that this Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

As at 31 December 2006, there are no tax-related contingent assets or contingent liabilities in accordance with International Accounting Standard No. 37 'Provisions, Contingent Liabilities and Contingent Assets' (IAS37).

7. DEEMED LOAN TO THE ORIGINATOR

	2006	2005
	€	€
At start of year/period	714,315,714	-
Acquisitions during year/period	-	750,000,000
Repayments	(261,380,893)	(35,684,286)
At end of year/period	452,934,821	714,315,714
Deferred consideration payable to the Originator	(18,866,420)	(7,594,978)
	434,068,401	706,720,736

The mortgage portfolio is secured by first charges over residential property in Greece. All mortgage loans are floating rate loans and are due to be repaid at various times before 2034. Mortgage loans may be redeemed at any time at the option of the borrower. The effective interest rate on the deemed loan during the year was 5.52% (period ended 2005: 4.49%).

Deemed loan is repaid as and when the cash is received by the Originator from its customers towards repayments of the mortgage loans.

The maturity profile on contractual payments basis of the underlying mortgage loans as at 31 December 2006 was as follows:

	2006	2005
	€	€
In less than one month	1,618,000	8,011,000
In more than one month but not more than three months	3,258,000	15,125,000
In more than three months but not more than one year	15,038,000	239,393,000
In more than one year but not more than five years	91,590,000	86,682,000
In more than five years	322,564,401	357,509,736
	434,068,401	706,720,736

Deferred consideration is payable to the Originator dependent on the extent to which the surplus income generated by the mortgage loans, that the Company holds the legal title to, exceeds the administration costs of the mortgage. The surplus income generated during the year ended 31 December 2006 amounted to €11,020,011 (2005: €7,494,309).

8. DERIVATIVE FINANCIAL INSTRUMENTS

Interest Rate Swaps are initially accounted and measured at fair value on the date they are entered into and subsequently measured at fair value. The gain or loss on re-measurement is taken to the income statement. The fair values of interest rate swap contracts have been determined by reference to market prices. The fair values of derivative instruments held are set out in the following table:

	Notional amount	Assets	Liabilities
	€	€	€
2006			
Interest rate swaps	750,000,000	1,498,564	-
2005			
Interest rate swaps	750,000,000	173,696	-

9. OTHER ASSETS

	2006	2005
	€	€
Prepayments and accrued income	**2,515,034**	2,786,768
	2,515,034	2,786,768

10. TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share capital	**Retained earnings**	**Total**
	€	**€**	**€**
Balance at 1 January 2006	**18,592**	**175,368**	**193,960**
Profit for the year	**-**	**1,329,034**	**1,329,034**
Balance at 31 December 2006	**18,592**	**1,504,402**	**1,522,994**

	Share capital	**Retained earnings**	**Total**
	€	**€**	**€**
Balance at 11 May 2005	2	-	2
Capital subscribed	18,590	-	18,590
Profit for the period	-	175,368	175,368
Balance at 31 December 2005	18,592	175,368	193,960

There are 50,000 authorised ordinary shares of £1 each (2005: 50,000). The issued share capital consists of 2 (2005: 2) fully paid ordinary shares and 49,998 (2005: 49,998) quarter paid ordinary shares. The issued share capital is reflected in the financial statements as €18,592 based on the prevailing exchange rate of €/£1.4872 on the date the Company changed its functional and presentational currency from sterling to euros.

The holders of ordinary shares as entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11. LIABILITIES EVIDENCED BY PAPER

	2006	2005
Non-current liabilities	**€**	€
Floating rate loan notes	**572,921,149**	733,705,860
Unamortised issue costs	**(1,795,263)**	(2,132,785)
Total loan notes	**571,125,886**	731,573,075

The Mortgage Backed Floating Rate Notes due 2040 are listed on the Irish Stock Exchange, and are secured over a portfolio of mortgage loans secured by first charges over residential properties in the Greece. The repayment of the loan notes are dependent on the receipt in full of the payments from the mortgage loans purchased and have therefore been classified as falling due after more than one year.

Interest on the floating rate loan notes is payable on a quarterly basis at the three month EURIBOR plus the following margins until July 2012: 0.16% for the Class A notes; 0.28% for the Class B notes; 0.50% for the Class C notes. From July 2012, the margins will increase to 0.32% for the Class A notes, 0.56% for the Class B notes and 1.00% for the Class C notes. All of the floating rate loan notes are due to be repaid by January 2040 and are secured by means of a fixed and floating charge over the Company's assets.

11. LIABILITIES EVIDENCED BY PAPER (continued)

The maturity table of the mortgages in note 7 above also reflects the estimated timing of principal repayments on the loan notes assuming that the Company will exercise any repurchase options.

The Company has not had any defaults on principal, interest or any other breaches with respect to their liabilities during the year.

12. FINANCIAL INSTRUMENTS

The Company's financial instruments, other than derivatives, comprise of a deemed loan to the Originator, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The Company also enters into derivative transactions (principally interest rate swaps). The purpose of such transactions is to manage the interest rate risks arising from the Company's operations and its sources of finance.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments is undertaken.

The directors have considered the financial risks affecting the Company and have included the relevant disclosures of interest rate, credit, liquidity and currency risks in the Directors Report.

The table below provide details of the fair value of financial assets and liabilities not carried at fair value through profit and loss:

Fair values

The fair values together with the carrying amounts shown in the balance sheet are as follows:

	Note	Carrying amount 2006 €	Fair value 2006 €	Carrying amount 2005 €	Fair value 2005 €
Deemed loan to the Originator	7	**434,068,401**	**434,068,401**	706,720,736	706,484,615
Other assets	9	**2,515,034**	**2,515,034**	2,786,768	2,786,768
Derivative financial instruments	8	**1,498,564**	**1,498,564**	173,696	173,696
Cash and cash equivalents		**151,154,964**	**151,154,964**	37,624,960	37,624,960
Liabilities evidenced by paper	11	**(571,125,886)**	**(573,495,621)**	(731,573,075)	(731,336,954)
Subordinated loans from the Originator	13	**(11,471,706)**	**(11,471,706)**	(11,158,216)	(11,158,216)
Interest payable		**(4,833,710)**	**(4,833,710)**	(3,988,572)	(3,988,572)
Other payables	14	**(280,165)**	**(280,165)**	(391,620)	(391,620)
Tax payable		**(2,502)**	**(2,502)**	(717)	(717)
		1,522,994	**(846,741)**	193,960	193,960

The fair value of the Liabilities evidenced by paper are determined by market observable data. Fair values of all other assets and liabilities are considered to approximate their carrying values.

13. SUBORDINATED LOANS

	2006	2005
Non-current liabilities	**€**	€
Subordinated loans	**11,471,706**	11,158,216
	11,471,706	11,158,216

Subordinated loans of €11,050,000 were made available to the Company during 2005 by EFG Eurobank Ergasias S.A. Interest on the subordinated loans is payable on a quarterly basis at the three month EURIBOR plus a margin of 1.00%.

14. OTHER LIABILITIES

	2006	2005
Other liabilities	**€**	€
Interest payable	**4,833,710**	3,988,572
Other payables	**176,644**	290,189
Accruals and deferred income	**103,521**	101,431
	5,113,875	4,380,192

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The shares in the Company are held by Wilmington Trust SP Services (London) Limited and Mrs R L Samson under Declarations of Trust for charitable purposes. EFG Eurobank has no direct ownership interest in the Company. However, in accordance with IFRS, and particularly SIC 12, results of the Company are included in the consolidated financial statements of the Bank.

The Company has identified the following transactions which are required to be disclosed under the terms of IAS 24 Related Party Disclosures.

During the period administration and accounting services were provided by Wilmington Trust SP Services (London) Limited for which Wilmington Trust SP Services (London) Limited earned €21,600 (2005: €20,598). Mr M H Filer, a director of the Company, is also a director of Wilmington Trust SP Services (London) Limited. Mrs R L Samson, who is a director of the Company, is an employee of Wilmington Trust SP Services (London) Limited.

During 2006, EFG Eurobank Ergasias S.A. repaid the Company, principal on mortgage loans of €261,380,893 (period ended 2005: €35,684,286).

The interest income on these mortgage loans for the year was €31,540,932 (period ended 2005: €17,648,078) and the interest expense on these subordinated loans for the year was €451,966 (2005: €188,329).

The Company has also incurred €65,834 (2005: €39,888) due to EFG Eurobank Ergasias S.A. for administering the Company's mortgage loans, and €11,271,442 (2005: €7,594,978) for deferred consideration.

16. TRANSITION TO IFRS

The following tables sets out the effect on the balance sheet and income statement of the transition of the Company to IFRS.

Balance Sheet as of 31 December 2005

	Sub-note	31.12.05 UK GAAP	Transition to IFRS	1.1.2006 IFRS GAAP
		€	€	€
Non-current assets				
Deemed loan to the Originator	1,2	-	706,720,736	706,720,736
Mortgage loans	1	714,215,045	(714,215,045)	-
Total non-current assets		714,215,045	(7,494,309)	706,720,736
Current assets				
Debtors falling due within one year		2,786,768	(2,786,768)	-
Other receivables		-	2,786,768	2,786,768
Derivative financial instruments		173,696	-	173,696
Cash at bank	3	37,624,960	-	37,624,960
Total current assets		40,585,424	-	40,585,424
Total assets		754,800,469	(7,494,309)	747,306,160
Equity				
Called up equity share capital		18,592	(18,592)	-
Issued capital		-	18,592	18,592
Profit and loss account		175,368	(175,368)	-
Retained earnings		-	175,368	175,368
Total equity		193,960	-	193,960
Non-current liabilities				
Liabilities evidenced by paper		-	731,573,075	731,573,075
Subordinated loans		-	11,158,216	11,158,216
Creditors falling due after more than one year		750,248,207	(750,248,207)	-
Total non-current liabilities		750,248,207	(7,516,916)	742,731,291
Current liabilities				
Creditors falling due within one year		4,358,302	(4,358,302)	-
Other liabilities		-	4,380,192	4,380,192
Tax payable		-	717	717
Total current liabilities		4,358,302	22,607	4,380,909
Total liabilities		754,606,509	(7,494,309)	747,112,200
Total equity and liabilities		754,800,469	(7,494,309)	747,306,160

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

16. TRANSITION TO IFRS (continued)

Income Statement for the period ended 31 December 2005

	2005 (UK GAAP) €	Transition to IFRS €	2006 IFRS €
Interest receivable and similar income	17,821,774	(17,821,774)	-
Interest income	-	9,786,839	9,786,839
Interest payable and similar charges	(10,133,046)	10,133,046	-
Interest expense	-	(9,669,640)	(9,669,640)
Net interest income	7,688,728	(7,571,529)	117,199
Other operating income	197,145	(197,145)	-
Net income from derivative financial instruments	-	173,696	173,696
Net Revenue	7,885,873	(7,594,978)	290,895
Administrative expenses	(7,709,788)	7,594,978	(114,810)
Profit before tax for the year	176,085	-	176,085
Income tax expense	(717)	-	(717)
Profit for the year	175,368	-	175,368

Transition to IFRS

As stated in note 1, these are the Company's first financial statements prepared in accordance with IFRSs and the accounting policies applied in preparing the financial statements are set out in that note.

Notes

1. Mortgage loans have been reclassified as a loan to the Originator in accordance with the IFRS accounting policies.
2. Deferred consideration has been included within loan to the Originator
3. There are no material differences between the cash flow statement presented under Adopted IFRSs and the cash flow statement presented under UK GAAP.