



Annual Report

2009

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Eurobank EFG - Consolidated Financial Figures 2009

| | 2009 | 2008 | Δ% | New Europe | |
|----------------------|-------------------|----------|----------|------------|----------|
| Balance Sheet | Total Gross Loans | €57.5 bn | €57.1 bn | 0.6% | €14.5 bn |
| | Total Deposits | €46.8 bn | €45.7 bn | 2.5% | €9.7 bn |
| | Total Assets | €84.3 bn | €82.2 bn | 2.5% | €21.5 bn |

| | 2009 | 2008 | Δ% | New Europe | |
|--------------------------|--|------------------|------------------------------|----------------|----------------|
| Profit & Loss | Net Interest Income | €2,341 m. | €2,385 m. | -1.8% | €781 m. |
| | Net Fee & Commission Income | €496 m. | €618 m. | -19.7% | €168 m. |
| | Total Operating Revenues | €3,040 m. | €3,117 m.¹ | -2.5% | €970 m. |
| | Total Operating Expenses | €1,471 m. | €1,566 m. | -6.1% | €604 m. |
| | Impairment Losses | €1,177 m. | €886 m. | 32.9% | €452 m. |
| | Pre-provision Profit | €1,569 m. | €1,551 m.¹ | 1.2% | €366 m. |
| | Profit before tax after minorities | €398 m. | €818 m. | -51.3% | €-86 m. |
| | Net Profit after tax & minorities | €305 m. | €652 m. | -53.2% | €-44 m. |
| Net Profit | €362 m.² | €652 m. | -44.6% | €-44 m. | |

| | 2009 | 2008 | |
|-----------------------------|------------------------------|--------------------|-------|
| Key Financial Ratios | Net Interest Margin | 2.8% | 3.2% |
| | Cost to Income Ratio | 48.4% | 47.8% |
| | Non Performing Loans (NPLs) | 5.2% | 2.7% |
| | NPLs' Coverage Ratio | 58.6% | 89.7% |
| | Provisions to avg. net loans | 2.1% | 1.7% |
| | Core Tier I Ratio | 11.5% | 8.0% |
| | Total Capital Adequacy Ratio | 12.7% | 10.4% |
| | ROA after tax | 0.4% ² | 0.9% |
| | ROE after tax & minorities | 6.0% ² | 15.7% |
| | Earnings per Share | €0.51 ² | €1.20 |

| | 2009 | 2008 | |
|-------------------------|---|---------------|---------------|
| Resources | Branches and other client servicing points | 1,634 | 1,740 |
| | Greece | 493 | 494 |
| | New Europe | 1,139 | 1,244 |
| | Western Europe | 2 | 2 |
| | Human Resources | 23,578 | 24,497 |
| Greece & Western Europe | 10,011 | 10,142 | |
| New Europe | 13,567 | 14,355 | |

¹ excluding own debt revaluation gains

² before the one-off tax charge

Letter to Shareholders

Dear Shareholders,

In 2009, the international financial and economic crisis that unfolded in 2008 remained the major determinant of developments in the global economy. We did not witness just an economic slowdown - the overall global growth rate turned negative for the first time since the 1930s.

The first half of the year, in particular, was very challenging, as global trade was drastically reduced and the global economy posted strong negative growth rates. Nonetheless, the first signs of recovery emerged in the beginning of the second half, while the last quarter of the year brought positive growth to the US economy and stabilization to the euro zone.

This recovery was based on the positive impact of wide-ranging government stimulus packages, including state guarantees and fiscal expansion, in addition to central bank interventions such as interest rate cuts and new forms of liquidity injections. Activity in international capital and money markets resumed, as confidence and liquidity were gradually restored. However, uncertainty, as well as risks, are still present, while both business and household borrowing has been limited, with negative credit growth rates and persistently high unemployment levels in the euro zone.

Currently the euro zone aims at establishing a sustainable environment of economic growth. European governments are confronted with the need to address fiscal derailment, while the major objective of both governments and regulators worldwide is to reinforce the financial system and establish new, stricter transparency and supervision rules for market operations.

For the Greek economy, the year 2009 was exceptionally harsh, as the impact of the international crisis was severely felt and the GDP growth rate turned negative for the first time since the early 1990s. Moreover, the crisis accelerated the emergence of grave problems that emanate from the chronic structural weaknesses of the Greek economy, its huge public debt and its competitiveness deficit. The Greek economy has been under many strains: fiscal destabilization, recession, financial instability and high unemployment.

The fiscal crisis led to great skepticism, by both the European Union and the markets with regards to the country's ability to harness its budget deficit and bring the economy back on the path of stabilization and growth. This caused a rapid increase in the risk premiums on Greek debt, which is reflected on the large widening of Greek government bond spreads. The rise in the sovereign borrowing costs is passed on to the entire economy, increasing the cost of money and, therefore, the borrowing costs for both businesses and households. The banking sector, being the main driver, as well as an intermediary, for financing the economy, is also directly impacted by of the fiscal crisis.

Restoring the country's credibility towards both its European partners and the markets that finance its public debt is a national priority and a main prerequisite for achieving fiscal stabilization and reinstating economic growth. The implementation of a sweeping and painful fiscal adjustment, in conjunction with critical interventions aimed at structurally transforming the economy, is now the only economic policy option. The three-year Stability and Growth Program, as well as the additional measures that were announced, may be painful, but are also necessary, since they were imposed by critical circumstances. However, the major challenge is actually implementing them, as this is the only way for ensuring fiscal consolidation, the reduction of borrowing costs and the restoration of Greece's international credibility.

The effort to achieve, first, fiscal stabilization and, second, the economy's structural transformation, should be accompanied by an equally serious effort to create conditions for restarting the growth process, and offer positive prospects for the future. The above triptych is a prerequisite for liberating the Greek economy from this unprecedented predicament, and establishing sustainable and long-term prospects of economic and social progress. Growth should be built on new, secure foundations, based on extroversion, competitiveness and private enterprise.

In such an unfavorable and challenging environment the demonstrably sound and stable Greek banking system has proved its ability to efficiently manage the difficulties and is navigating the crisis without losing its capacity to play its key role in the economy's effort to exit the crisis.

In Eurobank EFG, we have been taking targeted initiatives and measures to support our customers, businesses and households alike, both in Greece and the wider region, since the very beginning of the crisis, in order to help them weather the current storm with the least possible damage. Despite the downturn and its profound impact on credit demand in Greece and New Europe, the Group's lending increased year-on-year, to €57.5 billion, showing dynamic growth during the last two quarters of 2009. In the key segments of business and mortgage loans in particular, total balances increased by 4.9% year-on-year, while new disbursements to small and medium-sized enterprises and new mortgage loans in Greece stood at €4.8 billion and €1 billion respectively in 2009. We pursued flexible policies for managing our clients' indebtedness combined with integrated services and products. We also worked together with various professional associations to support individual sectors of the Greek economy.

There were encouraging signs from economic developments in the countries of New Europe, where our Group has developed a systemic presence. The medium-term growth prospects of these countries remain positive, since following a period of severe downturn they are gradually entering a phase of stabilization and growth, as a result of the coordinated efforts of local governments, central banks and other international organizations to provide financial support. Eurobank EFG played a leading part on the institutional level and in cooperation with international organizations, in financing the economies of New Europe, and will continue to actively support their efforts to recover, since its presence in the region is one of the pillars of the Group's strategy as a major source of future profitability.

That said, we have been publicly expressing our views on the major growth problems of the Greek economy since spring 2009, when the crisis was peaking. We immediately spoke about the need to establish a new model of sustainable growth that will promote productivity, competitiveness and employment and will enable Greece, not only to regain lost ground, but also to improve its position within a fiercely competitive financial environment.

This growth model should focus on extroversion, exports and the expansion of the domestic production base, along with the improvement of output quality and the promotion of investments in infrastructure and energy. It also requires a public sector that will pursue modern growth policies, thus contributing to a business-friendly environment that encourages modern and dynamic entrepreneurship.

It was expected that extremely adverse circumstances, like the ones that prevailed during 2009, would affect the results of banking groups, such as the Eurobank EFG group.

However, our Group, based on the collective effort of its entire staff and on a strategy that focused on safeguarding the balance sheet, improving pre-provision earnings and prudently managing risks, showed remarkable resilience, flexibility and efficiency.

Letter to Shareholders

Our Group maintained its dynamism and positive performance, achieving satisfactory profits, and further improving its capital adequacy and liquidity.

In 2009, the Eurobank EFG group recorded net profit of €362 million, excluding the €57 million one-off tax contribution imposed by the Greek State, while its net profit for the crucial last quarter of the year stood at €82 million. Pre provision earnings increased by 1.2% year-on-year, and reached their highest level to this date, approaching €1.6 billion. This was made possible through a series of initiatives including rational asset pricing, the selective development of new operations, and the further improvement of client relationships. It is worth noting that one third of net interest income is now generated in the countries of New Europe. At the same time though, pre provision earnings increased, due to the containment of operating expenses. In fact, in 2009 we reduced our Group's operating costs by 6%, surpassing our initial target.

Moreover, we continued to emphasize on enhancing our liquidity and capital adequacy, which are among the strongest in the sector. Thus, despite adverse circumstances, we achieved rather positive results in attracting new deposits in Greece and the countries of New Europe. On the Group level, client deposits rose by €1.2 billion, to €46.8 billion by the end of 2009. The total loans to deposits ratio further fell to 119% from 126% two years ago, and is one of the lowest in comparison to peer European banks.

We also confirmed our ability to raise capital directly from international wholesale markets, as soon as their operation was restored. In 2009, we drew liquidity amounting to €2.8 billion directly through the markets, in various forms. At the same time, we further enhanced the Group's capital adequacy, which increased substantially in 2009 and is one of the strongest in the sector. Capital adequacy ratios improved by 150-200 basis points, as a result of our core profitability, as well as initiatives for enhancing the capital base.

The Core Tier I ratio, which does not include hybrids and Greek Government preferred securities, rose to 9.8% in 2009 from 8.0% in 2008. In addition, the total capital adequacy ratio increased by 2.3 percentage points and reached 12.7% from 10.4% in 2008. In 2009, the Group's common equity rose by €712 million, to €4.3 billion (excluding government preferred securities).

Protecting the quality of our portfolio remains a primary goal. The Group increased its bad debt provisions by 33%, to €1.18 billion, seeking to further safeguard its balance sheet. The non-performing loans ratio rose to 5.2% by the end of 2009, much lower than the Greek market average. At the same time, formation of loans past due for more than 90 days was significantly reduced in the last two quarters of 2009, as compared to the first two quarters of the same year, and this is an encouraging development. We are implementing a highly effective and sophisticated risk management and control policy, even under today's adverse economic conditions.

The adverse circumstances prevailing in the global economy also affected the economies of the countries of New Europe, where the Group has established a sizeable presence with a network of more than 1,100 branches and customer service points in seven countries. The Group's priorities for 2009 were, once again, to stand by our customers in these countries, effectively manage credit and other risks, to contain operating expenses and attract new deposits.

Within this extremely challenging environment, in 2009 the Eurobank EFG group, as well as its subsidiaries in Greece and abroad, received various awards from distinguished bodies and prominent analysts. Apart from being named the Best Bank in Greece, Eurobank EFG also received similar distinctions for various segments of banking operations, such as Private Banking, Trade Finance, Insurance Services and Securities Services.

It is forecasted that, although the world economy will remain turbulent in 2010, it will continue showing signs of stabilization and recovery. However, the year 2010 is expected to be particularly severe for the Greek economy, since the challenge of comprehensive fiscal consolidation is inescapable and is a catalyst for economic developments.

Our banking Group, as well the entire Greek financial system, remain stable and robust. They will continue playing a decisive role in the effort to reinvigorate the economy and create sufficient conditions for leading the country towards the path of growth and prosperity.

In 2010, the priorities of our banking Group remain adapted to the needs and challenges created by the current circumstances. The performance of the Greek economy, and more specifically, the progress of the fiscal consolidation effort, will be decisive for improving key factors that affect the operation of banks and, in general, of the economy - above all, reducing the cost of money. We are intensifying our efforts with the aim of further strengthening our capital base mainly through core profitability, ensuring adequate liquidity, further safeguarding our balance sheet, and maintaining high pre provision earnings. At the same time, we are sustaining our effective effort to manage credit and other risks. The further rationalization of our operations and the containment of costs also continue to be key priorities. We are treating this crisis as an opportunity to improve relations with our customers and stand by their side during this challenging period, thus enhancing our comparative advantages against the competition.

Building on this flexible strategy, which has already proved successful in meeting the challenges of the crisis, we will continue to be a dynamic and efficient partner in the Greek economy's strive for stabilization and growth.

The implementation of our strategy is guaranteed by our people, who, even under such strenuous circumstances, remain committed to our goals, focusing on quality and efficiency in their everyday work and meeting challenges with unparalleled professionalism and forcefulness.

Thus, we have established all the necessary conditions in order to continue achieving our targets, with the same flexibility and resilience. Our banking group will emerge stronger from this trying situation and remain in the vanguard of developments, to the benefit of our shareholders, customers and employees.

Athens, March 24, 2010

Xenophon C. Nickitas



Chairman of the Board of Directors

Nicholas C. Nanopoulos



Chief Executive Officer

MEMBERS OF THE EXECUTIVE COMMITTEE



05
Michael H. Colakides
Deputy Chief Executive Officer
Risk Management
and Board Member*

06
Byron N. Ballis
Deputy Chief Executive Officer
Retail Banking
and Board Member*

07
Nicholas C. Nanopoulos
Chief Executive Officer
and Board Member*

08
Nikolaos B. Karamouzis
Deputy Chief Executive Officer
Wholesale Banking
and Board Member*

01
Piergiorgio G. Pradelli
General Manager
International Division

02
Fokion Chr. Karavias
General Manager
Global Markets

03
Constantinos A. Vouvounis
General Manager
Global Corporate Banking
& Markets

04
Stavros E. Ioannou
General Manager
Organization, Technology
and Operations



09

Paula N. Hadjisotiriou
General Manager
Finance & Strategy
and Board Secretary*

10

Evaggelos I. Kavvalos
General Manager
Small Business Banking

11

George P. Marinos
General Manager
Corporate Banking

12

Theodore A. Kalantonis
General Manager
Consumer and
Mortgage Lending

13

Michael G. Viastarakis
General Manager
Branch Network

** Members of Strategic Planning Committee*

Financial Review

In a rather challenging year for the global economy and the international financial system, the Eurobank EFG group showed remarkable resilience and flexibility, improving its capital base and liquidity, substantially curbing its operating expenses and increasing its pre provision earnings.

Despite the international recession and its negative effects, the Group's pre provision earnings rose above 2008 levels and stood at €1.6 billion in 2009, remaining at levels that fortify the Group, while net profit, excluding the one-off tax contribution fell to €362 million, from €652 million in 2008.

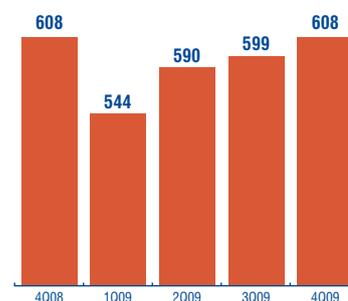
Net interest income stood at €2.3 billion in 2009, slightly reduced by 1.8% as compared to 2008, owing to increased funding costs. It is worth noting that net interest income grew steadily after the first quarter of 2009 and by the last quarter of the year had returned to its second historic high of €608 million. Net interest income in New Europe stood at €781 million in 2009, accounting for 33% of the Group's total net interest income. The net interest margin (net interest income to average total assets) fell to 2.8% in 2009 from 3.2% in 2008, but continued improving on a quarterly basis from the very low levels of Q1 2009.

There was also an increase in the Group's fee and commission income after Q1 2009. In total, fee and commission income stood at €496 million in 2009, as compared to €618 million in 2008, as commissions from banking activities amounted to €418 million and fees from other activities stood at €78 million. In New Europe, total fee and commission income stood at €168 million, accounting for 34% of the Group's total fee and commission income.

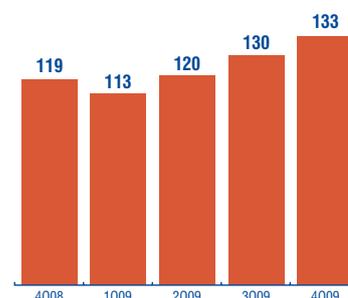
In a tough financial environment, the Group recorded a €171 million gain from bonds, equities and foreign exchange, through the prudent management of its positions. In total, income from trading activities, dividends and other non core activities rose to €203 million in 2009, from €114 million in 2008.*

* excluding own debt revaluation gains

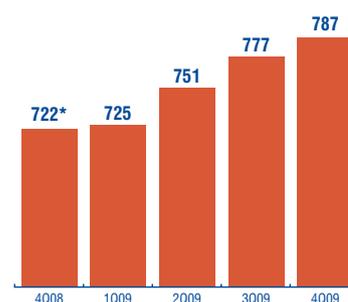
Net Interest Income (€ m.)



Net Fee & Commission Income (€ m.)



Total Income (€ m.)



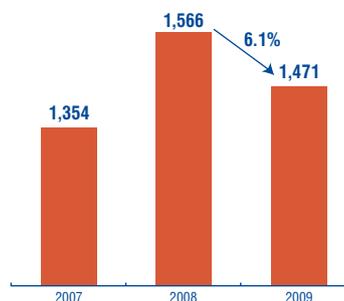
The Group's total income amounted to €3.0 billion in 2009, as compared to €3.1 billion in 2008*. It is worth noting that total income grew in all quarters of 2009. The income mix is of rather high quality, as 93% of total income has been generated by interest and commissions. As far as the breakdown of income by region is concerned, 68% originated from operations in Greece and 32% from operations in New Europe.

The efforts to contain the Group's costs were highly successful in 2009. More specifically, operating expenses fell by 6.1% year-on-year (approximately €100 million) and exceeded the 5% target that had been set; this is compared to a growth rate of over 15% in 2008. This achievement resulted from rationalizing the Group's operations in both Greece and New Europe.

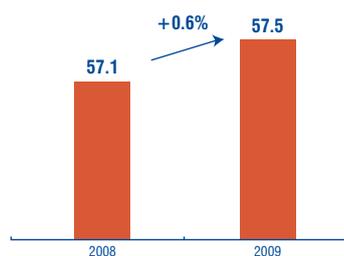
In order to further fortify its balance sheet, the Group increased its bad debt provisions by 33% in 2009. More specifically, provisions reached €1.18 billion, accounting for 2.11% of average loan balances for the year. At the same time, there was a marked slowdown in the growth of loans past due over 90 days during the last two quarters of 2009, as compared to the first two quarters of the same year. By the end of the year, the non-performing loans ratio stood at 5.2% of the total loan book, substantially lower than the Greek market average.

Despite the global recession, which had a major impact on credit demand in Greece and New Europe, the Group's loan portfolio expanded as compared to 2008 and reached €57.5 billion, driven by strong growth during the last two quarters of the year. In the key segments of business and mortgage loans, in particular, balances rose by 4.9% year-on-year, while new disbursements to small and medium-sized enterprises (SMEs) and new mortgage loan disbursements in Greece stood at €4.8 billion and €1.0 billion respectively in 2009. The Group actively supported businesses and households in order to help them weather the consequences of the crisis as painlessly as possible, by adopting flexible policies for managing their debts and offering integrated services and products. Moreover, it actively partici-

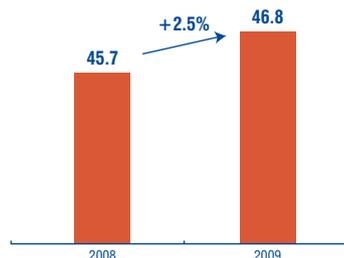
Total Operating Expenses (€ m.)



Group Gross Loans (€ bn.)



Group Deposits (€ bn.)

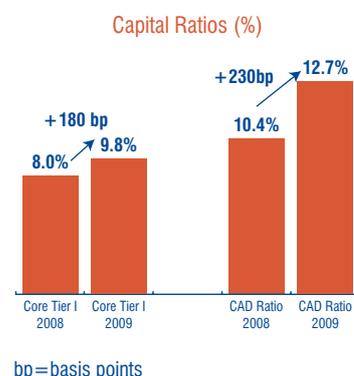


Financial Review

pated in the Greek State's schemes for enhancing the liquidity of the Greek economy, initially through the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME) and then through the National Strategic Reference Framework (NSRF); it was also a pioneer in utilizing Public-Private Partnerships (PPPs), and worked together with a multitude of professional associations, with the aim of supporting individual sectors of the economy.

The liquidity of the Eurobank EFG group improved during 2009 in the face of adverse circumstances, owing to the great success of the effort to attract new deposits, which increased by €1.2 billion in both Greece and New Europe, reaching €46.8 billion by the end of 2009. In addition, the Group drew liquidity of €2.8 billion directly from international wholesale markets and repaid €500 million worth of bonds guaranteed by the Greek State. The total loans to deposits ratio further fell to 119% from 126% two years ago, and is one of the lowest in comparison to similar European banks.

The Group's capital position improved substantially in 2009, and is one of the strongest in the sector. The Core Tier I ratio, which excludes hybrid and Greek government preferred securities, rose to 9.8% in 2009 from 8.0% in 2008. In addition, the total capital adequacy ratio rose to 12.7% from 10.4% in 2008. In 2009, the Group's common equity (excluding government preferred securities) increased by €712 million to €4.3 billion.



The Eurobank EFG Share

The reduction of European Central Bank interest rates to historical lows, the gradual decrease in the high cost of money and the coordinated efforts of central banks and international organizations to address the global economic slowdown had a positive impact on markets, which recorded gains in 2009.

The shares traded in the Athens Exchange showed substantial gains during the past year, as the General Index rose by 22.9% and stood at 2,196 points, as compared to 1,787 points at the end of 2008.

The share of Eurobank EFG significantly outperformed the market, gaining 41.1% year-on-year. The Group's market capitalization stood at €4.24 billion, based on the closing price as at December 31, 2009. The highest closing price during the year was €12.61 and the lowest €3.53.

It should be noted that the share's positive performance during 2009 is also reflected on increased institutional and private investor participation in Eurobank, which exceeded 25% and 21% respectively as at December 31, 2009.



Shareholding Structure as at 31.12.2009
(% of total shares)



Share Data

| | |
|---|--------------------|
| Closing price (as at 31/12/2009) | €7.88 |
| Highest Closing Price for the year | €12.61 |
| Lowest Closing Price for the year | €3.53 |
| Market Capitalization (as at 31/12/2009) | €4.244 million |
| Total Number of Outstanding Shares | 538,594,955 |

Corporate Responsibility

The activities of the Eurobank EFG group are governed by the Organization's values: creativity, innovation, efficiency, emphasis on quality and respect towards people and the environment comprise a web of values that permeates the philosophy and guides the actions of the Group's staff. The incessant effort to improve the economic environment, along with the cultivation of an open dialogue with its stakeholders and the Organization's active participation in, and contribution to society, comprise the corporate responsibility of Eurobank EFG. More specifically, the Group's corporate responsibility is implemented through four pillars of action:

- Fostering stakeholder dialogue, through actions and initiatives that identify problems, promoting, at the same time, the appropriate solutions;
- Enhancing corporate governance, which ensures transparency and the Organization's virtuous operation;
- Promoting social contribution in key areas of the local communities the Group is operating in;
- Caring for the environment, with the aim of dealing with climate change and contributing to sustainable growth.

Each year, the Group's contribution to the economy and society, which is the crown of its employees' effort, is rewarded with a series of distinctions in Greece and abroad.

| Awards 2009 | | |
|-------------------|---|--|
| Greece | | Issuer |
| | Best Developed Market Bank | Global Finance Magazine |
| | Best Private Bank | Euro money Magazine |
| | Best Foreign Exchange Bank | Global Finance Magazine |
| | Best Trade Finance Bank | World Finance Magazine |
| | Best Bank in Trade Finance | Global Finance Magazine |
| | Best Sub-Custodian Bank | Global Finance Magazine |
| | Top Rated Custodian for Domestic, Foreign and Leading Institutional Investors | Global Custodian Magazine |
| | Best Worldwide Combined Export Factor and Import Factor | Factors Chain International (F.C.I.) |
| | Best Insurer (Activa) | Euro money Magazine |
| | Best Corporate/Institutional Internet Bank | Global Finance Magazine |
| | Top Performance e-Banking | RAM Magazine |
| | Export & Investment Leader Award | HELEXPO & STAT BANK |
| | European Award EMAS "Supply chain including green procurement" | European Commission |
| | Corporate Governance Award | Hrma Magazine Business Awards |
| Poland | Best Bank for Small Businesses | Forbes Magazine |
| | Trustworthy employer | Economic Digest Magazine |
| Romania | Top Rated Custodian for Domestic Institutional Investors | Global Custodian Magazine |
| | Issuer with the Most Active Cards | 2009 No-Cash Gala |
| Bulgaria | Financial Product of the year | Banks, Investment, Money annual conference |
| | Best Savings Product | Banks, Investment, Money annual conference |
| | Best Investment Product | Banks, Investment, Money annual conference |
| | "Biggest Time Donor" | Bulgarian Donors Forum |
| | Best Induction Training Programme | Bulgarian Human Resource Management and Development Association (BHRMDA) |
| | Ethical and Responsible Conduct towards Stakeholders | Bulgarian Pari Daily & Deloitte |
| Serbia | Best Regional Business Partner | Mass Media International |
| | VIRTUS Award for Corporate Contribution to the Local Community | Balkan Community Initiatives Fund |
| Turkey | Best Equity House | Euro money Magazine |
| Cyprus | Best Private Banking Services Overall | Euro money Magazine |
| | Top Rated Custodian for Foreign Institutional Investors | Global Custodian Magazine |
| Ukraine | Best Service in Retail Banking | Expert Ukraine Magazine |
| Luxembourg | Best up and Coming Private Bank | World Finance Banking Awards |

Risk Management

In 2009, the aim of the Eurobank EFG group in the critical area of risk management was, on one hand, to safeguard the Group against credit, market and operational risks, and, on the other hand, to support its clients and contribute to the smooth operation of markets in all countries it is operating in. The conditions of economic crisis that prevailed during 2009 necessitated the implementation of stricter lending criteria and the restructuring of individual loans, both to business, and retail customers. The uninterrupted implementation of the uniform policy and centralized procedures that govern risk management in all countries of operation, along with adaptability to the particularities of each economy, allowed the Group to successfully manage the risks brought about by the crisis. The results of this effort were reflected on the preservation of the health of the Group's portfolio, as non-performing loans stood at 5.2% of the total loan book at the end of 2009.

The preservation of satisfactory portfolio quality was also enabled by the use of advanced credit risk assessment methods, directly linked to pricing practices (Risk-based Pricing) in the fields of consumer lending and SME financing. As far as loans to medium-sized and large enterprises are concerned, more than 80% of the Group's portfolio is rated by the Moody's Risk Advisor (MRA) model, including portfolios in Greece, Romania, Bulgaria and Serbia, while the Turkish portfolio will be added in 2010. These are, also, the countries where Eurobank EFG has substantial corporate banking operations.

As part of its strategy of adopting best international practice in credit risk management, Eurobank EFG has been implementing the Internal Ratings Based Approach (IRB) on the largest part of its loan portfolio, covering almost 75% of total loans extended by the Group. It is worth noting that Eurobank EFG is the only Greek bank that implements the IRB approach on almost 100% of its domestic loan book. Moreover, Eurobank EFG was the first Greek bank to publish a detailed risk report, based on the guidelines of the third pillar of the Second Basle Accord (Basle II).

Collection mechanisms were streamlined. Emphasis was placed on increasing and, above all, improving the quality of personnel through intensive specialized training, in order to enable them to meet the challenges posed by the current economic situation. Moreover, the relevant IT systems were upgraded in all the countries the Group operates in.

In regard to delinquent customers, the Group's main objective is to assess the impact of the negative economic and business environment and, at the same time, make a realistic evaluation of retail or business customers' cash flow capabilities in order to jointly set up flexible repayment schedules in a spirit of consensus.

Thus, households that were in temporary difficulty of repaying their debts as a result of this unprecedented economic situation were offered solutions by all customer service channels. Moreover, the Group showed increased sensitivity towards professionals and small and medium-sized entrepreneurs, offering attractive repayment solutions especially to clients with, on the whole, sound concerns, which, nonetheless, suffered intense pressures in the adverse environment of 2009.

A full analysis of credit, market and operational risks is presented in the notes to the Group's financial statements, which are published on www.eurobank.gr.



Customer Service Officers, Branch at 36 Panepistimiou Str., Athens

Retail Banking

In the adverse economic environment of 2009, Eurobank EFG assisted households and small enterprises with understanding and flexibility by offering products adapted to their needs. Showing particular consideration and sensibility in working together with customers that were facing difficulties with the repayment of their debts, the Group developed and offered special programs for their support. Household demand for new loans in Greece and abroad was relatively limited, owing to macroeconomic uncertainty. The retail lending portfolio stood, on a consolidated basis, at €34.7 billion in 2009.

The Group's role in managing the income of households and small enterprises was rather important. The share of Eurobank EFG in the Greek deposit market expanded, while the Group's total deposits increased by €1.2 billion, to €46.8 billion. Moreover, the cost of deposits was reduced, since term deposits as a percentage of total Group deposits fell from 72% in 2008 to 68%.

In 2009, the Bank created new innovative programs such as "Life & Health", offering a series of health benefits for the entire family through savings accounts and the highly popular "Mega Savings Account". The new Transaction Banking Department was also created with the aim of improving support to the transactions performed by the Bank's depositors (customers).

In the field of retail investment products, and as part of the Bank's Personal Banking services, roadshows and meetings were held all over Greece, covering the investment principles applicable to each investor profile and discussing developments in global markets.

Eurobank EFG stood by professionals and small enterprises, playing a leading part in the programs for supporting the economy (TEMPME, European Investment Bank) and organizing 60 briefing events in regard to NSRF programs, all over Greece. Seeking to provide comprehensive services to the multifaceted needs of this client segment, Personal and Small Business Banking joined their forces to organize the "Personal Business Banking" initiative.

Consumer Lending

Amidst economic developments that created a complicated consumer credit environment, Eurobank EFG emphasized on the provision of new products and reliable solutions, adapted to the customers' individual needs, as well as on the improvement of service quality. In this context, the Group retained its leadership in Greece and maintained its significant presence in New Europe. At the end of 2009, the Group's consumer loan and credit card balances stood at €10.3 billion, while credit quality ratios were satisfactory.

In 2009, Eurobank EFG designed and implemented a new generation of personal loans in Greece. Aiming at a lasting and mutually beneficial relationship of trust with customers, the new personal loans are extended from the very start with reduced interest rates, as a token of good faith for their proper repayment. Moreover, the offered interest rate is personalized and varies per customer, depending on his/her financial condition and the provided collateral. At the same time the Bank supported its existing customer base with debt restructuring solutions. In the field of credit cards, Eurobank maintain its leadership in terms of both card balances and numbers, while the "Epistrophi" program remains highly successful as the most sophisticated and wide-ranging loyalty scheme in the Greek market.

In the countries of New Europe, where the impact of the crisis was rather acute in early 2009, the Group's main objective was to contain credit risk and support customers in repaying their debts. Debt settlement products were promptly promoted taking into account the market conditions and the borrowers' repayment capability. Disbursement growth was moderate, as loans were strictly extended only to selected customers on the basis of their individual risk profile.

Mortgage Lending

The global economic crisis has deeply affected construction activity, as well as consumer sentiment, in Greece and in the countries of New Europe. Nonetheless, Eurobank EFG increased Group mortgage loan balances by 3.7%, from €14.8 billion in 2008 to €15.4 billion in 2009.

In Greece, Eurobank EFG enhanced the range of loans with fixed rates for up to 3 years, through attractive pricing and insurance policy offers (e.g. income loss protection, "Life and Health", etc.). In addition, the new "green" mortgage product, which provides financing for the purchase and installation of photovoltaic systems on the rooftops of houses, was promoted as part of the Group's new series of products that support green growth.

In New Europe, Eurobank EFG further improved its strong Mortgage Lending market shares, increasing its balances by €400 million in 2009. The Group remained the leader in the field of Mortgage Lending among the Greek banks that operate in New Europe, having extended a total of €4.7 billion. More specifically the Group's subsidiaries rank second in Bulgaria and Serbia, while Polbank EFG is among the top five banks in terms of new disbursements in Poland.

Credit quality remained the key objective of the year. According to Bank of Greece and Tiresias SA data, quality was sustained at high levels in Greece, on the basis of both Greek and international standards. This enabled Eurobank EFG to retain the high ratings given by international credit rating agencies for the six mortgage loan securitizations it has performed since 2004, and to use a large part of its new, sound portfolio (€1.45 billion) as

Retail Banking

collateral for the Bank of Greece's support package in 2009. It is worth noting that 90% of existing securitized loans, amounting to €4.2 billion, have received and maintained the highest possible rating (AAA), confirming the excellent quality of the Bank's mortgage lending portfolio. In addition, the great experience, know-how and quality of Eurobank EFG as a Servicer, allowed it in 2009 to act as a Stand-by Servicer for the securitized mortgage portfolios of other banks that are operating in Greece.

Small Business Banking

Eurobank EFG is the leader among Greek banks in the field of Small Business Banking. In 2009, the Bank capitalized on its position in order to support the Small Enterprises and Freelance Professionals segments, which were hit by the international financial crisis. At the same time, it safeguarded the high quality of its lending portfolio, increased its deposit base and improved the profitability of this segment. The consolidated loan book stood at €9.1 billion.

In Greece, Eurobank EFG was dynamically involved in the State's plans for enhancing liquidity, at first through the Credit Guarantee Fund for Small & Very Small Enterprises (TEMPME), where it captured the largest market share among private banks, and then through the National Strategic Reference Framework (NSRF). Moreover, the Bank provided accessible financing from the European Investment Bank, while, in order to support enterprises, it offered a new lending product, which covers the interest payable for the first two years.

Customer service was improved by expanding the option to extend loans via e-banking to all Small Enterprises and Professionals, expediting the loan application procedure, and improving transparency and disclosure in regard to the necessary supporting documents and possible expenses.

Apart from extending new loans, the Bank also supported Small Enterprises and Professionals through alternative debt settlement proposals based on each customer's needs and capabilities.

Seeking to manage more efficiently the Small Business Banking needs in the challenging environment of the countries of New Europe, the Group streamlined the relevant infrastructure in order to ensure portfolio quality and enhance the link between deposits and loans. The culmination of the Group's successful overseas presence came in Poland, where Polbank EFG was named "Best Bank for Small Businesses" in 2009 by *Forbes* magazine.



Corporate Banking Officers, Business Centre in the Centre of Athens

Corporate Banking

In an environment of continuous turmoil in international money markets and negative growth rates in Greece and New Europe, Eurobank EFG continued to provide active support to Medium-Sized and Large Corporates through the extension of new loans, thus retaining its leadership. More specifically, Group balances increased by 5.6% year-on-year, to €22.8 billion in 2009. Return on employed capital, and the active management of portfolio quality were top priorities. In regard to loans, special emphasis was placed to supporting exports, tourism and “green” energy in Greece through targeted loans and refinancing in the context of the Eurobank EFG “Extroversion” program. In New Europe, lending activity was focused on supporting corporate clients through debt restructuring, and on strictly monitoring portfolio quality.

Eurobank EFG further enhanced the businesses’ liquidity by signing/issuing syndicated loans/bonds, thus maintaining its dominant position in the domestic market, while also growing strongly in New Europe. Overall, Eurobank EFG arranged/co-arranged 12 syndicated loan and bond issues, totaling almost €2.5 billion. The most important of these were being a €700 million loan to the Hellenic Railways Organization (OSE), a €195 million loan to Hellenic Defense Systems SA, a €350 million loan to the Athens Urban Transport Organization (OASA), a €250 million loan to Hellenic Petroleum Finance Plc, and a €75 million loan to Coolinvest Holdings Ltd, a subsidiary of Frigoglass SAIC.

In the field of high-leveraged transactions, Eurobank EFG exclusively financed the acquisition of 100% of SINGULAR LOGIC SA by MIG Technology SA. This acquisition was the largest leverage finance transaction and de-listing of a company via public offer in the Athens Exchange in 2009.

Eurobank EFG was also heavily involved in the field of Project Finance. The Bank was the arranger for the first Public-Private Partnership (PPP) deal in Greece. The project, which concerns the construction of Fire Stations, is financed by Eurobank EFG and the European Investment Bank (EIB). The Bank was also active in structured real estate financing, focusing on projects that are being developed in Greece, and completing the financing of the new “Golden Hall” mall, in Maroussi, Attica.

The improvement of liquidity was also significant, given the increased cost of interbank lending. New deposit products were developed in Greece and New Europe, while there was an increase in total corporate deposits. Moreover, the Bank performed a successful securitization of open loans worth a total of €3.3 billion, and absorbed €700 million of EIB funds to Greece.

There were many organizational changes, aimed at improving corporate customer service. In Greece, the Bank upgraded its infrastructures and procedures, in order to expedite loan approvals. New corporate tellers were introduced in Business Centers to ensure the faster processing of transactions, while electronic transactions were made easier through the addition of new important e-banking functions, such as the collection and management of cheques and cash. In New Europe, major projects aimed at improving infrastructure and technologies were implemented, and training courses were offered to Relationship Managers. In addition, the Group continued to provide centralized effective support to Greek enterprises that are already present, or wish to become active, in the countries of New Europe.

Lending to Large Corporates

In spite of the continuous uncertainty in money markets, in 2009 Eurobank EFG strengthened relations with large corporate clients through the uninterrupted provision of financing support under adverse conditions for both the economy and the banking system, as well as through dynamic portfolio management. Total lending to Large Corporates increased by 8.6% to €11.1 billion, while portfolio quality remained high. Areas of focus included attracting deposits, cross-selling and the complete re-evaluation of client relationships on the basis of their overall return in relation to the risk assumed.

In Greece, the Bank supported Large Corporates through targeted initiatives, such as “green” growth financing (wind and photovoltaic parks), supporting export activities through the use of innovative products (pre-export, export financing, forfaiting) and hotel financing in cooperation with the Association of Greek Tourist Enterprises (SETE).

Shipping

In 2009, the shipping market was caught in the doldrums, evidently affected by the global economic downturn, the continued lack of liquidity, as well as the frailty of almost all shipping sectors (excluding bulk carriers). Pursuing a conservative policy, Eurobank EFG increased its total lending portfolio to €800 million by the end of 2009, and continues to support Greek ocean-going shipping.

The year 2010 is expected to be rather interesting. Ship values are expected to reach the trough of the shipping market, while a colossal program for the delivery of new vessels is still underway. On the other hand, the persistence of China’s spectacular economic growth rates, the recovery of the other Asian economies, and the signs of stabilization in the US economy, create optimism that the next one to two years may be the right period for new investments in shipping.

Lending to Medium-sized Enterprises

With a network of 132 dedicated Business Centres in Greece and New Europe, Eurobank EFG offers high quality services and products to Medium-Sized Enterprises, which comprise the backbone of these countries’ economies. In 2009, the main target in regard to Medium-Sized Enterprise financing was two-fold:

The first concern was to approach clients directly, in order to offer the appropriate solutions whenever necessary, either by renegotiating loans, or through other suitable means, always with the active participation and support of business associations.

In Greece, in particular, and as part of the innovative “Extroversion” program, in the second half of the year the Bank emphasized on catering to the needs of exporting companies, through specific financing and insurance schemes. Funding the daily operations, as well as the investment plans of Medium-Sized Enterprises, continued without any interruption, as the Group’s lending portfolio rose to €11.6 billion, increased by 2.9% as compared to 2008.

Corporate Banking

Leasing

Eurobank EFG Leasing adapted its strategy to the new conditions that emerged from the demise of the, until recently, familiar business environment, as a result of the unprecedented international financial crisis. Capitalizing on its seamless cooperation with its clients, as well as on its significant experience in New Europe, in 2009 the firm gave priority to finding solutions to the clients' liquidity problems, through softer repayment schedules, as well as through the sale of leasing products with favorable terms. In order to support Small and Medium-sized Enterprises with less than 250 workers, which comprise the backbone of the economy, Eurobank EFG Leasing worked together with the European Investment Bank (EIB), offering €50 million of leasing finance with preferential terms for new SME growth investments. Total financing balances exceeded €1.6 billion.

Moreover, the finance of sectors with a clear outward orientation (tourism, exports) was enhanced, while particular consideration was given to investments for the generation of green energy and the production of advanced new technologies. Investments in equipment and machinery increased their share in the formation of financed volumes as compared to the past, while the financing of income-generating properties accounted for a large portion of new real estate leases.

The activities of affiliated leasing companies in Bulgaria, Romania, Serbia, Turkey and Poland were also marked by the consolidation of their portfolios and the selective financing of businesses, thanks to the relevant agreements signed with the EIB for a total of €80 million.

Factoring

In a fiercely competitive environment, Eurobank EFG remained the leader of the Greek factoring market, through its Eurobank EFG Factors subsidiary. The company succeeded in outgrowing the domestic Factoring and Forfaiting markets through the continual improvement of service quality and the provision of innovative products. In 2009, the company was one of the main elements of the Group's concerted effort to enhance business "Extroversion", and continued to invest in technological infrastructure, with the most representative example being the development of the first automated Reverse Factoring service in Greece.

Eurobank EFG Factors rose to the first place worldwide in the field of International Factoring, from the 4th place it held in 2008. The company received this significant distinction, which was based on both qualitative and quantitative criteria, at the 41st annual conference of Factors Chain International (FCI). Eurobank EFG Factors was the only company to receive an "Excellent" rating as part of the same evaluation.

Factoring activity was also significant in Bulgaria, Turkey and Romania, while there are plans to expand factoring operations to the other countries of New Europe where Eurobank EFG is present.



Treasury Officers, Dealing Room, Athens



Private Banking Officers, Private Banking Centre in Kifisia & Family Office, Athens

Wealth Management

Mutual Funds

Eurobank EFG Mutual Fund Management Company ended the year 2009 with strong growth in both funds under management and returns.

More specifically, the unfavorable first quarter of depressed prices and scarce liquidity in capital and money markets was followed by a lengthy period of investor sentiment recovery, which led to an 11.7% increase in the company's funds under management to €2.7 billion, as compared to a 2.6% increase for the entire Greek mutual fund market. As a result, the company expanded its market share by two percentage points, to 25.1%, while all other major market players lost ground, thus retaining its leading position.

The above results can be attributed to the formation of new, value-generating (as it was later proved) mutual funds, the timely exploitation of the peculiar conditions that prevailed in late 2008, the company's ingenuity to embed protection features in its products, and the strong returns achieved over a wide range of options.

More specifically, the highest returns were achieved by EUROBANK EFG I (LF) Fund of Funds-BRIC (+83.6%), EUROBANK EFG I (LF) Equity Emerging Europe (+71.9%) and EUROBANK EFG I (LF) Equity Flexi Style (+57.3%), which were ranked first in their respective categories. Moreover, EUROBANK EFG I (LF) Equity Emerging Europe, EUROBANK EFG (LF) Fund of Funds-Balanced Blend, EUROBANK EFG (LF) Absolute Return and EUROBANK EFG (LF) Income Plus (\$) received very good ratings by the Morningstar independent investment research agency, ranking them among the best mutual funds in Europe.

In 2009, the company further developed its cooperation with other distribution networks both in Greece and abroad. More specifically, Eurobank EFG MFMC offered continuous support to the network of the Interamerican group, raising the total assets of Interamerican Mutual Funds to €715 million from €657 million in 2008. In New Europe, the company increased its sales in Poland and Bulgaria, despite the small, to date, scale of its operations in the rather promising markets of Central and Southeastern Europe.

Insurance

The Eurobank EFG group has established a strong presence in the insurance market through EFG Eurolife Insurance group. The latter is one of the largest insurance groups in the Greek market, involved in all Life and General Insurance fields. It comprises two insurers, EFG Eurolife Life Insurance SA and EFG Eurolife General Insurance SA, as well as an insurance brokerage firm, EFG Insurance Services SA.

The growth of insurance operations in 2009 led to an increase in total insurance premium production, and especially in regular insurance premiums. Cooperation with banking networks continued unabated, while cooperation with insurance networks was expanded; as a result, the company's products are distributed by more than 300 associated insurance networks all over Greece. The company created new insurance programs to complement its product range, in order to provide comprehensive coverage to all retail and corporate client needs for Life, Annuity, Health, Property and Automobile Insurance. Moreover, the operational and legal merger with Activa Insurance SA, which was acquired by the Group in 2008, was successfully completed.

It is worth noting that the own funds of both insurance companies exceed the required solvency margins, by 140% for EFG Eurolife Life Insurance SA and 245% for EFG Eurolife General Insurance SA. These high ratios reflect the financial strength and solvency of these two insurance companies, and are among the highest in the domestic insurance market.

As far as foreign operations are concerned, the group's two Romanian subsidiaries, EFG Eurolife Asigurari de Viata S.A. and EFG Asigurari Generale S.A., completed their third year of operations in bancassurance, showing positive growth rates.

The Eurobank EFG group is the leader of the Greek insurance brokerage market through EFG Insurance Services SA, offering insurance solutions for specialized corporate and private client needs. The company is operating through the branch network, as well as through independent distribution channels. In 2009, the company posted satisfactory results in both the fields of insurance intermediation and advisory services.

Asset Management

The year 2009, a period of high market and investor sentiment volatility, was crucial for Eurobank EFG Asset Management, which acquired new clients and attracted new assets from existing clients to its institutional portfolios under management. Total assets under management exceeded €1 billion.

In the field of advisory services there was a robust increase in both the size and the number of institutional clients, mainly utilities. In the field of insurance organization reserve management, Eurobank EFG Asset Management continued, for an eighth consecutive year, to be responsible for the active management of part of the stock portfolio held by the Hellenic Telecommunications Organization Employee Fund. Moreover, the firm is one of the two external managers for the Mixed Domestic Mutual Fund of the Insurance Organizations' Mutual Fund Management Company, the largest mixed domestic fund, with total assets of €750 million. In 2009, the company achieved significant returns, which gave this mutual fund the first place in its category, a position it has been capturing since the company assumed its management in 2003.

Eurobank EFG Asset Management was selected as one of the external managers for the domestic equity portfolio of Cyprus' largest insurance agency, the Pension and Benefits Plan of the Employees of the Cyprus Telecommunications Authority. Moreover, the company successfully continued to manage the assets of other professional funds and investment firms in Cyprus.

In 2009, the company redesigned the discretionary asset management service offered to Eurobank EFG's Private Banking clients, offering, on one hand, active management in Greece and the wider region of New Europe, and, on the other hand, global management, through the active selection of mutual funds distributed by world-class asset managers. The mutual funds' selection is based on an evaluation methodology developed by Eurobank EFG Asset Management.

Finally, the company managed once again to capture the first place in the field of Undertakings for Collective Investment in Transferable Securities (UCITS), based on the returns of DIAS Portfolio Investments SA, the largest portfolio investment company in Greece in terms of assets.

Wealth Management

Private Banking

The fiscal year 2009 consisted of three distinct stages: i) the persistence of the adverse climate in global markets during the first two months of the year; ii) the unexpectedly dynamic rebound of most markets from March till October; and iii) the gradual deceleration of growth rates, along with the emergence of major correction trends in certain markets, such as the Greek capital market, caused by local developments or specific debt issuers.

Eurobank EFG was actively involved in Private Banking in Greece, as well as in Luxembourg and Cyprus. The opportunities generated by the huge volatility of securities and equity markets were utilized to the benefit of clients, both through new placements and through the timely replacement of existing investment choices that sustained heavy losses, due to the markets' relentless fall since the 3rd quarter of 2007. Multiple portfolio restructuring plans were offered with rather positive results, as the markets for emerging, corporate and sovereign bonds soared. Equally successful were the packages of leveraged placements in banking bonds/placements in leveraged banking bonds.

The Discretionary Asset Management service was restructured in 2009, featuring a new, simplified portfolio structure and more competitive pricing, while the Wealth Management products were redesigned, providing flexible investment loans for all types of placement. Moreover, a series of events were held in various Greek cities, seeking to provide domestic clients with even better information.

All the aforementioned actions did not only lead to the minimization of portfolio losses, but also to the retention of the majority of clients during a rather challenging period, as well as the attraction of new ones, especially through the investment position replacement programs and the new products developed in Cyprus and Luxembourg. As a result of its supremacy in the field of Private Banking, Eurobank EFG was named the "Best Private Bank in Greece" for the fourth time in the last five years by the internationally acclaimed Euromoney financial magazine.

Investment Banking & Capital Markets

Investment Banking

Investment Banking was negatively affected by the wider financial crisis both internationally, and in the domestic market. In 2009, merger & acquisition activity waned, while activity in the capital markets, where businesses turn to in order to raise liquidity, was also limited. The sole activity that flourished, both globally, and in Greece, was capital-raising by financial institutions, which, in most cases, was necessitated.

In such a demanding environment, the Eurobank EFG group confirmed its lead in the Greek investment banking sector. Eurobank EFG Telesis Finance (EFG TF), the Group's investment banking arm, accounted for more than 40% of the funds raised in the Athens Exchange, while the company's share in M&A rose to 33%. In 2009, EFG TF acted as financial advisor to two of the largest deals that were carried out by Greek companies: the acquisition of BP's Greek network by Hellenic Petroleum and the sale of FYROM's Cosmofon by Cosmote to Telekom Slovenije. Moreover, in 2009 the Group gave priority to the rationalization and enhancement of the local investment banking teams in the countries of New Europe.

Equity Brokerage

In 2009, Eurobank EFG Securities affirmed its leadership in Greece, capturing 15% of transactions in the Athens Exchange. The company renders services in the Greek and international equity, as well as derivatives, markets, and offers access to real-time equity and derivatives transactions in 30 international stock exchanges. Eurobank EFG Securities has the largest customer base among equity brokerage firms in Greece, with a client base of 40,000 active private clients and 170,000 stock market client accounts,. The company also controls the largest stock trading network in Greece and is present in four countries of New Europe (Bulgaria, Romania, Serbia, Turkey).

The Capital Markets Desk attracted increasing interest from investors, as the credit market crisis led the global economy into recession, bringing stock valuations to attractive levels. The above development, in conjunction with increased volatility in international markets, generated major opportunities and great interest.

In the Greek derivatives market, the company confirmed its leading role, with a market share of more than 12%. This is reflected on the increase of client numbers, their active involvement in derivatives markets and the range of products traded. In order to enhance relations with foreign institutional end-clients, in 2009 Eurobank EFG Securities restructured its Institutional Investors and Analysis Desks.

Pioneering brokerage services in Greece, in early 2010 the company is launching the upgraded "EUROBANK-TRADER" e-platform. This innovative service enables clients to directly perform on-line transactions in overseas stock exchanges in real-time, 24 hours a day. It should be noted that this service has been already available over the Internet for transactions in the Athens Exchange, with more than 3,000 active clients.

Global Markets

The year 2009 started in an adverse climate, owing to the international economic crisis, and ended with even more challenges, due to the grave fiscal situation in Greece. In such an unfavorable environment, liquidity management remained a top priority.

In the second and third quarters of 2009 the situation in international bond and debt markets was stabilized. Grasping this opportunity, Eurobank EFG was the first Greek bank to raise liquidity in international markets since the outbreak of the global crisis in 2007. Overall, the Bank raised almost €3 billion from the markets, including a €300 million hybrid convertible bond issue.

The Group's involvement in the trading sectors of Greece and New Europe was rather significant, while the relevant activities' profitability reached historical highs in 2009. Eurobank EFG's distinctions in the regional money markets include its nomination as "Best Foreign Exchange Bank" in Greece for 2009 and 2010 by *Global Finance* magazine. During 2009, almost 10% of the daily volume (in local currency) in the FX markets of Serbia, Romania, and Bulgaria, was traded by the Group's subsidiary banks, placing them among the three top local banks in this field. The Eurobank EFG group is a primary dealer in the sovereign bond markets of Romania, Serbia, and Bulgaria. Moreover, the Romanian State appointed Eurobank EFG as the main underwriter in the issuance of euro-denominated government bonds, for a second time, following the successful issue of 2008.

Becoming the regional market leader remains the Group's strategic target. The infrastructures and procedures that have been developed, along with the expertise of Eurobank EFG employees, enable it to compete on an equal basis with all international banking groups that operate in the region.

The development of client-oriented operations and the emphasis on the growth of fee income in all countries of presence were two key strategic aims for 2009. Seeking to support these, Eurobank EFG developed a Regional Corporate Client Risk Management Center. This Center offers solutions for managing financial risks that stem from either the assets-liabilities structure of a company, or its presence and operation outside Greece, including New Europe. The Regional Corporate Client Risk Management Center includes centralized headquarters in Athens, seven regional units and total staff of 280 professionals. Eurobank EFG covers all financial risks that may concern clients: the management of borrowing costs; foreign exchange inflows-outflows and related currency risks; the management of, and protection from, extreme raw material, energy and commodity price fluctuations; raising liquidity and financing from capital markets, are just some of the proposed solutions for managing and improving balance sheets.

International Presence

The Eurobank EFG group is operating in the wider region of Central and Eastern Europe (New Europe), as well as in Western Europe. The impact of the global economic crisis was felt in the countries of New Europe, especially during the first quarter of 2009.

On the institutional level, the Eurobank EFG group played a leading role in supporting the economies of the wider region, by joining Europe's largest banking organizations in the "Vienna Initiative", in cooperation with the European Commission, the International Monetary Fund, the World Bank, the European Bank for Reconstruction and Development and the European Investment Bank. The initiative sought to ensure financial aid and the stabilization of the financial system in the region, and in particular by offering support to the economies of Romania and Serbia.

The Managements of the subsidiary banks in all countries where the Group has established a presence pursued an effective policy, taking coordinated action and initiatives for providing tangible support to customers - retail and corporate. Their involvement was instrumental for supporting and stabilizing the local economies. Financial activities aside, the Group's subsidiary banks in New Europe supported the local communities through various corporate social responsibility initiatives.

By means of its coordinated policy for dealing with the crisis on the institutional and local level, the Eurobank EFG group consolidated its position against competitors, strengthened its institutional role towards local communities and governments, fortified its balance sheet, increased deposits and improved the credit quality, advanced its position among the banking organizations that operate in New Europe.

In 2009, the Group's assets in New Europe stood at €21.5 billion, the lending portfolio stood at €14.5 billion, while customer deposits increased by €938 million to €9.7 billion. Total operating income decreased by 7.1% to €970 million from €1.04 billion in 2008, and contributed 32% to Group's income. At the same time, operating expenses decreased by a substantial 9.7%, to €604 million from €669 million in 2008. This led to the improvement of the cost/income ratio to 62.3% in 2009, from 64.1% in 2008. However, increased loan impairment allowances and the high cost of attracting deposits had a major effect on net results, which turned into a net loss of €44 million.

The Eurobank EFG group aims at further consolidating its position in the wider region of New Europe, by capitalizing on its competitive advantages and its client-centered approach, maintaining adequate liquidity and safeguarding asset quality. Its presence in the region is one of the pillars of the Group's strategy and a major source of future profits.

The economies of the region had already shown the first signs of recovery in 2009, following the prolonged financial crisis, which reached its peak in New Europe during the first quarter of 2009. Most of these economies are expected to show moderate growth rates in 2010, while the consequences from the crisis will take some time to fade away, especially in regard to employment. Further economic growth requires the support from local governments and institutions of these countries, in the form of major structural changes, new large infrastructure projects and the faster absorption of EU funds. Eurobank EFG will continue to provide its own share of active support to these efforts.

Poland

Poland's economy was less severely hit by the international crisis, as compared to other countries of Central and Eastern Europe, showing GDP growth of 1.7% in 2009, against negative rates for other countries. The country's banking system reshuffled during the year as a result of the crisis. Polbank EFG seized the opportunity to consolidate its presence in Retail Banking, its core activity. Customer deposits reached €2.7 billion, increased by 50.3% year-on-year, against a market average of 10.3%. Similarly, loan balances increased by 11.6% to €4.6 billion, as compared to a credit expansion rate of 7.2% for the entire market.



*Polbank EFG, Poland
Kazimierz Stanczak, CEO*

The quality and innovation of Polbank EFG products were recognized by a series of distinctions such as: "Best Bank for Small Businesses" by *Forbes* magazine, the "Golden Clients' Laurel Award" in the category Personal Accounts by the *Media Partner Group* organization, the "Best term deposit campaign" by the *Polish Advertising Agencies Association* and the "Best Telecom Co-brand Credit Card" by *Gazeta Prawna* newspaper. The bank was also distinguished in the field of Corporate Responsibility, capturing the "Trustworthy employer" Human Resources Management Award of *Economic Digest* magazine. Finally, the bank significantly increased its brand awareness, as, according to an independent survey by *Rzeczpospolita* newspaper, the value of the Polbank EFG brand doubled in 2009.

Cyprus

The year 2009, was a key year for the operations of the Eurobank EFG group in Cyprus. Eurobank EFG Cyprus Limited sustained its rapid growth rates, capturing the fifth place among the banking organizations operating in Cyprus in terms of deposit and loan market shares. More specifically, deposits increased by 64.4% as compared to 2008, reaching €1.6 billion, while loans increased by 41.9% to €605 million.



*Eurobank EFG, Cyprus
Michalis Louis, CEO*

As part of its sustained and dynamic growth strategy, the bank opened two new business centers in Limassol and Nicosia. Large Corporates, Organizations, International Business, Private Banking, Investment Banking, and Institutional Fund Management remain at the core of the bank's operations.

In Private Banking, Eurobank EFG Cyprus was nominated as the provider of "Best Private Banking Services Overall" by *Euromoney* magazine. This is a very important distinction, seeing that the Private Banking sector has been recognized by an independent agency as the best choice for Cypriot clients within a very short period since the bank's establishment.

Bulgaria

Despite the international economic crisis, Postbank, the subsidiary of Eurobank EFG in Bulgaria, consolidated its position in 2009, capturing the fourth place in the market in terms of total assets, as compared to the fifth place in 2008, with a market share of 10.7%.

In 2009, Postbank focused on the uninterrupted continuation of its lending activities, along with the rigorous control of loan portfolio quality. At the same time, the bank retained the fourth place in the deposits market, amidst increased competition. Its “Mega Savings Account” received the “Financial Product of the year” and “Best Savings Product of the year” awards at the annual “Banks, Investment, Money” conference.

The bank upgraded and restructured its network, which, by the end of the year consisted, of 209 branches and 10 business centers, employing more than 3,000 persons. Moreover, it implemented a series of initiatives aimed at streamlining operations, containing costs and improving productivity.

Postbank also achieved major distinctions in the field of Corporate Responsibility, since it was honored with the “Ethical and Responsible Conduct towards Shareholders” award, a joint initiative of *Pari Daily* financial newspaper and Deloitte Bulgaria, as well as the “Top Investor in Environment” award by the Bulgarian Business Leaders Forum. Moreover, the bank was awarded by the Bulgarian Human Resource Management and Development Association (BHRMDA) for the training programs it has been offering to its staff.



Eurobank EFG Bulgaria AD, Bulgaria
Emilia Milanova, President
Anthony Hassiotis, CEO

Romania

Bancpost faced dynamically the challenges that arose in 2009. The key strategy pillars were the development of initiatives for safeguarding portfolio quality, and the containment of operating costs.

The bank improved its capital adequacy, with ratios above those of the previous year, as well as above the market average. This was also the outcome of the support provided by the main shareholder, Eurobank EFG, through its participation in the bank's share capital increase.

The bank further re-examined and redefined its procedures at all levels of operation, with the aim of rationalizing operating costs, while the extensive, country-wide network of 304 Bancpost branches and business centers became even more efficient.

Relations with existing clients were also significantly improved, aiming at the provision of integrated services and products. To this end, the bank continued to cooperate with Western Union, which presented it with an award for its services, and enhanced its staff training program in the fields of Retail and Corporate Banking.



Bancpost, Romania
Mihai Bogza, President and CEO
Dimitrios Damkalidis, First Executive Vice President

Serbia

Despite the difficulties which the Serbian financial sector, Eurobank EFG -the Group's synonymous subsidiary in Serbia- improved its position in the local banking system. The bank's market share in terms of assets rose to 6.8%, bringing it to the fourth place, after just five years of actual presence in the country. It is worth noting that the bank is ranked third in terms of equity. Moreover, Eurobank EFG retained, with slight variations, the previous year's substantial market shares in most banking product categories. By the end of the year the bank's network comprised 119 branches and 10 business centers all over the country.



***Eurobank EFG a.d. Beograd, Serbia**
Philippos Karamanolis, President*

In 2009, the bank introduced many new products and services, such as the upgrading of e-banking services for corporate clients, the provision of text message notifications for credit card and current account transactions, the offer of bancassurance products through its branches etc. These initiatives helped the bank win the annual award of Serbia's Club of Economic Journalists, the "GOLD PLAQUE in the banking sector for 2009".

Eurobank EFG was actively involved in the field of Corporate Responsibility. The bank received the "VIRTUS" award of the Balkan Community Initiatives Fund for its contribution to the local community, and the "Best Regional Business Partner 2009" award of Mass Media International. Moreover, the bank upgraded its methods and programs for the efficient selection, training and development of human resources. One of the most important innovations in this field was the introduction and implementation of a mass e-learning program.

Turkey

In an environment of diminishing economic and banking activity, Eurobank Tekfen managed to outgrow the Turkish lending market, with a total portfolio of €1.1 billion by the end of 2009. New disbursements were made on the basis of rigorous criteria, with the aim of safeguarding portfolio quality and developing relationships with quality small and medium-sized enterprises, which comprise the largest part of the bank's client base. Accordingly, Eurobank Tekfen was included among Turkey's top-five banks in terms of business lending growth, with a network of 42 branches.



***Eurobank Tekfen, Turkey**
Mehmet N. Erten, Chairman
Mehmet Sonmez, CEO*

Portfolio quality was safeguarded both through a strict lending policy, as well as through special debt settlement programs, aimed at supporting customers. Deposit growth was also substantial, while total assets increased by 6% to €2.2 billion in 2009. Moreover, the bank was ranked tenth among primary dealers in the bond market of the Istanbul Stock Exchange and ninth in the Turkish leasing market.

Overall, Eurobank Tekfen has been steadily consolidating its position in Turkey's competitive market, capitalizing on its strong capital adequacy, its investment in infrastructure and human resources, as well as its efficiency.

Ukraine

Global financial developments, in conjunction with the domestic political situation, created a rather challenging business environment for Universal Bank in 2009. After two years of rapid growth, the bank developed a different business model, adapted to the new situation. This model, which was put into operation in June 2009, is based on traditional banking practice, with greater focus on Corporate Banking than in the past, albeit always following a client-oriented approach.

Attracting deposits was the spearhead of Universal Bank's activity. Despite the general reduction of deposits in the market, Universal Bank was one of the few banks that increased retail customer deposits, capturing the fifth place in terms of absolute deposit growth. Total customer deposits rose to €282 million at the end of the year, increased by 25.1% year-on-year. The bank preserved its lending activity, despite the overall stagnancy of loans in the Ukrainian banking market, adopting new approval criteria and creating products adapted to current market conditions and needs. It is worth noting that, in March 2009, Universal Bank received the highest possible rating by the national credit rating agency.

In December 2009, Universal Bank was ranked first in the "Best Retail Banking Service" category of a survey conducted by *Expert Ukraine*, the prestigious financial publication, amongst the 25 largest financial organizations in the field of Retail Banking. Universal Bank was also distinguished for its superiority in personnel training, the information it offers its customers about its products and services, as well as the design of its branches.



Universal Bank, Ukraine
Miltiadis Papanikolaou, President and CEO

Western Europe

The Group is also operating in Western Europe, with one branch in London and a major presence in wealth management in Luxembourg, through its subsidiary bank, Eurobank EFG Private Bank Luxembourg SA. The bank offers investment advice to businesses and private clients, and securities services to institutional clients.



**Eurobank EFG Private Bank Luxembourg,
Luxembourg**
Francois Ries, President
Lena Lascaris, CEO

New Europe – Key Figures 2009 (€ m.)

| | Poland | Cyprus | Bulgaria | Romania | Serbia | Turkey | Ukraine | New Europe | Δ% | |
|--------------------------|-------------------------------------|--------|----------|---------|--------|--------|---------|------------|--------|-------|
| Balance Sheet | Total Assets | 5,359 | 1,783 | 3,911 | 5,614 | 1,791 | 2,220 | 780 | 21,476 | 1.1% |
| | Gross Loans | 4,573 | 605 | 3,097 | 3,418 | 1,066 | 1,127 | 642 | 14,528 | -1.4% |
| | Total Deposits | 2,655 | 1,570 | 1,893 | 1,761 | 741 | 768 | 282 | 9,670 | 10.8% |
| Profit & Loss | Operating Income | 168.9 | 29.7 | 184.4 | 319.5 | 116.1 | 102.3 | 50.7 | 970.1 | -7.1% |
| | Operating Expense | -130.3 | -13.3 | -91.2 | -181.4 | -66.7 | -62.1 | -60.5 | -604.1 | -9.7% |
| | Profit before tax before minorities | -49.3 | 14.4 | 19.1 | -28.3 | 23.2 | 19.7 | -85.1 | -86.4 | N/A |
| | Net Profit | -39.2 | 13.0 | 19.2 | -8.3 | 23.8 | 16.7 | -69.5 | -44.3 | N/A |
| Networks | Retail Banking Network | 328 | - | 209 | 286 | 119 | - | 100 | 1,042 | |
| | Wholesale Banking Network | 7 | 5 | 10 | 18 | 10 | 42 | 5 | 97 | |

Other Activities

Securities Services

The prompt, comprehensive and reliable response of Eurobank EFG to the institutional changes that occurred during 2009 in the field of Custodian and Securities Services ensured the smooth adaptation of all relevant products, services and procedures. The Group enhanced its competitive advantage in this field, as well as its image towards institutional counterparties. Once again, the Bank received an excellent rating from the annual Greek custodian services review of the internationally renowned *Global Custodian* magazine: the “Top-Rated Custodian for Domestic, Foreign and Leading Institutional Investors” classification for a fourth consecutive year. In addition, it was recognized by *Global Finance* magazine as the “Best Sub-Custodian Bank” in Greece.

One of the strategic targets is to expand and upgrade the custodian services offered by the Group’s subsidiaries in Romania, Serbia, Cyprus and Turkey. The program for the homogenization of custody products, services and procedures in New Europe was intensified during 2009, and culminated with the agreement with one of Europe’s top custodians for the provision of custodian and securities services in the Bulgarian and Romanian markets. The subsidiary banks in these two countries were ranked first in the provision of custodian services, also receiving awards at the annual *Global Custodian Review*, in the domestic and foreign client categories.

Payment Services

In 2009, Eurobank EFG retained its leadership in the field of payment services. In international payments, the Bank remained the Greek correspondent of choice for international banking institutions. Incoming business from international financial institutions grew, while a series of initiatives increased the intra-group volume of operations and emphasis was placed on expanding and improving the services rendered. The strong position of Eurobank EFG in payment services is reflected by the fact that it is the largest shareholder of the SWIFT society in Greece, a position determined by the volume of transactions performed via SWIFT.

Payroll Services

The Group is one of the leaders in payroll services, through its EFG Business Services subsidiary. In 2009, the promotion of the Salary Domiciliation Program continued unabated, with rather satisfactory results in terms of both the number of payroll products sold to new clients, and retail banking products sold to existing payroll customers. Moreover, the company retained the first place in the field of Payroll Administration, attracting a large number of medium-sized and large enterprises.

e-banking Services

The Eurobank EFG group offers a wide variety of e-banking services in most countries it is operating in. Catering to persons and legal entities, e-banking services enable customers to manage their deposits, loans and investments on-line, and perform bill payments, domestic and international transfers, investments in term deposits, as well as commercial transactions. All technological platforms, which are rather user-friendly, adhere to common security principles, providing customers with a secure environment.

In 2009, Eurobank EFG launched the new Mobile Banking service for banking transactions and information over mobile phones. Utilizing the capabilities of the latest in mobile phone technology, Eurobank EFG developed e-banking applications, especially designed for the market’s most popular handsets, thus ensuring the best possible banking service experience.

As part of its environmental protection initiatives, Eurobank EFG introduced the new e-Statements service. By means of this service, customers may receive their banking products' statements electronically, discontinuing, if they wish so, the receipt of physical copies over the mail. This way they are protected from the possible loss or interception of physical copies, contributing, at the same time, to the protection of the environment. This service, which was initially launched in Greece, is gradually being offered by subsidiary banks abroad. Moreover, the new e-Banking service was also successfully delivered to enterprises-legal persons in 2009, including a wide range of capabilities and specialized solutions for the effective management of collections, payments and cash.

Once again, Eurobank EFG received many important awards for its e-banking services. The internationally acclaimed *Global Finance* magazine named Eurobank EFG "Best Corporate/Institutional Internet Bank" in Greece. Similar distinctions were granted to the Bank by local publications (*PC World*, *RAM*).

Real Estate

The Eurobank EFG group is active in real estate investments through its subsidiary Eurobank Properties Real Estate Investment Company (REIC). The company's objective is to grow in the office/retail/logistics and industrial sectors of the real estate market, in highly commercial areas. Eurobank Properties, a company operating in Greece and Eastern Europe, is listed in the Athens Exchange. After pursuing a conservative investment policy in 2008, in anticipation of improved yields as a result of the global economic recession, in 2009 the company expanded its property portfolio through the acquisition of five commercial properties, and the buyout of 100% of "Tavros Protipi Anaptyxi". The company's Net Asset Value (NAV) registered a slight increase, and stood at €728 million or €11.94 per share in 2009, as compared to €11.85 in 2008. The fair value of investments in real estate stood at €669 million. The net profits of Eurobank Properties amounted to €39.6 million, increased by 3% as compared to 2008, reflecting the stability of recurring income and the increase of rental income by 7%.

Moreover, the Group offers a complete range of real estate services to a broad customer base in Greece, Romania, Bulgaria, Serbia, Poland and the Ukraine, through its Eurobank Property Services subsidiary. The company performs more than 50,000 appraisals each year, while it employs experienced executives that offer real estate advisory and management, technical advisory and brokerage services in all the countries it operates in. In addition, the company covers all the technical advisory needs of the Group.



CORPORATE RESPONSIBILITY REPORT



GREAT
MOMENT

Education



GREAT
MOMENT

Culture



GREAT
MOMENT

Athletics



GREAT
MOMENT

Environment



GREAT
MOMENT

Society

Introduction

The term “corporate responsibility” denotes the enterprises’ voluntary commitment to add financial, social and environmental initiatives to their strategy, well above the mandates of the Law, not only aiming at sustainable growth, but also at the progress of the societies they are operating in. The Eurobank EFG group has included corporate responsibility in its strategy for quite a few years now, rendering it an integral part of its daily operation.

The Group’s operation aims at continually improving its economic and social environment. This effort is centered on the Group’s values: creativity, innovation, efficiency, quality and respect for people. The success of this effort is based on the methodical development of a harmonious relationship between Group and its stakeholders: customers, employees, shareholders, institutional bodies, associates and suppliers.

In this context, the Eurobank EFG group has been participating in a series of international and domestic initiatives, aimed at promoting and strengthening corporate responsibility.

- Banks in Greece, Bulgaria and Serbia are members of the UN’s Global Compact, which promotes the alignment of corporate operation and strategy with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.
- In Greece, Eurobank EFG has been a member of the United Nations Environmental Program Finance Initiative (UNEP FI) since 2005, with significant activity in the Central and Eastern European Group.
- Moreover, Eurobank EFG is a member of the Hellenic Network for Corporate Social Responsibility.

Thanks to the organization’s work on Corporate Responsibility, the share of Eurobank EFG has been included in the FTSE4Good Europe and FTSE4Good World indices.

Major Corporate Responsibility Initiatives

In 2009, a year of extreme hardship for the global economy, the Eurobank EFG group focused on corporate responsibility actions aimed at supporting the real economy both in Greece, and in the countries of New Europe. The main objective of these actions was to support all the Group’s customers, in a coordinated effort to exit the international economic crisis and create, at the same time, the appropriate conditions for initiating a new growth cycle. More specifically, the Group developed a plan for cooperation with institutional bodies both on the international and on the local level in the countries in which it operates, as part of its overall effort to deal with the economic crisis and generate new growth prospects.

Here are some of the main actions developed by the Group during the year, in regard to each group of stakeholders:

- Customers**
- The Eurobank EFG group developed customer support initiatives aimed at exiting the international economic crisis, promoting innovation and enhancing extroversion.
 - Customers were briefed on economic developments through events and presentations aimed at providing specialized information.
 - In order to ensure better understanding of its customers' needs, the Group performed regular satisfaction surveys, which contributed to the development of specific actions and solutions on the basis of these needs.
 - Moreover, the Group enhanced its customer complaint procedure.
- Shareholders**
- Apart from the Annual General Meeting, the Group's Management held organized meetings with shareholders, while the publication of the "Symmetoxi" semi-annual magazine continued.
 - The Management participated in roadshows regarding the growth and the prospects of the Group, presented to fund managers and analysts.
 - In 2009, the Bank developed an advanced electronic shareholder alert service, concerning specific information shareholders wish to receive.
- Employees**
- The analysis of the findings of the Employee Satisfaction Research Survey that was conducted in 2008, was concluded and the implementation of specific action plans commenced.
 - The continuous briefing of all staff members was intensified and improved over the Intranet and the internal quarterly magazine "Eurobanker".
 - Special events enabled small and large employee groups to exchange views directly with the Management.
- Institutional Bodies**
- The Group joined Europe's largest banking organizations in the "Vienna Initiative" for supporting the economies of New Europe, in cooperation with the European Commission, the International Monetary Fund, the World Bank, the European Bank for Reconstruction and Development and the European Investment Bank.
 - The Group expanded its cooperation with the European Investment Bank for the provision of financial assistance to SMEs.
 - In Greece, Eurobank EFG worked together with professional associations, such as the Hellenic Federation of Enterprises (SEV), the Exporters' Association of Northern Greece (SEVE), the Association of Greek Tourist Enterprises (SETE) and the Panhellenic Exporters Association (PSE).
 - Eurobank EFG held 60 presentations to the general public, in collaboration with local organisations and professional associations, in order to introduce the National Strategic Reference Framework (NSRF) 2007-2013.

Finally, as part of its corporate responsibility, the Eurobank EFG group continued the systematic promotion of social contribution and environmental protection initiatives.

Social Product

SOCIAL PRODUCT

| The contribution of the Group to the "Social Product" in 2009 | € m. |
|---|--------|
| Group Turnover | 6,822 |
| Net Interest Income Expense and Fees & Commissions Expense | -3,777 |
| VAT on Added Value of the Group | 21 |
| Impairment losses | -1,177 |

| | |
|-----------------------|--------------|
| Social Product | 1,889 |
|-----------------------|--------------|

The "Social Product" and its Distribution € m.

I. Personnel

| | |
|---|-------------|
| Gross Pay | 590 |
| Employer Contribution to Social Security Institutions | 109 |
| Medical, Retirement and Other Benefits | 44 |
| Contribution to Social Security Institutions (Employer and Employees) | -186 |
| Employees Tax | -103 |
| | 455 |

II. Suppliers of Goods & Services 683

III. Donations / Sponsorships 8

IV. State

| | |
|---|------------|
| Income Tax and Various Taxes | 86 |
| Value Added Tax | 21 |
| Deposit Guarantee and Investors Compensation Scheme | 32 |
| Contribution to Social Security Institutions (Employer and Employees) | 186 |
| Employees Tax | 103 |
| | 428 |

V. Company

| | |
|-----------------------------|------------|
| Retained Earnings / Reserve | 315 |
|-----------------------------|------------|

| | |
|-----------------------|--------------|
| Social Product | 1,889 |
|-----------------------|--------------|

Corporate Governance

The Eurobank EFG group considers proper and responsible adherence to the principles of corporate governance to be the main prerequisite for safeguarding the organization's interests and creating value for the shareholders and societies in all the countries it operates in. The corporate governance principles implemented by the group are aligned with applicable laws and regulations, as well as international best practice, ensuring that:

- the structure and operation of the Board of Directors guarantee transparency and accountability in decision-making;
- all shareholders enjoy equal treatment and protection of their interests, and are adequately and promptly informed about the progress of the Group's operations;
- the internal corporate governance regulation and the organizational structure of the Group lead to the explicit and distinct allocation of responsibilities and functions, as well as the creation of a strong internal control environment;
- internal and external conflicts of interest are prevented.

As far as the prevention of conflicts of interest, in particular, is concerned, the Group has established the following policies:

General conflict of interest policy

This policy concerns the detection of possible conflicts of interest between the staff (including Board members and external advisors) and related parties, and the Group, as well as the management of these conflicts by means of a specific procedure.

Conflict of interest policy and personal transactions rules in the course of providing investment services in accordance with law 3606/2007

This policy aims at dealing with conflicts of interest that may arise during the execution of the business activities of the Bank and its subsidiaries, also defining the rules governing the conduct of the Group's employees during the execution of their duties, in order to prevent conflicts of interests.

Facing the challenges of a changing international financial environment, in 2009 the Group focused on the further enhancement of domestic corporate governance structures, whereas in the forthcoming period it aims at enhancing the corresponding structures in its foreign subsidiaries, to ensure convergence with local laws and regulations, as well as international practice.

The Board of Directors, assisted by its committees and a dedicated corporate governance division, pledges to continue developing and monitoring the application of the Group's corporate governance policies, in accordance with legal requirements and best corporate governance practice.

Communication with shareholders

At the same time, Eurobank EFG is actively facilitating interactive communication between the Management and the Group's shareholders, through the following mechanisms:

- **General Shareholder Meetings:** The shareholders are called to express their opinions on the issues under review, during an open presentation.
- **Telephone Communication:** The shareholders can communicate with the responsible departments of the Group, such as the Shareholder's Registry Sub-Division, and submit their proposals. The employees that act as initial points of contact forward all important issues to the persons that are in direct communication with Eurobank EFG's management.
- **Roadshows:** Roadshows and meetings enable institutional investors to keep in contact with the Management, through the Group's Investor Relations Department.
- **Publications:** Twice a year, the Shareholder's Registry Department and the Investor Relations Department issue a review, both in printed form and on the Group's website, which contains information about key issues concerning Eurobank EFG and its shareholders. The bulletin makes extensive reference to the means available to shareholders for sending their comments and recommendations to the responsible Departments of the Group.

Moreover, Eurobank EFG utilizes cutting-edge technologies to provide its shareholders with the following capabilities through its website:

- **Shareholder FAQ:** the Shareholder's Registry Sub-Division gives uniform answers to frequently asked shareholder questions on the same subject.
- **Electronic updates:** interested parties who complete the "Electronic Updates Form" can receive timely alerts about the information they are interested in, specifying the exact web page where this information will be posted.

Board of Directors and Committees

The Board of Directors of Eurobank EFG comprises 17 members, six executive and 11 non executive, two of which are independent.

As part of implementing the principles of corporate governance, the Board of Directors (the Board) has formed four supporting Committees, whose responsibilities extend to the Group's subsidiaries.

The main responsibilities of these Committees are:

Audit Committee

Assists the Board in carrying out its supervisory functions, through the:

review of financial information to be published;

confirmation of the effective operation of the Internal Control System, as set out by the Management and the Board;

oversight of the auditing process.

Corporate Governance

Risk Committee

Its main function is to approve the risk monitoring framework and to monitor quantitative and qualitative issues related to credit and operational risks, as well as market and liquidity risks.

Remuneration Committee

Its main function is to review issues related to the remuneration of executive staff and senior Managers, including salaries, benefits to employees, as well as long-term incentive plans. The remuneration policy, as established and in force for Board members and Group Managers, is focused on remuneration issues, such as fixed and variable, performance-related remuneration.

Nomination Committee

Its main function is to review issues related to the competence, efficiency and effectiveness of the Board. Moreover, the Committee is responsible for the periodic evaluation of Board members that has been established by Eurobank EFG, reviewing the skills, knowledge, experience and time available for carrying out the duties of all Board members, as well as the independence of non-executive members. In addition, this Committee is responsible for seeking and nominating appropriate candidates to the Board in order to cover any vacancies. To this end, the Committee evaluates the candidates' qualifications and expertise in regard to the responsibilities of the vacant position.

The aforementioned structure ensures uniform control and the required coordination on a Group level, aiming at effective management and the creation of an effective internal control environment.

The following table presents the structure of the Board and the Committees formed as per December 31, 2009:

Board Of Directors & Committees Appointed By The Board

| Board of Directors | | Audit Committee | Risk Committee | Remuneration Committee | Nomination Committee |
|-------------------------------------|------------------------------|-----------------|----------------|------------------------|----------------------|
| Chairman | Xenophon C. Nickitas | | ✓ | | |
| Honorary Chairman | George C. Gondicas | | | | |
| Vice Chairman A' | Anna Maria Louisa J. Latsis | | | | |
| Vice Chairman B' | Lazaros D. Efraimoglou | | | | |
| Chief Executive Officer | Nicholas C. Nanopoulos | | ✓ | ✓ | |
| Deputy Chief Executive Officer | Nikolaos B. Karamouzis | | ✓ | | |
| Deputy Chief Executive Officer | Michael H. Colakides | | Chairman | | |
| Deputy Chief Executive Officer | Byron N. Ballis | | ✓ | | |
| Management Consultant | Nicholas K. Pavlidis | | | | |
| Non-Executive Directors | Fotios S. Antonatos | ✓ | | | |
| | Antonios G. Bibas | | | | |
| | Emmanuel Leonard C. Bussetil | Chairman | ✓ | Chairman | ✓ |
| | Dr. Spiro J. Latsis | | | | |
| | Dr. Pericles P. Petalas | ✓ | ✓ | ✓ | Chairman |
| Non-Executive Independent Directors | Dr. Panayiotis V. Tridimas | ✓ | | | ✓ |
| | Spiros L. Lorentziadis | ✓ | ✓ | | |
| Non-Executive Director* | Damianos N. Damianos | | | | |
| Secretary | Paula N. Hadjisotiriou | | | | |

* Non-Executive Member in accordance with Law 3723/2008

Each of the above committees' Terms of Reference is approved by the Board and forms part of the Bank's detailed Internal Governance Manual.

Our Customers

In 2009, Eurobank EFG was faced with a double challenge in regard to its customers, as, apart from the need to ensure the quality of banking products and services, the barrage of developments during the year increased the customers' need for continuous information and support.

As a driver of private sector financing, with customers in 10 countries, the Eurobank EFG group stood responsibly by the productive forces and society at large, offering customized solutions. At the same time, the Group's established and effective policy and practice regarding customer relationship management issues, which is uniform for all the countries it has established a presence, as well as the campaign to inform customers about financial developments, sustained the customers' confidence in the commitment of Eurobank EFG to create and maintain healthy and lasting relationships with them.

Service Networks

The Eurobank EFG group emphasizes on servicing customers on the basis of their individual needs, and has adopted a customer-oriented approach in organizing and developing service networks, traditional and alternative, in all countries it operates in. Retail customers, as well as professionals, are serviced by a network of more than 1,470 branches. The branches are staffed by specialists on each sector (Consumer and Mortgage Lending, Small Business Banking, Personal Banking etc.) The needs of Small and Medium-sized and Large Enterprises (Corporate Banking clients) are catered for by the Group's network of 132 Business Centers. For Private Banking clients, the Group has developed the Private Banking Centers' network. Apart from their specialized executives, the networks are also supported by services and products offered by the Group's subsidiaries. The customer-oriented approach is also a feature of the Group's alternative phone banking (Europhone Banking) and e-banking networks. The combination of traditional and alternative networks ensures a 24-hour customer service. Continuous personnel training and state-of-the-art technical infrastructure aim at providing optimum service quality.

Information

As far as customer information is concerned, in 2009 Eurobank EFG held a series of events and presentations, offering specialized information and analyses for each customer segment. The aim was twofold, to provide customers with the knowledge required to cope with the adverse economic environment, and to maximize transparency in the communication of the Group's products and services.

Therefore, 35 presentations and meetings were held all over Greece as part of a provision of Personal Banking and Private Banking services to retail customers-investors, covering issues related to investment principles for all investment profiles and discussing developments in the global market. Moreover, 70 "Eurobank Days" were held with the aim of providing information to many thousands of salaried customers, during which Eurobank EFG executives visited customers at their workplace and carried out detailed discussions on the banking products and services that can be used by salaried employees, solving any questions and recording any concerns that arose.

Professionals and Small Businesses, were briefed on the new Program for the Support of Small Enterprises which is part of the Regional Operational Programs of the Ministry of Economy, Competitiveness and Shipping through the NSRF 2007-2013 by means of 60 special events, held all over Greece. The main target of this program, which concerns the fields of Manufacturing, Tourism, Commerce and Services, is to boost competitiveness.

There were also presentations on the SMEs ability to adapt to new economic conditions, as well as events/presentations to Medium-Sized and Large Enterprises regarding the enhancement of investments and extroversion of both the enterprises themselves, and the Greek economy as a whole. Information programs, adapted to the customer mix and the local economies, were implemented in the countries of New Europe.

The overall effort in keeping Wholesale Banking and Private Banking clients updated, includes a new initiative by Eurobank EFG, the publication of “Limited Edition”, a magazine published, in cooperation with *Kathimerini*, one of Greece’s major newspapers. The aim is to provide customers with wide-ranging information that goes beyond purely financial matters. The first issue of the magazine, which is published every four months, came out in December 2009. Also in 2009, the Bank launched “Personaleyesh”, a periodical for Personal Banking customers. This publication aims at providing customers with correct and direct information about market developments and trends and also updating them on the new products and services offered by Personal Banking.

Relationship Management

In regard to customer relationship management, the Group ensures that all service networks and channels are inlets for the customers’ voice. In Greece, direct customer communication with the Group is facilitated by the Europhone Banking service which operates on a 24/7 basis all year, and a page on the group’s website, www.eurobank.gr, as well as the “Are you happy with our services?” leaflet, which is prominently placed in all Eurobank EFG branches. Similar channels of communication exist in the countries of New Europe.

The Customer Relationship Department cooperates closely with the Hellenic Ombudsman for Banking-Investment Services, as well as State Organizations, in order to ensure transparency, objectivity and fairness in the management of relationships with the Group’s customers.

Complaints management aims at preventing the occurrence of phenomena that could cause customer discontent. To this end, all customer proposals, suggestions and complaints are analyzed and examined and the most important problems are identified and the necessary corrective measures are taken. This leads to the faster resolution of problems, with the aim of avoiding the repetition of errors and improving customer satisfaction. Moreover, by paying regular visits to branches, on one hand to train personnel on handling complaints and on the other to analyze and detect the problems arising during the daily flow of operations, the Division ensures the development of a uniform complaint receipt culture.

In order to aid branches in solving service issues, Eurobank EFG has developed auxiliary customer service units in each Retail Banking product unit, such as Consumer Lending, Mortgage Lending etc. Apart from advice to front-line personnel, the executives of these units come to direct contact with customers, whenever special treatment is required.

Satisfaction Surveys

Seeking to upgrade services, the Group systematically conducts surveys per customer segment; apart from satisfaction levels, these surveys also monitor individual service-related indicators. As far as retail customers, Professionals and Small Businesses are concerned, the surveys are not only conducted per customer segment, but also per branch. In the case of Corporate Banking clients, the Group implements an integrated research program, which covers Greece and the countries of New Europe through the use of common parameters. Apart from the aforementioned types of information, this research program also enables service benchmarking or cross-country comparisons. Moreover, customer satisfaction surveys are also conducted with regards to electronic service channels, such as e-banking and Europhone Banking.

Our Suppliers and Associates

The Eurobank EFG group pursues a single procurement policy and implements centralized procedures. These procedures are gradually aligned in all countries in which it operates. The procurements' policy aims at controlling and containing costs, ensuring the top quality of supplies, and promoting optimum social practice, with special emphasis on compliance with environmental legislation.

To this end, the Group has already been implementing the relevant international procurement systems, certified in accordance with the ISO9001, ISO14001 and ISO27001 standards.

Especially in regard to environmental issues, the year 2009 was crucial, as the Group launched an advanced model for the environmental evaluation of suppliers and supplies. Given that Eurobank EFG is officially listed in the Register of European Organizations that adhere to the EMAS regulation on Environmental Management, the Procurement Sector participated in the annual European contest "EMAS Awards - Supply Chain, including Green Procurement", receiving the National Award in the Large Organizations category.

Our People

The Eurobank EFG group is a large and modern organization, which responds efficiently and promptly to market challenges and conditions. It also emphasizes on the development of innovative products and services, always focused on providing optimum customer service.

In 2009, the Eurobank EFG group managed, once again, to respond effectively to a rapidly changing environment, which required increased alertness. The Group's employees were instrumental in this, through their constant effort, efficiency, adaptability, consistency, skill and professionalism.

The development of human resources has been a key commitment of the Management since the very first day the Group was established. In this context, and through the implementation of sophisticated selection, training, evaluation, and reward methods, special emphasis is placed on:

- Covering job positions by means of selection and evaluation systems founded on meritocracy and in line with the needs and requirements of each field of work.
- Providing equal training and career advancement opportunities to all employees.
- Nurturing an environment of constant recognition and reward, on the basis of the principles that govern the Group.

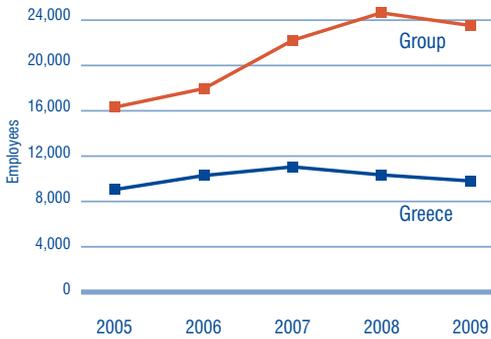
Moreover, the Group's Human Resources General Division offers assistance for the design, organization and operation of the subsidiaries' Human Resources Departments in Greece and the countries of New Europe, always respecting the particular features and the culture of each country. To this end, it has created a set of systems, policies and procedures, which is implemented by subsidiary companies in Greece and abroad.

Employment

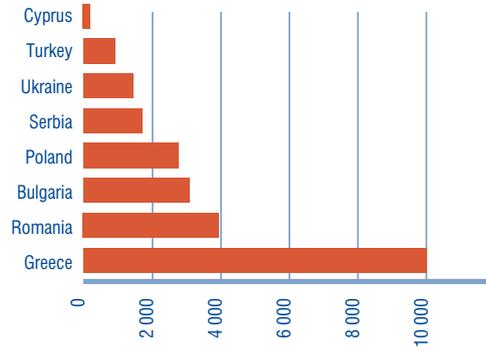
In 2009, the total number of people working with the Group in Greece and abroad stood at 23,578, as compared to 24,497 in 2008. By the end of 2009, 57% of personnel were employed in the wider region of New Europe (Bulgaria, Romania, Serbia, Poland, Turkey, Ukraine and Cyprus) and 43% were employed in Greece.

The majority of the Group's people (84%) are employed by the Bank in Greece, and by the subsidiary banks abroad. More specifically, in Greece 75% are employed by the Bank, and 25% are employed by domestic subsidiaries. Almost 83% of the people working with the Group are under the age of 45, while the average age of the workforce for the year 2009 stood at 36 years. Similarly, 79% of the people employed in Greece also under 45 years of age, while the average age of the local workforce for the year 2009 stood at 38 years. The number of women working with the Group stands at 63% of the total workforce, compared to 37% for men. In Greece, gender distribution is rather balanced, as women accounted for 53% of the total number of employees. This ratio bears excellent proof of the equal opportunities policy implemented by the Eurobank EFG group.

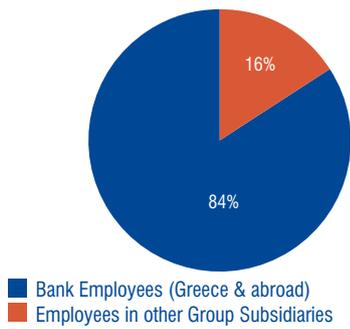
Evolution of Employment in the Group



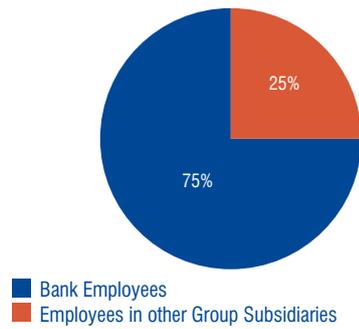
Employees per Country



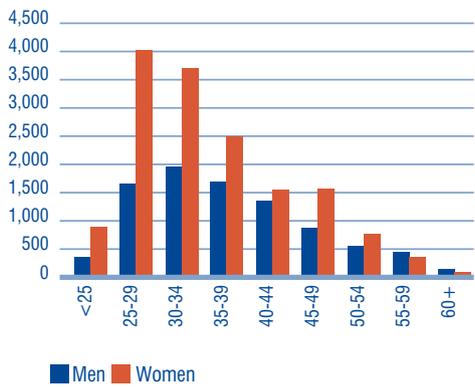
Employee Distribution per Function in the Group



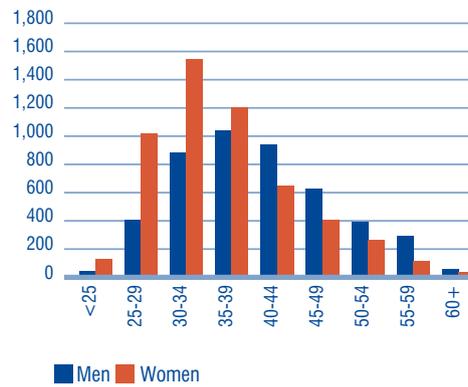
Employee Distribution per Function in Greece



Employee Distribution by age and gender in the Group



Employee Distribution by age and gender in Greece



Our People

Selection

The growth of Eurobank EFG is founded on its people. The selection process is considered to be the starting point of a long-lasting and beneficial cooperation. Each employee, irrespective of his/her position and role, has the opportunity to contribute to the Group's continual growth and accomplishment.

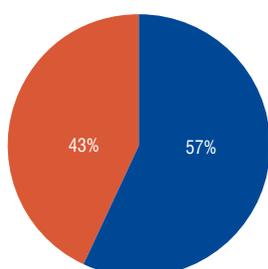
Placing special emphasis on objectivity, transparency and fairness, the personnel selection procedure, either for external or internal candidates, is based on predetermined criteria, fully aligned with the values and vision of Eurobank EFG, and is applied by all subsidiaries in Greece and abroad. These criteria are applied in written assessments, structured interviews, psychometric methods and Assessment Centers, methods and practices that are constantly updated and improved, with the aim of achieving a documented outline of the applicants' profiles. It is worth noting that the personnel selection procedure applied by the Bank in Greece has received the ISO 9001 certification by the British Standards Institute, and is carried out by trained and specialized executives.

In 2009, the Eurobank EFG group continued to offer career opportunities, through both the internal and external job markets. More specifically, 3,953 vacancies were covered, corresponding to the entire range of the Group's activities in Greece and abroad. Aiming at the comprehensive coverage of selection requirements, the search focused on executives with modern expertise, dynamism, team spirit and commitment to professional development.

In 2009, emphasis was placed on utilizing human resources through the internal job market in order to offer professional development opportunities to as many employees as possible. In this context, 43% (as compared to 29% in 2008) of the 3,953 job vacancies created throughout the Group were covered internally. In Greece, the percentage of job positions covered through internal transfers stood at 45%, offering new development opportunities within the organization. More specifically, 149 vacancies were covered by internal transfers of Bank employees and 135 vacancies were covered by transfers of employees from Group subsidiaries to the Bank, while 190 employees were transferred among subsidiaries or within the same subsidiary of the Group in Greece.

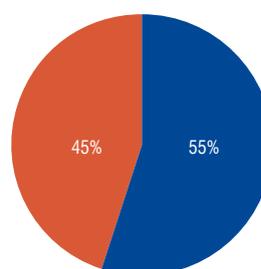
The educational background of new hires remained rather high in 2009, as 78% are tertiary education graduates, while 32% are holders of postgraduate degrees or PhDs. On the Group level, hiring focused on executives with working experience (68% of new hires), owing to the great emphasis placed on covering specialized job positions.

Group Vacancy Coverage in the Group



■ External Job Market
■ Internal Job Market

Vacancy Coverage in Greece

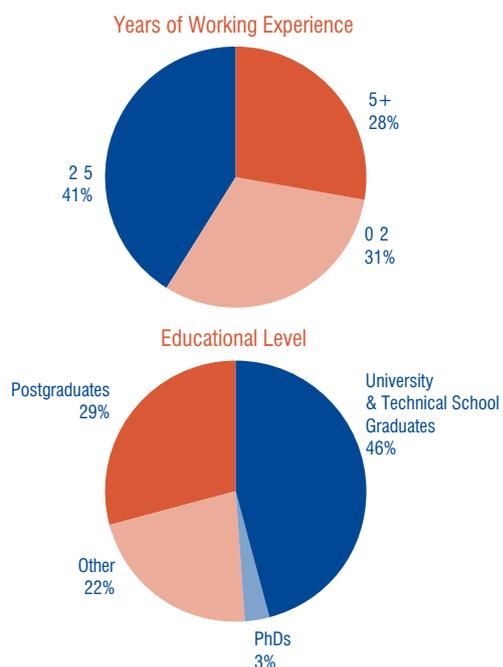


■ External Job Market
■ Internal Job Market

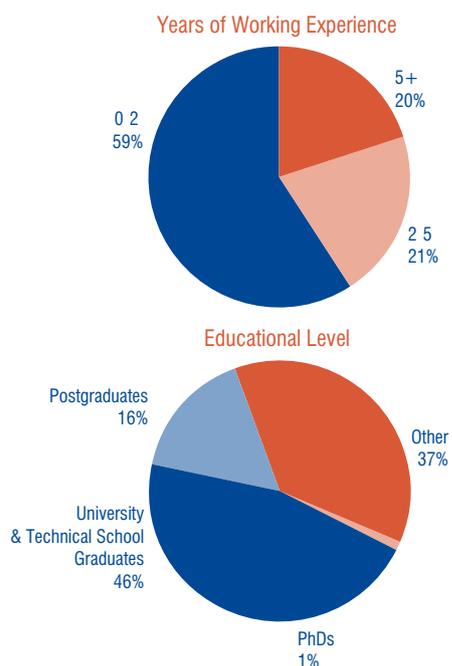
The interest shown during the year for employment with the Group, as an “employer of first choice”, remained high. The Group received a total of 195,000 curricula vitae, of which 70% were from university graduates.

The Group maintained for another year its systematic contact with highly recognizable Universities in Greece and abroad, and continued to offer internships that enable graduates to put their academic knowledge to practice. More specifically, 595 students worked with the Eurobank EFG Group through internship programs during 2009 (of which 253 worked with the Bank in Greece).

Work Experience Level & Educational Level of New Hires in the Group



Work Experience Level & Educational Level of New Hires in Greece



Our People

Employee Development

The professional development of all employees is a priority for the Eurobank EFG group, which constantly strives to provide them with the opportunities required for their continual personal development and career advancement. All employees can develop and move up within the Group, based on the interests, knowledge, experience, competencies and skills they possess or acquire during their professional career, covering the organization's needs.

We support all efforts to direct our people towards areas that are more suitable for developing their potential and fulfilling their personal and professional goals. The development methodology implemented by the Bank in Greece is based on the "Career Family Scheme". This methodology assists employees from all levels to advance within a "Career Family", or even within a "Relative Family", depending on the knowledge, experience, skills, and competencies they possess, or have acquired during their professional career.

Professional development is not a standalone affair, and cannot be achieved only by attending some career advancement course or as part of a training module. It is a continual process, which requires constant effort and is incorporated in the employees' work. The most important development opportunities offered by Eurobank EFG include job enrichment, participation in projects, coaching, and transfers to other roles, duties and/or business unit.

Moreover, the Group encourages active involvement, and reinforces the Internal Job Market, with the aim of identifying those executives who seek to pursue a new professional career within the Group. All new job positions are posted by priority on the Bank's intranet site, which can be accessed by all the Group's employees in Greece.

In 2009, Eurobank EFG revised its transfer policy, with the aim of further promoting professional development opportunities for the organization's employees. This policy was introduced in September 2009, and led to a substantial increase of the employees' response rate per job posting from 1.2 to 5.3 within a very short period, and, consequently, to the internal coverage of more vacancies. In Greece, the internal coverage rate for Bank vacancies stood much higher than the Group average for 2009, rising to 67% from 33% in 2008.

Aiming at the further enhancement of its personnel's professional development, in 2009 Eurobank EFG introduced and implemented the following targeted Employee Development programs:

- Management Team Development programs, designed to enhance the managers' leadership efficiency, team management skills and teamwork. These programs include an electronic 360° Feedback Questionnaire especially adapted to the particular features of Eurobank EFG, Coaching, and the creation of Personal Development Plans.
- Employee Development programs, designed to identify and develop professional behavior that leads to excellent performance. These programs include the Career Advancement Center methodology, combined with various assessment methods, feedback to the participants and the creation of Personal Development Plans.
- Mentoring programs, designed to enhance the professional development of experienced executives, by utilizing certain managers, who have no direct hierarchical relation with participants, as "mentors". This methodology focuses on enhancing the participants' skills, diffusing knowledge within the Organization and improving cooperation among units. Moreover, it helps "mentors" improve their own personnel guidance and development skills.

Training

The investment made by Eurobank EFG in its people largely consists of ongoing training, with the permanent goal of continually improving their knowledge and skills, in order to enable them to meet modern banking requirements.

The training philosophy of the Eurobank EFG group is not limited to the education of its workforce, but aims at offering integrated and sophisticated learning solutions that facilitate:

- the improvement of knowledge and skills
- the enhancement of work effectiveness and the maximization of efficiency
- the enhancement of teamwork

Moreover, training seeks to establish a single culture within the Organization in regard to key issues, such as customer service.

Main Fields of Education

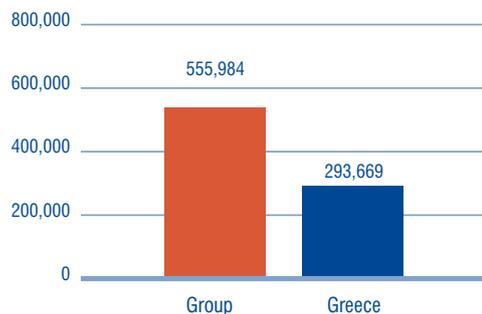
I. Executive Education

The Management and Leadership Development training programs are offered through a series of partnerships that have been developed in the past few years with established educational organizations in Greece and abroad, such as the Athens University of Economics and Business, ALBA, Harvard Business Publishing, INSEAD etc. The programmes have been especially designed to cover the Group's requirements, and aim at enhancing the management and leadership qualities of senior executives in Greece and abroad.

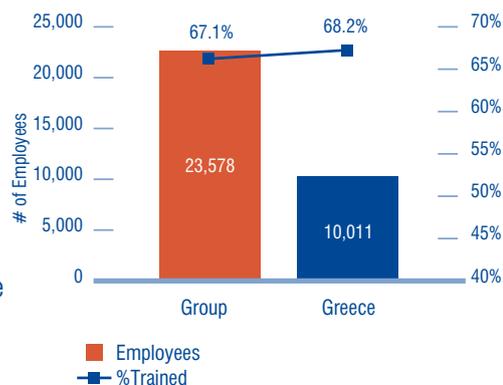
More specifically, the following programmes are offered:

- Eurobank-INSEAD Leadership Development Program for the organizations' senior executives.
- Eurobank-ALBA Leadership Development Program for the organizations' mid-level and senior executives.
- HARVARD BUSINESS PUBLISHING programs for the enhancement of the leadership and management skills of mid-level and senior executives.
- Business Administration Programme, in partnership with the Athens University of Economics and Business (AUEB) for senior executives of the Branch Network.
- Eurobank-ALBA In-house MBA in Financial Services, a groundbreaking two-year internal postgraduate course for the Organization's executives.

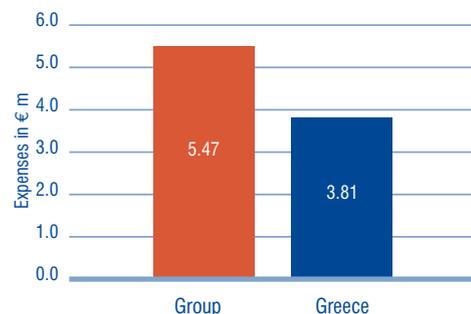
Training Man-Hours



Trained to Total Employees



Training Expenses



Our People

II. Certification Programs

The Bank offers training programmes that prepare our employees in Greece to obtain professional certification for the provision of Investment and Insurance Intermediation Services. Certification is granted following exams that are conducted by the competent agencies, such as the Bank of Greece, the Ministry of Economy, Competitiveness and Shipping etc.

After their training has been completed, participants are able to better comprehend the relevant banking concepts, as well as the institutional and regulatory framework applicable in each case, and to implement the Best Practices arising from these program in their Units, improving their relationship with the customers.

The certification programs are addressed to the Bank's employees and the Group's subsidiaries in Greece, such as EFG MFMC, Eurobank EFG Securities, Eurobank EFG Asset Management and Open 24. In 2009, the certification training programs were attended by employees of EFG MFMC and Open 24.

Moreover, the Bank has developed an internal Corporate Banking Certification Program, designed for experienced Corporate Banking Account Officers. Similarly, an International Corporate Banking Certification Program has also been developed for Account Officers from the countries of New Europe.

III. Induction Training

Induction training programs are implemented by the Bank in Greece and facilitate the new executives' immediate adaptation to, and smooth assimilation with, the banking environment, providing the necessary learning background in the following areas:

- Group Presentation
- Elementary Banking Knowledge
- Banking products
- Sales & Customer Service
- Procedures & Systems of the Bank
- Physical Security, Health & Safety, Information Resource Security, Environmental Management

A combination of teaching and on-the-job training provides new employees with the opportunity to acquire a better and deeper understanding of the Organization's products and services, as well as the overall banking environment.

Similar induction programs are also implemented by the Group's subsidiaries in Greece and in the countries of New Europe. It is worth noting that the "Eurobank EFG Start" induction program, implemented by Postbank in Bulgaria, won the Human Resources Awards of the Bulgarian Human Resource Management and Development Association (BHRMDA).

IV. e-learning

Modern workplace requirements, along with the employees' considerable familiarization with the use of computers and electronic means of communication, have made it possible to enrich training methodologies. Against this backdrop, Eurobank EFG has created a series of e-learning courses, which enable participants to exclusively manage their training time (on a 24-hour basis, 7 days a week, from any place that has internet access). These programs are:

- Harvard Business Publishing - a programme for enhancing mid-level and senior executives' managerial skills
- An Electronic Training Platform with programs especially designed for the executives of the Private Banking, Personal Banking and Global Market Sales units.
- General Banking Knowledge
- Banking Intermediary Training
- Bancassurance products
- Mortgage loans
- Physical Security
- Health & Safety
- Information Resource Security
- Environmental Management



Both the Group's subsidiaries in Greece and the countries of New Europe are participating in the e-learning programs, principally in the Harvard Business Publishing, General Banking Knowledge and Money Laundering programs.

Learning plan per position

The need to develop and train employees for specific job positions, has led to the systematic and targeted provision of training programs. It is a detailed map of all training programmes, which are matched with each job position, according to the experience, the subject and the skills required by the job. This tool has been designed for the Bank's Sales Networks (Retail, Corporate, and Private Banking) in Greece, as well as for some of its Centralized Units, and is expected to be fully applicable to all Units by the end of 2010.

Performance Appraisal System

The Group's targets, and the extent to which they are achieved, depend on the effort and ability of its people. For this reason, it is rather important to objectively record and evaluate the performance of each employee, through an appraisal system aimed at rewarding, enhancing and further developing skills and qualities. In Eurobank EFG, integrated performance management is achieved by means of the Performance Appraisal System.

The purpose of the Performance Appraisal System is to provide effective guidance and support to the work of the Group's employees. It also helps employees improve their performance, achieve their targets and develop as professionals. Moreover, all employees are given the opportunity to become aware of their strengths, while proper

Our People

communication, supervision and updating enables them to identify areas in need of improvement and thus take the necessary measures for achieving continual progress. This ensures the growth of Eurobank EFG, since the overall performance of the Group is directly related to the performance of each one of its employees.

In Greece, the appraisal system of Eurobank EFG is supported by an electronic application and consists of procedures that enhance objectivity and transparency in evaluation, and take into account the position, responsibilities and tasks of each employee.

Compensation and Benefits Policy

The remuneration (fixed and variable) and benefits policy, as well as the relevant systems, have been developed with the aim of attracting, employing and retaining the Group's personnel, always adhering to the principles of competitiveness in relation to the markets, Greek and international, internal balance, meritocracy and "performance-based reward".

Fixed remuneration consists of the base salary, which reflects the educational background, experience and accountability of the individual, as well as the job's importance in the labor market. Variable remunerations are granted each year to executives, as a reward for outstanding performance.

Moreover, Eurobank EFG has developed group sales reward systems, implemented by both the Branch Networks and the Business Centres, which reward success at the branch level and, consequently, outstanding individual performance.

Benefit Programs for Employees and their Families

The Group is providing both its employees, and their families, with a series of significant benefits in all the countries it operates in, in accordance with the law and practice applicable in each country. In Greece, for example, the Bank has been offering benefits in the following fields:

Insurance plans

In addition to the Health Care and Pension plans available to all banking sector employees, the Group provides its people with excellent group insurance programs, covering the fields of Health, Life and Pension. More specifically:

- The Life Insurance Program provides coverage in the case of grave contingencies (illness, accident).
- The General Health Care Program covers almost all necessary hospital and out-of-hospital expenses, helps in dealing with the expenses for the cure of illnesses or the treatment of injuries.
- The Pension Program of Eurobank EFG provides employees with additional pension benefits, supplementing their income after their retirement from the Bank.
- The special savings plan for children, which actively assists employee children either in pursuing their studies, or in starting a professional career.

Financial support for employee families

Eurobank EFG has introduced special benefits/allowances, such as a marriage bonus, a nursery allowance, a monthly allowance for newborn children of low-salaried individuals, and an allowance for large families. In the case of employees with disabled children, special education costs are covered till the age of 18. Moreover, the Bank provides various forms of support on an ad hoc basis to employees, or their family members, who face serious health problems. Finally, the Bank has set a special pricing policy to assist its employees in covering their housing needs through the extension of mortgage loans at exceptionally favourable interest rates. In addition, it extends personal loans of up to four monthly salaries, under preferential terms.

Similar programs are offered by the Group in each country, in accordance with applicable law and practice.

Health & Safety

In the context of the Preventive Health Program offered to its employees, the Bank is realizing a series of actions in Greece. More specifically, the Bank has been operating three fully equipped medical centres in the Attica region, where occupational physicians provide clinical and medical consultation services. Attaching great importance to keeping employees in good condition, the Bank provides them with the opportunity to undergo general check-ups on a regular basis. All newly-hired employees are given a general check-up before commencing work.

The social policy of the Bank includes a special insurance plan for employees with disabilities. In order to ensure the least possible aggravation of their condition, these employees are monitored by physicians, while special emphasis is placed on the possible impact of their tasks on their health.

Blood transfusion needs are covered by the Blood Bank that has been created and maintained by the Bank's personnel, through voluntary blood donations (3-4 times per year) in cooperation with the "Amalia Fleming" hospital.

As part of its social welfare strategy, and in order to ensure the constant improvement of personnel health and safety, the Bank has developed a Health & Safety Management System, with the aim of ensuring a superior and safe working environment. In addition, premises evacuation and emergency drills are carried out on an annual basis, and First Aid seminars are held in co-operation with the Hellenic Red Cross.

Specialist Safety Technicians visit the Bank's Units, where they oversee the implementation of health and safety procedures, and instruct Unit managers and employees on the necessary work safety measures. Moreover, sample tests are performed, in order to determine the presence of physical and chemical hazards.

Occupational Physicians pay regular visits to the Units, examine employees, offer preventative medical advice and create or update their confidential personal medical records.

The best practices concerning the implementation of the Health and Safety at Work Policy, allowed Eurobank EFG to be the first bank in Greece, and one of the three first banks worldwide, to be certified in accordance with the ELOT 1801 and OHSAS 18001 standards. This certification is a further guarantee that Eurobank is responsibly and consistently striving to ensure a superior and safe environment for its employees, its customers, and the society at large.

Our People

Similar programs, which concern the field of employee Health and Safety, are implemented by the Group's subsidiaries in the countries of New Europe. The Human Resources Department in each country seeks to ensure the best conditions of hygiene and safety at the workplace, always in compliance with the relevant laws. Moreover, special Health & Safety projects (e.g. providing information about, and uniformly dealing with, the New Influenza) are implemented in all countries of New Europe, under the guidance and with the support of the Group's Human Resources General Division.

HR4U

The Human Resources General Division has created a Help Desk service, called HR4U, with the aim of providing all the Bank's employees in Greece with a full set of services. Each employee can use HR4U to make queries regarding personal information, the benefits offered by the Bank, the employees' Health Fund, loans etc.

Internal Communication

The professional development of the Eurobank EFG group's employees in Greece, the recognition of their contribution to the achievement of targets, their identification with the common effort and their participation to success have a common denominator: internal communication.

In general, internal communication initiatives aim at:

- Providing all employees with reliable and direct information about major issues pertaining to the Group, such as developments, strategy and growth, services and products, as well as the organization's initiatives.
- Enhancing the common corporate philosophy, through its diffusion to all employees, in order to enable everybody to become this philosophy's "ambassador".
- Enhancing team spirit and further forging relations among colleagues.
- Enhancing interactive communication and further strengthening links between the Management and the Group's employees.
- Providing correct and well-timed information about policies, procedures and systems.

The internal communication program of Eurobank EFG in Greece is based on three pillars:

Business communication

- Employee Satisfaction Research Survey: employee satisfaction research surveys were introduced by the Eurobank EFG group in Greece in 2008, with the aim of methodically recording employee opinions on major issues of concern to them. The findings of the survey were assessed by workgroups comprised of the Group's employees and were used to prepare action plans, which are implemented by priority within a set timeplan.
- Eurobanker: A periodical Greek publication "from workers for workers", containing subjects of business, as well as general interest.
- Intranet: provides well-timed updates to all Eurobank EFG employees in Greece, ensures the diffusion of information, irrespective of the geographical location of each employee.
- Actions and events that enable small and large employee groups to exchange views with the Management (e.g. Breakfast with the Management) and be briefed on the overall strategy and orientation of the Group.

Rewards and Distinctions

In Greece, Eurobank EFG rewards the outstanding performance of colleagues who have worked with the Organization for at least ten years. Moreover, the Bank's employees in Greece who achieve academic distinctions receive a symbolic financial prize. There are also prizes for employee children who have excelled at any educational level. In addition, top university graduates are granted a symbolic financial prize, along with the opportunity to pursue a professional career with the Organization, while substantial financial assistance is provided to top university graduates who continue with postgraduate studies in Greece or abroad.

Social events for the employees and their families

Each year, various social events are held in Greece with the aim of reinforcing the bond of the employees and their families with Eurobank EFG, such as the Eurobank Family Day, the drawing contest for children, Christmas theatrical plays for children, the distribution of free tickets for cultural and sports events etc.

Similar internal communication events and initiatives (intranet), periodical publications for employees, Christmas parties for the employees' children, social events for the staff (Employee Day, Suggestions box) are also implemented in the countries of New Europe under the guidance and with the support of the Group's Human Resources General Division.

Our Contribution to Society



The “Great Moment for Education” program

Support to education-related programs is a priority for all the banks of the Eurobank EFG group. In the past few years, major educational initiatives have already been developed in three of the countries the Group operates in.

Aristotle stressed that “all who have meditated on the art of governing mankind have been convinced that the fate of empires depends on the education of youth”. In a period of hardship for both societies and economies, encouraging educational and learning efforts is more appropriate than ever before. The “Great Moment for Education” program aims at demonstrating the importance of the constant strife for self-improvement and the pursuit of better education.

In Greece, the “Great Moment for Education” program was implemented for the seventh year running for the 2008-2009 academic term, rewarding 1,252 top-performing pupils from all over Greece.

From 2003 to 2009 the program has awarded prizes to 8,129 youngsters. Each year, the Eurobank EFG group, with the support of the Ministry of Education, Lifelong Learning and Religious Affairs, gives awards to high-school graduates who achieve their school’s highest grades at the pan-Hellenic university admission examinations. Each award is accompanied by a €1,000 prize, deposited in a Eurobank EFG account in the name of the distinguished pupil. The program covers all pupils attending the country’s 1,300 public and private, daily and night high-schools, while in the school year 2008-2009 the program was extended, for the first time, to Greece’s almost 400 vocational training high schools.

The program’s award ceremonies ended with a grand event that was held in the old House of Parliament for the 63 “best of the best” graduates from each prefecture of Greece. These distinguished graduates were honored by the Minister of Education, Lifelong Learning and Religious Affairs, Anna Diamantopoulou, who presented the graduate with the highest grades in Greece for the 2008-2009 academic term with a seat on the Board of Directors of the Institute for Youth of the General Secretariat for Youth.

In the 2008-2009 academic year, Eurobank EFG also proceeded with the pilot implementation of a six-year full scholarship, in cooperation with Thessalonica’s “Anatolia” College. The candidate was selected in accordance with the school’s procedures and strict criteria and is a highly talented pupil of excellent academic performance.

The “Great Moment for Education” program is also implemented with great success in two of the Group’s banks in New Europe.

In Bulgaria, Postbank has been implementing the “High Start with Postbank” program, for the past five years; this program is addressed to eighth-grade pupils from all the country’s High Schools. In 2009, the contest attracted participations from 17,000 pupils which came from 232 High Schools, out of which 90 participants won awards, raising the total number of award-winners to 715.

In Serbia, Eurobank EFG awarded €1,000 scholarships to the top 100 students of the country’s state universities. This program has been implemented for the past four years, awarding prizes to a total of 1,250 students. Moreover, the Bank supported the initiative of Prince Aleksandar Karadjordjevic II and the country’s Ministry of Education to award prizes to the top-500 graduates from all Serbian High schools. Finally, Eurobank EFG Serbia participated in UNICEF’s “School without Violence” program, supporting the grammar school pupils of the Technical School in Subotica.

Bancpost, the Group’s subsidiary bank in Romania, made its own educational contribution by supporting the efforts of the Romanian Economics Students Association (ASER) and the “Econosophia” organization.



The “Great Moment for Culture” program

The involvement of the Eurobank EFG group in the support and promotion of culture has been a tradition since its very inception.

In Greece, the Eurobank EFG group continued supporting the Foundation of the Hellenic World (FWH) during 2009. Apart from the programs sponsored each year by the Bank, in 2009 this cooperation extended to the Foundation’s Sunday educational programs for children aged 5-12. The world of ancient Greece, mythology, art, fairy tales and many other subjects provide the starting point for programs designed for communicating, playing and creating. By means of discussion, play, constructions, audiovisual stimuli and above all active participation, the programs stimulate the children’s fantasy and creativity.

Moreover, Eurobank EFG continued to sponsor the “Hellenic History on the Internet”, and “Olympics through Time” internet portals, the “Is there an answer to everything? A journey to the world of Ancient Greek Mathematics” and “Theatre, the Art of Arts” exhibitions, as well as the “Hellenic World” Culture Centre.

In 2009, the Eurobank EFG group sponsored the “Kamerata – Orchestra of the Friends of Music” of the Athens Concert Hall for a 16th consecutive year. During the year, the Kamerata performed a total of 56 concerts and made two recordings, also participating in educational and cultural events in Attica and in cities outside Athens.

As part of the “Kamerata Goes to School” program, the orchestra performed two concerts at the Athens Concert Hall and paid 50 visits to schools, attended by 750 children. Moreover, 15 concerts were held in 15 grammar schools in Attica through an interactive program, which was implemented for the first time in Greece on such a grand scale. This program attracted the active participation of 375 children, while the total number of young viewers exceeded 4,000. In order to implement this program, Kamerata included CAM-MEDIA, a new interactive musical play. The pupils’ participation involved the creation of musical instruments from natural materials, recyclable items, mobile phones etc.

Faithful to its long-standing and consistent participation to Greece’s fine arts scene, the Private Banking Division of Eurobank EFG sponsored a retrospective exhibition by Kostas Tsoklis titled “Live Painting: Tsoklis 1985-2009”. This initiative was rather special, as the artist put technology into the service of art, utilizing it in a unique way.

In Romania, Bancpost, the Group’s subsidiary bank, supported the City of Bucharest in a series of events, celebrating the 550th anniversary from the first official reference to the city, on September 20, 1459. For nine days, the city’s citizens and visitors enjoyed free access to concerts and theatrical plays organized especially for the celebrations, free access to museums during the night, as well as the opportunity to participate in exhibitions and events that acquainted them with historical and artistic moments from various eras since 1459. Moreover, Bancpost supported the “Gaudeamus” International Book and Cultural Festival for an eighth consecutive year and sponsored the participation of a children’s choir to a major traditional music competition, which is annually held in one of Romania’s Black Sea resorts.

As part of its cooperation with the Hellenic Romanian Chamber, aimed at strengthening the links between the two countries, Bancpost supported the Greek School of Bucharest to celebrate its first anniversary, through an event held at the Bucharest National Theater.

Our Contribution to Society



The “Great Moment for Sports” programme

The Eurobank EFG group has been the exclusive sponsor of all Greek National Basketball teams since 2001. The year 2009 was really exceptional for this sport, which admittedly has offered many thrills to Greek sports fans, since it produced four great achievements.

In July, the Young Men’s National Basketball Team won the Gold Medal at the 2009 European Championship that was held in Greece (Rhodes). In the same month, the under 18 (U18) National Team won the Silver Medal at the World Championship that was held in New Zealand. The Women’s National Team was ranked 5th at the 32nd European Championship that was held in Latvia in June and qualified for the World Championship, the first in the history of the team. In September, the Men’s National Team stepped on the winners’ podium, with the Bronze Medal at the 2009 European Championship that was held in Poland.

In November 2009, all four teams were honored for these great achievements at a special ceremony held in the presence of His Excellency, the President of the Hellenic Republic, Mr. Carolos Papoulias. This event, which was attended by representatives of the political and business world, the leadership of Greek and international basketball, coaches and veteran players, sent everybody the message that “the country’s young people demonstrate, through their passion and persistence, that there are no targets that cannot be attained, no dreams that cannot come true. And all of us need such a message of optimism and self-confidence, which reflects priceless and timeless values, especially in such a tough period of crisis for our country”.



Charities

Charities are an integral part of the social contribution of all the subsidiaries of the Eurobank EFG group.

In Greece, the program “It is our Duty” has been the Group’s largest social solidarity program ever. In 2007, Eurobank EFG, in cooperation with the John S. Latsis Public Benefit Foundation, announced a €60 million programme for the support of the citizens and regions that had been stricken by the devastating wildfires of that August.

In 2009, the Group completed its donations to 113 fire-stricken municipalities all over Greece. The donations mainly concerned the acquisition of forest-fire fighting equipment for protection from future fires, as well as restoration projects.

The importance of the program “It is our Duty” was perfectly demonstrated during a one-day conference, held by Eurobank EFG and the John S. Latsis Public Benefit Foundation, on “Volunteerism and Forest Protection”. The event, which was held on May 9, 2009, included the presentation of the findings of a country-wide survey among 300 volunteer organizations engaged in forest protection and fire-fighting.

One thousand volunteers responded to the survey, whose purpose was to record their views on key issues pertaining to the activities and prospects of volunteerism and was based on the largest, to date, sample selected for such issues in Greece. The event was attended by representatives from the Ministries of Interior and Rural Development and Food, the General Secretariat for Civil Protection and the Fire Service.

Support to volunteerism was paramount among the initiatives that were implemented as part of the program “It is our Duty” and specifically among the series of actions designed to enhance fire prevention and fire-fighting mechanisms.

In regard to the fires that hit Greece once again in August 2009, Eurobank EFG took measures for assisting its customers from the Prefecture of Attica to repay their loans, as well as for expediting the procedures for the payment of any insurance compensations to beneficiaries insured with the Group.

In 2009, Eurobank EFG supported once again a large number of non-profit organizations and foundations, active on issues related to children and health. More specifically, in Christmas 2009 the Group aided the work of the “SOS Children’s Villages”, the “Arc of the World” and “Children’s Asylum”.

As mentioned above, charities are also a part of the Group’s work in New Europe. In Bulgaria, Postbank supported socially vulnerable groups through the purchase of products and Christmas cards. In Romania, Bancpost also aided the work of organizations that try to improve the living conditions of underprivileged social groups.

In Serbia, Eurobank EFG has been doing a great work on health issues, having offered €1 million for the purchase of state-of-the-art equipment for early diagnosing cancer. In 2009, the bank sponsored the “Serbia against cancer” campaign of the country’s Ministry of Health, also offering its employees and their families free breast cancer tests. Moreover, Eurobank EFG made a large number of donations to non-profit organizations and schools for disabled children.

In Poland, the social solidarity program of Polbank EFG is based on voluntary assistance from the bank’s employees to those in need. The main pillar of this voluntary action is cooperation with the “Dream Come True” foundation, which provides care to children. Moreover, the Bank has been providing financial aid to the foundation and supports its activities by distributing materials through its local branch network and by organizing events. In addition, Polbank EFG employees organized monthly drawing lessons for young patients of the Litewska hospital and supported the 1st National Children’s Meeting addressed to children that have undergone cancer treatment.

Care for the Environment



Environmental policy

Environmental protection is considered a duty for the Eurobank EFG group. In 2003, the Group initiated its environmental protection effort by enacting its official Environmental Policy, which aims at mitigating its environmental impacts. It should be noted that an organization's impacts are both direct, i.e. those stemming from the daily functioning of its branches and offices, and indirect, i.e. those that arise from interaction with its clients and suppliers. The Group's environmental policy is available on its website, www.eurobank.gr.

Eurobank EFG remains, since 2004, the first and only banking group in Greece, and one of the few banking groups in Europe, to have established an externally certified ISO 14001 compliant Environmental Management System.

In 2009, the System moved closer to "maturity" through the completion of procedures for the official listing of Eurobank EG in the Register of European Organizations that adhere to the EMAS regulation (Regulation EC/761/2001) on environmental management. As stated in the European Commission's official documents, this transition facilitates the improvement of environmental performance, and increases the transparency and reliability of environmental management.

Environmental issues are among the key initiatives of the Management of the Eurobank EFG group, and have been entrusted to a special Environmental Committee. This Committee is chaired by the General Manager for Operations, Technology & Organization and comprises the managers of all the Bank's units that are involved, such as procurement, technical services, financing, human resources, corporate communications etc., so that the environmental management policies and actions are coordinated at a strategic level. The Bank's Environment Office that was established in 2004 is responsible for the consistent and integrated day-to-day management of the procedures for implementing the environmental policy and achieving its targets.

The improvement of the Bank's environmental performance does not only foster its sustainable growth, but also generates competitive advantages, such as:

- the exploitation of new business opportunities, such as the development and promotion of "green" banking products.
- the reduction of operating costs.

The international commitment to sustainable development can only be achieved through partnerships among nations, international organizations and enterprises. To this end, the Eurobank EFG group has joined the United Nations Environment Program Finance Initiative (UNEP FI) since 2005, an initiative that aims at protecting the environment and promoting sustainable development. In 2009, Eurobank EFG was placed at the Head of the Banking Sector of the Central and Eastern European Group of UNEP-FI, having at the same time seats in the Board of Directors of the Banking Commission and in the European Task Force.

Seeking to maximize its contribution to environmental protection, the Group will gradually extend, from 2010 onwards, the scope of its environmental policy, good environmental practice and successful programs and procedures, to cover its subsidiaries and activities in Greece and abroad.

Environmental performance and programs

The environmental performance of Eurobank EFG is monitored by special programs, linked to targets and specific environmental indicators. This practice supports the Organization's commitment to transparent operation, and promotes the effort to improve the Bank's "ecological footprint" in Greece. At the same time, Eurobank EFG is planning to extend the monitoring of its environmental performance outside Greece, wherever this is feasible.

Benchmarks

Total area and the number of employees are the most commonly used denominators of the main environmental performance indicators. In 2009, the total area covered by the Bank's branches and administration buildings amounted to 300,227 m². Moreover, in 2009, the Bank employed 7,558 persons on a full-time basis.

Energy and Climate Change

Despite the fact that the Bank's contribution to the greenhouse effect mainly concerns indirect gas emissions (through electricity consumption), the significance of Climate Change has elevated monitoring energy consumption of all types, and the corresponding emissions, to a top priority.

The Bank has been implementing the GHG Protocol since 2008. This Protocol was established by the World Business Council for Sustainable Development and the World Resources Institute, with the aim of making energy management and reporting by enterprises and organizations more systematic. It provides a framework for recording and allocating energy consumption, as well as for calculating direct and indirect Greenhouse gas emissions.

Direct energy consumption refers to the combustion of oil for heating purposes. Indirect consumption refers to electricity for the Organization's operations. The corresponding Greenhouse gas emissions are divided to direct (Scope 1) emissions from oil combustion, and to indirect emissions from the generation of the electricity bought by the Bank (Scope 2), as well as emissions from employee business travels (Scope 3). Thus, in 2009 the total consumption of heating oil amounted to 100,392 liters, electricity consumption amounted to 57,407,893 KWh, while business air travels reached a total of 4,116,382 miles.

In 2009, electricity consumption per area unit amounted to 191.21 KWh/m² as compared to 191.83 KWh/m² in 2008, reduced by 0.23%. Electricity consumption per person amounted to 7,596 KWh, as compared to 7,899 KWh/person in 2008, reduced by 3.84%. Greenhouse gas emissions from electricity consumption per area unit amounted to 0.1386 tons of CO₂/m².

Energy management and the monitoring of the pertinent indicators aim at minimizing the Bank's share in the Greenhouse effect and Climate Change. Thus, in 2009, and based on the findings of the consumption-monitoring exercise, energy inspections were performed in the Bank's branches and changes were made to the existing equipment through the correction of machinery dysfunctions and adjustments to lighting (internal lighting, illuminated signs) and air conditioning (heating, cooling) systems. Moreover, pilot energy consumption control and energy-saving techniques were installed in certain of the Bank's premises, with the expectation of reducing consumption

Care for the Environment

by 12% per point, and with the prospect of extending, after the relevant studies have been conducted, of these techniques to other areas.

As part of the effort to reduce the emission of pollutants in the atmosphere from the combustion of oil for heating purposes, Eurobank EFG created infrastructures for the use of natural gas in administration buildings, also expecting a 5%-10% improvement in the performance of the relevant heating systems. Moreover, video conferencing was more widely used in 2008, in order to reduce business travel. As a result, business trips were reduced by 23.9% in 2009, leading to a corresponding reduction of Greenhouse gas emissions by 311 tons.

Total greenhouse gas emissions amounted to 42,923 tons of CO₂ (311 direct, 42,612 indirect), as compared to 49,016 tons in 2008, a substantial 12.43% reduction. The target for 2010 is to reduce energy consumption by 1%.

Water management

Water is the most important natural resource, and for this reason the Bank attaches great importance to its preservation. Water-saving measures include the installation of air-cooled air conditioning systems, which consume less water. The Bank's target is to stabilize annual water consumption per area square meter unit (m²) to levels less than, or equal to, 0.22 cubic meters. In 2009, water consumption amounted to 70,915 cubic meters, representing a 43.11% increase as compared to 2008.

This increase in water consumption is due to the following reasons:

- New Influenza (H1N1): the emergence of the new influenza virus in Greece led to the imposition of prevention measures at the workplace. The Bank formed a special committee and issued the relevant instructions and announcements to the staff, focusing on proper hygiene, which is based on frequently washing one's hands for a long time (40-60 seconds). This led to an increase of water consumption by all the Bank's Units.
- Inclusion of new Units: new Units, with additional personnel, were added to the Bank.

In 2009, the Bank introduced the use of the "Consolidated multiple water bill" in Athens, which automates payments (accounting entries) and ensures accurate and qualified information.

The target for 2010 is to achieve the rational reduction of water consumption by 5-9%. Finally, the effort to introduce a single account with the Water Utility of Thessalonica will be further intensified.

Recycling and waste management

The Bank makes any possible effort to recycle and/or redirect the main types of waste, which is collected in the appropriate bins, to be delivered either to the suppliers of the original materials, or to licensed waste management contractors.

Our effort begins with the prudent supply of materials whose waste has limited environmental consequences, such as dry batteries or asbestos-free refurbishing materials. Moreover, all contracts with third party associates-contractors include provisions for environmentally correct waste management. In addition, the Bank implements recycling programs for materials or equipment, whenever possible.

The Bank is following up on waste streams, in order to ensure their best possible management and the reduction of environmental impacts. In this context, it has been monitoring and managing the lifecycle of the following materials within the organization:

- Paper
- Toner
- Waste Electronic Equipment
- Lamps
- Batteries

In 2009, the Bank carried out an analytical study for restructuring its recycling programs, with the aim of extending their scope, expanding cooperation with the recycling systems that have been licensed and authorized by the Ministry for the Environment and, finally, further minimizing the quantity of materials directed to sanitary landfills. The permanent objective of the Bank is to continue expanding its recycling programs in order to ensure the safe management of all recyclable outgoing materials.

I. Paper

The rationalization and control of paper consumption has been one of the major environmental targets of Eurobank EFG. In 2009, the Bank introduced a program for the standardization of A4 paper orders all over Greece, providing for specific frequencies and quantities per Unit and specific deliveries per month, thus reducing both demand for paper and the corresponding administrative costs.

Moreover, the Bank introduced the new e-Statements service, which enables customers to receive their banking products' statements electronically, discontinuing the receipt of physical copies over the mail. This practice reduces the use of paper and toner, contributing to the mitigation of the environmental impact from the corresponding waste.

Care for the Environment

Annual paper consumption per employee decreased by 11.7% in 2009, falling to 70 kg per employee, from 79 kg per employee in 2008.

The Bank has introduced paper recycling since 2005, and to this end, special metal recycling/shredding bins have been installed in the Branches and Administration premises in the entire Attica and in the prefecture of Thessalonica. The total quantity recycled during 2009 amounted to 397 tons, as compared to 384 tons of paper recycled in 2008, and accounted for 75.4% of paper supplies for 2009, as compared to 63.3% in 2008. The Bank considers expanding its paper recycling programme to the rest of Greece; however this effort is impeded by the lack of local infrastructure. The Bank's target is to increase the recycling rate to 100%, reducing, at the same time, consumption by 10%.

II. Toner

In 2009, the Bank introduced a toner cartridge refilling program in its Attica units, with great results. It should be noted that this initiative falls under one of the main principles of waste management, i.e. reuse. The evident environmental benefit is the reduction of the number of blank cartridges that are disposed, which leads to significant gains in terms of energy and other resource consumption.

Total toner use amounted to 3.87 units per employee in 2009, as compared to 4.22 in 2008, reduced by 8.2%. Moreover, 8,012 toner units (i.e. 27.4% of toner supplies) were delivered for safe management in 2009, as compared to 9,086 (i.e. 28% of toner supplies) in 2008. This reduction is due to the transitional period for the implementation of the new reuse procedure, which started in the 3rd quarter of 2009. The new procedure upgrades the role of recycling, since the aim is to reuse all toner cartridges, reducing at the same time the relevant procurements. Any cartridges that cannot be refilled are delivered to properly licensed agencies for recycling.

The aim is to extend the toner refilling program to the entire country within 2010, thus ensuring the 100% safe management of blank cartridges.

III. Waste Electronic Equipment

The safe disposal of waste Electronic Equipment was one of the Bank's top priorities for 2009. Thus, the Waste Electrical and Electronic Equipment (WEEE) recycling program was continued in partnership with the Alternative WEEE Management Collective System, a system licensed and authorized by the Ministry for the Environment, Energy and Climate Change. In addition, the Bank continued its computer equipment donation programme, as part of an effort to manage the lifecycle of the materials it purchases. Thus, in 2009 it donated 1,046 computers to schools. The target for 2010 is to achieve the safe management of 100% of electronic equipment.

IV. Lamp/Battery Recycling

Used lamps and (non portable) batteries are types of waste that are regulated by the applicable environmental legislation. Their safe disposal prevents the pollution of both the soil and aquifers with heavy metals and other hazardous substances. In 2009, the Bank continued its cooperation with the agencies that are licensed and authorized for managing such materials. More specifically, 5,473 lamps and 273 batteries were delivered for safe disposal. The target for 2010 is to achieve the safe management of 100% of these materials.

Green Procurement Policy

Since the launching of its Environmental Management System, the Group has pledged, through its policy, to foster its customers and suppliers environmental awareness. In this context, it has been gradually developing environmental criteria for evaluating its suppliers, as well as the products and services they offer.

The existence of environmental policies and environmental management systems has already been incorporated to the supplier evaluation criteria, while environmental labels, such as Energy Star, FSC, PEFC, Eco-Label etc., are included in product specifications whenever practically possible. In addition, adherence to the environmental legislation is an explicit provision in all contractor agreements.

To this end, the revision of the Procurement Policy, which has been aligned with the Group's Environmental Policy principles, was completed in 2009. Moreover, environmental specifications and labels were created for the main types of procured products and special environmental evaluation tools were designed for each category of materials.

As a result of this effort, Eurobank EFG won the National EMAS 2009 Award in the "Supply Chain, including Green Procurement" category.

It should be noted that the Bank's Green Procurement Policy is seriously taking into account the peculiarities of the market, and aims at utilizing the Bank's purchasing power in order to positively push the market towards the provision of environment-friendly products and services, without causing uncertainty and unfair competition.

Green banking products

The Bank has developed a series of "green" banking products, designed to protect the environment.

WWF Eurobank Visa

WWF Eurobank Visa is the first green product ever launched by a Greek bank and it is the outcome of the partnership between Eurobank EFG and WWF Hellas, which began in 2001. Up to this date, WWF Hellas has received more than €1 million through WWF Eurobank Visa, in order to finance its environmental protection activities.

In 2009, 4,660 new cards were issued, raising the total number of active cards to 58,108. Thus, in 2009 WWF Hellas received from Eurobank €158,315, an amount that once again came from:

- The one-off payments for each issuance and renewal of WWF Eurobank Visa card
- The payment of a percentage on the value of purchases made by cardholders, without any charge for the latter.

Care for the Environment

These amounts were used to support the following actions of WWF Hellas:

- €51,315 for the “Protection of North Pindos” program, which monitors activities in this protected area, records threats and makes interventions. In 2009, the Information Center for Nature and Culture at Zagori was overhauled, in order to become more energy efficient. At the same time the information at the Center’s exhibition was updated, and the development of a model tour that demonstrates man’s unbreakable bond with nature, as well as the presentation of a milder tourist “products” was completed.
- €70,000 for the “Environmental Education” program for primary and secondary education students, through the production of training materials and the organization of training courses, seminars and workshops for 5,000 pupils and teachers.
- €37,000 for the operating and legal expenses of the “Citizens’ Support Legal Team”, which comprises lawyers, environmentalists, architects, city planners and engineers, and numbers almost 100 volunteers that dedicate a large part of their free time to investigate, and assist in solving, citizen complaints regarding the deterioration of the environment.

The amounts paid each year to WWF Hellas enable this organization to preserve its independence and continue its work unhindered. The Eurobank EFG group, always faithful to its environmental commitments, aims at enhancing the partnership with WWF Hellas during 2010, in order to increase its participation to environmental protection.

Photovoltaic Systems on Rooftops

Eurobank EFG, through its Mortgage Lending Business Unit, has been utilizing the State’s measures for the development of photovoltaic systems, offering specialized financing programs to private customers whose houses fulfill the specifications of the government’s program for the installation of PV systems of up to 10KW on rooftops. Under this lens, it offers alternative financing options, taking into account each customer’s ability to repay his/her loan, and extending the loan’s maturity till the end of the agreement signed between the customer and the Public Power Corporation (PPC). By means of these programs, the Bank offers all Greek citizens the opportunity to enjoy a PPC-guaranteed income from the very first moment, without having to disburse any money, since Eurobank EFG finances the entire cost of purchasing and installing the PV system.

Eurobank Equity Partners

In order to assist the development and expansion of Greek companies that promote environmental protection and natural resource savings in any way, ensuring at the same time their profitable growth in Greece and abroad, Eurobank EFG has formed a closed-end investment fund, called Eurobank Equity Partners. To this end, it has committed own funds of €30 million, while this effort is also supported by funds from co-investors, who will be investing along with Eurobank EFG on an ad hoc basis.

Other Green Products

The Bank continues to support other “green products” featuring financing programs for:

- The replacement of old (polluting) taxis with new, environment-friendly vehicles
- The installation of natural gas facilities
- The purchase of environment friendly buses by Local Government Organizations and the State
- Infrastructure projects for electricity generation from RES, wind parks, PV systems

Personnel Training and Awareness

Raising personnel awareness on environmental issues is the cornerstone of the Group's environmental policy. In 2009, the Bank continued to implement the e-learning program concerning its Environmental Management System in Greece, which was attended by 274 people, raising the total ratio of environmentally trained employees to 34% of the workforce. Among other things, e-learning contributes to reducing trainee commutes, further reducing greenhouse gas emissions.

Moreover, the Bank's intranet includes a page dedicated to the continuous provision of personnel with information about environmental management issues.

Finally, certain individual issues pertaining to the Bank's environmental programmes are regularly communicated to the employees, thus improving both information, and involvement.

Care for the Environment



The “Great Moment for the Environment” program

The initiatives of the Eurobank EFG group in Greece and New Europe include actions related to the environment and its protection, as well as programs for the restoration and upgrading of the natural environment.

“Throw away nothing”

Using the slogan “throw away nothing”, Eurobank EFG and SKAI realized, from October 2009 to January 2010 in Greece, a campaign on recycling, designed to raise the awareness of citizens and educate them on this environmentally important issue. The program included radio and TV shows, where specialists responded to the citizens’ questions on recycling issues, while many events concerning the recycling of electrical and electronic equipment were also held.

The campaign also included the “Recycling Village”, which was set up at Syntagma Square from November 20 to 22, 2009. In the central square of Athens, Greece’s largest recycling companies ran kiosks where citizens were briefed on the usefulness, benefits and methods of recycling.

The children who visited the “Recycling Village” had a lot of fun and got acquainted with this important process through imaginative acts, such as theatrical plays, funfair rides, and constructions from recyclable materials.

Moreover, the citizens of Athens were given the opportunity to donate books, which were gathered by the “Caravan of Solidarity” NGO, in order to enrich the libraries of schools, charitable associations and societies in the Greek regions.

Apart from the “Recycling Village”, Eurobank EFG and SKAI held a total of 18 recycling actions in 16 Greek cities (Athens, Patras, Ioannina, Larissa, Heraclion Crete, Kavala, Lamia, Drama, Rethymno, Corfu, Sparta, Kalamata, Komotini, Arta, Katerini and Grevena). These actions gathered 130 tons of waste electrical and electronic equipment for recycling, a quantity equal to the quantity recycled by a large municipality of Attica over an entire year!

“Ten Guides for the Environment”

The collaboration with WWF Hellas for the production of ten manuals, under the general title “Guides for the Environment”, is part of the €60 million “It is our Duty” program of Eurobank EFG and the John S. Latsis Public Benefit Foundation, for the provision of support to citizens and regions hit by the devastating fires of August 2007.

The titles of the first six guides that have been published and are available at www.eurobank.gr are the following:

- Environmental organizations set-up and operation
- Waste management
- Forest Protection and Forest Fire-fighting
- Legal guide
- Fundraising by environmental NGOs
- Green and open areas in the city

The titles of the four guides that are expected to be published by the end of 2010 are:

- Tourism and the environment
- Air and atmospheric pollution
- Renewable Energy Sources
- Integrated water management problems and solutions

The guides are presented and distributed to local non-government organizations, with the aim of diffusing know-how on dealing with local environmental problems and on the operation of environmental NGOs. They include essential, reliable scientific information, presented in a simple and comprehensible manner, along with specific examples of good and bad practice.

“Earth Hour”

Eurobank EFG also participated in “Earth Hour” on March 28, 2009, symbolically turning off for an hour the lights of its main administration buildings in Athens and Thessalonica. Moreover, the Bank systematically provided its employees with extensive information, in order to raise their awareness and ensure their participation in this initiative.

Preservation of Lake Pancharevo

Postbank, the Group’s subsidiary bank in Bulgaria, has developed a program on environmental protection issues. In 2008, the bank presented a new initiative for the preservation of Lake Pancharevo, titled “Crystal Purity of Pancharevo Lake”, which was continued in 2009. As part of this program, Postbank maintained all the buildings around the lake and gathered 500 volunteers (bank employees and their families, as well as local inhabitants), who cleaned the waters and shores of the lake. In 2009, Postbank launched a new initiative, titled “Green Start with Postbank”, designed to raise the awareness of the bank’s employees on environmental issues and enhance the perception that environmental protection is part of the Organization’s corporate culture.

Eurobank EFG Parks

In Serbia, Eurobank EFG completed the €600,000 “Eurobank EFG Parks” program for the restoration of parks in major urban areas of the country. In 2009, three parks were inaugurated in three cities: Belgrade, Pancevo and Novi Sad. For this project, Eurobank EFG received the “Virtus” Corporate Social Responsibility award for its contribution to the local society, as well as the annual award of the city of Pancevo.

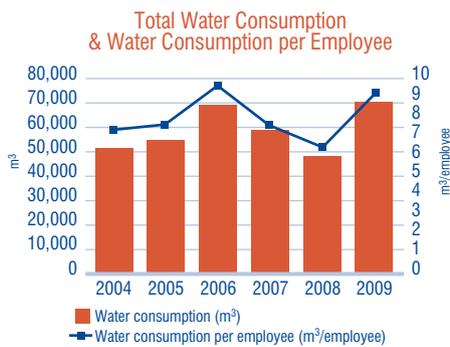
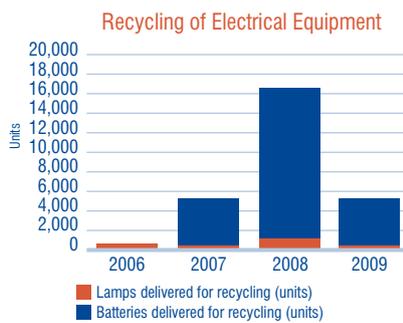
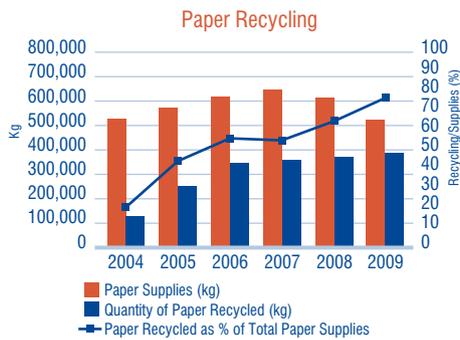
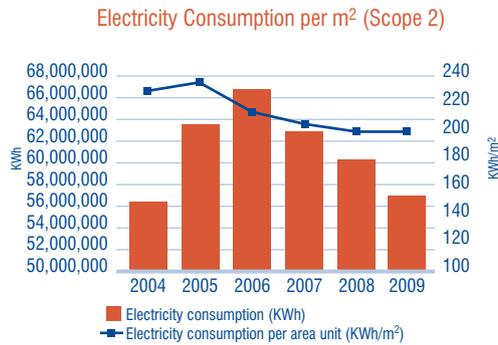
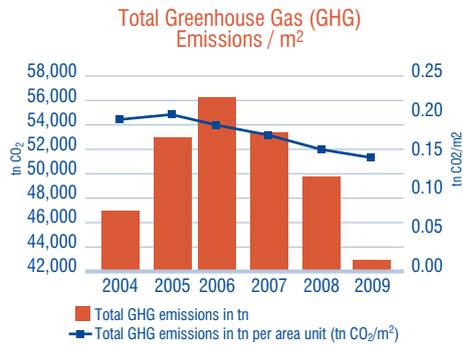
Moreover, the bank undertook initiatives for raising its employees’ awareness on environmental issues. Its new administration office building in Belgrade combines modern internal architecture with state-of-the-art environmental standards. Eurobank EFG has also been implementing the “I recycle paper - do you?” campaign in its offices, since October 2008. Thus far, the campaign has collected more than seven tons of paper for recycling.

Care for the Environment

Environmental Index Performance

The Environmental Management System keeps analytical data on the environmental performance of Eurobank EFG. The environmental performance data and indices are annually reviewed and verified in terms of accuracy and correctness by an independent Agency, and are submitted to the Ministry for the Environment, Energy and Climate Change, in compliance with the EMAS Regulation. In brief, the environmental performance for 2009 (January 2009-December 2009) is the following:

| ENVIRONMENTAL INDEX | 2008 PERFORMANCE | 2009 PERFORMANCE | Δ% |
|---|------------------|------------------|--------|
| Electricity consumption (Kwh) | 60,664,632 | 57,407,893 | -5.4% |
| Electricity consumption per employee (Kwh/employee) | 7,899 | 7,596 | -3.8% |
| Electricity consumption per area unit (Kwh/m ²) | 191,83 | 191,21 | -0.3% |
| Heating oil consumption (litres) | 206,040 | 100,392 | -51.3% |
| Total Greenhouse gas emissions (GHG) (tn) | 49,016 | 42,923 | -12.4% |
| Total GHG emissions per area unit (tn/m ²) | 0,1549 | 0,1430 | -7.8% |
| Water consumption (m ³) | 49,552 | 70,915 | 43.1% |
| Water consumption per employee (m ³ /employee) | 6,45 | 9,38 | 45.4% |
| Paper Supply (kg) | 606,868 | 527,306 | -13.1% |
| Quantity of paper recycled (kg) | 384,185 | 397,630 | 3.5% |
| Paper recycled as a percentage of paper supplies (%) | 63,31 | 75,41 | 19.1% |
| Toner supplies (units) | 32,390 | 29,274 | -9.6% |
| Toner/Ink cartridges recycled (units) | 9,086 | 8,012 | -11.8% |
| Electronic equipment donated (units) | 2,328 | 1,046 | -55.0% |
| Environmentally trained employees | 999 | 274 | -72.6% |



EFG EUROBANK ERGASIAS S.A.

SELECTED REPORTING DATA

FOR THE YEAR ENDED
31 DECEMBER 2009

The full Annual Financial Report is available
on the Group's official site
www.eurobank.gr

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www.eurobank.gr, Tel.: (+30) 210 333 7000
Company Registration No: 6068/06/B/86/07

EFG EUROBANK ERGASIAS S.A.

Report of the directors

The directors present their report together with the audited accounts for the year ended 31 December 2009.

Profit Attributable

The profit attributable to ordinary shareholders of Eurobank EFG, before taking into account the special one-off tax imposed by the Greek Government in December 2009, amounted to €362m for the year, down 44% from €652m in 2008. After the one-off tax, the profit attributable to ordinary shareholders amounted to €305m as set out in the consolidated income statement on page 4.

New Preference Shares

On 12 January 2009 the Extraordinary General Meeting approved the issue of 345,500,000 non-voting, non-listed, non-transferable 10% Preference shares, with nominal value €2.75 each, under Law 3723/2008 'Greek Economy Liquidity Support Program', to be subscribed to by the Greek Government. This entitles the Government to appoint its representative to the Board of Directors, veto cash dividend distributions and the acquisition of treasury shares, and restrict management remuneration. The issue, totalling €950,125,000, was completed on 21 May 2009. Further details in note 32 to the accounts.

Dividends

Pursuant to Laws 3723/2008, 3756/2009 and the draft bill submitted to the Greek Parliament on 17 March 2009, banks participating in the Greek Economy Liquidity Support Program are prohibited by the Greek Government from declaring a cash dividend to the ordinary shareholders for the years 2008 and 2009. In June 2009, the Annual General Meeting approved the distribution of a scrip dividend in the form of 2 free shares for every 98 held (net of tax) (note 44 to the accounts).

Activities and Regional Presence

Eurobank EFG Group is a financial services provider engaged in retail, corporate and private banking, asset management, insurance, and treasury and capital markets services. The Group operates through branches, offices and subsidiaries in Greece and the region of Central, Eastern and South-eastern Europe (New Europe). Its regional presence is concentrated primary in A-rated countries (Poland and Cyprus) and also European Union members and candidate member nations (Romania, Bulgaria, Serbia and Turkey).

Financial Results Review

The global financial crisis adversely affected, to varying degrees, all countries where Eurobank EFG is present, and our banking operations were adjusted accordingly in order to be aligned with the prevailing conditions. As a result in 2009 the Balance Sheet grew by a modest 2.5% to reach €84.3bn.

During this period, Deposits grew by €1.2bn or 2.5% totalling €46.8bn, with substantial contributions from Poland and Cyprus where deposit gathering accelerated. Gradually shifting towards lower risk categories, Loans excluding consumer lending increased by €1.8bn, total gross loans reached €57.6bn and the loan-to-deposit ratio improved to 119%, down from 122% at the end of 2008. In addition, the Group further strengthened its liquidity and raised €2.8bn of medium term funds from institutional investors without the guarantee of the Greek State.

Despite the adverse market conditions and the significantly higher cost of funding, the Group managed in this most challenging year to achieve its foremost target of safeguarding and increasing its pre-provision earnings. Year on year¹, its pre-provision profits grew by 1.2% and reached €1,569m. The key drivers to this achievement were resilient Net Interest Income (NII) and tight cost management. The Group recovered from a very low first quarter and recorded NII of €2,341m, just below 2008's €2,385m, while net interest margin stood at 2.81%. Relatively weaker non-interest income resulted in total Operating Income of €3,040m, only 2.5% lower than 2008¹. In addition, tight control on operating expenses both in Greece and in New Europe led to cost reductions of more than 6% year-on-year, the best in class performance by far, improving the cost-to-income ratio to 48.4% for the Group, 62.3% in New Europe and 41.9% in Greece.

The improved profitability fully absorbed the increased loan provisions which totalled 2.11% of average net loan balances, affecting New Europe's results significantly. Still, excluding Ukraine, New Europe operations remained in total profitable throughout the year. Non performing loans now stand at 5.15% of gross loans, and the last two quarters of 2009 recorded a significant deceleration in the formation of new past due loans.

Overall, despite the adverse market environment and unprecedented conditions, Management achieved two of its key targets for 2009, namely matching or improving on 2008's pre-provision income, and reducing costs by at least 5%. In addition, the Bank managed all of its funding needs, sustained net interest margins at comfortable levels and contained asset quality issues at manageable levels. Net profit attributable to shareholders,

¹ excluding the extraordinary own debt valuation gain in 2008

before the one-off taxation, amounted to €362m and provides a Return on Average Assets of 0.5% and a Return on Average Equity of 6.0% (2008: 0.9% and 15.7% respectively). After the one-off taxation, net profit totals €305m.

Greek Economy Liquidity Support Program

The Eurobank EFG Group participates in the Greek Government's €28bn plan to support liquidity in the Greek economy under Law 3723/2008. The program consists of three streams which enable the Bank to raise more than €5bn liquidity (note 41 to the accounts).

Capital Adequacy

In addition to the internally generated profitability of the year, the sale of 26.3 million treasury shares in September and the buy back of preferred securities have resulted in an increase in the Bank's common equity during 2009 of more than €700m. As a result, within the year regulatory capital increased by €1.1bn and reached €6.1bn at the end of 2009, with Core Tier I capital at €4.7bn (end 2008: €5.0bn and €3.9bn respectively), whereas the Group's risk weighted assets totalled €47.8bn (end 2008: €48.4bn). Consequently the Capital Adequacy Ratio of the Group increased to 12.7% and the Core Tier I and the Tier I Ratios stand at 9.8% and 11.5% respectively (end 2008: 10.4%, 8,0% and 8,0% respectively).

Ordinary Share Capital

During the year, the ordinary share capital was increased by 37 million shares as a result of the 2009 scrip dividend, the distribution of shares to junior level employees of the Bank and the sale of treasury shares. At 31 December 2009, the ordinary share capital amounts to €1,481,136,126 divided into 538,594,955 ordinary voting shares of a nominal value of €2.75 each. All ordinary shares are registered, listed on the Athens Stocks Exchange and incorporate all the rights and obligations set by the Greek Law (note 31 to the accounts).

Preference Share Capital

As at 31 December 2009, the preference share capital amounts to €950,125,000 divided into 345,500,000 preference shares as described above (note 32 to the accounts).

Business Outlook and Risks

The second half of 2009 witnessed clear signs of stabilisation in global financial markets, and world economies, including our region, are slowly working out of the recession. This period though, also brought to the fore the structural weaknesses which the Greek Government needs to address, i.e. the large General Government deficit and the high Government debt, further burdened by Greek sovereign spreads which are significantly wider than other Euro-zone member states. The newly elected Greek Government is now taking measures aiming to improve the budget deficit by four percentage points through structural reforms, curbing

public spending, increased taxation and attacking tax evasion. The European Union acknowledges the austerity of the measures and firmly supports Greece. In this context, credit demand for 2010 is expected to be weak, and Gross Domestic Product (GDP) to decrease (the Bank of Greece expects around 2%) with positive expectations postponed for 2011.

With regard to Central and South-eastern European countries, the intervention of supranational organizations and tighter domestic fiscal policies, combined with healthy fundamentals, are gradually re-establishing investor sentiment and 2010 is expected to be a year of positive growth. Poland, Turkey and Cyprus are fiscally strong countries with sophisticated markets, local liquidity mechanisms and high asset quality. Poland was the only European Union member to record positive growth in 2009. The credit growth potential in these countries is projected strong for 2010. Romania, Bulgaria and Serbia suffered more from the 2009 crisis, but they are also expecting to recover significantly in 2010. Finally, recent political developments in Ukraine are expected to stabilize the political environment and reverse the negative economic trends.

As noted above, the main risks for 2010 stem from the macroeconomic environment and the success, or otherwise, of the fiscal adjustments in Greece and their impact on the economy. Continuation of the recession could adversely affect the region and could lead to lower profitability and deterioration of asset quality. In addition, increased funding cost remains a significant risk, as it is dependent on the level of sovereign spreads, as well as foreign exchange rate risk, due to the unstable nature of some currencies. Finally, the Bank holds positions in the bond, stock and foreign exchange markets and consequently is exposed to the risk of losses if market valuations decrease.

In this environment, Eurobank EFG remains profitable adjusting continuously to the new requirements. The shift towards collateralised lending, self funded growth and more promising countries has been in place for some time. In addition, we will continue to reduce our cost base in order to increase the efficiency of our operations. We will strengthen our collection efforts to maximize loan recoveries by redeploying resources where necessary, and we persist with the implementation of conservative provisioning policies. Finally, we improve continuously the effectiveness of balance sheet management and reinforce our capital and our liquidity.

We strongly believe that the recent developments and decisions of the Greek Government and their strict implementation, combined with continued support from the European Union, will enable Greece's fiscal imbalances to be rectified. In this context, we support the recovery of the Greek economy and we will stand by our clients, deepen our relationships with them,

and strengthen the value of our franchise.

Authority to issue new shares

The only authorities that the Board of Directors has to issue ordinary shares, without further prior approval by the Shareholders General Meeting, are as follows:

A) In relation to stock options (note 34 to the accounts):

- As authorised by the General Meeting, the Board of Directors may issue stock options to management and staff of the Bank and its subsidiaries, within the framework of the approved stock option program. In 2009 no new stock options were granted.
- In addition the Board of Directors has been authorised to issue shares to those stock option holders who exercise their rights within the rules set by the stock option program. In 2009 no stock options were exercised.

B) In relation to convertible bonds (note 33 to the accounts):

- As authorised by the General Meeting, the Board of Directors may issue, either in lump sum or gradually in tranches, callable bonds of up to €500 million, convertible to ordinary shares of the Bank. In 2009 €400 million were issued.
- In addition the Board of Directors is authorised to issue ordinary shares to bond holders if either they or the Bank exercise their rights in accordance with the terms of the convertible bond.

Authority to acquire Treasury Shares

The Board of Directors was authorised by the Annual General Meeting of 2008 to take any action or handle any issue necessary for the implementation of a program of acquisition of treasury shares, in accordance with the provisions of article 16 of company law 2190/1920. However, law 3456/2009 prohibits banks participating in the Greek Government Liquidity Program from acquiring treasury shares, therefore, the abovementioned authorisation is currently inactive (notes 31 and 41 to the accounts).

Major Shareholdings

Eurobank EFG is a member of the worldwide EFG Group. The EFG Group consists of credit institutions, financial services and financial holding companies. Its ultimate parent company is Private Financial Holdings Limited which is controlled indirectly by members of the Latsis family (note 42 to the accounts).

As of 31 December 2009, the EFG Group held 44.09% of the ordinary shares and voting rights of the Bank. The remaining ordinary shares and voting rights are held by institutional and retail investors, none of which, to the knowledge of the Bank, holds 5% or more.

The Hellenic Republic holds 100% of the non-voting preference shares.

Board Membership

The Board of Directors of Eurobank EFG is set out in note 43 to the accounts. Following the Bank's participation in the Greek Economy Liquidity Support Program (Law 3723/2008) (note 41 to the accounts), the Government appointed its representative to the Board of Directors as of 16 March 2009.

Biographical details of the Board members are available on our website (www.eurobank.gr). The Board's term expires at the 2010 Annual General Meeting.

Employee Engagement

Eurobank EFG is committed to ensuring that employees share in the success of the Group. Within the current legal framework (note 34 to the accounts), there is a share distribution programme for employees, and long-term incentive schemes for senior staff and executive directors. Staff have substantial interests in Eurobank shares.

Employees are kept informed of matters of concern to them in a variety of ways, including through corporate news magazines, intranets and briefings. These communications help achieve a common awareness among employees of the financial and economic factors affecting the performance of the Group. In addition to the annual evaluation of every person's achievements, strengths and weaknesses, the continuous development of employees' technical skills, personal competencies and management capabilities through internal and external training and management development programmes fosters the professional growth of employees at all levels. Finally, this year a significant number of initiatives took place successfully enhancing corporate culture, including the implementation of action plans stemming from a corporate-wide employee survey in Greece.

The diversity agenda at Eurobank EFG seeks to include customers, colleagues and suppliers. Our objective is to recruit and retain the best people, regardless of race, religion, age, gender, sexual orientation or disability. We strive to ensure our workforce reflects the communities in which we operate, and the international nature of the organisation. We recognise that diversity is a key part of responsible business strategy in support of our increasingly regional business.

Corporate Social Responsibility

As a "corporate citizen", Eurobank EFG recognises its responsibilities towards all stakeholders: employees, customers, shareholders, the society and the environment.

Eurobank EFG has an extensive community programme covering many countries around the region. In addition it supports significant educational, cultural, environmental, sports and benevolent initiatives.

In 2009 we concluded our largest ever programme of social contribution of €20 million, in support of the victims of the catastrophic wildfires in Greece in the summer of 2007 and the prevention of similar disasters.

2009 was an especially challenging and demanding year. In addition to its commitment to and the initiatives regarding employees and shareholders noted above, the Group stood responsibly by its clients. Our primary aim was, and remains, to be supportive and develop a closer relationship with our clients, responding flexibly to our clients' individual and corporate banking needs with sensitivity towards social and political needs and constraints.

Financial Instruments

The Group's financial risk management objectives and policies, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and the exposure to market risk, credit risk and liquidity risk are set out in notes 2, 4 and 17 to the accounts.

Sundry information required under Law 3556/2007 (article 4, par.7)

According to the Bank's Articles of Association, other than the preference shares issued to the Greek Government which carry special rights and restrictions (see notes 32 and 41 to the accounts):

- there are no restrictions on the transfer of the Bank's shares
- there are no shares with special controlling or voting rights
- there are no restrictions on voting rights
- the rules related to the appointment and replacement of directors are in accordance with the provisions of company law.

The Bank is not aware of any shareholders' agreements resulting in restrictions in the transfer of its shares or in the exercise of the shares' voting rights.

There are no significant agreements that enter into force, are amended or expire if there is change in the control of the Bank following a public offer.

There are no agreements between the Bank and the Directors or the staff for compensation in the event of resignation, dismissal without good reason or termination of their term of office or employment as a result of a public offer.

The Auditors

The Board's Audit Committee reviews the appointment of the external auditors, as well as their relationship with the Group, including monitoring the Group's use of the auditors for non-audit services and the balance of audit and non-audit fees paid to the auditors. Having reviewed the independence and effectiveness of the external auditors, the Committee has recommended to the Board that the existing auditors, PricewaterhouseCoopers S.A., be reappointed. PricewaterhouseCoopers have signified their willingness to continue in office, and ordinary resolutions reappointing them as auditors and setting their remuneration in accordance with the Institute of Certified Public Auditors' decisions, will be proposed at the 2010 AGM.

So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware. Each of the Directors has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. For these purposes, 'relevant audit information' means information needed by the Company's auditors in connection with issuing their report.

Related party transactions

All transactions with related parties are entered into the normal course of business on an arm's length basis. There are no material related party transactions. See also note 42 to the accounts.

Xenophon Nickitas
Chairman

Nicholas Nanopoulos
Chief Executive Officer

24 March 2010

EFG EUROBANK ERGASIAS S.A.

Consolidated Income Statement

| | Note | Year ended 31 December | |
|--|------|------------------------|-------------------|
| | | 2009 € million | 2008 € million |
| Interest income | 5 | 5,987 | 7,488 |
| Interest expense | 5 | (3,646) | (5,103) |
| Net interest income | | 2,341 | 2,385 |
| Banking fee and commission income | | 549 | 760 |
| Banking fee and commission expense | | (131) | (217) |
| Net banking fee and commission income | 6 | 418 | 543 |
| Net insurance income | | 48 | 46 |
| Income from non banking services | 7 | 31 | 29 |
| Dividend income | | 9 | 20 |
| Net trading income/(loss) | | 97 | 172 |
| Gains less losses from investment securities | | 74 | 47 |
| Other operating income | | 23 | 35 |
| | | 282 | 349 |
| Operating income | | 3,041 | 3,277 |
| Operating expenses | 8 | (1,471) | (1,566) |
| Profit from operations before impairment losses on loans and advances | | 1,570 | 1,711 |
| Impairment losses on loans and advances | 19 | (1,177) | (886) |
| Share of results of associates | 24 | 5 | (7) |
| Profit before tax | | 398 | 818 |
| Income tax expense | 10 | (82) | (141) |
| Profit for the year | | 316 | 677 |
| Net profit for the year attributable to minority interest | | 11 | 25 |
| Net profit for the year attributable to shareholders * | | 305 | 652 |
| | | € | € |
| Earnings per share | | | |
| - basic | 12 | 0.41 | 1.18 |
| - diluted | 12 | 0.41 | 1.17 |
| | | € million | € million |
| * Comparable profit for the year excluding: | | | |
| - Special tax contribution | 10 | 57 | - |
| Net profit excluding special tax contribution | | 362 | 652 |
| | | € | € |
| Earnings per share excluding special tax contribution | | | |
| - basic | 12 | 0.51 | 1.18 |
| - diluted | 12 | 0.51 | 1.17 |

Notes on pages 9 to 44 form an integral part of these consolidated financial statements

EFG EUROBANK ERGASIAS S.A.

Consolidated Balance Sheet

| | Note | At 31 December | |
|--|------|-------------------|-------------------|
| | | 2009 € million | 2008 € million |
| ASSETS | | | |
| Cash and balances with central banks | 13 | 3,079 | 4,041 |
| Loans and advances to banks | 15 | 4,784 | 4,613 |
| Financial instruments at fair value through profit or loss | 16 | 868 | 1,012 |
| Derivative financial instruments | 17 | 1,224 | 1,518 |
| Loans and advances to customers | 18 | 55,837 | 55,878 |
| Investment securities | 20 | 15,243 | 12,200 |
| Intangible assets | 22 | 710 | 731 |
| Property, plant and equipment | 23 | 1,252 | 1,231 |
| Other assets | 24 | 1,272 | 978 |
| Total assets | | 84,269 | 82,202 |
| LIABILITIES | | | |
| Due to other banks | 25 | 2,258 | 2,792 |
| Repurchase agreements with banks | 26 | 17,188 | 15,925 |
| Derivative financial instruments | 17 | 2,274 | 3,077 |
| Due to customers | 27 | 46,808 | 45,656 |
| Debt issued and other borrowed funds | 28 | 7,667 | 8,565 |
| Other liabilities | 29 | 1,760 | 1,564 |
| Total liabilities | | 77,955 | 77,579 |
| EQUITY | | | |
| Share capital | 31 | 1,480 | 1,378 |
| Share premium | 31 | 1,441 | 1,100 |
| Other reserves | | 1,377 | 1,109 |
| Ordinary shareholders' equity | | 4,298 | 3,587 |
| Preference shares | 32 | 950 | - |
| Preferred securities | 33 | 791 | 705 |
| Minority interest | | 275 | 331 |
| Total | | 6,314 | 4,623 |
| Total equity and liabilities | | 84,269 | 82,202 |

Notes on pages 9 to 44 form an integral part of these consolidated financial statements

EFG Group

EFG Group

EFG Group is an international banking group, whose operating holding company is European Financial Group EFG (Luxembourg) SA. The Group is organised into two distinct and separate subgroups:

EFG International, which is a global private banking and asset management group headquartered in Zurich, Switzerland and listed on the SIX Swiss exchange, and its direct parent company, EFG Bank European Financial Group SA, a bank based in Geneva.

Eurobank EFG, a pan-European banking group headquartered in Athens, Greece, listed on the Athens Exchange with operations in Greece and in Central, Eastern and South-Eastern Europe, London and Luxembourg.

European Financial Group EFG (Luxembourg) SA

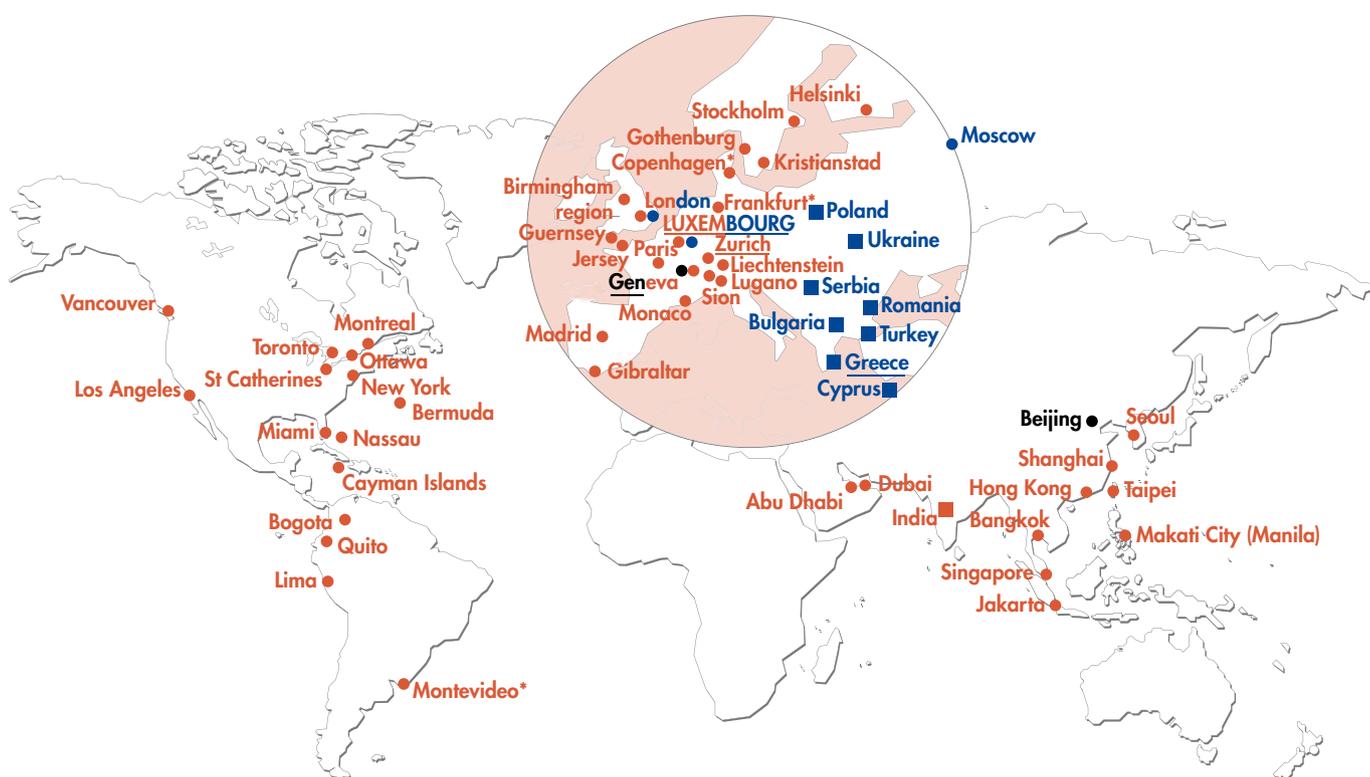
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Eurobank EFG group
EFG International group
EFG Bank European Financial Group SA

* Subject to regulatory approval

country presence □
city presence ○



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