EFG Hellas (Cayman Islands) Limited
Annual Report
For the year ended 31 December 2010

Registered No: CR - 117363 Cayman Islands

Registered office: PO Box 309 GT, Ugland House, South Church Street,
George Town, Grand Cayman, Cayman Islands

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Declaration of the managers responsible for financial reporting

Pursuant to Article 3 of Luxembourg's Transparency Law, the undersigned Fokion Karavias and Anastasios Ioannidis, directors of EFG Hellas (Cayman Islands) Limited (the "Issuer"), to the best of their knowledge, hereby declare that the annual non statutory 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 or loss 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
2 May 2011	2 May 2011

Directors' Report

The directors submit their report and the audited non statutory financial statements of EFG Hellas (Cayman Islands) Limited (the "Company" or the "Issuer") for the year ended 31 December 2010.

a) Business review and principal activities

The Company was incorporated under the laws of the Cayman Islands on 26 April 2002 as an exempted company with limited liability. It is a wholly-owned subsidiary and financing vehicle of EFG Eurobank Ergasias S.A., the Company's immediate parent company (the "Parent Company" or the "Bank") incorporated in Greece.

The Company was incorporated as part of the funding strategy of its Parent Company in order to establish a programme for the issuance of medium term debt instruments (EMTN). The EMTN programme is listed on the Luxembourg Stock Exchange. This programme was last updated in July 2010 at an aggregate amount of € 25 bn. The outstanding issues of debt instruments 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 loss for the year amounted to € 506 ths (2009: profit € 1,059 ths). No dividend was paid to shareholders during 2010 (2009: nil).

b) 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 2010 and in particular the Greek sovereign debt crisis, coming after an equally challenging global crisis in 2009, has adversely affected the Bank's and the Company's operations, which have been adjusted accordingly in order to be aligned to the prevailing conditions.

In order to address the substantial issues of Greece's public finances and the structural problems of the Greek economy, in May 2010 the Greek Government entered into an agreement with the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) for a three-year € 110 bn refinancing and restructuring programme. The programme addresses almost all of Greece's funding needs during the three-year period, and aims for a budget deficit of less than 3% in 2014.

During 2010, the contraction of Greece's Gross Domestic Product (GDP) for 2010 was quite severe at 4.5%, against a target of only 4%, following a large drop in consumption expenditure and an even more significant reduction in investments. Still, Greece almost achieved its revenue targets and exceeded its cost containment ones. As a result, the fiscal deficit reduced by over 5 percentage points (pps) as a percentage of GDP. In this period, due to the lack of access to the markets, the Greek banking system relied on the ECB for its funding, which currently provides approximately € 95 billion.

In January 2011, the third progress review by the EC/ECB/IMF team approved the drawdown of the fourth tranche of the €110bn loan, acknowledged the major structural changes to date, but also highlighted that significant work still remains. Finally, on 11 March 2011, the Euro-Group summit approved a package of measures to tackle the EMU sovereign debt crisis providing additional support to member-states under pressure, including the authorization to the European Financial Stability Fund to subscribe to primary issues of sovereign debt, in return for commitments of increased discipline in fiscal finances and improved competitiveness. Greece secured the extension of the €110bn loan facility from 5 to 11 years, and the reduction of the interest rate by 100 bps. In return, Greece committed to the acceleration of structural reforms and the completion by 2015 of a € 50 bn privatization/sale of public property program.

In this context, credit demand in 2011 is expected to be weaker than 2010, and GDP to decrease by a further 3%, with positive expectations postponed for 2012. The continued rationalization, restructuring and austerity measures are expected to reduce the budget deficits further to 7.4% of GDP, with most initiatives already in place, whereas the soon–to-be-announced medium term budget plan (2012-2015) is designed to reduce the deficit further to about 2.5% of projected GDP by 2015.

The main risks for the next 12 months stem from the macroeconomic environment and the success, or otherwise, of the significant fiscal adjustments in Greece and their impact on the economy. To date satisfactory results have been registered, but progress could be compromised by external shocks from the global economy as well as implementation risks and reform fatigue in Greece. In addition, the restoration of confidence, the attraction of new investments and the revival of economic growth remain key challenges that may be viewed as opportunities if successfully tackled. Continuation of the recession could adversely affect the region and could lead to lower profitability and deterioration of asset quality.

In this environment, the Bank is adjusted continuously to the new requirements. The shift towards collateralized lending, self funded growth and the more promising markets have been in place for some time. In addition, the Bank continues to reduce its cost base in order to increase the efficiency of operations. It also strengthens collection efforts to maximize loan recoveries by redeploying resources where necessary and implements conservative provisioning policies. Finally, the Bank improves continuously the effectiveness of balance sheet management and reinforces its capital and liquidity, undertaking significant strategic initiatives in this direction. Relevant information regarding post balance sheet events, the Bank's results in the 2010 European Banks' capital stress tests and participation in the Greek Economy Liquidity Support Program is available in notes 40, 42 and 43 in the 2010 Annual Financial Report of EFG Eurobank Ergasias S.A.

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 of debt instruments outstanding at the reporting date. These are adjusted regularly in line with the requirements of the business and the nature of the monitoring activities. 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, capital solvency and liquidity, the proven support of EC/ECB/IMF to the Greek Economy and considering that the Greek Government fiscal adjustment programme will continue to be consistently implemented, the directors are satisfied that the company has adequate resources to continue in business for the foreseeable future. The directors therefore consider it is appropriate to prepare the financial statements of the Company on a going concern basis.

c) 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 3 to the non statutory 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 and the notes to the Consolidated Financial Statements included in the 2010 Annual Financial Report of EFG Eurobank Ergasias S.A. Bank, which was signed on 22 March 2011 (available at webside: www.eurobank.gr).

d) 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.

e) Directors

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

Marialena Antonara (resigned on September 21, 2010)
Dimosthenis Arhodidis (resigned on September 21, 2010)
Anastasios Ioannidis
Nicholaos Karamouzis
Fokion Karavias
Nikolaos Laios (resigned on September 21, 2010)

Dimitra Spyrou Nikolopoulou (resigned on September 21, 2010)
Achilleas Stogioglou (resigned on September 21, 2010)
Alexandra Vogiatzi (resigned on September 21, 2010)
Julia Zavakos (resigned on September 21, 2010)

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.

f) Parent company

The immediate Parent Company is EFG Eurobank Ergasias S.A., 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.

g) Directors' responsibilities in relation to the financial statements

The directors have prepared these non statutory financial statements for the reasons and with the explanations set out in Note 1 to the non statutory financial statements so as to provide a true and fair view of the state of affairs of the Company and the profit or loss for that period.

In preparing the non statutory financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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. 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.

h) 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.

i) Auditors

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

By order of the Board

F. Karavias Director	A. Ioannidis Director
2 May 2011	2 May 2011

Independent auditors' report to the Directors of EFG Hellas (Cayman Islands) Limited in respect of the non-statutory financial statements

Report on the Financial Statements

We have audited the accompanying non-statutory financial statements of EFG Hellas (Cayman Islands) Limited (the "Company") which comprise the balance sheet as at December 31, 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these non-statutory financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-statutory financial statements based on our audit. This report, including the opinion, has been prepared for and only for the directors for management purposes in accordance with our engagement letter dated December 28, 2010 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other person to whom this report is shown or into whose hands it may came including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

Notwithstanding the foregoing, we agree the Audit Report, may be:

1. Laid by the Directors before the shareholders, as a body, at the annual general meeting of the Company for information purposes; and
2. Published by the Directors in a member state of the European Union in accordance with Article 28(B) (8), Chapter XII of the Rules and Regulations of the Luxembourg Stock Exchange.

Notwithstanding (1) and (2) above, we do not assume or accept any responsibility or liability to any individual shareholders of the Company, to any holders of the debt securities issued by the Company or to any other person to whom the Audit Report is shown or into whose hands it may come.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers system of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2010, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Athens, May 2, 2011

pwc

PricewaterhouseCoopers
268 Kifissias Avenue
152 32 Halandri
SOEL Reg. No. 113

Statement of Comprehensive Income

	Note	Year ended 31 December 2010 €'000	2009 €'000
Interest and similar income	5	**19,418**	37,657
Interest expense and similar charges	6	**(19,722)**	(36,433)
Net interest income		**(304)**	1,224
Net gains/(losses) from financial instruments designated at fair value	7	**(115)**	(10)
Operating expenses	8	**(87)**	(155)
Profit/(loss) before tax		**(506)**	1,059
Income tax expense	10	**-**	-
Net profit/(loss) for the year		**(506)**	1,059
Other comprehensive income		-	-
Total comprehensive income for the year		**(506)**	1,059

Notes on pages 13 to 23 form an integral part of these financial statements

Balance Sheet

		At 31 December	
	Note	**2010 €'000**	2009 €'000
Assets			
Deposits with banks	11	**419,158**	531,081
Derivative financial instruments	12	**23,567**	25,500
Total assets		**442,725**	556,581
Liabilities			
Liabilities evidenced by paper at amortised cost	13	**1,830**	1,104
Liabilities evidenced by paper designated at fair value	14	**414,526**	502,782
Derivative financial instruments	12	**25,674**	51,494
Total liabilities		**442,030**	555,380
Equity			
Share capital	15	**16**	16
Retained earnings		**679**	1,185
Total equity		**695**	1,201
Total equity and liabilities		**442,725**	556,581

The financial statements on pages 9 to 23 were approved by the Board of Directors on 2 May 2011 and were signed on its behalf by:

F. Karavias

Director

A. Ioannidis

Director

Notes on pages 13 to 23 form an integral part of these financial statements

Statement of Changes in Equity for the year ended 31 December 2010

	Share capital €'000	Retained earnings €'000	Total €'000
Balance at 1 January 2009	16	126	142
Profit/(loss) for the year	-	1,059	1,059
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year ended 31 December 2009	-	1,059	1,059
Balance at 31 December 2009	16	1,185	1,201
Balance at 1 January 2010	**16**	**1,185**	**1,201**
Profit/(loss) for the year	-	(506)	(506)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year ended 31 December 2010	-	(506)	(506)
Balance at 31 December 2010	**16**	**679**	**695**

Notes on pages 13 to 23 form an integral part of these financial statements

Cash Flow Statement for the year ended 31 December 2010

	Note	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Cash flows from operating activities			
Interest received		**8,573**	27,103
Interest paid		**(9,127)**	(33,337)
Cash payments to suppliers		**(87)**	(154)
Cash flows from operating activities before changes in operating assets and liabilities		**(641)**	(6,388)
Changes in operating assets and liabilities			
Net (increase)/decrease in deposits with banks		**307,240**	399,024
Net cash from/(used in) operating activities		**306,599**	392,636
Cash flows from financing activities			
Proceeds from issue of loan notes		**40,331**	84,205
Repayments of loan notes		**(186,484)**	(548,369)
Net cash from/(used in) financing activities		**(146,153)**	(464,164)
Net increase/(decrease) in cash and cash equivalents		**160,446**	(71,528)
Cash and cash equivalents at beginning of year		**14,012**	85,540
Cash and cash equivalents at end of year	11	**174,458**	14,012

Notes on pages 13 to 23 form an integral part of these financial statements

Notes to the Financial Statements for the year ended 31 December 2010

1. General information

These non statutory financial statements were prepared solely to assist the directors in discharging their stewardship obligations and fiduciary responsibilities in respect of the Company and to assist them voluntarily to comply with Article 28(B)(8), Chapter XII of the Rules and Regulations of the Luxembourg Stock Exchange.

EFG Hellas (Cayman Islands) Limited (the "Company") is a public limited company with registered number CR-117363. The Company is a subsidiary of EFG Eurobank Ergasias S.A. (the "Parent Company" or the "Bank"). EFG Hellas (Cayman Islands) Limited 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. The listed notes outstanding are guaranteed by the Parent Company. EFG Hellas (Cayman Islands) Limited has no employees, or audit committee.

2. Accounting policies

Basis of preparation

The non statutory financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the IASB, as adopted by the European Union and in particular with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.

Having considered all the information available to them, including the main risks and the key dependencies of the Parent Company, as explained in Note 3 (Principal risks and uncertainties) and page 4 of the Directors' Report, the directors consider that it is appropriate to prepare the financial statements of the Company on a going concern basis.

The non statutory financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets (including derivative instruments) and financial liabilities 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 non statutory 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 2009 and 2010. 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 2010

-IAS 39, Amendment-Eligible Hedged Items
-IFRS 2, Amendment-Group Cash settled Share based payment transactions
-IFRIC 15, Agreements for the Construction of Real Estate
-IFRIC 17, Distributions of Non-cash Assets to Owners
- Amendments to various Standards that form part of IASB's 2009 Annual Improvement Project

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 2010.

(b) Standards and interpretations issued but not yet effective

-IAS 12, Amendment-Deferred tax: Recovery of Underlying Assets (effective 1 January 2012, not yet endorsed by EU)
-IAS 24, Amendment-Related Party Disclosures (effective 1 January 2011)
-IAS 32, Amendment-Classification of Rights Issues (effective 1 January 2011)
-IFRS 7, Amendment-Disclosures, Transfers of Financial Assets (effective 1 January 2012, not yet endorsed by EU)

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

2. Accounting policies (continued)

Basis of preparation (continued)

(b) Standards and interpretations issued but not yet effective (continued)
-IFRS 9, Financial Instruments (effective 1 January 2013, not yet endorsed by EU)
-IFRIC 14, Amendment-Prepayments of a Minimum Funding Requirement (effective 1 January 2011)
-IFRIC 19, Extinguishing Financial Liabilities (effective 1 January 2011)
-Amendments to various Standards that form part of IASB's 2010 Annual Improvement Project (effective 1 January 2011)

IFRS 9 is part of IASB's project to replace IAS 39 Financial Instruments which has not been finalized yet and as a result, it is not practicable to quantify its impact.

The application of the other 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 recognized 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 recognized 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 US dollars has been translated into euros on the exchange rate at the date of issue.

c) Financial assets

The Company classifies its financial assets in the following IAS 39 categories: financial assets 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
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.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

2. Accounting policies (continued)

c) Financial assets (continued)

(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

Purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Loans originated by the Company are recognized when cash is advanced to the borrowers. 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. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

a) significant financial difficulty of the issuer or obligor;
b) the Company granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
c) the disappearance of an active market for that financial asset because of financial difficulties; or
d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
f) -adverse changes in the payment status of borrowers in the group; or
-national or local economic conditions that correlate with defaults on the assets in the group.

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.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

2. Accounting policies (continued)

f) Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks with original maturity of three month or less and bank drafts.

g) Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at fair value on the date on which a derivative contract is entered and are subsequently 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.

h) 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 recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

i) Related party transactions

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

j) 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 recognized as a deduction in the Company’s equity when approved by the Company's shareholders.

3. 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’s 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 cash proceeds generated from the EMTN programme are placed on deposits with the Parent Company. Derivative financial instruments are entered into 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 the maximum exposure to credit risk. Financial assets are neither past due nor impaired.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

3. Principal risks and uncertainties (continued)

Macroeconomic Environment Uncertainty

As noted in the directors' report the main risks of the Parent Company for the next 12 months stem from the macroeconomic environment and the success, or otherwise, of the significant fiscal adjustments in Greece and their impact on the economy. To date satisfactory results have been registered, but progress could be compromised by external shocks from the global economy as well as implementation risks and reform fatigue in Greece. In addition, the restoration of confidence, the attraction of new investments and the revival of economic growth remain key challenges that may be viewed as opportunities if successfully tackled. Continuation of the recession could adversely affect the region and could lead to lower profitability and deterioration of asset quality.

Due to the Greek sovereign debt crisis, Greek banks could not access the markets for secured and unsecured funding. As a result, all Greek banks obtained funding through the weekly tenders of European Central Bank (ECB). At the year-end, the Bank's net balance with ECB totaled € 20 bn (2009: € 7 bn). The third Review Report of the International Monetary Fund (28 February 2011) for the progress of the Economic Adjustment Program for Greece, endorsed by the Ministry of Finance and the Bank of Greece, reiterates the stability and soundness of the Greek banking system and stresses its support to the banks' efforts towards gradually reducing dependence on the ECB in an orderly and smooth manner, without exacerbating the ongoing economic contraction. In this context, the Greek Government will undertake initiatives to preserve sufficient system liquidity, including a new tranche of government guarantees for uncovered bank bonds in the amount of € 30 bn, and the Bank of Greece will ask banks to devise and implement medium-term funding plans. The Parent Company has recently undertaken significant initiatives to strengthen its liquidity position. In this context it has proceeded to the strategic cooperation in Poland which, upon its completion, will release approximately € 2 bn of liquidity.

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 position 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 to the Parent Company at variable/fixed rates which change on the same basis as the interest rate applied to loan notes or by the use of interest rate swaps. Expected shifts in interest rates do not have a material impact on the net income of the Company.
- Currency risk: The Company 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 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. The cash proceeds generated from the EMTN program are placed on deposits with the Parent Company, on the same terms and in the same currency. Any difference for interest rate risk is covered by swaps entered into with the Parent Company.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

3. Principal risks and uncertainties (continued)

The amounts disclosed in the table below are the contractual undiscounted cash flows of financial liabilities for the years 2010 and 2009. The cash flows of loan notes designated at fair value have been net off with the cash flows of swaps that have been matched with the loan notes mentioned above.

	2010				
	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:					
- Loan notes	**8,833**	**165,686**	**64,289**	**183,599**	**422,407**
	8,833	**165,686**	**64,289**	**183,599**	**422,407**

	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::					
- Loan notes	3,397	10,583	67,684	456,348	538,012
	3,397	10,583	67,684	456,348	538,012

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

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available, the fair value of financial assets and liabilities is estimated using present value or other estimation and valuation techniques where all significant inputs are observable.

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.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

3. Principal risks and uncertainties (continued)

Fair value of financial assets and liabilities (continued)

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

	2010			
	Quoted prices in active market (Level 1)	**Valuation technique observable parameters (Level 2)**	**Valuation technique non observable parameters (Level 3)**	
	€' 000	**€' 000**	**€' 000**	**Total**
Financial assets measured at fair value:				
Deposits with banks	**-**	**10,021**	**-**	**10,021**
Derivative financial instruments	**-**	**23,567**	**-**	**23,567**
Total financial assets	**-**	**33,588**	**-**	**33,588**
Financial liabilities measured at fair value:				
Liabilities evidenced by paper designated at fair value	**-**	**414,526**	**-**	**414,526**
Derivative financial instruments	**-**	**25,674**	**-**	**25,674**
	-	**440,200**	**-**	**440,200**

	2009			
	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique non observable parameters (Level 3)	
	€' 000	€' 000	€' 000	Total
Financial assets measured at fair value:				
Deposits with banks	-	9,845	-	9,845
Derivative financial instruments	-	25,500	-	25,500
Total financial assets	-	35,345	-	35,345
Financial liabilities measured at fair value:				
Liabilities evidenced by paper designated at fair value	-	502,782	-	502,782
Derivative financial instruments	-	51,494	-	51,494
	-	554,276	-	554,276

4. 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.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

4. Critical accounting estimates and judgement (continued)

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.

b) Fair value of 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. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the personnel that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, models use only observable data.

5. Interest and similar income

	2010 €' 000	2009 €' 000
Interest income on deposits with the parent company	**4,830**	14,163
Interest income on derivative financial instruments	**14,588**	23,494
	19,418	37,657

6. Interest expense and similar charges

	2010 €' 000	2009 €' 000
Interest expense on liabilities evidenced by paper	**14,988**	14,940
Interest expense on derivative financial instruments	**4,734**	21,493
	19,722	36,433

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

	2010 €' 000	2009 €' 000
Changes in fair value of liabilities evidenced by paper	**(17,037)**	(61,605)
Changes in fair value of derivative financial instruments managed with liabilities evidenced by paper	**16,746**	71,750
Changes in fair value of deposits managed with liabilities evidenced by paper	**176**	(10,155)
	(115)	(10)

8. Operating expenses

	2010 €' 000	2009 €' 000
Auditors remuneration		
-Audit of the non statutory financial statements of the Company	**28**	29
EMTN update costs	**43**	86
Other	**16**	40
	87	155

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

9. 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 (2009: nil).

10. Income tax expense

The Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, accordingly, has no liability to taxation in the Cayman Islands. In addition, the Company is non-UK resident and therefore not liable to corporation tax in the UK or any other country.

11. Deposits with banks

	2010 **€' 000**	2009 €' 000
Deposits with the parent company designated at fair value	**10,021**	9,845
Deposits with the parent company at amortised cost	**409,137**	521,236
	419,158	531,081
-with original maturity of more than 90 days	**244,700**	517,069
-with original maturity of less than 90 days (cash and cash equivalents)	**174,458**	14,012

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

12. Derivative financial instruments

Interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of interest rates (for example, fixed rate for floating rate). No exchange of principal takes place. The Company's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligations. The Company utilizes interest rate swaps in order to exchange the fixed rates of structured notes for floating rates as set out in note 3. The fair values of derivative instruments held are set out in the following table:

	2010			2009		
	Contract/ notional amount €'000	**Fair values Assets €'000**	**Fair values Liabilities €'000**	Contract/ notional amount €'000	Fair values Assets €'000	Fair values Liabilities €'000
Derivatives held for trading -Interest rate swaps	**388,417**	**23,567**	**25,674**	495,210	25,500	51,494
	388,417	**23,567**	**25,674**	495,210	25,500	51,494

At 31 December 2010 and 2009, all the derivative financial instruments are entered into with the Parent Company.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

13. Liabilities evidenced by paper at amortised cost

	2010 €' 000	2009 €' 000
Loan notes	**1,830**	1,104
	1,830	1,104

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

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

At 31 December 2010, the loan notes at amortized cost held with EFG Eurobank Ergasias group amounted to € 87 ths (2009: € 199 ths).

The Company's risk management strategy for financial instruments is covered in note 3.

14. Liabilities evidenced by paper designated at fair value

	2010 €' 000	2009 €' 000
Loan notes	**414,526**	502,782
	414,526	502,782

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.

Certain loan notes have been matched with interest rate swaps as part of the 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. The fair value of structured loan notes is determined by reference to market prices.

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

At 31 December 2010, the loan notes at fair value held with EFG Eurobank Ergasias group amounted to € 148,393 ths (2009: € 174,300 ths).

The Company's risk management strategy for financial instruments is covered in note 3.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

15. Share capital

	2010 Number	**2010 US$'000**	2009 Number	2009 US$'000
Authorised ordinary shares of US$ 1 each	**50,000**	**50**	50,000	50
Authorised preference shares of US$ 100,000 each	**1,500**	**150,000**	1,500	150,000
Issued ordinary shares of US$ 1 each	**50,000**	**50**	50,000	50
Allotted and paid up 49,999 ordinary shares at US$ 0.30 per ordinary share and 1 ordinary share at US$ 1	**50,000**	**15**	50,000	15

The paid up share capital of US$ 15,001 is reflected in the non statutory financial statements as € 16,436 based on the exchange rate at the date of issue.

16. 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. The operating parent company of EFG Group is European Financial Group EFG (Luxembourg) S.A., whilst its ultimate parent company is Private Financial Holdings Limited (PFH), which is owned and controlled indirectly by members of the Latsis family.

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

17. Segmental reporting

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

18. Post balance sheet events

On March 31, 2011 the Parent Company's credit rating by S&P was changed to B+. On March 9, 2011 the Parent Company's credit rating by Moody's was changed to Ba3. On January 17, 2011 the Parent Company's credit rating by Fitch was changed to BB+.