EFG Hellas plc
Annual Report
For the year ended 31 December 2009

Registered No. 3798157

Registered office: 24 Grafton Street, London W1S 4EZ

Contents

Declaration of the managers responsible for financial reporting

Pursuant to Article 4 of Luxembourg's Transparency Law, the undersigned Fokion Karavias and Anastasios Ioannidis, directors of EFG Hellas plc (the "Issuer"), to the best of their knowledge, hereby declare that the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the Issuer and that the report of the directors includes a fair review of the developments and performance of the business and the position of the Issuer, together with a description of the principal risks and uncertainties that it faces.

F. Karavias
Director

A. Ioannidis
Director

25 June 2010

Report of the directors

The directors submit their report and the financial statements of EFG Hellas Plc (the “Company” or the “Issuer”) for the year ended 31 December 2009.

1. Business review and principal activities

The Company was incorporated as part of the funding strategy of its parent company EFG Eurobank Ergasias S.A. (the “Parent Company” or the “Bank”) in order to establish a programme for the issuance of medium term debt instruments (EMTN). The EMTN program is listed on the Luxembourg Stock Exchange. This program was last updated in July 2009 at an aggregate amount of € 25 bn. The Company has also established a programme for the issuance of commercial paper (ECP) that was last updated in May 2009 at an aggregate amount of € 3.5 bn. The outstanding issues of debt instruments and commercial paper are guaranteed by the Parent Company. The net proceeds are applied by the Company to meet part of the general financing requirements of the Company’s immediate parent undertaking and its subsidiaries.

The profit for the year after taxation amounted to € 6,486 ths (2008: € 9,948 ths). No dividend was paid to shareholders during 2009 (2008: € 9,068 ths - € 181.36 per share).

2. Business environment, strategy and future outlook

The Company’s business strategy and activities are linked to those of its Parent Company. The business environment during 2009 has been challenging for the Bank and the Company. The second half of 2009 witnessed clear signs of stabilization in global financial markets and the global economy. This same period, however, also brought to the fore the structural weaknesses which the Greek government needs to address, namely the large General Government debt, further burdened by Greek sovereign spreads at levels significantly wider than other Euro-zone member states.

The Greek Government has announced a series of austerity measures to reduce the budget deficit through structural reforms, curbed public spending and increased taxation. At the same time, it agreed to receive a joint EMU/IMF support package of €110bn over the next three years, which allows the Greek Government to implement its fiscal adjustment plan without the need to resort to market financing over the next three years. The package became operational in May 2010 and the European Council has reaffirmed its strong support to the reform programme of the Greek government. Furthermore, the European Council decided to set up a European Financial Stabilization Mechanism (with IMF participation) to offer, if required, financial support to member states. This mechanism can reach €750 bn and safeguards the stability of all the euro area. The ECB has authorized the purchase of sovereign and corporate debt directly from the markets in order to ensure depth and liquidity in the euro area public and private debt securities markets.

The directors monitor the progress of the Company by reference to financial and non-financial data available to them on a regular basis. Particular attention is paid to key performance indicators, including net interest margin and the balances for notes and commercial paper outstanding at the reporting date. In this business environment, the Company’s cost of funding and interest rate spreads have increased. Once the current market conditions and the perspective of Greek sovereign debt improve, the directors expect the business to continue to develop.

The assessment by the directors of the Company’s ongoing business model is closely associated with the business decisions and operations of the Parent Company. On the basis of the analysis of the Bank’s and the Company’s profitability and liquidity, the directors consider the financial position of the Company to be satisfactory.

The directors acknowledge that there remains some uncertainty in the Greek and wider eurozone economy, the medium term consequences of which are difficult to foresee at present. They however believe that the strict and successful implementation of the far reaching program of fiscal consolidation and structural reforms, as developed by the Greek Government with the support of the European Union and the IMF, will enable the country to rehabilitate its economy, regain its international credibility and gradually enter a period of sustainable growth. The directors therefore consider it is appropriate to prepare the financial statements of the Company on a going concern basis.

3. Principal risks and uncertainties

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

The Company is a finance vehicle whose principal purpose is to raise debt to be deposited with the Parent Company and its financial position may be influenced by the parent company's financial condition. The principal risks and uncertainties of the parent company for 2010, which include those of the Company, are discussed in the Report of Directors included in the 2009 Annual Financial Report of EFG Eurobank Ergasias S.A. Bank, which was signed on 24 March 2010 (available at website: www.eurobank.gr).

4. Creditor Payment Policy

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

5. Directors

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

Marialena Antonara
Dimosthenis Arhodidis
Anastasios Ioannidis
Nicholaos Karamouzis
Fokion Karavias
Nikolaos Laios
Dimitra Spyrou Nikolopoulou
Achilleas Stogioglou
Alexandra Vogiatzi
Julia Zavakos
Yasmine Ralli (resigned on June 29, 2009)

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

6. Parent Company

The immediate Parent Company is EFG Eurobank Ergasias SA, incorporated in Greece. The ultimate parent company is Private Financial Holdings Limited (PFH), which is owned and controlled indirectly by members of the Latsis family.

7. Directors' responsibilities in relation to the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they are give a true and fair view of the state of affairs of the Company and the profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are prudent and reasonable;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and that enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Statement as to disclosure of information to auditors

Each director in office at the date of the director's report confirms that:

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

9. Auditors

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

By order of the Board

F. Karavias	A. Ioannidis
Director	Director
25 June 2010	25 June 2010

Independent auditors' report to the members of EFG Hellas plc

We have audited the financial statements of EFG Hellas PLC for the year ended 31 December 2009 which comprise the Balance Sheet, the Income Statement, the Cashflow Statement, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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John Hitchins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 June 2010

Statement of Comprehensive Income for the year ended 31 December 2009

	Note	2009 €'000	2008 €'000
Interest and similar income	4	268,181	681,783
Interest expense and similar charges	5	(259,034)	(667,085)
Net interest income		9,147	14,698
Net gains/(losses) on financial instruments designated at fair value	7	262	(476)
Operating expenses	6	(403)	(309)
Profit before income tax		9,006	13,913
Income tax expense	9	(2,520)	(3,965)
Profit for the year		6,486	9,948
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the Parent Company		**6,486**	**9,948**

The notes on pages 12 to 22 form part of these financial statements

Balance Sheet at 31 December 2009

	Note	2009 €'000	2008 €'000
Assets			
Deposits with banks	10	8,733,954	10,233,925
Derivative financial instruments	14	1,026	7,988
Total assets		**8,734,980**	**10,241,913**
Liabilities			
Liabilities evidenced by paper at amortised cost	11	7,957,234	8,531,001
Liabilities evidenced by paper designated at fair value	13	638,627	1,510,482
Derivative financial instruments	14	121,546	188,710
Income tax payable and other liabilities	12	1,105	1,738
Total liabilities		**8,718,512**	**10,231,931**
Equity			
Share capital	15	19	19
Retained earnings		16,449	9,963
Total equity		**16,468**	**9,982**
Total equity and liabilities		**8,734,980**	**10,241,913**

The financial statements on pages 8 to 22 were approved by the Board of Directors on 25 June 2010 and were signed on its behalf by:

F. Karavias
Director

A. Ioannidis
Director

The notes on pages 12 to 22 form part of these financial statements

Statement of Changes in Equity at 31 December 2009

	Share capital €'000	Retained earnings €'000	Total €'000
At 1 January 2008	**19**	**9,083**	**9,102**
Profit for the year	-	9,948	9,948
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	9,948	9,948
Dividend paid	-	(9,068)	(9,068)
At 31 December 2008	**19**	**9,963**	**9,982**
At 1 January 2009	**19**	**9,963**	**9,982**
Profit for the year	-	6,486	6,486
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	6,486	6,486
Dividend paid	-	-	-
At 31 December 2009	**19**	**16,449**	**16,468**

The notes on pages 12 to 22 form part of these financial statements

Cash Flow Statement
for the year ended 31 December 2009

	2009 €'000	2008 €'000
Cash flows from operating activities		
Interest received	212,592	582,873
Interest paid	(280,785)	(536,290)
Cash payments to suppliers	(403)	(309)
Income taxes paid	(3,190)	(2,847)
Cash flows from operating activities before changes in operating assets and liabilities	**(71,786)**	**43,427**
Changes in operating assets and liabilities		
Net increase/(decrease) in other liabilities	38	(1,355)
Net (increase)/decrease in deposits with banks	1,452,056	4,257,874
Net cash used in operating activities	**1,380,308**	**4,299,946**
Cash flows from financing activities		
Proceeds from issue of loan notes and commercial paper	6,595,225	14,304,373
Repayments of loan notes and commercial paper	(8,071,342)	(17,991,090)
Dividend paid	-	(9,068)
Net cash from financing activities	**(1,476,117)**	**(3,695,785)**
Net increase/(decrease) in cash and cash equivalents	(95,809)	604,161
Cash and cash equivalents at beginning of year	931,255	327,094
Cash and cash equivalents at end of year (note 10)	**835,446**	**931,255**

The notes on pages 12 to 22 form part of these financial statements

Notes to the Financial Statements for the year ended 31 December 2009

1. General information

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

2. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the European Union (EU) and with those parts of the Companies Act, 2006 applicable to companies reporting under IFRS.

As explained in the directors' report on page 3, the directors consider that it is appropriate to prepare the financial statements of the Company on a going concern basis.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets (including derivative instruments) and liabilities held at fair value through profit or loss. The Company's presentation currency is the Euro (€) being the functional currency of the Company. Except as indicated, financial information presented in euros ("€") has been rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The policies set out below have been consistently applied to the years 2008 and 2009. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(a) Amended and new standards and interpretations effective in 2009

-IFRS 2, Amendment - Vesting conditions and cancellations
-IFRS 7, Amendment - Financial Instruments: Disclosures
-IFRS 8, Operating segments
-IAS 1, Revised - Presentation of financial Statements
-IAS 23, Amendment - Borrowing costs
-IAS 32 and IAS 1, Amendment - Puttable financial instruments and obligations arising on liquidation
-IAS 39 and IFRIC 9, Amendments to Embedded derivatives
-IFRIC 13, Customer loyalty programmes
- Amendments to various Standards that form part of IASB's Annual Improvement Project (issued May 2008)

Except for some changes in presentation, the application of the above mentioned standards and interpretations did not have a material impact on the Company's financial statements for the year ended 31 December 2009.

(b) Standards and interpretations issued but not yet effective

- IFRS 2, Amendments - Group Cash settled Share based payment transactions (effective 1 January 2010)
- IFRIC 14, Amendment - Prepayments of a Minimum Funding Requirement (not yet endorsed by EU)
- IFRIC 15, Agreements for the Construction of Real Estate (effective 1 January 2010)

Notes to the financial statements for the year ended 31 December 2009 (continued)

2. Accounting policies (continued)

Basis of preparation (continued)

- IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective 1 January 2010)
- IFRIC 17, Distribution of non-cash assets to owners (effective 1 January 2010)
- IFRS 9, Financial instruments (not yet endorsed by EU)
- IAS 24, Amendment - Related Party disclosures (not yet endorsed by EU)
- IAS 32, Amendment - Classification of Rights Issues (effective 1 January 2011)
- IAS 39, Amendment - Eligible Hedged Items (effective1 January 2010)
- IFRIC 19, Extinguishing Financial Liabilities (not yet endorsed by EU)
- Amendments to various Standards that form part of IASB's Annual Improvement Project (issued April 2009, effective 1 January 2010)

The application of the above mentioned standards and interpretations is not expected to have a material impact on the Company's financial statements in the period of the initial application.

a) *Interest income and expenses*

Interest income and expenses are recognised in the income statement for all interest bearing instruments on an accruals basis, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

b) *Foreign currencies*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on financial assets and liabilities held at fair value through profit or loss are reported as part of the fair value gain or loss. Called up share capital denominated in sterling has been translated into euros at the prevailing rate at 31 December 2002, being the date the Company changed its reporting currency from sterling to euros.

c) *Financial assets*

The Company classifies its financial assets in the following IAS 39 categories: financial assets designated at fair value through profit or loss and loans and receivables. Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss upon initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of selling or repurchasing in the short term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

The Company designates certain financial assets upon initial recognition as at fair value through profit or loss when any of the following apply:

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

Notes to the financial statements for the year ended 31 December 2009 (continued)

2. Accounting policies (continued)

c) *Financial assets (continued)*

b) financial assets share the same risks with financial liabilities and those risks are managed and evaluated on a fair value basis ; or
c) structured products containing embedded derivatives that could significantly modify the cash flows of the host contract.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Company upon initial recognition designates as at fair value through profit or loss.

Accounting treatment and calculation
Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership. The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

d) *Impairment of financial assets*

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

e) *Financial Liabilities*

The Company classifies its financial liabilities in the following categories: financial liabilities measured at amortized cost and financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss have two sub categories: financial liabilities held for trading and financial liabilities designated at fair value through profit or loss upon initial recognition.

The Company designates financial liabilities at fair value through profit or loss when any of the following apply:
a) it eliminates or significantly reduces measurement or recognition inconsistencies; or
b) financial liabilities share the same risks with financial assets and those risks are managed and evaluated on a fair value basis; or
c) structured products containing embedded derivatives that could significantly modify the cash flows of the host contract.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. Financial liabilities are comprised of loan notes issued under the Company's EMTN and ECP programme.

f) *Income Tax*

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

Notes to the financial statements for the year ended 31 December 2009 (continued)

2. Accounting policies (continued)

g) *Cash and cash equivalents*

For the purposes of the cash flow statement, cash and cash equivalents include deposits held at call with banks with original maturity of three month or less.

h) *Derivative financial instruments*

Derivative financial instruments are initially recognised in the balance sheet at fair value on the date on which a derivative contract is entered and subsequently are re-measured at their fair value. Fair values are obtained from quoted market prices, including recent market transactions, discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of any derivative financial instrument are recognized immediately in the income statement.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

Certain derivatives, embedded in other financial instruments, are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

i) *Offsetting financial instruments*

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

j) *Related party transactions*

Related parties include fellow subsidiaries. All banking transactions entered into with related parties are in the normal course of business and on an arm's length basis.

k) *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Dividend distribution on shares is recognised as a deduction in the Company’s equity when approved by the Company's shareholders.

3. Critical accounting estimates and judgement

In the process of applying the Company’s accounting policies, the Company’s Management makes various judgments, estimates and assumptions that affect the reported amounts of assets and liabilities recognized in the financial statements within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) *Deposits with banks*

The main asset of the Company is deposits with the Parent Company. The directors’ assessment of the recoverability of this asset is closely associated with the operations of the Parent Company and includes reviews of liquidity and solvency.

Notes to the financial statements for the year ended 31 December 2009 (continued)

3. Critical accounting estimates and judgement (continued)

b) Fair value financial instruments

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

4. Interest and similar income

	2009 €' 000	2008 €' 000
Interest income on deposits with the Parent Company	267,157	681,143
Other interest income	1,024	640
	268,181	**681,783**

5. Interest expense and similar charges

	2009 €' 000	2008 €' 000
Interest payable	227,566	629,164
Amortisation of deferred interest and issue costs	23,532	6,494
Other interest payable	7,936	31,427
	259,034	**667,085**

6. Operating expenses

	2009 €' 000	2008 €' 000
Auditors remuneration		
-Audit of the statutory financial statements of the Company	38	38
-Tax services	35	33
EMTN update costs	330	238
	403	**309**

Notes to the financial statements for the year ended 31 December 2009 (continued)

7. Net gains/ (losses) from financial instruments designated at fair value

	2009 €' 000	2008 €' 000
Changes in fair value of liabilities evidenced by paper	(15,057)	(5,684)
Changes in fair value of derivative instruments managed with liabilities evidenced by paper	15,319	5,208
	262	**(476)**

8. Emoluments of directors and employment statistics

The emoluments of all directors are paid by the Parent Company. All the directors' emoluments are attributable to their services to a number of group companies. Accordingly, these financial statements include no emoluments in respect of any director as it is not practicable to apportion the salary element. The Company employed no staff during the year (2008: nil).

9. Income tax expense

The rate of corporation tax for the year 2009 in United Kingdom was 28%. The tax for the year 2008 has been calculated at 30% for the period 1 January 2008 to 31 March 2008 and at 28% for the period 1 April 2008 to 31 December 2008.

	2009 €' 000	2008 €' 000
Current tax on profits for the year	2,520	3,965
	2,520	**3,965**
Profit before income tax	9,006	13,914
Tax calculated at standard rate of corporation tax in the UK of 30%	-	1,038
Tax calculated at standard rate of corporation tax in the UK of 28%	2,520	2,927
Total tax charge for year	**2,520**	**3,965**

10. Deposits with banks

	2009 €'000	2008 €'000
Deposits with the parent company designated at fair value	237,590	246,483
Deposits with the parent company at amortized cost	8,381,789	9,901,330
Other banks	114,575	86,112
	8,733,954	**10,233,925**
- with original maturity of more than 90 days	7,898,508	9,302,670
- with original maturity of less than 90 days (cash and cash equivalents)	835,446	931,255

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

Notes to the financial statements for the year ended 31 December 2009 (continued)

11. Liabilities evidenced by paper at amortised cost

	2009 €' 000	2008 €' 000
Loan notes	7,665,659	8,229,829
Less: Un-amortised discount and issue costs	(57,502)	(47,093)
Book value of loan notes	7,608,157	8,182,736
Commercial paper	349,077	348,265
	7,957,234	**8,531,001**

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

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

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

At 31 December 2009, the loan notes at amortized cost and commercial papers held by related parties amounted to € 2,626,699 ths (2008: € 1,749,620 ths).

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

12. Income tax payable and other liabilities

	2009 €' 000	2008 €' 000
Corporation tax	1,094	1,738
Other liabilities	11	-
	1,105	**1,738**

13. Liabilities evidenced by paper designated at fair value

	2009 €' 000	2008 €' 000
Loan Notes	638,627	1,510,482
	638,627	**1,510,482**

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

Notes to the financial statements for the year ended 31 December 2009 (continued)

13. Liabilities evidenced by paper designated at fair value (continued)

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

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

At 31 December 2009, the loan notes at fair value held by related parties amounted to € 255,370 ths (2008: € 276,202 ths).

14. Derivative Financial Instruments

Interest rate risk; nominal and fair values

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

	2009			**2008**		
Derivatives held for trading	**Contract/ notional amount €'000**	**Fair values Assets €'000**	**Fair values Liabilities €'000**	**Contract/ notional amount €'000**	**Fair values Assets €'000**	**Fair values Liabilities €'000**
Interest rate swaps	908,621	1,026	121,546	4,775,567	7,988	188,710
	908,621	**1,026**	**121,546**	**4,775,567**	**7,988**	**188,710**

15. Share capital

	2009 Number	**2009 £'000**	**2008 Number**	**2008 £'000**
Authorised				
Ordinary shares of £1 each	50,000	50	50,000	50
Issued, allotted and paid up at 25p per ordinary share of £1 each	50,000	13	50,000	13

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

Notes to the financial statements for the year ended 31 December 2009 (continued)

16. Principal risks and uncertainties

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

a) Credit risk: The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are recognised for losses that have been incurred at the balance sheet date. The majority of cash proceeds generated from the EMTN and ECP programmes are placed on deposit with the Parent Company. The aggregate carrying amount of these advances to the Parent Company and the derivative financial instruments with positive fair values approximates to the maximum amounts exposed to credit risk. Most of derivative financial instruments are entered into with third parties. The credit quality of all counterparties is continuously monitored and assessed by the directors. Financial assets are neither past due nor impaired.

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

- Interest rate risk: The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Interest rate risk is managed either by placing funds on deposit at a variable interest rate which changes on the same basis as the interest rate applied on the variable rate loan notes and commercial paper, or by the use of interest rate swaps to eliminate the interest rate risk on the structured loan notes. Expected shifts in interest rates do not have a material impact on the net income of the Company.

- Currency risk: The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Currency risk has been eliminated by placing funds on deposit in the same currency as the loan notes and commercial paper issued or entering into currency interest rate swaps transactions.

c) Liquidity Risk: The Company is not exposed to liquidity or cash flow risk because the maturity of its assets and liabilities, and the underlying cash flows, are substantially the same. All proceeds of each loan notes issuance, less certain costs, are placed directly in matching deposits with EFG Eurobank Ergasias S.A., on the same terms and in the same currency. Any difference for interest rate risk is covered by swaps entered into with third parties.

The amounts disclosed in the table below are the contractual undiscounted cash flows for the years 2009 and 2008.

	2009				
	Less than 1 month €' 000	**1 - 3 months €' 000**	**3 months to 1 year €' 000**	**Over 1 year €' 000**	**Gross nominal inflow / (outflow) €' 000**
Financial liabilities:					
- Commercial paper	226,071	106,481	16,802	-	349,354
- Loan notes	5,622	521,987	910,820	7,190,472	8,628,901
- Other liabilities	453	-	652	-	1,105
	232,146	**628,468**	**928,274**	**7,190,472**	**8,979,360**
Financial assets held for managing liquidity risk	**228,613**	**620,115**	**915,293**	**7,209,581**	**8,973,602**

Notes to the financial statements for the year ended 31 December 2009 (continued)

16. Principal risks and uncertainties (continued)

	2008				
	Less than 1 month €' 000	**1 - 3 months €' 000**	**3 months to 1 year €' 000**	**Over 1 year €' 000**	**Gross nominal inflow / (outflow) €' 000**
Financial liabilities:					
- Commercial paper	154,742	172,242	26,819	-	353,803
- Loan notes	479,424	530,107	2,724,035	7,188,717	10,922,283
- Other liabilities	1,124	-	614	-	1,738
	635,290	**702,349**	**2,751,468**	**7,188,717**	**11,277,824**

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

Fair value of financial assets and liabilities

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

All financial instruments that are measured at fair value are categorized into one of the three fair value hierarchy levels at year-end; based on whether the inputs to their fair values are observable or non observable.

i) Level 1 - Quoted prices in active markets for identical assets or liabilities. Quoted prices must be readily and regularly available from an exchange or active index/market location and prices must represent actual and regularly occurring market transactions on an arm's length basis. This level includes listed equity securities, debt instruments and exchange traded derivatives.

ii) Level 2 - Financial instruments measured using valuation techniques where all significant inputs are market observable. This level includes OTC derivative contracts and structured assets and liabilities.

iii) Level 3 - Financial instruments measured using valuation techniques with significant non observable inputs.

The classification of the Company's financial assets and liabilities using the fair value hierarchy is presented in the following table:

Notes to the financial statements for the year ended 31 December 2009 (continued)

16. Principal risks and uncertainties (continued)

Fair value of financial assets and liabilities (continued)

	2009			
	Quoted prices in active market (Level 1) €' 000	**Valuation technique observable parameters (Level 2) €' 000**	**Valuation technique non observable parameters (Level 3) €' 000**	**Total**
Financial assets measured at fair value:				
Deposits with banks	-	237,590	-	237,590
Derivative financial instruments	-	1,026	-	1,026
Total financial assets	**-**	**238,616**	**-**	**238,616**
Financial liabilities measured at fair value:				
Liabilities evidenced by paper designated at fair value	-	638,627	-	638,627
Derivative financial instruments	-	121,546	-	121,546
	-	**760,173**	**-**	**760,173**

17. Ultimate parent company and controlling party

The Company's results are included in the consolidated financial statements of EFG Eurobank Ergasias S.A., its immediate parent undertaking, which is incorporated in Greece.

EFG Eurobank Ergasias S.A. is member of the worldwide EFG Group, which consists of credit institutions, financial services and financial holding companies. Its ultimate parent company is Private Financial Holdings Limited, which is owned and controlled indirectly by members of the Latsis family. Private Financial Holdings Limited (PFH) became the ultimate parent company on 6 August 2009, after the restructuring of the EFG Group. Until 6 August 2009, the ultimate parent company of EFG Group was EFG Bank European Financial Group (EFGB).

The financial statements of EFG Eurobank Ergasias S.A. are available from its head office: 8 Othonos Street, 105 57 Athens, Greece.

18. Segmental reporting

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

19. Post balance sheet events

a) New issues of liabilities evidenced by paper

In February 2010, the Company issued a € 350 million and a €450 million note under its EMTN programme.The notes are listed on the Luxembourg Stock Exchange.

b) Parent Company's credit rating

On June 15, 2010 the Parent Company's credit rating by Moody's was changed to Ba1. On April 27, 2010 the Parent Company's credit rating has been changed to BB by S&P. On April 9, 2010 the Parent Company's credit rating has been changed to BBB- by Fitch.