

Company Registration Number: 06210739

THEMELEION IV MORTGAGE FINANCE PLC

FINANCIAL STATEMENTS

**FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO
31 DECEMBER 2007**

THEMELEION IV MORTGAGE FINANCE PLC

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THEMELEION IV MORTGAGE FINANCE PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mr M H Filer Mrs R L Samson Mr S Masson Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	06210739
Registered office	c/o Wilmington Trust SP Services (London) Limited Fifth Floor 6 Broad Street Place London EC2M 7JH
Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors Hays Galleria 1 Hays Lane London SE1 2RD

THEMELEION IV MORTGAGE FINANCE PLC

THE DIRECTORS' REPORT

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

The directors present their report and the audited financial statements of Themeleion IV Mortgage Finance PLC (the "Company") for the period from incorporation on 12 April 2007 to 31 December 2007.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of a securitisation vehicle. In accordance with the terms of the offering circular issued on 15 June 2007, the Company issued floating rate notes of €1,555,000,000 (the "Notes") and purchased an interest in the mortgage loans portfolio from EFG Eurobank Ergasias S.A. (the "Originator" or "EFG Eurobank") (See also Note 17). These mortgage loans are secured by first charge over residential properties within Greece. The floating rate notes are due to mature in August 2052 and are listed on the Irish Stock Exchange.

The Company only retains 0.01% of available revenue receipts from its interest in the mortgage portfolio and the resulting difference is included in arriving at the deferred consideration payable to the Originator.

The results for the period and the Company's financial position at the end of the period are shown in the attached financial statements. The profit on ordinary activities after taxation for the period was €5,934,700. The directors have not recommended a dividend.

STRATEGY AND FUTURE DEVELOPMENTS

Due to repayments decreasing the principal value of the mortgage loans each period, 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. The Company's responsibility to make cash payments under the terms of the Offering Circular is limited to the funds available from its interest in the mortgage portfolio and accordingly, the Company is insulated from liquidity risk as experienced in the financial markets during the year.

SUBSEQUENT EVENTS

The Directors have reviewed data and information relating to the credit quality of the loans underlying the deemed loan to the originator up to the date of approval of the financial statements and are satisfied that there is no significant deterioration of the quality of these underlying loans. As a result, the Directors confirm that the approximate fair values of the Notes in issue as at 30 June 2008 (calculated as set out in Note to the financial statements) is within +/-5% of the year end fair values.

KEY PERFORMANCE INDICATORS

The key performance indicator of the business is considered by the Directors to be the net interest margin. During 2007, the Company achieved a net interest margin, before fair value gains on derivative financial instruments, of 1.07%. At the period end, the Company had net assets of €5,953,228. The details of other key performance indicators are included in the Monthly Investors Reports which are publicly available from the Originator's website: www.eurobank.gr.

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 95.1%.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the Company during the year were as follows:

Mr M H Filer	(appointed 12 April 2007)
Mrs R L Samson	(appointed 12 April 2007)
Wilmington Trust SP Services (London) Limited	(appointed 12 April 2007)
Mr S Masson	(appointed 26 October 2007)

Mr S Masson was appointed as an alternate director to Mrs R L Samson on 26 October 2007.

THEMELEION IV MORTGAGE FINANCE PLC

THE DIRECTORS' REPORT (continued)

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

Wilmington Trust SP Services (London) Limited holds one share in the Company under a nominee Declaration of Trust for Themeleion IV Holdings Limited. No other director holding office during the year was beneficially interested in the shares of the Company. The directors who served the Company during the year who had a beneficial interest in the shares of the ultimate parent Company, Themeleion IV Holdings Limited, are as follows:

Ordinary shares of £1

Wilmington Trust SP Services (London) Limited

No. of shares
31 December 2007
1

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. All creditors are paid in accordance with the payment waterfalls set out in the securitisation transaction on the respective quarterly interest payment dates.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company and its management are set out in Note 15 to the financial statements.

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 International Financial Reporting Standards ("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. 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

PricewaterhouseCoopers LLP were appointed by the directors as the first auditors of the Company. 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: 29 July 2008

THEMELEION IV MORTGAGE FINANCE PLC

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

We have audited the financial statements (the "financial statements") of Themeleion IV Mortgage Finance PLC (the "Company") for the period from incorporation on 12 April 2007 to 31 December 2007, 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.

THEMELEION IV MORTGAGE FINANCE PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEMELEION IV MORTGAGE FINANCE PLC (Continued)

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 2007 and of its profit and cash flows for the period from 12 April 2007 to 31 December 2007;
- 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: 29 July 2008

THEMELEION IV MORTGAGE FINANCE PLC

INCOME STATEMENT

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO
31 DECEMBER 2007

	Note	12 April 2007 to 31 December 2007 €
Interest income	3	38,483,802
Interest expense	4	<u>(38,049,787)</u>
Net interest income		434,015
Net income from derivative financial instruments		5,929,518
Administrative expenses	5	<u>(426,612)</u>
Profit before tax for the period		5,936,921
Taxation	6	<u>(2,221)</u>
Profit for the period		<u>5,934,700</u>
Attributable to:		
Equity holders		<u>5,934,700</u>

The profit for the year includes unrealised gains of €5,929,518 from the change in fair value of derivative financial instruments and related deferred taxation which are expected to reverse over the life of the transaction. The underlying profit after tax was €5,182.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2007

	Share Capital	Retained Earnings	Total
	€	€	€
Shares issued	18,528	-	18,528
Profit for the period	<u>-</u>	<u>5,934,700</u>	<u>5,934,700</u>
Balance at 31 December 2007	<u>18,528</u>	<u>5,934,700</u>	<u>5,953,228</u>

The notes on pages 9 to 22 form part of these financial statements.

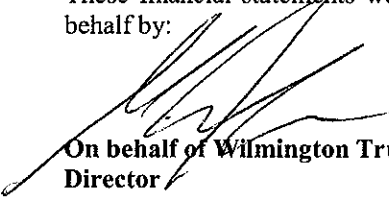
THEMELEION IV MORTGAGE FINANCE PLC

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Note	12 April 2007 to 31 December 2007 €
Non-current Assets		
Deemed Loan to the Originator held at amortised cost	7	<u>1,391,304,382</u>
Total non-current assets		1,391,304,382
Current Assets		
Other assets	8	9,640,112
Derivative financial instruments	9	5,929,518
Cash and cash equivalents	10	<u>104,967,184</u>
Total current assets		<u>120,536,814</u>
Total assets		<u>1,511,841,196</u>
Equity		
Issued capital	11	18,528
Retained earnings	11	<u>5,934,700</u>
Total equity	11	<u>5,953,228</u>
Non-current Liabilities		
Liabilities evidenced by paper held at amortised cost	12	<u>1,494,407,426</u>
Total non-current liabilities		<u>1,494,407,426</u>
Current Liabilities		
Other liabilities	13	11,478,321
Tax payable		<u>2,221</u>
Total current liabilities		<u>11,480,542</u>
Total liabilities		<u>1,505,887,968</u>
Total equity and liabilities		<u>1,511,841,196</u>

These financial statements were approved by the board of directors on 29 July 2008 and are signed on their behalf by:


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

The notes on pages 9 to 22 form part of these financial statements.

THEMELEION IV MORTGAGE FINANCE PLC

CASH FLOW STATEMENT

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO
31 DECEMBER 2007

12 April 2007
to 31 December 2007
€

Cash flows from operating activities

Profit before tax for the period*	5,936,921
<i>Adjustments for:</i>	
Amortisation of issue costs	301,601
Fair value movement in derivatives	<u>(5,929,518)</u>
Operating profit before changes in operating assets and liabilities	309,004

Increase in other receivables	(9,640,112)
Increase in other payables	12,684,289
Net increase in the deemed loan to the Originator	<u>(1,392,563,493)</u>
Net cash from operating activities	<u>(1,389,210,312)</u>

Cash flows from financing activities

Issue of loan notes	1,555,000,000
Issue costs	(2,714,410)
Redemption of loan notes	(58,179,765)
Issue of other loans	53,143
Share capital issued	<u>18,528</u>
Net cash from financing activities	<u>1,494,177,496</u>

Net increase in cash and cash equivalents	104,967,184
Cash and cash equivalents at start of period	-
Cash and cash equivalents at end of period	<u><u>104,967,184</u></u>

*The company has prepared cash flow under the indirect method. The interest received and paid during the year amounted to €33,983,355 and €28,543,051 respectively are included in arriving at the profit before tax for the period ended 31 December 2007.

The notes on pages 9 to 22 form part of these financial statements.

THEMELEION IV MORTGAGE FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

1. PRINCIPAL ACCOUNTING POLICIES

Themeleion IV Mortgage Finance PLC is a public limited company incorporated and domiciled in the United Kingdom with registered number 06210739.

The principal activity of the Company is that of a securitisation vehicle. In accordance with the terms of the offering circular issued on 15 June 2007, the Company issued floating rate notes of €1,555,000,000 (the "Notes") and purchased an interest in the mortgage loans portfolio from EFG Eurobank Ergasias S.A. (the "Originator" or "EFG Eurobank"). The floating rate notes are due to mature in August 2052 and are listed on the Irish Stock Exchange.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") 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 all derivative contracts.

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

Standards, amendment and interpretations effective in 2007 and relevant to the Company's operations

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Company's financial instruments, or the disclosures relating to taxation and trade and other payables.

IFRIC 9, 'Re-assessment of embedded derivatives'. There was no significant impact on the Company due to IFRIC 9.

Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Company's operations:

IFRS 4, 'Insurance contracts';

IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies';

IFRIC 8, 'Scope of IFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2; and

IFRIC 10, 'Interim financial reporting and impairment', prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods, but the Company has not early adopted them:

IFRS 8, 'Operating segments' is effective from 1 January 2009. The standard is still subject to endorsement by the European Union. IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The new standard is not expected to have a significant impact on the Company's financial statements.

THEMELEION IV MORTGAGE FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and not relevant for the Company's operations

The following interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the Company's operations:

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The new standard is not expected to have any impact on the Company's financial statements.

IAS 27 (revised), 'Consolidated and separate financial statements' (effective from 1 July 2009). IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. IAS 27 revised is not relevant to the Company's operations because the Company does not have controlling or non-controlling interests.

IAS 32 (amended) 'Financial Instruments- Presentation' (effective from 1 January 2009). In February 2008, the IASB amended IAS 32 by requiring some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. This revision is not relevant to the Company as it does not have any such instruments.

IFRS 3 (amended), 'Business combinations' (effective from 1 July 2009). The IASB published a revised IFRS 3, 'Business combinations'. The standard continues to apply the acquisition method to business combinations, with some significant changes. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. IFRS 3 is not relevant to the Company's operations because the Company does not have any business combinations.

IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the Company's operations because the Company does not provide for public sector services.

IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to the Company's operations because the Company does not operate any loyalty programmes.

IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. IFRIC 14 is not relevant to the Company's operations because the Company has no employees and also does not provide pension.

Amendment to IFRS 2, Share based payments (effective from 1 January 2009). The IASB has published an amendment to IFRS 2, 'Share-based payment' dealing with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. It also specifies that all

THEMELEION IV MORTGAGE FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

1. PRINCIPAL ACCOUNTING POLICIES (continued)

cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The new standard is not expected to have any impact on the Company's financial statements.

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', (effective from 1 periods beginning 1 March 2007). IFRIC 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the Company's financial statements.

A summary of the more important accounting policies which have been used for the preparation of these financial statements is set out below.

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 interest in the mortgage loans sold to the Company by the Originator fail the de-recognition 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 an interest in 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 Company regularly reviews the underlying collateral in relation to the deemed loan to assess for impairment. The methodology applied is further discussed in Note 2 below. Impairment (credit) losses on the deemed loan, if any, are charged to the owners of residual interest (i.e, the Noteholders). Any provision not covered by deferred consideration is charged to the holders of the Notes according to their rights as defined in the offering circular issued by the Company.

Deferred consideration payable to the Originator

Deferred consideration payable to the Originator is netted off against the deemed loan since it is due to and from the same counterparty, and there is the ability and intention to settle on a net basis. Deferred consideration charge is included in interest income as the Company is not entitled to retain it.

THEMELEION IV MORTGAGE FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

1. PRINCIPAL ACCOUNTING POLICIES (continued)

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 using 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.

Embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss.

These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Embedded derivatives whose economic characteristics and risks are closely related to those of the host contract are not separated from the host contract.

Liabilities evidenced by paper

Liabilities evidenced by paper are comprised of loan notes issued by the Company through its offering circular dated 15 June 2007. 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.

Subordinated loan

Subordinated loan is netted off against the deemed loan since it is due to and from the same counterparty, and there is the ability and intention to settle on a net basis.

Cash and cash equivalents

For the purposes of the Cashflow Statement, cash and cash equivalents comprise balances with less than 3 months maturity from the date of acquisition. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the offering circular and as such the cash and cash equivalents are not freely available to be used for any other purposes.

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

THEMELEION IV MORTGAGE FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

1. PRINCIPAL ACCOUNTING POLICIES (continued)

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.

The Company has elected to be taxed under the permanent tax regime for securitisation companies under which the Company is taxed by reference to its net cash flows during the year.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain estimates in the financial statements are based wholly or in part on estimates or assumptions made by the directors. There is, therefore, a potential risk that they may be subject to change in future periods. The most significant of these are as follows:

Impairment losses on deemed loans to the Originator

The recoverability of the deemed loan to the Originator is dependant on the collections from underlying Receivables. Receivables are considered impaired when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the agreement. The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral. These key assumptions are based on observed data from historical patterns and are updated regularly as new data becomes available.

In addition, the directors consider appropriate past trends and patterns could impact the current economic climate and may make any adjustments they believe are necessary to reflect the current economic and market conditions.

The accuracy of impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes.

Effective interest rates

The effective interest rate method calculates the amortised cost of a financial asset or financial liability (or a group of financial assets or liabilities) and allocates the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cashflows to the relevant instrument's initial carrying amount. Calculation of the effective interest rate takes into account early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

In order to determine the effective interest rate applicable to loans an estimate must be made of the expected life of the loans and hence the cash flows relating to them. These estimates are based on historical data from historical patterns and are updated regularly. The accuracy of the effective interest rate would therefore be affected by any differences between the actual borrower behaviour and that predicted.

THEMELEION IV MORTGAGE FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO
31 DECEMBER 2007

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Fair values

A majority of the fair values of Company's financial instruments are not quoted in active markets and are arrived at using valuation techniques. These valuation techniques (for example, models) are validated and periodically reviewed by qualified personnel independent of the personnel 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.

3. INTEREST INCOME

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

	12 April 2007 to 31 December 2007
Interest income on deemed loan to the Originator	€
Interest income on mortgage loans (note 14)	42,741,566
Net swap interest receivable	8,893,416
Amounts payable to Bank of Greece under Law 128/75	(970,647)
Interest on subordinated loans	(1,806,019)
Deferred consideration payable to the Originator (note 14)	<u>(12,481,964)</u>
	36,376,352
Bank interest income	<u>2,107,450</u>
	<u><u>38,483,802</u></u>

The analysis of interest income by geographic location is set out below:

Geographic

Greece	36,376,352
United Kingdom	<u>2,107,450</u>
	<u><u>38,483,802</u></u>

4. INTEREST EXPENSE

	12 April 2007 to 31 December 2007
	€
Interest on liabilities evidenced by paper	37,748,186
Amortisation of issue costs	<u>301,601</u>
	<u><u>38,049,787</u></u>

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5. ADMINISTRATIVE EXPENSES

	12 April 2007 to 31 December 2007
	€
Auditors' remuneration – audit of the statutory financial statements of the Company	39,900
Auditors' remuneration - tax services	5,000
Unrecoverable VAT on fees payable to the auditors	7,858
Accountancy fees	5,405
Servicing fees (Note 14)	352,577
Other expenses	14,346
Exchange losses recognised	<u>1,526</u>
	<u>426,612</u>

Apart from the directors, the Company has no employees and, other than the fees paid to Wilmington Trust SP Services (London) Limited as set out in note 14, the directors received no remuneration during the period.

6. TAXATION

(a) Analysis of charge in the period

	12 April 2007 to 31 December 2007
	€
Current tax:	
Corporation tax charge for the period	<u>2,221</u>
Total income tax charge in the income statement	<u>2,221</u>

(b) Reconciliation of effective tax rate

The tax assessed on the profit on ordinary activities for the period is equal to the standard rate of corporation tax in the UK of 30%.

	12 April 2007 to 31 December 2007
	€
Profit before tax	<u>5,936,921</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 30%	1,781,076
Adjustment to fair value adjustment of Derivative Financial Instruments which is not taxable	<u>(1,778,855)</u>
Total income tax charge	<u>2,221</u>

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.

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6. TAXATION (continued)

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.

The directors will elect that this Company be taxed by reference to the profit required to be retained in accordance with the applicable capital market arrangement.

As at 31 December 2007, 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 HELD AT AMORTISED COST

	2007
	€
At start of the period	-
Originations	1,555,000,000
Repayments	<u>(84,385,103)</u>
At 31 December	1,470,614,897
Amounts payable to Bank of Greece under Law 128/75	(445,980)
Subordinated loan due to the Originator	(66,467,037)
Deferred consideration payable to the Originator (Note 14)	<u>(12,397,498)</u>
	<u>1,391,304,382</u>

Deemed loan to the Originator refers to the beneficial interest in a mortgage loans portfolio acquired from EFG Eurobank. The mortgage loans 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 2052. Mortgage loans may be redeemed at any time at the option of the borrower. Please refer to note 15 for disclosures relating to credit quality of the mortgage loans portfolio.

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

	2007
	€
In less than one month	3,200,000
In more than one month but not more than three months	6,470,000
In more than three months but not more than one year	29,820,000
In more than one year but not more than five years	180,550,000
In more than five years	<u>1,250,574,897</u>
	<u>1,470,614,897</u>

Deferred consideration is payable to the Originator dependent on the extent to which the surplus income, in excess of the agreed margin, generated by the mortgage loans, in which the Company has purchased an interest, exceeds the administration costs of the mortgage loans. Deferred consideration payable also includes excess mortgage loans transferred by the Originator as credit enhancement to the extent these are repayable. The surplus income generated during the period ended 31 December 2007 amounted to €12,397,498.

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8. OTHER ASSETS

	2007
	€
Other debtors	3,186,191
Prepayments and accrued income	<u>6,453,921</u>
	<u>9,640,112</u>

9. 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
	€	€	€
Interest rate swaps			
At the start of the period	-	-	-
Movement in the period	<u>1,555,000,000</u>	<u>5,929,518</u>	-
At 31 December 2007	<u>1,555,000,000</u>	<u>5,929,518</u>	<u>-</u>

10. CASH AND CASH EQUIVALENTS

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements.

	2007
	€
Cash and bank current accounts	49,123
Bank deposit accounts	<u>104,918,061</u>
	<u>104,967,184</u>

As at 31 December 2007, a balance of €41,985,000 in respect of a reserve account, which the company is required to maintain, was included in the cash and cash equivalent balances.

11. TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share capital	Retained earnings	Total
	€	€	€
Issued capital	18,528	-	18,528
Profit for the period	-	<u>5,934,700</u>	<u>5,934,700</u>
Balance at 31 December 2007	<u>18,528</u>	<u>5,934,700</u>	<u>5,953,228</u>

There are 50,000 authorised ordinary shares of £1 each. The issued share capital consists of 2 fully paid ordinary share and 49,998 quarter paid ordinary shares. The issued share capital is reflected in the financial statements as €18,528 based on the prevailing exchange rate at 12 June 2007 (€/£ 0.675) 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.

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12. LIABILITIES EVIDENCED BY PAPER

	2007
Non-current liabilities	€
Floating rate loan notes	1,496,820,235
Unamortised issue costs	<u>(2,412,809)</u>
	<u>1,494,407,426</u>

The Mortgage Backed Floating Rate Notes due in August 2052 are listed on the Irish Stock Exchange, and are secured over a portfolio of mortgage loans secured by first charges over residential properties in Greece. The repayment of the loan notes are dependent on the receipt in full of the payments from mortgage loans purchased.

The exposure of the Company's borrowings to interest rate changes and contractual re-pricing dates at the balance sheet date are as follows:

	2007
	€
3 months or less	<u>1,496,820,235</u>

Interest on the floating rate loan notes is payable on a quarterly basis at the three month EURIBOR plus the following margins until August 2012: 0.13% for the Class A notes; 0.28% for the Class B notes; 0.58% for the Class C notes. From August 2012, the margins will increase to 0.26% for the Class A notes, 0.56% for the Class B notes and 1.16% for the Class C notes. All of the floating rate loan notes are due to be repaid by August 2052 and are secured by means of a fixed and floating charge over the Company's assets.

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

13. OTHER LIABILITIES

	2007
	€
Interest payable	11,011,154
Other payable	63,948
Accruals and deferred income	<u>403,219</u>
	<u>11,478,321</u>

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14. RELATED PARTY TRANSACTIONS

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 €15,594 excluding irrecoverable VAT. Mr M H Filer, a director of the Company is also a director of Wilmington Trust SP Services (London) Limited. Mrs R L Samson and Mr S Masson, who are directors of the Company, are employees of Wilmington Trust SP Services (London) Limited.

During 2007, EFG Eurobank Ergasias S.A. repaid to the Company amounts of total principal on mortgage loans totalling €84,385,103. The interest income earned on these mortgage loans for the period was €42,741,566.

EFG Eurobank Ergasias S.A. administers the mortgage loan on behalf of the Company and earned €352,577 during the period.

EFG Eurobank Ergasias S.A. earned €12,481,964 with respect to deferred consideration during the period and was owed €12,397,498 at the end of the period, which is included within the Deemed loan to the Originator at amortised cost above.

Notes held by EFG Eurobank group entities at 31 December 2007 amounted to € 28,400,000.

15. PRINCIPAL RISKS AND UNCERTAINTIES

The Originator considers the Company to be its subsidiary. The Originator manages the mortgage portfolio under the servicer agreement with the Company. In managing the mortgage portfolio, the Originator applies its own formal risk management structure for managing risk, including established risk limits, reporting lines, mandates and other control procedures. This structure is reviewed regularly by the Originator's Assets and Liabilities Committee (ALCO), which is charged with the responsibility for managing and controlling the balance sheet exposures of the Originator. The minutes of ALCO relating to the operations of the Company are presented to the Board of the Company on a regular basis.

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 transaction.

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 floating rate 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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Interest rate sensitivity

The sensitivity analysis below has been determined based on the Company's exposure to interest rates for interest bearing assets and liabilities at the balance sheet date and has been based on management's assessment of the possible changes in interest rates.

The sensitivity of the Company to interest rate changes, and the resulting changes in net assets attributable to equity shareholders, is limited as the Company only retains 0.01% of available revenue receipts from its interest in the mortgage portfolio with the resulting fluctuations being taken up by the deferred purchase consideration due to EFG Eurobank Ergasias S.A. If interest rates had been 25 basis points higher and all other variables held constant, net assets attributable to equity shareholders for the period ended 31 December 2007 would have been €364 higher. If interest rates had been 25 basis points lower and all other variables held constant, net assets attributable to equity shareholders for the period ended 31 December 2007 would have been lower by €364.

Credit risk

The maximum exposure to Credit risk is considered by the directors to be the carrying value of the deemed loan to the Originator, fair value of the swaps and bank deposits.

The credit quality of the underlying mortgage loans is summarised as follows:

	31 December 2007 €
Neither past due nor impaired	1,357,284,743
Past due but not impaired	113,421,022
Impaired	<u>-</u>
	1,470,705,765
Less: allowance for impairment	<u>(90,968)</u>
	<u>1,470,614,797</u>

The fair value of collateral at 31 December 2007 amounted to €2,504,105,847.

With regard to credit risk on derivatives, the directors monitor the credit rating of the swap provider and the banks on a regular basis. The credit ratings of the swap and banking counterparties are at-least investment grade or better.

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 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.

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FOR THE PERIOD FROM INCORPORATION ON 12 APRIL 2007 TO 31 DECEMBER 2007

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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. The Company is not subject to any external capital requirements except for the minimum requirement under the Companies Act 1985. The Company has not breached the minimum requirement. The gearing ratio at 31 December 2007 was 99.62%.

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.

Fair values

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

	Note	Carrying amount 2007 €	Approximate fair value 2007 €
Deemed loan to the Originator	7	1,391,304,382	1,391,304,382
Other assets	8	9,640,112	9,640,112
Derivative financial instruments	9	5,929,518	5,929,518
Cash and cash equivalents	10	104,967,184	104,967,184
		<u>1,511,841,196</u>	<u>1,511,841,196</u>
Liabilities evidenced by paper	12	(1,494,407,426)	(1,464,652,431)
Other liabilities	13	(11,478,321)	(11,478,321)
Tax payable		(2,221)	(2,221)
		<u>(1,505,887,968)</u>	<u>(1,476,132,973)</u>

Please see Note 2 for information on calculation of fair values.

Interest rate risk profile of financial liabilities

All of the company's financial liabilities are floating rate and carry interest rates based on the relevant three-month EURIBOR rate.

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15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Effective interest rates and repricing analysis

The following table details the Company's exposure to interest rate risk by the earlier of contractual maturities or re-pricing:

At 31 December 2007	Weighted average effective interest rate %	1 to 3 months €	Non interest bearing €	Total €
Assets				
Non-interest bearing	-	-	9,640,112	9,640,112
Deemed loan to the Originator	5.23%	1,391,304,382	-	1,391,304,382
Derivative financial instruments	-	-	5,929,518	5,929,518
Cash and cash equivalents	-	<u>104,967,184</u>	-	<u>104,967,184</u>
Total assets		<u>1,496,271,566</u>	<u>15,569,630</u>	<u>1,511,841,196</u>
Liabilities				
Non-interest bearing	-	-	11,480,542	11,480,542
Liabilities evidenced by paper	5.09%	<u>1,494,407,426</u>	-	<u>1,494,407,426</u>
Total liabilities		<u>1,494,407,426</u>	<u>11,480,542</u>	<u>1,505,887,968</u>

16. SEGMENTAL REPORTING

The principal asset of the Company is the deemed loan to the Originator which is originated in Greece, funded by the Notes issued and listed in 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.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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 Ergasias S.A. has no direct ownership interest in the Company. However, in accordance with IFRS, and particularly SIC 12, the Originator considers the Company to be its subsidiary and the results of the Company are included in the consolidated financial statements of EFG Eurobank Ergasias S.A., which are available online at www.eurobank.gr.