EFG Hellas plc
Annual Report
For the year ended 31 December 2008

Registered No. 3798157

Registered office: 24 Grafton Street, London W1S 4EZ

Contents

Report of the Directors

The directors submit their report and the financial statements of EFG Hellas Plc ("the Company") for the year ended 31 December 2008.

1. Business review and principal activities

The Company was incorporated as part of the funding strategy of its parent company EFG Eurobank Ergasias S.A. in order to establish a programme for the issuance of medium term debt instruments (EMTN). The EMTN program is listed on the Luxembourg Stock Exchange. This program was last updated in August 2008 at an aggregate amount of € 25,000,000,000. The Company has also established a programme for the issuance of commercial paper that is presently being updated for compliance with the ECP (Short Term European Paper) label. The commercial paper programme was last updated in August 2006 at an aggregate amount of € 3,500,000,000. The commercial paper programme amount will remain unchanged with the forthcoming update. The outstanding issues of debt instruments and commercial paper are guaranteed by EFG Eurobank Ergasias S.A. The net proceeds are applied by the Company to meet part of the general financing requirements of the Company's immediate parent undertaking and its subsidiaries.

The profit for the year after taxation amounted to € 9,948,000 (2007: € 9,068,000). A dividend of € 9,068,077 (€ 181.36 per share) was paid to shareholders on 31 July 2008. (2007: € 5,617,000 - € 112.34 per share). No further dividend is proposed.

2. Strategy and future outlook

The Company's business strategy and activities are linked to those of its parent company and consequently any assessment by the directors of the Company's ability to continue to meet its liabilities as they fall due is closely associated with the business decisions and operations of the parent company. On the basis of their analysis, the directors of the Company consider the financial position of the Company to be satisfactory at the year end, and they expect the business to continue to develop in 2009 and beyond.

The directors monitor the progress of the Company by reference to financial and non-financial data available to them on a regular basis. Particular attention is paid to key performance indicators, including net interest margin and the balances for notes and commercial paper outstanding at the reporting date. These are adjusted regularly in line with the requirements of the business and the nature of the monitoring activities.

3. Creditor Payment Policy

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

4. Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. All of the key business risks affecting the Company, including credit risk, are managed in coordination with the parent company, and are set out in Note 16 to the financial statements.

5. Directors

The directors of the Company who acted during the year are as follows:

Marialena Antonara	From 11 July 2008
Dimosthenis Arhodidis	
Anastasios Ioannidis	
Nicholas Karamouzis	
Fokion Karavias	
Nikolaos Laios	From 11 July 2008
Yasmine Ralli	
Dimitra Spyrou	

5. Directors (continued)

Achilleas Stogioglou From 11 July 2008

Alexandra Vogiatzi

Julia Zavakos

None of the directors has or had any notifiable interest in the shares of the Company or any member of the EFG Bank European Financial Group.

6. Parent company

The immediate parent company is EFG Eurobank Ergasias SA, incorporated in Greece. The ultimate parent company is EFG Bank European Financial Group, a credit institution based in Switzerland. All voting rights at the general meetings of EFG Bank European Financial Group are held by the Latsis family.

7. 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.

The directors have elected to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The financial statements are required by law and IFRS 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 the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the Company and that enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

8. 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.

9. Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the forthcoming annual general meeting.

By order of the Board

J. Zavakos	A. Vogiatzi
Director	Director
29 April 2009	29 April 2009

Independent auditors' report to the members of EFG Hellas plc

We have audited the financial statements of EFG Hellas plc for the year ended 31 December 2008 which comprise the income statement, the balance sheet, the statement of changes in equity, 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 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgements 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 2008 and of its profit and cash flows for the year 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

Chartered Accountants and Registered Auditors

London

5 May 2009

Income Statement
for the year ended 31 December 2008

	Note	2008 €'000	2007 €'000
Interest and similar income	4	681,783	553,222
Interest expense and similar charges	5	(667,085)	(539,949)
Net interest income		14,698	13,273
Net income from financial instruments designated at fair value	7	(476)	2
Operating expenses	6	(309)	(322)
Profit before income tax		13,913	12,953
Income tax expense	9	(3,965)	(3,885)
Profit for the year		**9,948**	**9,068**
Attributable to:			
The parent company		**9,948**	**9,068**

The notes on pages 11 to 20 form part of these financial statements

Balance sheet at 31 December 2008

	Note	2008 €'000	2007 €'000
Current assets			
Loands and advances to banks	10	4,204,716	5,716,395
Derivative financial instruments	15	7,988	2,133
Total current assets		**4,212,704**	**5,718,528**
Non-current assets			
Loans and advances to banks	10	6,029,209	8,099,039
Total assets		**10,241,913**	**13,817,567**
Current liabilities			
Liabilities evidenced by paper at amortised cost	11	2,641,630	5,083,970
Liabilities evidenced by paper designated at fair value	13	1,137,787	621,522
Derivative financial instruments	15	188,710	90,953
Other liabilities	12	1,738	1,975
Total current liabilities		**3,969,865**	**5,798,420**
Non-current liabilities			
Liabilities evidenced by paper at amortised cost	11	5,889,371	6,622,594
Liabilities evidenced by paper designated at fair value	13	372,695	1,387,451
Total liabilities		**10,231,931**	**13,808,465**
Equity			
Called up share capital	14	19	19
Retained earnings		9,963	9,083
Total equity		9,982	9,102
Total equity and liabilities		**10,241,913**	**13,817,567**

The financial statements on pages 7 to 20 were approved by the Board of Directors on 29 April 2009 and were signed on its behalf by:

J.Zavakos	A. Vogiatzi
Director	Director
29 April 2009	29 April 2009

The notes on pages 11 to 20 form part of these financial statements

Statement of changes in equity at 31 December 2008

	Share capital €’000	Retained earnings €’000	Total €’000
	€’000	€’000	€’000
At 1 January 2007	19	5,632	5,651
Dividend paid		(5,617)	(5,617)
Profit for the year		9,068	9,068
At 1 January 2008	**19**	**9,083**	**9,102**
Dividend paid		(9,068)	(9,068)
Profit for the year		9,948	9,948
At 31 December 2008	**19**	**9,963**	**9,982**

The notes on pages 11 to 20 form part of these financial statements

Cash flow statement for the year ended 31 December 2008

	2008 €'000	2007 €'000
Cash flows from operating activities		
Interest received	582,873	467,299
Interest paid	(536,290)	(457,568)
Cash payments to employees and suppliers	(309)	(322)
Income taxes paid	(2,847)	(3,004)
Cash flows from operating activities before changes in operating assets and liabilities	**43,427**	**6,405**
Changes in operating assets and liabilities		
Net increase / (decrease) in other liabilities	(1,355)	(1,425)
Net (increase) / decrease in loans and advances to banks	4,257,874	(3,847,453)
Net cash used in operating activities	**4,299,946**	**(3,842,473)**
Cash flows from financing activities		
Proceeds from issue of loan notes and commercial paper	14,304,373	13,980,585
Repayments of loan notes and commercial paper	(17,991,090)	(10,427,669)
Dividend paid	(9,068)	(5,617)
Net cash from financing activities	**(3,695,785)**	**3,547,299**
Net increase / (decrease) in cash and cash equivalents	604,161	(295,174)
Cash and cash equivalents at beginning of year	327,094	622,268
Cash and cash equivalents at end of year (note 10)	**931,255**	**327,094**

The notes on pages 11 to 20 form part of these financial statements

Notes to the financial statements for the year ended 31 December 2008

1. General information

EFG Hellas plc (the "Company") is a public limited company with registered number 3798157. The Company is a subsidiary of EFG Eurobank Ergasias S.A. (the "parent company"). EFG Hellas plc is a finance company, whose sole business is raising debt for the parent company via notes listed on Luxemburg Stock Exchange, purchased by institutional and private investors, and commercial paper. The listed notes and commercial papers outstanding are guaranteed by the parent company. EFG Hellas plc has no employees, or audit committee.

2. Accounting policies

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 on a going concern basis under the historical cost convention as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss, and all derivative contracts.

The Company mainly transacts in euros ("€"), therefore, the euro is its functional currency. Except where indicated, financial information presented in Euro has been rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The policies set out below have been consistently applied to the years 2007 and 2008. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(a) Amended and new standards and interpretations effective in 2008

▪ IFRIC 11, IFRS 2 - Group and Treasury Share Transactions

▪ IFRIC 14, IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

▪ IAS 39 & IFRS 7, Amendment - Reclassification of Financial Assets

(b) Standards and Interpretations issued but not yet effective

▪ IAS 1, Revised - Presentation of Financial Statements (effective 1 January 2009)

▪ IAS 23, Amendment - Borrowing costs (effective 1 January 2009)

▪ IAS 27, Revised - Consolidated and Separate Financial Statements (effective 1 July 2009)

▪ IAS 32 and IAS 1 - Amendment - Puttable Financial Instruments (effective 1 January 2009)

▪ IAS 39, Amendment – Eligible Hedged items (effective 1 July 2009)

▪ IFRS 2, Amendment – Vesting Conditions and Cancellations (effective 1 January 2009)

Notes to the financial statements for the year ended 31 December 2008 (continued)

2. Accounting policies (continued)

Basis of preparation (continued)

▪ IFRS 3, Revised – Business Combinations (effective 1 July 2009)

▪ IFRS 7, Amendment – Improving Disclosures about Financial Instruments (effective 1 January 2009)

▪ IFRS 8, Operating Segments (effective 1 January 2009)

▪ IFRIC 9 and IAS 39, Amendments - Embedded Derivatives (effective 1 January 2009)

▪ IFRIC 13, Customer Loyalty Programmes (effective 1 January 2009)

▪ IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective 1 January 2009)

▪ IFRIC 17, Distributions of Non-cash Assets to Owners (effective 1 July 2009)

▪ Amendments to various Standards that form part of IASB's Annual Improvement Project (the majority of them is effective 1 January 2009).

The application of the above mentioned standards and interpretations is not expected to have a material impact on the Company's financial statements in the period of the initial application. IAS 1 affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRSs.

a) *Interest receivable/payable*

Interest income and expense for all interest-bearing financial instruments, including for those designated at fair value through profit or loss, 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.

b) *Foreign currencies*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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. Translation differences on financial assets and liabilities held at fair value through profit or loss are reported as part of the fair value gain or loss. Called up share capital denominated in sterling has been translated into euros at the prevailing rate at 31 December 2002, being the date the Company changed its reporting currency from sterling to euros.

c) *Financial assets and financial liabilities*

The Company classifies its financial assets as loans and receivables. The financial liabilities are classified in the following two categories: financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Management determines the classification of its liabilities at initial recognition.

The Company designates financial liabilities at fair value through profit or loss when either:

a) it eliminates or significantly reduces measurement or recognition inconsistencies; or

Notes to the financial statements for the year ended 31 December 2008 (continued)

2. Accounting policies (continued)

Basis of preparation (continued)

c) Financial assets and financial liabilities (continued)

b) the financial liabilities share the same risks with financial assets and those risks are managed and evaluated on a fair value basis; or

c) the financial liabilities relate to structured products containing embedded derivatives that could significantly modify the cash flows.

Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial liabilities are included in 'net income from financial instruments designated at fair value'.

Financial assets and liabilities are initially recognised at fair value plus transaction costs for all financial assets and liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Gains and losses arising from changes in the fair value of the "Financial liabilities at fair value though profit or loss" category are included in the income statement in the period in which they arise. Financial liabilities not carried at fair value through profit or loss are subsequently measured at amortised cost; any difference between proceeds net of transaction costs and redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

i) Loans and advances to banks

Loans and advances to banks are to the parent company and are carried at amortised cost using the effective interest rate method.

ii) Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

iii) Liabilities evidenced by paper

Liabilities evidenced by paper are comprised of loan notes issued under the Company's EMTN programme and commercial paper.

d) Taxation

Income tax payable on profits, based on the applicable tax law is recognised as an expense in the period in which profits arise.

Notes to the financial statements for the year ended 31 December 2008 (continued)

2. Accounting policies (continued)

Basis of preparation (continued)

e) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with banks with less than three months maturity from the date of acquisition.

f) Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at fair value on the date on which a derivative contract is entered and subsequently are re-measured at their fair value. Fair values are obtained from quoted market prices, including recent market transactions, 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. Changes in the fair value of any derivative financial instrument are recognized immediately in the income statement.

g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3. Critical accounting estimates and judgement

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Loans and advances to banks

The main asset of the Company is a loans and advances with the parent company. The directors' assessment of the recoverability of this asset is closely associated with the operations of the parent company and includes reviews of liquidity and solvency.

b) Fair value of derivative financial instruments and loan notes designated at fair value through profit or loss

A majority of the fair values of company's financial instruments are not quoted in active markets and are obtained from the parent company. The parent company uses valuation techniques to determine the fair values. These valuation techniques (for example, models) are validated and periodically reviewed by the qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data.

Notes to the financial statements for the year ended 31 December 2008 (continued)

4. Interest and similar income

	2008 €'000	2007 €'000
Interest income on loans and advances to parent company	681,143	553,082
Other interest income	640	140
	681,783	**553,222**

5. Interest expense and similar charges

	2008 €'000	2007 €'000
Interest payable	660,591	532,454
Amortised deferred interest and issue costs	6,494	7,495
	667,085	**539,949**

6. Operating expenses

The profit before income tax is after charging the following items. All other administrative costs were borne by the parent company.

		2008 €'000	2007 €'000
Auditors remuneration	Audit of the statutory financial statements of the Company	38	36
	Tax services	33	8
	Other audit services	-	20
Secretarial & administration services		-	5
EMTN update costs		238	253
		309	**322**

7. Net income from financial instruments designated at fair value

	2008 €'000	2007 €'000
Changes in fair value of Liabilities evidenced by paper	(5,684)	19,637
Changes in fair value of Derivative instruments managed with liabilities evidenced by paper	5,208	(19,635)
	(476)	**2**

Notes to the financial statements for the year ended 31 December 2008 (continued)

8. Emoluments of directors and employment statistics

The directors received no emoluments for their services to the Company (2007: nil). The emoluments of all directors are paid by the parent company. All the directors' emoluments are attributable to their services to a number of group companies. Accordingly, these financial statements include no emoluments in respect of any director as it is not practicable to apportion the salary element. The Company employed no staff during the year (2007: nil).

9. Tax on profit on ordinary activities

The rate of corporation tax in United Kingdom was reduced from 30% to 28% on 1 April 2008 (2007: 30%). The tax for the year 2008 has been calculated at 30% for the period 1 January 2008 to 31 March 2008 and at 28% for the period 1 April 2008 to 31 December 2008 as presented below:

	2008 €'000	**2007 €'000**
Profit before tax	13,914	12,953
Standard rate of corporation tax in the UK at 30%	1,038	3,885
Standard rate of corporation tax in the UK at 28%	2,927	-
Total tax charge for period	**3,965**	**3,885**

10. Loans and advances to banks

	2008 €'000	**2007 €'000**
EFG Eurobank Ergasias S.A.	10,233,925	13,815,434
	10,233,925	**13,815,434**
- with original maturity of more than 90 days	3,273,461	5,389,301
- with original maturity of less than 90 days (cash and cash equivalents)	931,255	327,094
Current	**4,204,716**	**5,716,395**
Non-current	**6,029,209**	**8,099,039**

Amounts are placed on time deposit with the parent company on a rolling basis and earn interest at a margin above relevant currency floating or fixed rates payable on loan notes and commercial paper.

Notes to the financial statements for the year ended 31 December 2008 (continued)

11. Liabilities evidenced by paper at amortised cost

	2008 €'000	2007 €'000
Loan notes	8,229,829	10,075,599
Less: Un-amortised discount and issue costs	(47,093)	(17,233)
Book value of loan notes	8,182,736	10,058,366
Commercial paper	348,265	1,648,198
	8,531,001	**11,706,564**
Current	**2,641,630**	**5,083,970**
Non-current	**5,889,371**	**6,622,594**

The loan notes, bearer in form, are issued on either subordinated or unsubordinated bases, are listed on the Luxembourg Stock Exchange and carry interest at relevant currency floating rates plus an additional margin or at fixed rates.

Both loan notes and commercial paper are secured by guarantees issued by the parent company. Under the program for issuance of debt instruments, loan notes are unconditionally and irrevocably guaranteed by the parent company on a subordinated or an unsubordinated basis, as specified in the relevant Final Terms. For the Commercial paper program, the guarantee is of a senior unsecured obligation of the parent company ranking at least pari-passu with all of its present and future unsecured and unsubordinated obligations save for such obligations as may be preferred by mandatory provisions of law that are of general application.

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

At 31 December 2008, the aggregate of loan notes and commercial papers held by related parties amounted to € 2,025,822,108 (2007: € 1,155,662,765).

The Company's risk management strategy for financial instruments is covered in note 16.

12. Other liabilities

	2008 €'000	2007 €'000
Corporation tax	1,738	1,975
	1,738	**1,975**

Notes to the financial statements for the year ended 31 December 2008 (continued)

13. Liabilities evidenced by paper designated at fair value

	2008 €'000	2007 €'000
Loan notes	1,510,482	2,008,973
	1,510,482	**2,008,973**
Current	**1,137,787**	**621,522**
Non-current	**372,695**	**1,387,451**

Certain loan notes have been matched with interest rate swaps as part of a documented interest rate risk management strategy. An accounting mismatch would arise if the loan notes were accounted for at amortised cost, because the related derivatives are measured at fair value with movements in fair value taken through the income statement. By designating the loan notes at fair value, the movement in the fair value of the loan notes will be recorded in the income statement.

Certain structured loan notes pay interest which is calculated by reference to the future value of an index. However all loan notes, with the exception of those denominated in Japanese Yen, effectively pay floating rate interest based on a spread over the relevant currency rate because, in the case of the structured loan notes, the interest rate risk is fully hedged by interest rate swaps. In the case of Japanese Yen, although the loan notes bear interest at a fixed rate, the interest rate risk is matched by lending the proceeds to the parent company at the same fixed rate and for the same maturity.

Structured loan notes are fair valued by reference to market prices and the difference between their carrying amount and the fair value is included in the income statement.

14. Called up share capital

	2008 Number	2008 £'000	2007 Number	2007 £'000
Authorised				
Ordinary shares of £1 each	50,000	50	50,000	50
Issued, allotted and paid up at 25p per ordinary share of £1 each	50,000	13	50,000	13

The issued share capital of £ 12,500 is reflected in the financial statements as € 19,216 based on the prevailing exchange rate at 31 December 2002 (€ / £ 0.6505) being the date the Company changed its functional and reporting currency from sterling to euros.

Notes to the financial statements for the year ended 31 December 2008 (continued)

15. Derivative Financial Instruments

Interest rate risk; nominal and fair values

In all cases interest rate swaps hedge the interest rate risk in the structured loan notes as set out in note 16, such that the structured loan notes effectively bear interest at floating rates. The fair values of derivative instruments held are set out in the following table:

	2008		
Derivatives held for trading	Contract/ notional amount €'000	Fair values Assets €'000	Liabilities €'000
Interest rate swaps	**4,775,567**	**7,988**	**188,710**

	2007		
Derivatives held for trading	Contract/ notional amount €'000	Fair values Assets €'000	Liabilities €'000
Interest rate swaps	**2,199,422**	**2,133**	**90,953**

16. Principal risks and uncertainties

The directors are responsible for the overall financial risk approach of the Company. In this regard the directors coordinate all financial risk management activities closely with the parent company risk managers to ensure that all significant financial risks of the Company are minimised. The directors have a financial risk management programme in place which has as its main objective the minimising of such risks as follows:

a) Credit risk: All cash proceeds generated from the EMTN and ECP programmes are placed on deposit with the parent company. The aggregate carrying amount of these advances to the parent company and the derivative financial instruments with positive fair values approximates to the maximum amounts exposed to credit risk. Derivatives are entered into with third parties. The credit quality of all counterparties is continuously monitored and assessed by the directors. None of the financial assets are either past due nor impaired.

b) Market risk: The Company is exposed into interest rate and currency risk of which the latter is not considered to be significant. The management has a policy of minimising such risks as follows:

- Interest rate risk: interest rate risk is managed either by placing funds on deposit at a variable interest rate which changes on the same basis as the interest rate applied on the variable rate loan notes and commercial paper, or by the use of interest rate swaps to eliminate the interest rate risk on the structured loan notes. Expected shifts in interest rates do not have a material impact on the net income of the Company.
- Currency risk: currency risk has been eliminated by placing funds on deposit in the same currency as the loan notes and commercial paper issued.

c) Liquidity Risk: The Company is not exposed to liquidity or cash flow risk because the maturity of its assets and liabilities, and the underlying cash flows, are substantially the same. All proceeds of each loan notes issuance, less certain costs, are placed directly in matching deposits with EFG Eurobank Ergasias S.A., on

Notes to the financial statements for the year ended 31 December 2008(continued)

16. Principal risks and uncertainties (continued)

the same terms and in the same currency. Any difference for interest rate risk is covered by swaps entered into with third parties.

The amounts disclosed in the table below are the contractual undiscounted cash flows for the years 2008 and 2007.

	31 December 2008					
	Less than 1 month € 000	1 - 3 months €' 000	3 months to 1 year €' 000	1 - 5 years €' 000	Over 5 years €' 000	Gross nominal inflow / (outflow) €' 000
Non-derivative liabilities:						
- Commercial paper	(154,742)	(172,241)	(26,819)	-	-	(353,802)
- Liabilities evidenced by paper	(479,424)	(530,107)	(2,724,035)	(3,338,866)	(3,849,851)	(10,922,283)
- Other liabilities	(2,231)	-	-	-	-	(2,231)
	(636,397)	**(702,348)**	**(2,750,854)**	**(3,338,866)**	**(3,849,851)**	**(11,278,316)**

	31 December 2007					
	Less than 1 month € 000	1 - 3 months €' 000	3 months to 1 year €' 000	1 - 5 years €' 000	Over 5 years €' 000	Gross nominal inflow / (outflow) €' 000
Non-derivative liabilities:						
- Commercial paper	(1,009,447)	(486,177)	(172,785)	-	-	(1,668,409)
- Liabilities evidenced by paper	(46,978)	(593,379)	(3,831,428)	(5,691,934)	(4,374,795)	(14,538,514)
	(1,056,425)	**(1,079,556)**	**(4,004,213)**	**(5,691,934)**	**(4,374,795)**	**(16,206,923)**

d) Capital risk management: The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt. The Company is not subject to any external capital requirements except for the minimum requirement under the Companies Act. The Company has not breached the minimum requirement.

Fair value of financial assets and liabilities

The financial liabilities designated at fair value through profit or loss are measured at fair value (see note 13). The fair values are estimated using valuation techniques based on observable market data. All of the company's other financial assets and liabilities are at floating rates of interest, which re-price at frequent intervals. Therefore, the Company has no exposure to fair value fluctuations and the carrying value of the financial assets and liabilities is substantially equivalent to their fair values.

17. Ultimate parent company and controlling party

The ultimate parent company is EFG Bank European Financial Group, a bank incorporated in Switzerland. All the voting rights in EFG Bank European Financial Group are held by Latsis family interests. The Company's results are consolidated in the group by EFG Eurobank Ergasias S.A., its immediate parent undertaking, which is incorporated in Greece. The financial statements of EFG Eurobank Ergasias S.A. are available from its head office: 8 Othonos Street, 105 57 Athens, Greece.

18. Segmental reporting

The Company operates one business segment i.e. providing funding to its immediate parent company, EFG Eurobank Ergasias S.A., through floating rate loan notes issued to a wide range of investors.