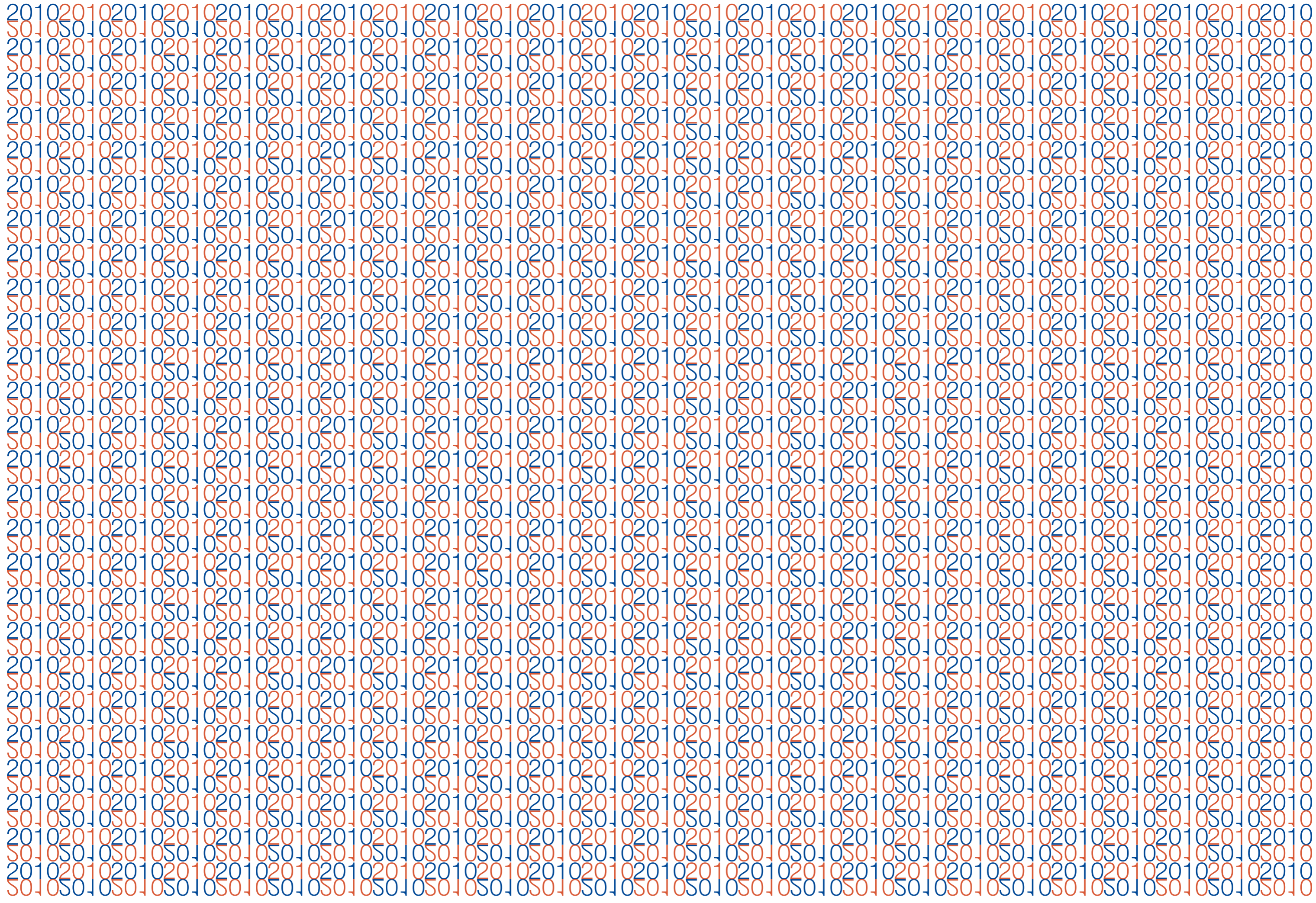


ANNUAL  
REPORT

2010



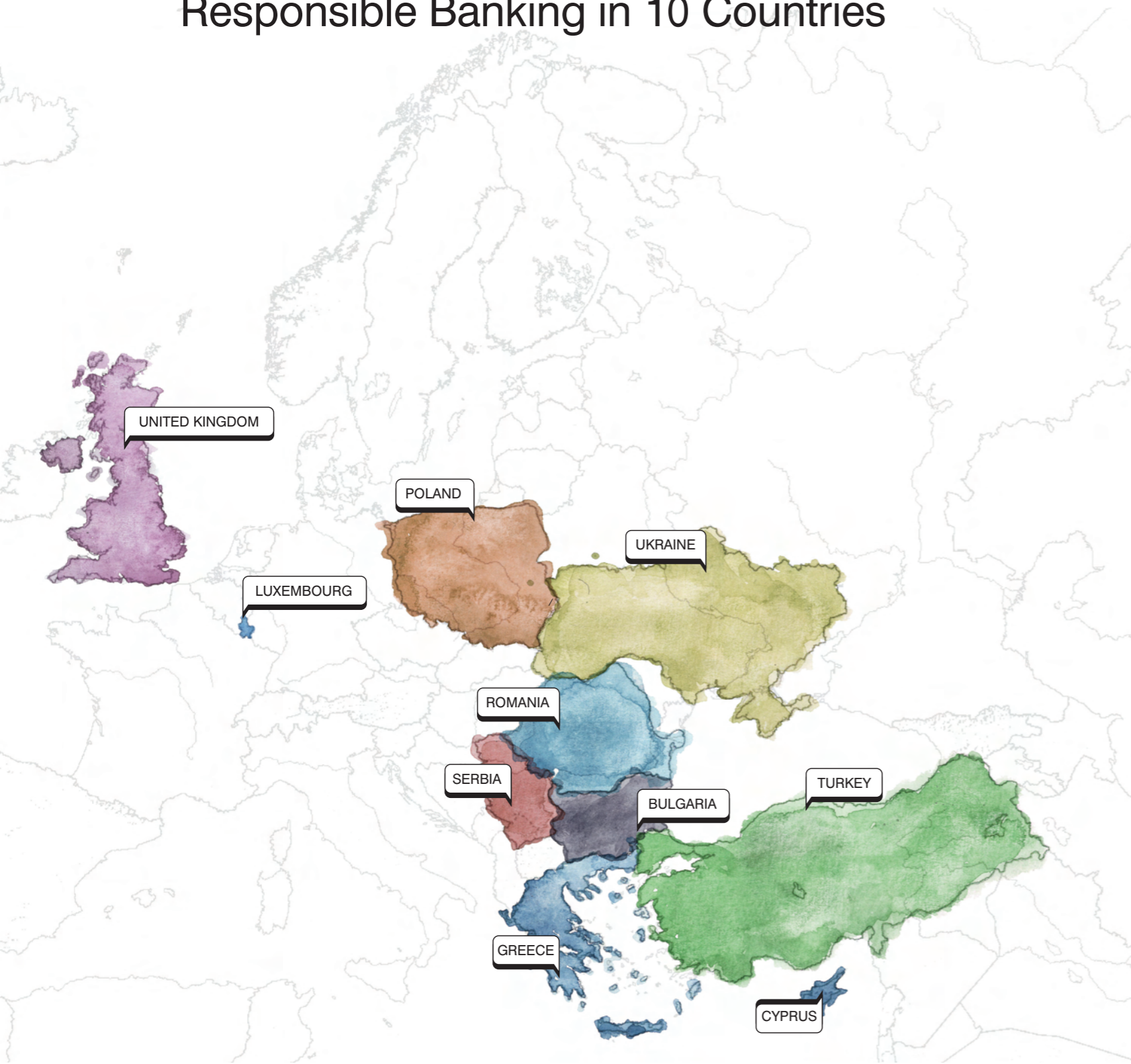


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using timber grown for this purpose.

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# Responsible Banking in 10 Countries



	2010	2009	Δ%	New Europe	
BALANCE SHEET ITEMS	Total Gross Loans	€ 58.5 bn	€ 57.5 bn	1.8%	€ 15.5 bn
	Total Deposits	€ 44.4 bn	€ 46.8 bn	-5.1%	€ 11.4 bn
	Total Assets	€ 87.2 bn	€ 84.3 bn	3.5%	€ 22.3 bn

	2010	2009	Δ%	New Europe	
PROFIT & LOSS ITEMS	Net Interest Income	€ 2,254 m	€ 2,341 m	-3.7%	€ 759 m
	Net Fee & Commission Income	€ 474 m	€ 496 m	-4.4%	€ 179 m
	Total Operating Revenues	€ 2,924 m	€ 3,040 m	-3.8%	€ 977 m
	Total Operating Expenses	€ 1,426 m	€ 1,471 m	-3.0%	€ 597 m
	Pre-provision Profit	€ 1,498 m	€ 1,569 m	-4.5%	€ 380 m
	Impairment Losses	€ 1,362 m	€ 1,177 m	15.7%	€ 359 m
	Net Profit after tax & minorities	€ 68 m	€ 304 m	-77.6%	€ 32 m
	Net profit	€ 113 m <sup>1</sup>	€ 362 m <sup>1</sup>	-68.7%	€ 32 m

	2010	2009	
FINANCIAL RATIOS	Net Interest Margin	2.6%	2.8%
	Cost to Income	48.8%	48.4%
	Non Performing Loans (NPLs)	7.7%	5.2%
	NPLs' Coverage	51.4%	58.6%
	Provisions to avg.net Loans	2.4%	2.1%
	Total Tier I	11.9% <sup>2</sup>	11.2%
	Total Capital Adequacy	13.1% <sup>2</sup>	12.4%
	ROA	0.2% <sup>1</sup>	0.4% <sup>1</sup>
	ROE	-0.8% <sup>1</sup>	6.0% <sup>1</sup>

	2010	2009	
NETWORK AND NUMBER OF EMPLOYEES	Branches and points of sale	1,579	1,634
	Greece	467	493
	New Europe	1,112	1,139
	Luxembourg	1	1
	London	1	1
	Number of Employees	22,717	23,578
	Greece	9,633	10,011
New Europe	13,084	13,567	

<sup>1</sup> before the one-off tax

<sup>2</sup> pro-forma following the Polbank EFG deal and Dias Portfolio Investments merger

#### BANKING

Best Developed Market Bank	<b>Greece</b>	Global Finance Magazine
Most Dynamically Developing Bank	<b>Bulgaria</b>	Pari Daily
Bank of Choice	<b>Bulgaria</b>	Bank of the Year Association
Bank of the year	<b>Serbia</b>	Association of Business Journalists
Most Robust Corporate Banking Service Development	<b>Romania</b>	Greece-Romania Roundtable Business Conference & Awards Gala 2010
Best Loans/Assets Ratio	<b>Romania</b>	“Top Bankers” Gala by Publishing Group Finmedia
Best Bank for Business	<b>Poland</b>	Forbes Magazine
Most Professional Bank	<b>Ukraine</b>	Biznes Newspaper

#### PRIVATE BANKING

Best Private Bank	<b>Greece</b>	World Finance Magazine
Best Local Private Bank	<b>Romania</b>	Euromoney Magazine
Best Private Bank	<b>Cyprus</b>	Euromoney Magazine

#### FOREIGN EXCHANGE

Best Foreign Exchange Provider	<b>Greece</b>	Global Finance Magazine
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#### TRADE FINANCE

Best Trade Finance Provider	<b>Greece</b>	Global Finance Magazine
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#### TRANSACTIONAL SERVICES

Straight - Through Processing Excellence Award	<b>Greece</b>	Deutsche Bank
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#### FACTORING

2 <sup>nd</sup> Rank in Global Factoring	<b>Greece</b>	Factors Chain International (F.C.I.)
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#### SECURITIES SERVICES

Best Sub-Custodian Bank	<b>Greece</b>	Global Finance Magazine
Top Rated Custodian for Domestic, Foreign and Leading Institutional Investors	<b>Greece</b>	Global Custodian Magazine
Top Rated Custodian for Foreign Institutional Investors	<b>Bulgaria</b>	Global Custodian Magazine
Top Rated Custodian for Domestic Institutional Investors	<b>Romania</b>	Global Custodian Magazine
Top Rated Custodian for Foreign Institutional Investors	<b>Cyprus</b>	Global Custodian Magazine

#### EQUITIES BROKERAGE

European Emerging Markets Research – Top Country Analysis	<b>Turkey</b>	Thomson Extel Survey
European Emerging Markets Research – Top 3 Country Analysts	<b>Turkey</b>	Thomson Extel Survey
Leading Pan-European Brokerage Firm, European Emerging Markets – Rank 20	<b>Turkey</b>	Thomson Extel Survey

#### MUTUAL FUNDS

Top Morningstar Rating for the mutual funds “Eurobank EFG I (LF) Equity Emerging Europe” and “Interamerican Money Market Greece”	<b>Greece</b>	Morningstar®
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#### e-Banking

Best Consumer Internet Bank	<b>Greece</b>	Global Finance Magazine
Prize for Pioneering, Longevity and Performance in Romanian Online Banking	<b>Romania</b>	Finmedia, e-Finance Magazine

#### CORPORATE RESPONSIBILITY

European EMAS Award 2010	<b>Greece</b>	Ministry of Environment, Energy and Climate Change
Oikopolis - Science Award, for the Programme “ Throw Away Nothing”, realized in cooperation with SKAI	<b>Greece</b>	ECOCITY (NPO)
Best Corporate Social Responsibility Reputation	<b>Greece</b>	Reputation Management Institute Athens
Best Investor Relations for Institutional Investors	<b>Greece</b>	Greek IR Awards
Best Investor Relations	<b>Greece</b>	Thomson Extel Survey
VIRTUS Main Award for Nationwide Social Contribution	<b>Serbia</b>	Balkan Community Initiatives Fund
GOLD Plaque for Corporate Social Responsibility for the decade 2000 - 2010	<b>Serbia</b>	Serbian Club of Economic Journalists



*Dear shareholders,*

In 2010, the global crisis dramatically exposed the chronic structural and fiscal weaknesses of the Greek economy, leading to the most severe sovereign debt and economic crisis in the country's modern history.

The unprecedented, by European standards, € 110 billion support mechanism, developed with the support of the European Union and the IMF, insulated Greece from the credit markets and provided the Government with the necessary time for the implementation of a far reaching program of fiscal consolidation and structural reforms.

This ambitious fiscal consolidation plan has already led to a significant reduction of the budget deficit in 2010 amounting to over 5% of GDP, notwithstanding numerous implementation difficulties.

The strict and successful implementation of the plan will enable the country to rehabilitate its economy, regain its international credibility and gradually enter a period of sustainable growth.

Fiscal stabilization and structural reform should be also complemented by a comprehensive growth plan, focused on changing the production and development models of the Greek economy. An outward-looking and export-oriented growth model should be established, which will expand the country's productive base and create a business-friendly environment, able to attract investment. In this context, we, at Eurobank EFG, have been undertaking several joint initiatives with all the country's productive forces, developing a comprehensive action plan, which is continually being enriched.

Although Greek banks were only indirectly affected by the global financial crisis, since they were neither involved with toxic products or high-risk investments, nor were highly leveraged, the country's sovereign debt crisis in 2010 has, as expected, impacted Greek banking. In response, the European Central Bank (ECB) significantly enhanced the financing facilities available to the Greek banking system to almost € 95 billion, being in fact, its main source of liquidity. On their part, Greek banks showed remarkable resilience and ability to face the challenges. Capitalizing on the first successful steps of the fiscal stabilization effort, they took initiatives for enhancing their liquidity through other sources, regaining access to international markets. Despite the unfavorable environment, in the last months of 2010, major Greek banks made successful share capital increases demonstrating confidence in the Greek banking system and its ability to perform under stressful conditions.

Against the back drop of such an adverse environment, our Group demonstrated remarkable resilience, adaptability and effectiveness and managed to deal with the unprecedented challenges. We remained focused on the strategic priorities we have timely set since the outbreak of the crisis, namely safeguarding our balance sheet, maintaining high pre-provision earnings, further enhancing our capital adequacy and liquidity, efficiently managing risks and further reducing costs.

In this context, we took a series of strategic initiatives for further enhancing organically our Group's capital position and liquidity, without imposing any burden on our shareholders during this critical period. Our partnership with Raiffeisen Bank International AG in Poland and the absorption of DIAS Portfolio Investments Company in Greece improve the Group's overall capital position by at least 135 basis points, which is equivalent to a share capital increase of approximately € 800 million and increase the Group's liquidity by approximately € 2 billion. Furthermore, they are enhancing 2011 profits by almost € 200 million, while at the same time we maintain a meaningful presence in the attractive Polish market. This development demonstrates the unique qualities of our Organization, which, in less than five years, managed to create a new retail bank, in a fiercely competitive market, securing major shareholder value.

On the issue of liquidity, our Bank demonstrated a very credible performance despite the adverse conditions prevailing in 2010. It should be noted that, at the end of 2010, the loans to deposits ratio improved to 124.3%, pro forma, after accounting for the Polbank EFG transaction, versus 130.4% in the first half of the same year. In parallel, we completed significant transactions with international banking groups for financing Greek Government debt, aiming to gradually reduce our dependence from ECB funds.

As a result, our Group's capital adequacy during 2010 was maintained at satisfactory levels, with the Tier I ratio reaching 11.9%, a very credible performance.

It is noteworthy that, despite the very challenging environment of 2010, our Group remained profitable throughout the entire year, even after the one-off tax contribution. Total net profits stood at € 113 million (or € 68 million after the one-off tax contribution), with Central and Southeastern Europe dynamically recovering and contributing € 32 million to total profitability, against a € 44 million loss in 2009. This reaffirms the soundness of our strategy and commitment to expand in the regional markets and exploit the opportunities they present. It should be noted that 2010 marked the year when most countries in the region exited from a severe recession with a parallel improvement in their economic fundamentals and an alleviation of stress pressures. Governments are also stepping up their fiscal consolidation efforts to promote medium term macroeconomic stability and enhance their access to financial markets. Overall, the outlook for Central and Southeast Europe seems quite promising, justifying after a period of doubt, the investments and resource mobilization of Greek banks in the region.

Despite the rise in the cost of funds and the unfavorable capital market environment, pre provision earnings were maintained at high levels (€ 1.5 billion), shielding to a large extent our Bank against credit and other risks.

Due to the unfavorable economic conditions, our 2010 results were burdened by increased bad debt provisions (€ 1.36 billion). However, after the first half of the year, credit quality indicators were stabilized, as the formation of new loans past due in Greece declined notably compared to early 2010, whereas in Central and Southeastern Europe it fell to pre-crisis levels.

Group operating expenses were reduced by 3% year-on-year, a major achievement, following the 6% decrease in 2009.

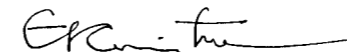
In this uniquely difficult and challenging environment, we remain committed in supporting our clients to face the challenges of our times and to actively contribute to the development of the economies in which we operate.

In 2011, our key strategic and business priorities remain adapted to the new harsher realities. Thus, emphasis will be placed on further enhancing our capital and liquidity position, prudently managing risks and improving the quality of our portfolio, further rationalizing operations and containing costs and, of course, supporting our customers and developing long lasting comprehensive relationships.

The quality and effectiveness of our management and personnel is one of our strongest comparative advantages and key element of our success. Through their daily work, they are meeting all challenges they are confronted with, with unparalleled professionalism and dedication, setting our Group's prospects on sound foundations.

To date, our performance has reaffirmed the soundness of our strategy. We remain involved in the front line of key developments in every country we have a presence, fully committed to supporting our clients and the economies we operate in. Our aim is to secure our Organization's prospects to the benefit of our customers and our employees and most importantly, our shareholders.

Athens, March 22<sup>nd</sup>, 2011



Efthymios N. Christodoulou  
*Chairman of the Board of Directors*



Nicholas C. Nanopoulos  
*Chief Executive Officer*



CHAIRMAN OF THE BOARD OF DIRECTORS  
& MEMBERS OF THE EXECUTIVE COMMITTEE

**Fokionas Ch. Karavias**  
General Manager,  
Global Markets

**Theodore A. Kalantonis**  
General Manager,  
Household Lending

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

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

**Piergiorgio G. Pradelli**  
General Manager,  
International Division

**Evaggelos I. Kavvalos**  
General Manager,  
Small Business Banking

**Michael G. Vlastarakis**  
General Manager,  
Branch Network

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

**Constantinos A. Vouvounis**  
General Manager,  
Global Corporate  
Banking & Markets

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

**Efthymios N. Christodoulou**  
Chairman of the Board of Directors

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

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

**George P. Marinos**  
General Manager,  
Corporate Banking



## CORPORATE GOVERNANCE

### Best, transparent practices

Proper and responsible adherence to corporate governance principles is a main prerequisite for creating value for both the shareholders of the Eurobank EFG group and the societies of all the countries it is operating in, also safeguarding corporate interests. Eurobank EFG has adopted a “Corporate Governance Code”, which describes the corporate governance principles and practices implemented by the Group, and promotes, among others, the efficiency of the operation of its Board of Directors (the Board).

The foremost obligation and duty of the Board members is to strive for the improvement of the Group’s long-term financial position and to safeguard the interests of all stakeholders. The Board comprises 16 members. Moreover, it includes an additional non-executive member, a representative of the Greek state appointed in accordance with law 3723/2008. The term of the members of the current Board, which was appointed by the Annual General Meeting that was held on June 25, 2010, is three years. Therefore, the Annual General Meeting of the year 2013 shall appoint a new Board.

In order to enhance its transparency and functionality, the Board presented the Extraordinary General Meeting that was held on January 10, 2011, with a proposal to add two independent non-executive members to the Board, which was approved. As a result, the Board of Eurobank EFG comprises five executive and 12 non-executive members, four of which are independent. In alignment with best international governance practices, the Bank’s Chairman is a non-executive member of the Board, while the duties of the Chief Executive Officer and the Chairman are separated.

The executive members of the Board handle daily management issues and implement the Group’s strategy, while non-executive members are responsible for promoting and safeguarding all corporate affairs. More specifically, the independent non-executive members of the Board are not allowed to own more than 0.5% of the Bank’s share capital or to have any relation of dependence with the Bank or persons related to the Bank.

The Board is assisted in fulfilling its responsibilities by the Risk Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board evaluates the performance and approves the responsibilities and composition of these Committees.

The composition of the Board and the Committees it has established are presented on the next page.

### Board of Directors & Committees Appointed by the Board

Board of Directors		Audit Committee	Risk Committee	Remuneration Committee	Nomination Committee
Chairman (Non Executive)	Efthymios N. Christodoulou	•	•		
Honorary Chairman (Non Executive)	George C. Gondicas				
Vice Chairman (Non Executive)	Anna Maria Louisa J. Latsis				
Chief Executive Officer	Nicholas C. Nanopoulos		•	•	
Deputy Chief Executive Officer	Byron N. Ballis		•		
Deputy Chief Executive Officer	Michael H. Colakides		Chairman		
Deputy Chief Executive Officer	Nikolaos V. Karamouzis		•		
Management Consultant	Nicholas K. Pavlidis				
Non Executive Directors	Fotios S. Antonatos	•			
	Emmanuel L. Bussetil	Chairman	•	Chairman	•
	Dr. Spiro J. Latsis				
	Dr. Pericles P. Petalas	•	•	•	Chairman
Non Executive Directors Independent Directors	Dr. Panayiotis V. Tridimas	•			•
	Spyros L. Lorenziadis	•	•		
	Athanasios J. Martinos				
	Dimitrios T. Papalexopoulos				
Non Executive Director*	Dimitrios A. Georgoutsos				
Secretary	Paula N. Hadjisotiriou				

\* Non - Executive Director 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.



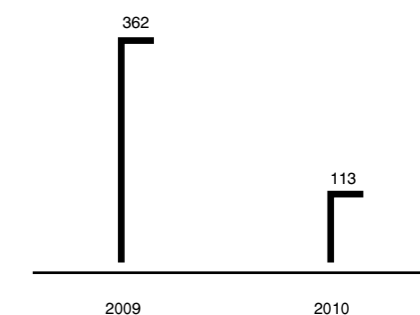
In a recessionary environment for the Greek economy, Eurobank EFG demonstrated remarkable resilience, steadiness and flexibility, traits necessary to cope with the stressful conditions that prevailed in 2010. Despite the difficulties, Eurobank EFG remained profitable for the entire year, even after accounting for the one-off tax charge. Total net income reached € 113 million in 2010 (or € 68 million after the one-off tax), with “New Europe” recovering strongly and contributing € 32 million to the total profitability, against losses of € 44 million in 2009. Furthermore, pre-provision income remained at high levels (€ 1.5 billion), despite the increase in the cost of funding and the adverse capital market conditions, as a result of the containment of operating expenses and business development, mainly outside Greece.

Total assets grew by 3.5% year-on-year and amounted to € 87.2 billion, while Group loans expanded by 1.8% year-on-year and stood at € 58.5 billion in 2010. The effort to shift the portfolio mix towards more secure type of lending continued throughout the year, as loans excluding consumer credit advanced by € 2.4 billion, whereas consumer credit fell by € 1.4 billion.

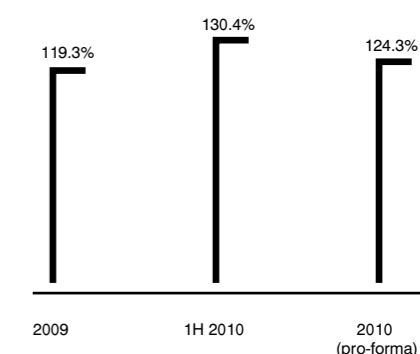
Group liquidity stands at comfortable levels, as customer deposits increased by € 850 million in 4Q10 and reached € 44.4 billion at the end of the year. Furthermore, Eurobank EFG is also undertaking other initiatives to enhance its liquidity position, such as the strategic partnership in Poland which releases liquidity of around € 2 billion. The loans to deposits ratio improved to 126.6% at the end of 2010 (pro-forma 124.3% following the completion of Polbank EFG deal), from 130.4% in the first half of the same year. Customer deposits expanded by € 1.7 billion in “New Europe”, while loans in the region grew by € 0.9 billion, driving the loans to deposits ratio down to 121%\* from 145% in 2009.

\* Pro-forma: following the Polbank EFG deal.

Net Profits  
(excluding one-off tax, € m)



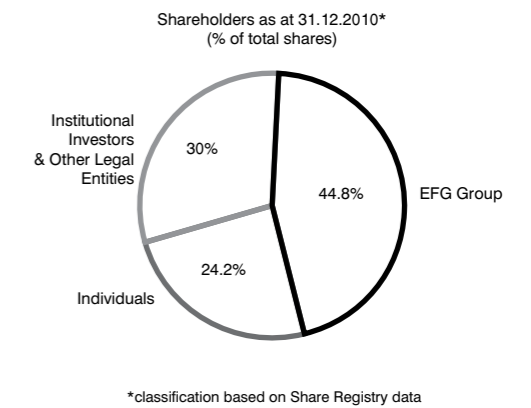
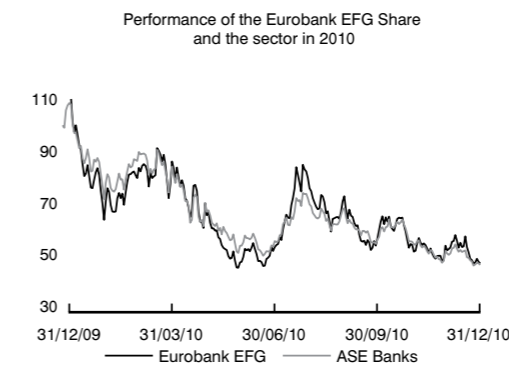
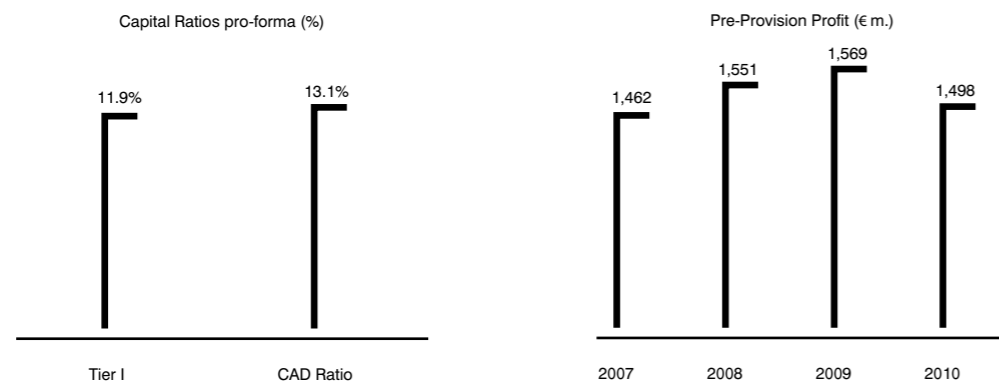
Loans to Deposits (%)



In the current demanding conditions, a primary goal of the Eurobank EFG group is to maintain its robust capital position and to undertake initiatives which will improve capital by organic means. The strategic partnership in Poland and the merger with Dias Portfolio Investment Company enhance our capital position by at least 135bps, which is equivalent to a share capital increase of € 800 million. Thus, on a pro-forma basis, the Tier I ratio increased to 11.9% and total CAD stood at 13.1% at the end of 2010. The Group undertakes other initiatives as well, which are expected to boost capital organically within 2011.

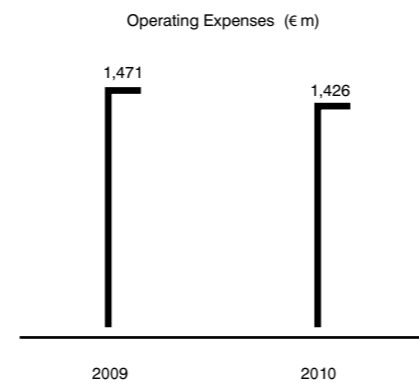
Bad debt provisions reached € 1.36 billion, corresponding to 2.43% of the average net loans, and remained flat the last three quarters of 2010. Non performing loans account for 7.7% of gross loans. The formation of new loans past due decreased during the last two quarters of 2010.

Despite the adverse environment and the negative market conditions, the Group remained profitable throughout the year, adapting to the new circumstances and benefiting from its ability to contain costs along with the improving conditions and rising profitability in “New Europe”.



Lower revenues in the domestic market affected Group total operating income, which declined by 3.8% year-on-year to € 2,924 million in 2010, from € 3,040 million in 2009. However, it is noted that total income remains of high quality, as more than 90% stems from interest and fees. Cost containment efforts were successful, as operating expenses receded by 3% year-on-year in 2010 or 9% in the last two years. The cost to income ratio was 48.8%.

Pre-provision income remained at around € 1.5 billion, despite the increase in the cost of funding and the adverse capital market conditions.





## RETAIL BANKING

Always committed to stand by its customers in a responsible manner, Eurobank EFG helped its retail clientele weather the adverse economic conditions that prevailed during 2010. Loan demand remained feeble. Mortgage loan growth in Greece and New Europe was affected by the prolonged slowdown in construction activity and the hesitancy of households towards property acquisitions. Moreover, demand for consumer credit remained limited, while individual entrepreneurs were in urgent need of liquidity. Despite reduced demand for loans, the Group continued to finance retail customers in 2010, with € 1.8 billion in new mortgage loans and more than € 2 billion in new loans to Small Businesses. The total Retail Lending portfolio stood at € 35 billion at year-end. In addition, the Group offered alternative solutions and special facilities designed to help customers facing severe problems repay their debts. Overall, 50,000 households and 15,000 Small Businesses and Professionals benefited from all types of loan restructuring products in the past two years.

### Savings / Pension programs: Security for more than 100,000 new customers in Greece

In 2010, Greece introduced drastic changes in pensions and social security benefits, which hit a large part of the population. In response to this challenge, Eurobank EFG designed new bancassurance products, which provided more than 100,000 customers with security for their families, also enhancing their pensions and the amounts set aside for their children's education. Moreover, the new innovative **"Always Young"** program enables all customers who keep pension accounts with Eurobank EFG to enjoy special privileges in regard to savings, pricing and health services. In regard to health, special products were designed for covering the needs of niche groups, such as the **"Life & Health for Women"** program. Similar initiatives were taken by the Group in the countries of New Europe, such as the **"Senior Activ"** program series for pensioners in Romania and the **"MediFree®"** program for employees in Serbia.

### Consumer Lending: Expanding customer relations

The Group's total consumer loan and credit card balances stood at € 8.9 billion at the end of 2010. In Greece, the Group pursued a conservative consumer lending policy, promoting high value and low risk products, such as the "Personal Loan" and the new "Overdraft Facility" for payroll account holders. In credit cards, Eurobank EFG focused on enhancing customer loyalty in Greece, co-operating with new important retailers in relation to the **"Epistrophi"** reward program and upgrading the services and privileges offered by Eurobank's co-branded credit cards.

Consumer lending growth also slowed down in the countries of New Europe, through the selective extension of loans on the basis of strict personalized criteria. The Group improved the quality of services offered through its associated merchants' network and renewed its exclusive agreement with "American Express" in Romania and Bulgaria.

### New mortgage loans of € 1.8 billion – Emphasis on security and “green” homes

Mortgage loans increased by € 1.8 billion in 2010, to € 17.1 billion, as the Group preserved or even increased its market shares in all the countries it is operating in. Responding to the households' need for stability and security, Eurobank EFG created the **“Housing Loan of the Decade”** program in Greece, which combines a fixed interest rate for ten years with mortgage repayment protection in case of job loss, and offered the **“Sigur Acasa”** and **“Flexi Home”** programs in Romania and Bulgaria respectively. In addition, the **“Green Home Loan”** established Eurobank EFG as a pioneer in lending for the installation of household photovoltaic systems, as well as for the improvement of the Greek homes' energy efficiency, capturing a large share of the domestic market. In New Europe, mortgage loans were prudently extended, since the main concern was to support customers facing financial difficulties, through the restructuring of existing loans.

### Full Support to Small Businesses and Professionals

Eurobank EFG continued to support Small Businesses and professionals, with loans that reached € 9 billion on a consolidated basis. In Greece, new loans exceeded € 2 billion, mainly comprising new facilities, financing through lines of credit and cheques.

The Group was a leader in securing funds for Small Businesses, by undertaking the assessment of more than 8,500 investment plans as part of the National Strategic Reference Framework (NSRF), and also continued its cooperation with the European Investment Bank, securing low-interest loans. Moreover, focused on promoting Green Growth, Eurobank EFG developed a special program for financing the purchase and installation of Photovoltaic Systems.

Apart from providing liquidity, the Group also improved the electronic transactions environment available to professionals. The promotion of e-banking services led to a 25% increase in the number of customer-users that benefit from lower fees. In Greece, Eurobank EFG created a new composite instrument that comprises applications for performing all business-banking transactions at potentially zero cost. This instrument, named **“Professional Account”**, was created for ensuring compliance with the law on the mandatory payment of business obligations that came into force in the country in early 2011.

The change of the tax regime was a major concern for Greek Small Businesses during 2010. In order to ensure the best possible acquaintance of its customers with the new tax legislation, the Bank organized 21 briefing events all over the country, in cooperation with the Hellenic Federation of Self-employed Tax Consultants (POFEE).

In New Europe, the Group focused on the selective extension of loans, achieving a small increase in its lending portfolio. Moreover, it promoted flexible solutions for Small Businesses, such as the **“Dynamics Plus”** low-cost transaction program offered in Bulgaria and the **“PRIMA”** savings account in Serbia. The improvement of customized services was a priority in all countries and led to the nomination of Polbank EFG as **“Best Bank for Small Businesses”** in Poland for a second year in a row.

### Better, faster transactions for all retail customers

In 2010, the Eurobank EFG group broke new ground in transactions, providing its Greek customers with a complete set of e-banking services under a single “umbrella”, named **“Live Banking”**.

Live-Banking means a real-time connection to a new era of services and products. **“Live Banking”** connects customers with all the Bank's alternative Networks, such as the e-banking, m-banking (banking transactions via mobile phones), Europhone Banking and ATM networks. Customers can open new Live deposit accounts over the Internet, get Live information about their account or credit card balances and execute real-time transactions from their computer screen or mobile phone, enjoying a unique banking experience, where access to all banking transactions 24 hours a day, 7 days a week, is just a click away.

In addition, customers gain access to unique innovative services, such as sms and e-mail alerts, immediately obtaining updates on account and credit card activity, as well as 24-hour support by Bank representatives via free-of-charge calls and Live chat.

## CORPORATE BANKING

The Group intensified its efforts both on the institutional level, and on the level of corporate banking services, to provide its corporate clients with the necessary capital and liquidity in the tough environment that prevailed during 2010. Overall, the consolidated corporate loan book stood at € 23.5 billion, increased by 3.4% year-on-year, while new loans amounted to € 2.2 billion only in Greece. Offering tangible support to its corporate clients, Eurobank EFG restructured loans worth a total of € 800 million, ensuring, at the same time, the improvement of the existing portfolio's quality.

### Extroversion: towards a new growth era in Greece

The Group's main priority during the year was to promote the extroversion of Greek businesses. In this context, Eurobank EFG financed selected sectors, such as Exports, Tourism and Green Energy, closely cooperating with business associations that consistently support economic extroversion, private investment, innovation and the establishment of a modern and productive economy.

The “**Extroversion**” initiative promoted new growth vehicles, such as the “**Greece innovates**” Applied Research and Innovation Competition ([www.kainotomeis.gr](http://www.kainotomeis.gr)), that was organized in cooperation with the Hellenic Federation of Enterprises (SEV). The competition, which attracted more than 300 participations, aims at promoting applied research products, as well as innovative products and services, which help improve everyday life, ensure sustainable growth and enhance the economy's extroversion. The Group also sponsored a study carried out by the Association of Greek Tourism Enterprises (SETE), titled “**Greek Tourism 2020: Proposal for a new development model**”. Moreover, the Group streamlined and upgraded the portal of the Pan-Hellenic Exporters Association and also, organized conventions and one-day conferences on economic extroversion and investment, in close co-operation with business associations in Greece.]

### Financing to more than 2,000 companies through international partnerships

On the international level, the Group mobilized more than € 1 billion in lending facilities and guarantees by the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), to provide additional financing to Small and Medium Sized Enterprises and Large Corporates in Greece, Romania, Bulgaria, Serbia and Turkey. This program benefited more than 1,500 enterprises in Greece and 500 abroad.

### Liquidity of € 2.4 billion to the region through Syndicated Loans & Corporate Bonds

In 2010, Eurobank EFG co-arranged 16 syndicated loan and bond issues, with a total value of approximately € 2.4 billion. In Greece, the most important issues were those of the Hellenic Railways Organization (€ 635 million), Vivartia Group (€ 525 million), Hellenic Petroleum Finance Plc (€ 350 million), Elpedison Power (€ 360 million) and J&P AVAX SA (€ 265 million). Outside Greece, the most important syndicated loans co-arranged by Eurobank EFG were those to Turkey's Koç Holding (\$ 120 million and € 211 million) and Romania's O.M.V Petrom (€ 300 million).

### Strong presence in Project Finance in Greece and Romania

In December 2010, the Group concluded its first long-term financing agreement concerning a power station in Greece (HERON II), as the Financial Advisor and Arranger of the Loan. **HERON II** is a major energy infrastructure project, financed with a € 203 million long-term loan, co-funded by the European Investment Bank. Moreover, in the field of structured real estate project financing deals, Eurobank EFG co-arranged a € 80 million financing deal for the **City Gate** office building in Bucharest, Romania.

### Large Corporates: Promoting exports, supporting tourism

In 2010, the Group took targeted initiatives for supporting a portfolio of 200 large business groups in Greece, as well as similar clients in New Europe. It promoted exports through innovative products (pre-export, export financing, forfeiting), refinanced the loans of hotel enterprises and, in co-operation with the Association of Greek Tourism Enterprises (SETE), provided substantial support to Hotel Tourism. In order to comprehensively cover the large clients' complex needs for services and products, Eurobank EFG provided business advice, promoted structured financing and hedging products and offered integrated transaction banking and treasury solutions. Moreover, it dynamically safeguarded the quality of its portfolio, through restructurings and by limiting unsecured loans.

### Medium Sized Enterprises: uninterrupted financing, support to sound businesses

With a complete and dedicated network of 126 Business Centers in Greece and New Europe, the Group has been uninterruptedly providing Medium-Sized Enterprises with the necessary loans. Such financing was mainly based on properly pricing credit risks, also taking into account increases in the cost of money. In addition, the Group selectively restructured loans, in order to secure funding, and actively supported fundamentally sound businesses that are nevertheless affected by the crisis.

## Responsible Shipping Finance

The year 2010 saw major decreases in freight rates and vessel values, irrespective of size. The growth of the world fleet and the remarkable resilience of both the dry bulk and wet cargo markets that were recorded early in the year, were not sustained. Nonetheless, Eurobank EFG marginally expanded its loan portfolio, also securing its high quality with no need for provisions. The Group stands by the side of its shipping clients, supporting their wish to exploit investment opportunities in the shipping market and assisting their effort to cope with the challenges of our times.

## Leasing: flexible solutions – investments in new technology and green energy

In 2010, the experience and know-how of EFG Leasing, the leader in Greek leasing, with a market share of 20% for the past ten years, was combined with increased flexibility. EFG Leasing focused on finding solutions to its clients' liquidity problems by introducing more favorable repayment schedules, in a year when both the operating car lease and business-investment property markets shrank. The company also offered leasing products at favorable terms, also financing investments in green energy generation and new advanced technologies. Investments in equipment and machinery increased their relative share in the formation of financed volumes as compared to real estate financing. Leasing operations in Bulgaria, Romania, Serbia, Turkey and Poland concentrated on the selective financing of companies from all sectors.

## Factoring: 2<sup>nd</sup> in the world

Eurobank EFG Factors was ranked second in International Factoring worldwide (FCI Annual Meeting, Vienna, June 2010), following the first place it captured in 2009. This major international distinction was based on the evaluation of the company's quality of service, annual turnover, efficient management and employee experience. In Greece, the Group's success in factoring was mainly based on the creation of innovative financing tools, such as the **"Reverse Factoring"** for covering domestic sales requirements, as well as the development of synergies and products that boost the export activities of Greek businesses. Innovative instruments are also developed in the wider region. In 2010, factoring operations were extended beyond Greece, Bulgaria and Turkey, to Romania and Serbia.

## Faster, better quality, cost-competitive transactions for all companies

In Greece, the improvement of technical infrastructure, in conjunction with the use of alternative networks, such as e-banking, offers faster and better quality service in regard to corporate client transactions. The corporate clients' preference for these advanced and competitively priced transaction banking services, led to the increase of the Group's share in this market. A similar model for upgrading transaction banking services was implemented in New Europe, with the medium-term aim of providing clients with comprehensive support, emphasizing on export-oriented companies in the 8 countries where the Group has been offering such services.

## WEALTH MANAGEMENT

### Mutual Funds: Wide choice - double-digit returns

Eurobank EFG offered protection and substantial returns to investors that entrusted their capital to the EFG Mutual Fund Management Company. The company achieved the best return for the year among 303 mutual funds under management by Greek Management Firms, with **"Eurobank EFG (LF) Equity – TURKISH EQUITY \$"** (+37.9%). **"Eurobank EFG (LF) Money Market – INCOME PLUS \$"** was ranked first in euro terms in the foreign money market fund category (+9.4%). **"Eurobank EFG I (LF) Fund of Funds – BRIC"** (+23.3%) was ranked second among equity Funds of Funds, while **"Eurobank EFG I (LF) Fund of Funds - Balanced Blend"** (+10.2%) was ranked third among mixed Funds of Funds.

EFG MFMC offered substantial protection to investors who chose to invest in Greek equities, through the dynamic management of the **"Eurobank EFG I (LF) Equity-FLEXI STYLE GREECE"** fund, which was ranked first among domestic equity funds, outperforming by almost 22% the ASE/FTSE 20 index of the Athens Exchange, which lost 41.1%.

Overall, Eurobank EFG MFMC remained the leader of the Greek mutual fund market, with a market share of 24.1% and assets amounting to € 1.9 billion at the end of 2010. It also improved its position abroad, by doubling the respective funds to almost € 60 million. In Poland, the successful issue of the **"Polbank (LF) Special Purpose - 9% Equity Formula PLN"** fund was repeated, while the assets of the mutual funds sold in Bulgaria were doubled. Operations in Romania are also showing good prospects following the installation of a new mutual fund platform.

### Consistent Bancassurance quality - Increased solvency and strength

In Greece, the Group is offering modern products and services in all Life Insurance and General Insurance sectors through EFG Eurolife Insurance, which is ranked third in the market in terms of insurance business and first in terms of profits. EFG Eurolife Insurance comprises EFG Eurolife Life Insurance and EFG Eurolife General Insurance. At the end of 2010, the companies exceeded the regulatory solvency margins by 139% and 295% respectively. These ratios, among the highest in the domestic insurance market, reflect the financial strength and solvency of these two insurance companies. Insurance products are sold at Eurobank EFG branches and more than 500 associated insurance networks all over Greece. The Group is also active in the Romanian market, showing satisfactory growth rates.

Moreover, Eurobank EFG is a major player in the Greek insurance brokerage market through EFG Insurance Services SA, which offers insurance solutions and consultation to corporate and private clients.



## Reliable Institutional Fund Management

In institutional fund management, the Group is distinguished for the provision of reliable and prudent advisory services through Eurobank EFG Asset Management. In 2010, the company sustained its clients' loyalty and attracted new ones, mainly from the utilities' sector, in the face of a rather unfavorable environment. In the field of insurance organization reserve management, the company continued, for a ninth consecutive year, to be responsible for the active management of the stock portfolio held by the Hellenic Telecommunications Organization Employee Fund, producing rather high relative returns. Moreover, the company managed for an 8<sup>th</sup> year in a row the **Mixed Domestic Mutual Fund of the Insurance Organizations' Mutual Fund Management Company**, the largest mutual fund of this type in Greece. Eurobank EFG Asset Management is one of the two external managers of this fund.

Outside Greece, the company was selected among 9 candidates as the manager for the domestic equities portfolio of the **Pensions & Benefits Fund of the Electricity Authority of Cyprus** and among another five candidates as the manager for the global equities portfolio of the **Cyprus Airways Employees' Provident Fund**. Eurobank EFG Asset Management also signed agreements for the management of global equity and mixed portfolios of two more provident funds, as well as an insurance company.

Eurobank EFG Asset Management had a major contribution to the discretionary management of Group Private Banking client portfolios, through the active selection of international mutual funds. Moreover, the company captured the first place in terms of performance in the field of Undertakings for Collective Investment on Securities (UCITS), securing positive returns for DIAS Portfolio Investments SA against a backdrop of strongly negative returns in the Athens Exchange.

## Differentiated choices for Private Banking clients

In Greece, the high deposit rates offered to Private Banking clients throughout the year rendered investments in risk markets relatively less attractive. Moreover, as the prices of all Greek securities plunged, while most types of international investments yielded positive returns, many Private Banking clients with portfolios primarily invested in the domestic market saw their options dwindle.

In order to differentiate the risks borne by clients under these circumstances, the Group, being the leader of the Greek market, developed new solutions. Investment products, whose underlying assets are based in international markets, were promoted. The Third Party Funds platform was further expanded through the substantial increase of invested funds and the addition of two more managers. Moreover, the synergies with subsidiary banks in Cyprus and Luxembourg were exploited. Discretionary Asset Management portfolios were redesigned, providing clients with the international expertise of the Group and the security-picking skills of the world's top managers. The supremacy of Eurobank EFG's Private Banking services was recognized by the **"Best Private Bank"** in Greece award by the World Finance magazine, as well as the **"Best Private Bank in Cyprus"** and **"Best Local Private Bank"** in Romania by the Euromoney magazine.

## GLOBAL MARKETS

### Securing liquidity by attracting deposits and gaining access to the interbank market

Eurobank EFG sustained high levels of liquidity throughout the entire year. Despite the decrease of deposits in the Greek banking system, the Group showed a net inflow of deposits in Greece during the third and fourth quarters of 2010 and attracted substantial new deposits in the countries of Southeastern Europe. In addition, Eurobank EFG revived the interbank repo market on Greek government bonds, for the first time since the fiscal crisis and Greece's inclusion in the rescue package of the IMF and the European Union, through a series of transactions performed during the third quarter - when conditions had temporarily improved.

Almost the entire bond portfolio of the Group, which is not linked to any Greek risks, continues being financed in the markets under competitive terms. A major achievement was the use of two new covered bond programs, by means of which the Group made issues amounting to € 3.75 billion.

### International distinction in FX trading

Eurobank EFG was named **"Best Foreign Exchange Bank"** in Greece for a third consecutive year by the Global Finance magazine. The Group's subsidiaries in Southeastern Europe utilized their competitive advantage to capture large market shares in the foreign exchange and bonds markets, where operations were not substantially affected by the Greek crisis. The Bank remains focused on its strategic objective of being a leader in regional markets. The infrastructure and procedures it has developed, as well as the expertise of its personnel, enable the Bank to remain competitive in the face of the problems caused by the Greek fiscal crisis.

### Hedging financial risks for corporate clients: Regional Corporate Client Risk Management Center

Apart from the centralized management of the Group's financial risks, all risk-related issues that may concern clients under the current circumstances, such as the management of interest rate and currency risks, commodity prices etc., are also centrally covered by Eurobank EFG through the **Regional Corporate Client Risk Management Center**. The Center offers solutions for the management of financial risks emanating either from the companies' balance sheet structure or their presence and operation abroad.

## INVESTMENT BANKING

**Eurobank EFG Equities: Market leadership for the Group's new investment banking and trading arm**

In 2010, the merger between the Group's subsidiaries, Eurobank EFG Securities and Eurobank EFG Telesis Finance, led to the creation of Eurobank EFG Equities. This merger utilizes synergies, especially in regard to corporate client services, further enabling the new company to focus more efficiently on enhancing its presence in Southeastern Europe.

Eurobank EFG Equities is the market leader in trading and investment banking operations in Greece. The Group is also actively involved in brokerage operations in Turkey, having won the **"Top Country Analysis"** and **"Top Country Analyst"** awards for 2010, in the European Emerging Markets research category of the Thomson Extel annual survey.

Being a pioneer in equity brokerage in Greece, Eurobank EFG Equities upgraded **eurobanktrader.gr**, its internet trading tool for Greek and foreign equities, which is available to more than 6,000 clients. **eurobanktrader.gr** enables clients to obtain information and execute transactions in real time, as well as to manage their portfolios themselves, covering 99% of International Market Capitalization.

In Investment Banking, despite the drop in both Equity Capital Market and Merger & Acquisition transaction volumes, Eurobank EFG Equities acted as a financial advisor in most of the transactions that took place. A case in point is the provision of advice to T Bank (formerly known as Aspis Bank) regarding its strategic equity partnership with Hellenic Postbank SA.

## OTHER ACTIVITIES

**Securities Services: Reliability, consistency and international distinction**

Despite the unfavorable economic environment, the Group became a General Clearing Member of the Athens Exchange. Thanks to its long-standing experience and know-how in the provision of securities services, the Group has been honored with many international distinctions.

In the Greek market, the Group received the **"Top Rated Custodian for Domestic, Foreign and Leading Institutional Investors"** classification from the annual custodian services review of the internationally renowned Global Custodian magazine for a fifth consecutive year. In a similar review, Global Finance named Eurobank EFG the **"Best Sub-Custodian Bank in Greece"**. Similar progress was made abroad, as Bancpost and Postbank received, for the first time, the Global Custodian's **"Top Rated Custodian for Foreign and Domestic Institutional Investors"** classification in Romania and Bulgaria. In the same review, Eurobank EFG Cyprus was named **"Top Rated Custodian for Foreign Institutional Investors"** for a second year in a row.

**Payment Services: Specialization and recognition**

The Group developed many new products covering various client needs for payment services. Recognizing the high quality of these services, Deutsche Bank presented Eurobank EFG with the **"Straight-Through Processing (STP) Excellence Award"** for the Bank's international payment services in dollars and euros.

**Payroll Services: New, loyal customers**

The Eurobank EFG Group began to offer payroll services 10 years ago, through its Eurobank Business Services subsidiary, and has captured a large share of the Greek market. In 2010, the company attracted new customers for its Salary Domiciliation Program, capitalizing on new regulations that allow employees to have their salaries deposited in the bank of their choice. Moreover, corporate e-banking services were expanded through the use of a new web-based payroll calculation tool. It is also worth noting that a recent survey showed that the customer loyalty rate of the Salary Domiciliation Program increased by 20% within a year. High preference and satisfaction rates were also observed in regard to payroll administration services.

### e-Banking services: On-line connection with a new era

In the past 10 years, Eurobank EFG has been heavily investing in state-of-the-art technology and the provision of electronic services to its customers. As a result, the Bank offers its customers a complete 24-hour banking experience, featuring numerous transaction applications in a perfectly secure environment.

The introduction of **“Live Banking”** in Greece was a novelty for the year 2010. This new “umbrella” of e-banking services links customers with all Eurobank EFG alternative networks, enabling them to obtain information about their accounts, perform transactions and set up sms and e-mail alerts. Moreover, customers can open “Live” savings accounts over the internet, enjoying preferential interest rates and low or even zero transaction fees.

The success of e-banking is daily demonstrated through a 94% user satisfaction rate, as well as by the major awards it has been receiving for the past few years. For example, Eurobank EFG was named **“Best Consumer Internet Bank”** in Greece, for a sixth year, by the internationally acclaimed Global Finance magazine.

In the wider region, the Group has been making equally significant investments in the development of e-banking, with the aim of upgrading services and preventing fraud. It is worth noting that Romania’s Bancpost received the **“Performance & Innovation in Online Banking”** award by the e-Finance magazine.

In e-procurement services, the Group’s Greek subsidiary, Business Exchanges (“be”), exploited the favorable circumstances prevailing both, within the Group and in the market. In 2010, the General Secretariat for Commerce and the Health Procurements Committee selected “be” for the organization of on-line tenders. As far as the supply chain for businesses and organizations is concerned, the company introduced e-invoice processing, which works in combination with e-procurement services. Moreover, in order to ensure the quality of the services it renders, the company was certified in accordance with the ISO 9001 standard. “be” is expanding its operations, adding foreign subsidiary banks (Eurobank Tekfen, Universal Bank, Eurobank EFG Cyprus), as well as their suppliers, to its customer base.

### Real Estate: Steady presence in Investment Real Estate - new high quality services

Eurobank Properties, the Group’s real estate subsidiary, continued investing during 2010 and remains the largest Real Estate Investment Company in Greece, with a high-quality portfolio and a solid presence in Greece and Eastern Europe. The Net Asset Value of the company, which is listed in the Athens Exchange, stood at € 700 million or € 11.49 per share, as compared to € 11.94 in 2009. The fair value of investments in real estate stood at € 639 million. Despite the tough economic conditions, Eurobank Properties increased its operating profits by 9% (excluding fixed asset revaluation and other non-recurring income). The reduction of the appraisal value of the company’s properties, owing to the conditions that prevailed in the commercial real estate market of Southeastern Europe during 2010, the one-off tax contribution, the settlement of building violation, as well as the conclusion of a pending court case, led to the reduction of the company’s annual net profits to € 8 million.

Furthermore, the Group controls a large share of the real estate services market through Eurobank Property Services, which operates in Greece, Romania, Bulgaria, Serbia, Poland and the Ukraine. In 2010 the company offered new services, such as the settlement of building violations, the evaluation of Green Growth investments, rent renegotiations and more.

The Eurobank EFG group is one of the key players in the banking sector of the countries of Southeastern and Central Europe in which it operates. In the past few years the Group has become one of the leaders in the banking markets of Bulgaria, Romania, Serbia, Poland, Turkey, Ukraine and Cyprus, with total loans of € 15.5 billion, 1,112 branches, 89 business centers, 9 Leasing and Factoring companies and 7 Treasury units throughout the region. The provision of full support to the households and dynamic enterprises of these countries is a top priority for the Eurobank EFG group, consolidating its systemic role in developments throughout this region. Moreover, the Group capitalizes on the long-standing experience, specialization and knowledge of its people, as well as its own strength and international presence, to contribute, through its initiatives, in breaking new ground and creating new prospects for entrepreneurship and private enterprise, and bringing the business communities of the SE European countries closer to each other. Finally, the prospects of these countries in regard to GDP growth in 2011, raise expectations for the further expansion of financial operations. Both loans and deposits are expected to increase as compared to 2010, positively affecting profitability prospects.

In 2010, the Group's operations in Central and Southeastern Europe (New Europe) returned to profitability, recording net profits of € 32 million, as compared to a € 44 million loss in the previous year. Fourth-quarter profits stood at €13 million, almost double than those of the previous quarter. The stabilization of macroeconomic conditions and prospects in these countries, as well as the targeted growth decisions made by Eurobank EFG, allowed the further development of the Group's corporate and retail banking operations, along with the exploitation of opportunities in the domestic and international markets for the self-funding of Group's international activities. Total revenues stood at € 977 million, accounting for 33% of the Group's total revenues, while expenses fell by 1.2%, to € 597 million. Thus, pre provision earnings rose by 3.9% in 2010, to € 380 million. Moreover, the improvement of the economic climate in the wider region contributed to the reduction of loan impairment allowances by 20.7% to € 359 million, positively affecting net results. The recovery of the region's economies led to the resumption of credit growth, and an even larger increase in deposits. The Group's loans rose to € 15.5 billion, increased by 6.5% year-on-year, while deposits increased by 17.7% year-on-year, reaching € 11.4 billion at the end of 2010.

The Group continued to provide institutional support to the economies of the wider region, through its participation in the "Vienna Initiative", which has set up working groups to examine specific issues of systemic importance, such as the faster absorption of funds from various sources and the strengthening of local currencies through their increased use in lending operations.

Moreover, Eurobank EFG concluded two major deals with the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), in order to channel, through its subsidiary banks in Romania, Bulgaria and Serbia, total loans of more than € 300 million to Small and Medium-Sized Enterprises in the region. These agreements emanate from Eurobank EFG's strategic decision to exploit any opportunities presented worldwide for supporting the region's economies and businesses.

Finally, the Group formed a strategic partnership with Austria's Raiffeisen banking group in Poland, where the operations of these two groups fully complement each other. According to the terms of the transaction, Raiffeisen will acquire 70% of Polbank EFG and the operations of the latter will be merged with those of Raiffeisen in Poland. The merger between the two banks will produce the fourth largest Polish bank in terms of loans, with a network of more than 400 branches and a complete range of products offered to more than 1 million retail customers and businesses, in which Eurobank EFG will be holding a 13% stake. This strategic partnership will enhance the Group's capital adequacy by at least 125 basis points and will boost its liquidity by almost € 2 billion.

## Poland



Poland's economy expanded in 2010, as GDP rose by 4.4% in the fourth quarter of the year, while growth is expected to accelerate in 2011. In such an environment, Polbank EFG improved its position, increasing its customer base by 150,000, to 800,000. Deposits increased by 23% year-on-year, bringing the relevant market share to 2.1%. In the difficult lending market, the bank sustained its 3% market share. The bank's brand awareness rose to 11% of the public.

Polbank EFG was distinguished in many fields, both by the public and by the market, being named the **"Best Bank for Business"** in Poland for 2010 by the Forbes magazine, along with various distinctions for its consumer and savings programs.

In July 2010, Polbank EFG entered a new development stage, as the Group announced the incorporation of Polbank EFG, a branch business, as a separate bank with a full Polish banking license. Moreover, the Group announced that it examined the possibility of collaborating with a partner, in order to accelerate the significant growth plans of Polbank EFG.

In February 2011, Eurobank EFG agreed to form a partnership with Raiffeisen Bank International AG ("RBI"), regarding the two banks' Polish operations. According to the structure of the transaction, RBI will acquire 70% of Polbank EFG for € 490 million cash consideration, following the incorporation of Eurobank EFG's branch network as a separate bank with a full Polish banking license. Eurobank EFG and RBI will transfer their respective shareholdings in Polbank EFG (Eurobank EFG 30% and RBI 70%) to Raiffeisen Bank Polska S.A. ("RBPL") in exchange for new shares in RBPL. The transaction is expected to close in the fourth quarter of 2011, following the completion of the incorporation of Polbank EFG as a bank and the subsequent customary regulatory change of control approvals.

## Cyprus



In its third year of operation, Eurobank EFG Cyprus, which focuses on Wholesale Banking, has already been recognized by the Cypriot banking system for its Corporate Banking, International Business Banking, Private Banking and Wealth Management services. Despite the global economic crisis, which also affected the country's economy, Eurobank EFG Cyprus showed rapid growth rates in 2010: deposits increased by 44% year-on-year, to € 2.3 billion, while loans increased by 37% to € 830 million. Funds under management stood at € 328 million, increased by 35%.

At the same time, the bank extended its network, opening two new branches in Pafos and Nicosia, and enhanced its human resources, with the aim of further improving its services.

Eurobank EFG Cyprus was named **"Best Private Bank"** in Cyprus by the international Euromoney magazine, and "Top Rated Custodian for Foreign Institutional Investors" by the Global Custodian magazine, in recognition of its commitment to provide high quality services.

## Bulgaria



Although the year 2010 imposed a great strain on Bulgaria's economy, the banking system remained stable and growth was reinstated. Postbank sustained its profitability, pursuing a strategy based on the targeted segmentation of customers, and the promotion of corporate banking and transaction banking operations.

The bank was very successful in attracting deposits, especially from retail customers, since total balances increased by 7% to € 2.0 billion, as compared to 2009. As a result, Postbank was ranked second in local currency-denominated retail deposits, and fourth in terms of total deposits. Corporate deposits continued to grow steadily, especially during the fourth quarter, despite the crisis. Moreover, the bank, in cooperation with international financial institutions, secured liquidity of more than € 75 million, with the aim of providing loans to the real economy.

Postbank financed promising projects, sustaining its strong position in business financing and leasing. In order to support SMEs the bank offered new lending, as well as factoring and trade finance, products, consolidating its position in this market. Moreover, Postbank offered solutions for assisting customers that face financial difficulties, with appropriate loan restructurings, according to case.

In Retail Banking, the bank remained the market leader both in mortgage lending, and in consumer lending and credit cards. New innovative products were designed and dynamically marketed, such as the **"Flexi"** loans, the virtual credit card, the **"Dynamica"** service packages for Small Enterprises and the new **"Renta"** savings account for retail customers.

Postbank sustained its pre provision earnings at € 81 million, by pursuing an effective pricing policy and promoting commission-generating operations. Strict cost control led to a 52.6% cost/income ratio, one of the lowest in the country.

Portfolio quality was safeguarded through dynamic risk management. The systems for monitoring and controlling loans past due were improved, with positive results. In addition, the bank acted as an advisor, helping its customers reassess their loans and restructure them in the best possible manner.

Thanks to its growth, Postbank was recognized as the “Most Dynamically Growing Bank” in Bulgaria by the *Pari Daily* newspaper and as the “**Bank of Choice**” by the Bank of the Year Association, while it was also named “Top Rated Custodian for Foreign and Domestic Institutional Investors” by the *Global Custodian* magazine.

## Romania



During another tough year for the Romanian economy, Bancpost responded to challenges in order to minimize the effects of the crisis on both its customers and operations. It also supported its customers and the economy, with the aim of creating new growth prospects.

In order to boost the liquidity of businesses, and the economy as a whole, the bank expanded its cooperation with domestic and international organizations. More specifically, Bancpost signed a € 95 million deal with the EBRD and a € 60 million deal with the IFC, for financing small and medium-sized enterprises. In addition, Bancpost was selected as the only issuer of the IFC Global Trade Finance Program in the Romanian banking market, thus providing its clients with the option to enjoy IFC guarantees. Bancpost also contributed to the substantial improvement of the absorption rate for EU funds in the fields of agriculture and rural development, having signed a memorandum of understanding with the competent Ministry and the Rural Credit Guarantee Fund.

The bank fostered its relations with the business community and its business clients, organizing events all over the country in order to inform them about economic developments and their impact on various sectors, and update them on the most suitable financial solutions. Moreover, in 2010 Bancpost introduced its factoring services, which include, among others, the collection of receivables and financing without extra collateral.

Bancpost improved its efficiency, as it achieved a cost reduction of 21% during the past two-years. In addition, the bank upgraded its risk management systems.

The bank's progress was recognized by numerous distinctions in various fields. More specifically, in 2010 Bancpost was named “**Best Local Private Bank**” by the *Euromoney* magazine and “**Top Rated Custodian for Foreign and Domestic Institutional Investors**” by the *Global Custodian* magazine. Bancpost also received the “Most Robust Corporate Banking Service Development” award by the *Business Arena* magazine, the “Prize for Pioneering, Longevity and Performance in Romanian Online Banking” by the *e-Finance* magazine and the “Best Loans/Assets Ratio” award by the *Finmedia* publishing group. Also, the Chairman of the Board of Directors, Mr. Mihai Bogza was named “Banker of the Year” by the *Business Arena* magazine.

## Serbia



Since its establishment in 2003, Eurobank EFG Serbia has grown faster than any other major bank in the country, and became a bank of systemic importance, with more than 800,000 customers and a network of 125 branches and Business Centers.

Despite economic challenges, at the end of 2010 Eurobank EFG remained a leader in many sectors. The bank is among the top-three of the market in terms of retail and business lending, and is the fourth largest in terms of retail deposits. It is worth noting that the bank controls 6.9% of the country's total deposits; this percentage is well above the bank's share in the total number of branches, reflecting the trust of Serbian customers. The bank is also a market maker in regard to treasury operations, and is providing the country's largest companies with corporate banking services.

Lending increased by 11% year-on-year, mainly due to the growth of corporate banking. The bank participated in the EIB's APEX SME financing program, and financed the Nuclear Waste project in Vinca, lending \$ 25 million to the Ministry of Sciences and Technology. Moreover, Eurobank EFG is among a consortium of banks that have extended a € 250 million loan to the Serbian state. In addition, the bank signed deals with the EBRD and the IFC, for SME financing of approximately € 100 million.

In 2010, the bank introduced new products and services, such as the “**MediFree**” health program that offers free medical services at affiliated clinics, branch-based Personal Banking services, the new **e-statement** service for credit card holders, the new “**Veliko Srce**” credit card, a new savings program for children, factoring and interest rate risk hedging products for corporate clients etc.

Moreover, Eurobank EFG was one of the first banks to offer fixed rate consumer loans in local currency (RSD), providing customers with stability and protection from exchange rate fluctuations. The program was rather successful, accounting for 80% of new consumer loans.

In 2010, Eurobank EFG Serbia received the rather honorary “Best from Serbia” award for the provision of financial services. The award is given by the Ministry of Commerce and Services, the Serbian Chamber of Commerce and the Privredni Pregled financial review. In addition, Eurobank EFG was named “Bank of the Year” by the Association of Business Journalists.

## Turkey



The target of Eurobank Tekfen is to accelerate its growth in Small Business, Corporate and Private Banking, expanding its branch network and enhancing its presence in e-banking. Twelve new branches opened in 2010, bringing the total to 54 branches. The bank entered the retail banking market by introducing the relevant services in 42 of its branches.

In 2010, the bank adopted a new IT infrastructure. This investment has already started contributing to its growth, as the new systems streamlined procedures, improved the development of new products such as cash management products, and enabled the development of new electronic networks such as the phone banking service and the POS. The new infrastructure also upgraded e-banking services, as well as ATM functionality, improving customer experience. As a result, there was a surge in electronic transactions.

Treasury and wealth management operations were rather successful in 2010. Eurobank Tekfen was ranked 6th in the fixed income securities market, in terms of transaction volume. Moreover, the bank and EFG Istanbul Securities offered two new mutual funds in 2010, with the aim of expanding their wealth management operations. EFG Istanbul Securities received awards for the quality of its analysis and services in three categories of the Thomson Extel survey: “**European Emerging Markets – Top Country analysis (Turkey)**”, “European Emerging Markets – Top Country Analyst (Turkey)” and “European Emerging Markets – 20<sup>th</sup> Place in Europe”.

## Ukraine



Despite adversities, political and economic stability returned to the country in 2010, enabling Universal Bank to grow. The overall recovery and stabilization of the national currency had a positive effect on the banking system. Universal Bank sustained its strong capital base, which places it among the country's 25 largest banks, according to the Central Bank of the Ukraine. The bank's image was enhanced. Universal Bank is rather appealing to high-end clients, with excellent growth prospects in this segment.

The bank's greatest achievement was its effective management of the crisis. A large part of loans past due has been recovered, and credit risk management has been improved. As a result, the NPL ratio of new loans is zero. The bank also reorganized its branches in order to facilitate the growth of corporate banking operations.

The professionalism of its people and the quality of its services led to the recognition of Universal Bank by important organizations in 2010. Universal Bank was named “Most Professional Bank of the Year” by the Bizness newspaper, and was ranked second among 50 banks in terms of financial stability by the Kontrakty business weekly magazine. Moreover, the bank's CEO, Mr. Miltiadis Papanikolaou was second in the list of “Top-10 Best Performing Banking Executives” compiled by the “Expert-Rating” rating agency as part of the “2010 Best Financiers” survey. In April 2010, **the bank's “uaAA” rating**, the highest possible rating given by the national credit rating agency, was reaffirmed.

## Western Europe



The Group is operating in the United Kingdom, with one branch in London. The London branch offers services to companies operating worldwide, especially in countries of Central and SE Europe, as well as to clients that require banking services in different countries. In Luxembourg, the Group has established a major presence in wealth management through its subsidiary Eurobank EFG Private Bank Luxembourg S.A. The bank offers investment advice to businesses and private clients, and securities services to institutional clients.



The Eurobank EFG group has built the concept of corporate responsibility into its operations since its very inception in 1990. The development of the Group has been fully based on the priorities it has set in regard to corporate responsibility: the satisfaction of its millions of customers, the development of its people on all hierarchical levels, as well as the support of the local communities it operates in.

In one of the most crucial years for the Greek and European economy and society, the Eurobank EFG group continued to provide effective support to its business and retail customers. Both in Greece and in the other countries of Central and Southeastern Europe, where the Group has established a presence, flexible policies were adopted for managing the customers' debts, helping them weather this tough period.

Especially concerning the Greek economy, Eurobank EFG was involved in a series of initiatives designed to enhance economic extroversion, promoting in various ways a new growth model for the country.

The Organization's initiatives in regard to its human resources were focused, once again, on effectively attracting, developing and retaining its people, the Group's main growth driver.

Moreover, in the previous year the Group enhanced its corporate governance structures, widening the implementation of international standards and further improving the sound management practices implemented in all the countries it operates in.

Despite the adversities of the year 2010, Eurobank EFG sustained and in certain cases strengthened its long-standing social contribution initiatives in the field of Education, Culture, Environmental Protection and Charity.

Finally, the Organization's main concern is always to attend to the needs of its stakeholders, which include its customers, its shareholders, its employees, the regulatory bodies and the productive forces, with the aim of enhancing an on-going dialogue and effectively responding to their needs.

The contribution of the Eurobank EFG group to the Economy, the Environment and the Society is illustrated in the following Social Product table for 2010.

*More information on the Corporate Responsibility policy and the initiatives at Eurobank EFG is available at [www.eurobank.gr](http://www.eurobank.gr)*



## SOCIAL PRODUCT

<b>Group's Contribution on Social Product for 2010</b>		<b>€ m</b>
Turnover		6,134
Interest Expense and Commission Expense		-3,190
VAT on Company's added value		17
Impairment Losses		-1,362
<b>Social Product</b>		<b>1,598</b>
<b>The Social Product and its Distribution</b>		<b>€ m</b>
<b>I. Personnel</b>		
Gross Salaries		564
Employer Contributions on Social Security Organizations		109
Medical, Pension and Other Benefits		45
Employer and Employees Contribution on Social Security Organizations		-189
Gross Salaries Employees Tax Contribution		-94
		<b>435</b>
<b>II. Suppliers of goods and other services</b>		<b>626</b>
<b>III. Donations / Sponsorships</b>		<b>9</b>
<b>IV. Greek Government and Public Institutions</b>		
Income Tax, Other Taxes and Other Contributions		114
Value Added Tax		17
Deposits & Investment Guarantee Fund		30
Employer and Employees Contribution on Social Security Organizations		189
Gross Salaries Employees Tax Contribution		94
		<b>445</b>
<b>V. Shareholders</b>		
Non Distributable Profits / Reserves		84
<b>Social Product</b>		<b>1,598</b>

## CUSTOMERS

Eurobank EFG managed customer relations more flexibly and transparently than in the past, in order to help its customers cope with these difficult circumstances, and take another step towards growth. Recognizing the difficulties of the financial environment, the Group offered innovative products and solutions for its customers' specific needs. Moreover, Eurobank EFG continued to offer special programs designed to help customers facing considerable problems repay their debts. Tens of thousands of customers have joined such tailor-made programs since early 2009.

Apart from conventional banking relations, Eurobank EFG offered information and knowledge on crucial issues regarding the Greek and international economy, enabling customers to make useful wealth-management decisions. Branch Network customers were given the opportunity to talk with the Group's Management during the "EFG Days" that were held all over Greece. Small Businesses were informed in detail about the most important Tax Law amendments that affect their operation during one-day conferences held throughout the country in cooperation with the Hellenic Federation of Self-employed Tax Consultants. For entrepreneurs and institutional clients, the Group organized numerous conferences in Greece and abroad, under the auspices of the "Eurobank Forum" where the prospects, challenges, opportunities and risks related to the Greek and international economy, as well as the banking system, were presented. The conferences featured distinguished keynote speakers, such as Harvard Professor Kenneth Rogoff, the economist Nouriel Roubini, the President of the European Investment Bank Philippe Maystadt, the President of the Massachusetts Institute of Technology (MIT), Dr. Susan Hockfield, as well as Greek Ministers and Deputy Ministers.

In order to upgrade services, Eurobank EFG implemented actions such as the improvement of the systems that give branches a complete picture of the customers, and the provision of innovative e-services based on cutting-edge technology through [livebanking.gr](http://livebanking.gr).

The quality of customer service throughout the entire Group is safeguarded in accordance with best international practices by the Group Client Relations Office, which in 2010 took both corrective and preventive action in regard to customer complaints. The "customer's voice" is heard with genuine interest and understanding and customers are treated fairly, properly and honestly. The main aim is to preserve the customers' trust and ensure the continuation and development of the mutually beneficial character of the customer-Bank relationship. Moreover, the Group is collaborating with all the relevant agencies established by the State, in order to contribute as best as possible to customer satisfaction and the improvement of the services rendered.

## SUPPLIERS

The Eurobank EFG group pursues a uniform supplier selection policy, based on strategic synergies, with the aim of maintaining mutually beneficial relations. The procedure for selecting and evaluating suppliers is governed by full transparency at all stages, as well as by objective criteria, such as value-for-money, consistent delivery and previous successful cooperation. Moreover, the Group tries to ensure full respect to human rights, without any discrimination, as well as the consistent implementation of environmental practices, aiming at continually reducing its “energy footprint”.

Recognizing the need to support the local economies, in 2010 Eurobank EFG preferred to cooperate with local suppliers in selected categories of goods and services, always on a meritocracy basis. The Group received the National **EMAS Award 2010** for a second consecutive year in the large enterprises category and is implementing systems certified in accordance with the ISO 9001, ISO 14001 and ISO 27001 international standards.

## HUMAN RESOURCES

The Eurobank EFG group is a large and modern banking organization, which responds efficiently to the market conditions and challenges, always respecting the particular features and culture of local societies. This is to a great extent feasible thanks to the contribution of the Group’s employees, whose constant effort, knowledge, efficiency, adaptability, consistence, skill and professionalism enable them to cope with a rapidly changing environment.

All human resources policies and initiatives aim at effectively attracting, developing and retaining personnel. Moreover, the Human Resources General Division has been providing the Group’s employees with full services, also offering assistance for the design, organization and operation of the subsidiaries’ Human Resources Departments in Greece and the countries of New Europe.

## Employment

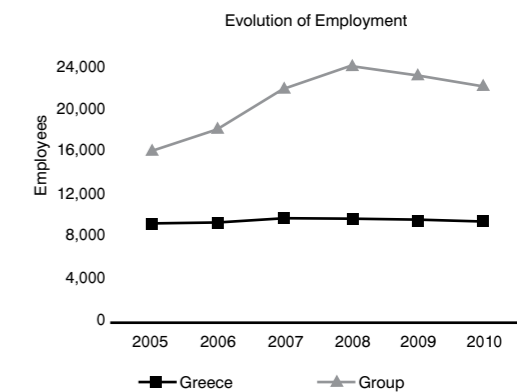
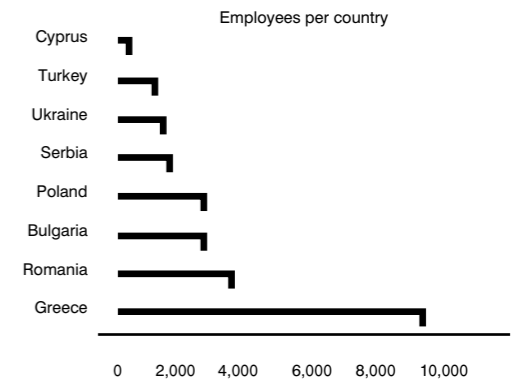
By the end of 2010, the Group employed a total of 22,717 people, of which 58% in New Europe and 42% in Greece. Almost 84% of the employees are less than 45 years old, against an average age of 36 years. Women working with the Group account for 65% of the workforce, as compared to 35% for men; in Greece, women accounted for 54% of the total. This ratio bears excellent proof of the **equal opportunities policy** implemented by the Eurobank EFG group.

## Recruitment

The selection process is considered to be the starting point of a long-lasting and mutually beneficial partnership between the employee and the Group. Placing 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, which are implemented by all subsidiaries in Greece and abroad. These criteria are applied in written assessments, structured interviews, psychometric methods, Assessment Centers and modern methods.

In 2010, emphasis was placed on utilizing human resources through the internal job market. 50% of job vacancies created in the Group were internally covered through transfers among various Bank units and Group subsidiaries; this percentage stood at 72% in the Bank.

91% of new hires were tertiary education graduates, while 48% were holders of postgraduate degrees or PhDs. Moreover, the Group continued to offer internship programs, which were attended by 328 undergraduates and seniors from universities and polytechnics.



## Employee Development & Training

The Group views professional development as a continuous effort that requires constant preparedness and attention and is imbedded into everyday work. The **Professional Development Framework** promotes all efforts to direct our people towards areas that are more suitable for developing their potential and fulfilling their personal and professional goals. Moreover, Training is used to continuously upgrade the Group's people's knowledge and skills, ensuring their successful response to current demands.

Major development opportunities are offered, such as job enrichment, participation in projects, coaching and transfer to other roles, duties and/or business units, while employees are encouraged to get involved with the Internal Job Market.

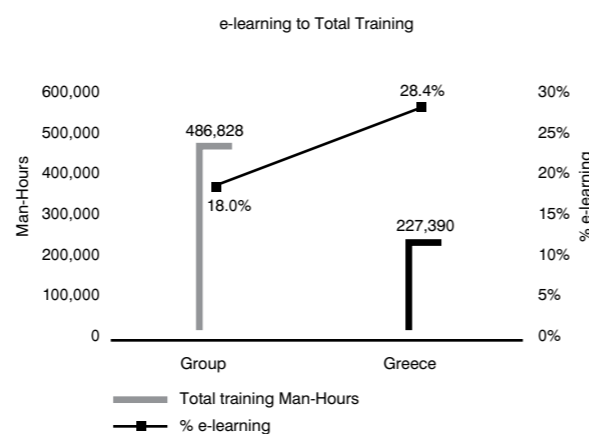
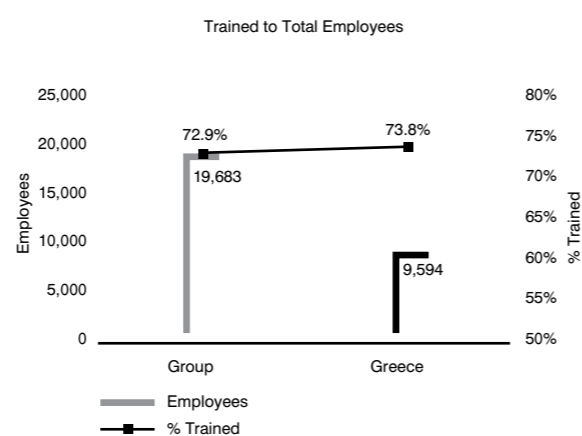
The following targeted Employee Development programs were implemented during 2010:

- Professional Development Applications, aiming at the creation of Personal Development Plans
- Management Team and Employee Development programs, which include 360° Feedback, Coaching and the creation of Personal Development Plans
- Mentoring programs

The aim of offering targeted training is pursued through the creation of **learning plans per position**. This is a detailed map of all training programs that are matched with each job position according to the experience, knowledge and skills required by the job.

Moreover, emphasis is placed on the development of leadership and managerial skills through training programs offered in cooperation with established educational organizations (Athens University of Economics and Business, ALBA, Harvard Business Publishing, INSEAD etc.) Many of these programs are available through **e-learning** applications, offering flexibility to employees.

In order to provide all employees with direct and effective information about the available training programs and upgrade the competencies and skills gained by attending these programs, the Group created a new Intranet Site dedicated to Training.



Aiming at the further development of the preferred skills and qualities, as well as rewarding top performance, each employee is annually evaluated by means of the **Performance Appraisal System**, which takes into account his or her position, responsibilities and tasks.

## Remuneration and Benefits Policy

The remuneration and benefits policy and systems have been developed with the aim of attracting, hiring and retaining the Group's personnel, always adhering to the principles of market competitiveness, internal balance, meritocracy and "**performance based reward**".

In Greece, the Group is providing both its employees and their families, with a series of significant benefits. These include insurance plans covering the fields of Health, Life and Pension, as well as programs aimed at further supporting employee families through benefits/allowances. All the above, along with other information about the Group and its human resources programs/policies, are included in the "**Navigator**", the new e-guide that has been posted on the Bank's Intranet Site.

## Internal Communication

Eurobank EFG believes that internal communication is a strategic priority, the basis for providing all employees with direct and useful information about major issues pertaining to the Group, such as developments, strategy and growth, services, products and initiatives. It also helps strengthen the corporate philosophy and further enhances team spirit.

The Internal Communication program is based on three pillars:

- Business communication (videos, corporate publication, information bulletins etc).
- Employee rewards and distinctions
- Social events for the employees and their families

## Health & Safety

As part of its social and preventive health policies, the Group has been realizing a series of actions in Greece and abroad: operation of medical centers, checkups, a special insurance plan for employees with disabilities, Blood Bank, implementation of a Health & Safety Management System.

## HR4U

The Human Resources General Division is providing a complete help desk service, called HR4U.

## OUR CONTRIBUTION TO SOCIETY

### Education

In 2010, the Eurobank EFG group continued its long-standing tradition of supporting Education.

In Greece, the **“Great Moment for Education”** program was implemented for the 8<sup>th</sup> year running, awarding prizes to 1,282 top performing High School graduates and raising the total number of award-winners to 9,411. The program covers all high school graduates from 1,700 public and private, daily and night, schools all over the country.

In Bulgaria, Postbank implemented the **“High Start with Postbank”** program for a 6<sup>th</sup> year; this program is addressed to 8<sup>th</sup>-grade pupils from the country’s High Schools. 50 pupils received awards in 2010, raising the total number of award-winners to 766. In Serbia, Eurobank EFG awarded the top students of the country’s state universities for a fifth year. Until today, the bank has awarded prizes to 1,350 youths. Moreover, Romania’s Bancpost supported for a second year the **“Choose! It’s Your Right”** competition, which was organized with the participation of the country’s Ministry for Education, Research, Youth and Sports.

Eurobank EFG supported once again a series of programs offered by the Foundation of the Hellenic World. The most important programs sponsored by the Group are the “Is there an answer to everything? A journey to the world of Ancient Greek Mathematics” exhibition and the Foundation’s Sunday educational programs for children aged 5-12.

### Culture

In the field of Culture, the year 2010 saw the end of a 17-year-long cooperation between the Group and the “Kamerata – Orchestra of the Friends of Music” of the Athens Concert Hall. From 1994 to 2010, this cooperation evolved into a creative and productive relationship, with the orchestra enjoying the appreciation of the public. Moreover, the Kamerata’s contribution to Greek culture is also remarkable for the educational work it has been generously offering to children.

By the end of 2010, 50,000 pupils from 250 elementary and high schools of Attica had attended the **“Kamerata Goes to School”** program.

The cultural contribution of Eurobank EFG in Greece takes on new form since 2011, through the sponsorship of the collaboration between the Athens Concert Hall and Teatro Alla Scala-Milan.

In Serbia, Eurobank EFG has been sponsoring **“Atelje 212”**, one of the country’s most important theatrical organizations, as part of its policy of supporting and promoting local cultural initiatives.

### Sports

In 2010, the Eurobank EFG group and the Hellenic Basketball Federation announced the renewal of their collaboration until 2014. This partnership, which started in 2001 and concerns the support of all National Basketball Teams, is the longest running sponsorship deal in Greek sports.

### Charities

Despite the adverse economic situation, in 2010 the Eurobank EFG group sponsored a large number of non-profit organizations and foundations, active on child health-related issues. In Greece, the “PNOE – Friends of Children’s Intensive Care”, “MDA Hellas”, “Hamogelo tou Paidiou” (The Smile of a Child), “Paidiki Stegi” (Children’s Home), “Arogi” Social Care Society, “Larissa Society of Parents and Friends of Autistics” and other charitable associations were supported in their effort to continue their hard and socially crucial work.

In Bulgaria, Postbank sponsored the **“Cross Safely with Postbank”** national pedestrian safety campaign, as well as various volunteer activities. In Romania, Bancpost donated equipment to a major local hospital and educational materials to Universities and libraries.

In Serbia, Eurobank EFG, in cooperation with the **“Ana and Vlade Divac”** Foundation, issued the **“Big Heart”** credit card, in order to raise funds for the restoration of day care centers throughout the country.

## CARE FOR THE ENVIRONMENT



Eurobank EFG has adopted an Environmental Policy, whose implementation is based on an ISO 14001 compliant Environmental Management System. Moreover, it has aligned its methods with the EMAS Regulation through its official listing in the European Commission's Register, and is an active member of the United Nations Environment Program Finance Initiative (UNEP-FI).

The Group aims at gradually extending the implementation of its Environmental Policy, successful programs and relevant procedures to its Greek and foreign subsidiaries.

### Environmental performance and programs

Eurobank EFG seeks to continually improve its **"ecological footprint"**, as part of a detailed mechanism for analyzing the flows of materials within the organization, which includes **"green" procurement**, the use of materials and the disposal of waste. Actually, in 2010 the Bank was distinguished for the second time for its environmental performance, by winning the **National EMAS 2010 Award** in the "Resource Efficiency" category.

### Green Procurement Policy

The Group's Procurement Policy includes environmental regulations that promote sound environmental conduct among suppliers and ensure, whenever possible, the selection of environment-friendly products.

### Environmental Risk

Given the increasing weight attached to environmental issues by the society, legislators and international agencies, as well as the implementation of the "polluter pays" principle on the European level, the Group works on expanding the scope of its environmental risk assessment and management system, in order to deal with such risks in a timely fashion, always in cooperation with its clients.

### Green Products

The Bank has developed "green" banking products, which have a positive impact on the environment. Products such as the **WWF Eurobank Visa** and the **"Green" Home Loans** for the installation of household photovoltaic systems and the improvement of the Greek homes' energy efficiency are supported by specialized financing programs.

Moreover, Eurobank Equity Partners, the Group's subsidiary, has developed and has been promoting a major investment product which, among others, supports dynamic companies of the Green Growth sector.

### Environmental Training

The Bank has been implementing an innovative environmental e-learning program, while the Bank's intranet includes a microsite on environmental issues.

### Corporate Responsibility Programs and Actions

In 2010, the Eurobank EFG group, in cooperation with WWF Hellas, completed a major three-year project for the publication of **"Ten Guides for the Environment"**. These 10 guides (available at [www.eurobank.gr](http://www.eurobank.gr)) are addressing an equal number of environmental issues and include essential, reliable scientific information, presented in a simple and comprehensible manner, along with examples of good and bad practice.

The Guides' appeal is evident in the fact that 9,500 copies of the "Forest Protection and Forest Fire-fighting" guide were distributed to volunteer and professional fire-fighters by the Training Sector of the Fire Department. The "Legal Guide", the very first collection of all Greek environmental laws in one manual, was distributed to 1,070 Citizen Service Centers (KEP).

In June 2010, the Eurobank EFG group and the Scouts of Greece cleaned up 750,000 square meters of suburban forests, groves and parks in 24 municipalities of the Attica region.

In October, Eurobank EFG and SKAI TV organized a second information campaign on the recycling and reuse of materials, under the title **"Give meaning to trash - nothing goes wasted"**. The program was implemented at 18 locations in Attica and other Greek prefectures, while the quantity of waste electrical and electronic equipment that was gathered exceeded 200 tons.

The first recycling campaign organized by Eurobank EFG and SKAI TV won the "Ecopolis 2010" award.

In Bulgaria, Postbank has developed concerted action on environmental protection issues. Since 2008, it has been implementing a program for the preservation of lake Pancharevo, in the outskirts of Sofia, titled **"Crystal Purity of Pancharevo Lake"**. Since 2009, the bank has been implementing another initiative, titled **"Green Start with Postbank"**, which aims at promoting energy efficiency and paper recycling and enhancing the environmental awareness of the Organization's employees and customers.

*We are interested in your opinion: you can make your comments to the Corporate Communication Sector, by dialing +30 210 3337427 or via mail at: [corporate\\_communication@eurobank.gr](mailto:corporate_communication@eurobank.gr)*



EFG EUROBANK ERGASIAS S.A.

## SELECTED REPORTING DATA

FOR THE YEAR ENDED  
31 DECEMBER 2010

The full Annual Financial Report is available  
on the Group's official site [www.eurobank.gr](http://www.eurobank.gr)

8 Othonos Street, Athens 105 57, Greece  
Tel.: (+30) 210 333 7000  
[www.eurobank.gr](http://www.eurobank.gr)  
Company Registration No: 6068/06/B/86/07

EFG EUROBANK ERGASIAS S.A.

Consolidated Income Statement

	Note	Year ended 31 December	
		2010 € million	2009 € million
Interest income	5	5,317	5,987
Interest expense	5	(3,063)	(3,646)
<b>Net interest income</b>		<b>2,254</b>	<b>2,341</b>
Banking fee and commission income		546	549
Banking fee and commission expense		(142)	(131)
<b>Net banking fee and commission income</b>	6	<b>404</b>	<b>418</b>
Net insurance income		37	48
Income from non banking services	7	33	31
Dividend income		7	9
Net trading income	8	79	97
Gains less losses from investment securities	8	87	74
Other operating income		23	23
		<b>266</b>	<b>282</b>
<b>Operating income</b>		<b>2,924</b>	<b>3,041</b>
Operating expenses	9	(1,426)	(1,471)
<b>Profit from operations before impairment losses on loans and advances</b>		<b>1,498</b>	<b>1,570</b>
Impairment losses on loans and advances	20	(1,362)	(1,177)
Share of results of associates	25	(0)	5
<b>Profit before tax</b>		<b>136</b>	<b>398</b>
Income tax expense	11	(52)	(82)
<b>Net profit for the year</b>		<b>84</b>	<b>316</b>
Net profit for the year attributable to non controlling interest		16	11
<b>Net profit for the year attributable to shareholders*</b>		<b>68</b>	<b>305</b>
<b>* Comparable profit for the year excluding</b>			
- Special tax contribution	11	45	57
<b>Net profit for the year excluding special tax contribution</b>		<b>113</b>	<b>362</b>
		<b>€</b>	<b>€</b>
<b>Earnings per share</b>			
-Basic and diluted earnings/(losses) per share	13	(0.15)	0.74
-Basic and diluted earnings/(losses) per share excluding preferred securities' gains/(losses)	13	(0.15)	0.41
<b>Earnings per share excluding special tax contribution</b>			
-Basic and diluted earnings/(losses) per share	13	(0.06)	0.85
-Basic and diluted earnings/(losses) per share excluding preferred securities' gains/(losses)	13	(0.06)	0.51

EFG EUROBANK ERGASIAS S.A.

Consolidated Balance Sheet

	Note	At 31 December	
		2010 € million	2009 € million
<b>ASSETS</b>			
Cash and balances with central banks	14	3,606	3,079
Loans and advances to banks	16	5,159	4,784
Financial instruments at fair value through profit or loss	17	638	868
Derivative financial instruments	18	1,440	1,224
Loans and advances to customers	19	56,268	55,837
Investment securities	21	16,563	15,243
Property, plant and equipment	23	1,237	1,252
Intangible assets	24	734	710
Other assets	25	1,543	1,272
<b>Total assets</b>		<b>87,188</b>	<b>84,269</b>
<b>LIABILITIES</b>			
Due to other banks	26	1,144	2,258
Repurchase agreements with banks	27	25,480	17,188
Derivative financial instruments	18	2,681	2,274
Due to customers	28	44,435	46,808
Debt issued and other borrowed funds	29	5,389	7,667
Other liabilities	30	1,965	1,760
<b>Total liabilities</b>		<b>81,094</b>	<b>77,955</b>
<b>EQUITY</b>			
Ordinary share capital	32	1,478	1,480
Share premium	32	1,440	1,441
Other reserves		1,113	1,377
<b>Ordinary shareholders' equity</b>		<b>4,031</b>	<b>4,298</b>
Preference shares	33	950	950
Preferred securities	34	791	791
Non controlling interest		322	275
<b>Total</b>		<b>6,094</b>	<b>6,314</b>
<b>Total equity and liabilities</b>		<b>87,188</b>	<b>84,269</b>

## 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, each having its own board of directors, management, business, geographical scope and sub-consolidated regulatory supervision:

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

Eurobank EFG, a pan-European universal banking group based in Athens, 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) S.A.

5, rue Jean-Monnet  
L-2180 Luxembourg  
[www.efggroup.com](http://www.efggroup.com)

### EFG International A.G.

Bahnhofstrasse 12  
8001 Zurich  
Switzerland  
[www.efginternational.com](http://www.efginternational.com)

### EFG Eurobank Ergasias S.A.

(Eurobank EFG)  
20 Amalias Av.  
10557 Athens  
Greece  
[www.eurobank.gr](http://www.eurobank.gr)





# ARTWORK

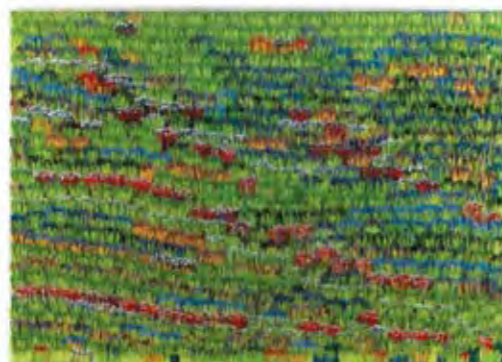
The works of art which illustrated the 2010 Annual Report have been created by renowned Greek artists and were specially photographed for the needs of this publication. The original works decorate the buildings of the Eurobank EFG group.



Yiannis Gaitis  
Crowd  
Oil on canvas  
Private Collection



Dimitris Yeros  
Apple  
Hand-colored engraving  
Eurobank EFG group Collection



Pavlos Dionyssopoulos  
Champ (Field)  
Paper and plexiglass  
Private Collection



Opy Zouni  
Untitled  
Acrylic  
Eurobank EFG group Collection



Antonis Donef  
No title 2006  
Mixed media  
Eurobank EFG group Collection



Alecos Fassianos  
Friends with kite  
Lithograph in colors  
Eurobank EFG group Collection



Nikos Kessanlis  
Composition I  
Oil and mixed media on canvas  
Eurobank EFG group Collection

