EFG Hellas PLC
Annual Report
For the year ended 31 December 2010

Registered No. 3798157

Registered office: 25 Berkeley Square, London W1J 6 HN

Index to the Financial Statements

Declaration of the managers responsible for financial reporting

Pursuant to Article 3 of Luxembourg's Transparency Law, the undersigned Fokion Karavias, director of EFG Hellas PLC (the "Issuer"), to the best of his knowledge, hereby declares that the annual 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

25 July 2011

Directors' Report

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

a) 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 2010. The Company has also established a program for the issuance of commercial paper (ECP) that was last updated in May 2009. The Prospectus of EMTN and ECP programs are available at the Parent Company's website (see note 17). 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 Parent Company and its subsidiaries.

The profit for the year amounted to € 4,420 ths (2009: € 6,486 ths). A dividend of € 16,434 ths (€ 328.68 per share) was approved by the Annual General Meeting of shareholders held on 19 November 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 €110bn refinancing and restructuring programme. The programme addressed Greece's funding needs until mid-2012 and assumed that Greece will return to the markets after that date. According with the most recent developments, Greece will not be able to access the markets by mid-2012. A new funding programme was agreed with the European Commission, the ECB and the Eurozone member-states in the extraordinary European Council of July 21, 2011. The total official financing of the new programme is at €109bn. In addition the programme includes a) voluntary extension of the EFSF loans maturity to a minimum of 15 years from 7.5 years today (and a maximum of 30 years with a grace period of 10 years), b) EFSF lending rate of 3.5%, c) extension of the maturities of the initial 110bn EU/IMF loan d) a debt buyback scheme and e) private sector involvement via a menu of options decided in common with the Institute of International Finance (IIF) as a representative of the private sector.

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 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 € 97.6 billion (May 2011). In the 1st quarter of 2011 the GDP contracted by a preliminary 4.8% yoy, with the corresponding seasonally adjusted quarter-on-quarter reading coming in at +0.8%. This was the first positive reading after nine consecutive quarters of contraction.

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 € 110 bn 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 and real estate development programme. As of mid-July 2011, the European Commission and the IMF released the €12 bn of the 5th tranche of the EC/ECB/IMF €110 bn loan. However they highlighted through the 4th Review of the EC/ECB/IMF programme that even though a series of reforms have been legislated already, there are serious delays in their implementation. The EC/ECB/IMF's interest focused on the Medium Term Fiscal Strategy (MTFS) for 2011-2015. The MTFS – legislated in late June 2011 – was a prerequisite for the disbursement of the 5th tranche because it contains the necessary fiscal adjustments that will permit Greece to remain on a fiscal consolidation path (i.e. reduce the general government deficit from 7.5% of GDP in 2011 to 1.1% of GDP in 2015). The MTFS consists of a detailed plan of measures amounting to 28.3 billion Euros or 12% of GDP for the period 2011-15.

The main risks for the next 12 months stem from a) the macroeconomic environment and a probable Greek sovereign debt reprofiling, which could have a significant adverse impact on the Parent Company's capital through its exposure in Greek government bonds as well as on its liquidity support from ECB b) 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 and the Company remain profitable, adjusting 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 (see note 19) 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. Despite the uncertainty arising from the risk of Greek sovereign debt reprofiling, the directors believe that the ongoing negotiations within EU on the viability of Greek sovereign debt will be successful and that in the event of debt reprofiling, support measures for the safeguarding of the Greek banking industry, if needed, will be activated by the Hellenic Republic and the Bank of Greece in cooperation with the international community. 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 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 website: 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 are as follows:

Marialena Antonara (resigned on September 6, 2010)
Dimosthenis Arhodidis (resigned on September 6, 2010)
Anastasios Ioannidis
Nicholaos Karamouzis
Fokion Karavias
Nikolaos Laios (resigned on September 6, 2010)
Dimitra Spyrou Nikolopoulou (resigned on September 6, 2010)
Achilleas Stogioglou (resigned on September 6, 2010)
Alexandra Vogiatzi (resigned on September 6, 2010)
Julia Zavakos (resigned on September 6, 2010)

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 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 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 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 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.

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

By order of the Board

F. Karavias
Director

25 July 2011

Independent auditors' report to the members of EFG Hellas PLC

We have audited the financial statements of EFG Hellas PLC (the "Company") for the year ended 31 December 2010 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement 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 6, 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 and express an opinion on 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 Chapter 3 of Part 16 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 2010 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.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosure in notes 2 and 3 regarding the Company's ability to continue as a going concern. As a result of the developments in the Greek economy over the last 18 months, a Greek sovereign debt reprofiling is considered probable. Such an event could lead to impairment losses that could have a significant adverse impact on the Parent Company's (EFG Eurobank Ergasias S.A.) capital through its exposure in Greek government bonds as well as on its liquidity support from the ECB. Along with the other matters as set forth in notes 2 and 3, these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Parent Company's and therefore the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

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.

Independent auditors' report to the members of EFG Hellas PLC (continued)

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.

John Hitchins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 July 2011

Statement of Comprehensive Income

	Note	Year ended 31 December 2010 €'000	2009 €'000
Interest and similar income	5	**231,969**	268,181
Interest expense and similar charges	6	**(225,646)**	(259,034)
Net interest income		**6,323**	9,147
Net gains from financial instruments designated at fair value	7	**215**	262
Operating expenses	8	**(399)**	(403)
Profit before income tax		**6,139**	9,006
Income tax expense	10	**(1,719)**	(2,520)
Profit for the year		**4,420**	6,486
Other comprehensive income		-	-
Total comprehensive income for the year		**4,420**	6,486

The notes on pages 14 to 25 form an integral part of these financial statements

Balance Sheet

	Note	At 31 December 2010 €'000	2009 €'000
Assets			
Deposits with banks	11	**7,041,985**	8,733,954
Derivative financial instruments	12	**3,111**	1,026
Other assets		**12**	-
Total assets		**7,045,108**	8,734,980
Liabilities			
Liabilities evidenced by paper at amortised cost	13	**6,329,584**	7,957,234
Liabilities evidenced by paper designated at fair value	14	**692,247**	638,627
Derivative financial instruments	12	**17,016**	121,546
Income tax payable and other liabilities	15	**1,807**	1,105
Total liabilities		**7,040,654**	8,718,512
Equity			
Share capital	16	**19**	19
Retained earnings		**4,435**	16,449
Total equity		**4,454**	16,468
Total equity and liabilities		**7,045,108**	8,734,980

The financial statements on pages 10 to 25 were approved by the Board of Directors on 25 July 2011 and were signed on its behalf by:

F. Karavias

Director

The notes on pages 14 to 25 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	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 ended 31 December 2009	-	6,486	6,486
Dividends paid	-	-	-
Balance at 31 December 2009	19	16,449	16,468
Balance at 1 January 2010	**19**	**16,449**	**16,468**
Profit for the year	-	4,420	4,420
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year ended 31 December 2010	-	4,420	4,420
Dividends paid	-	(16,434)	(16,434)
Balance at 31 December 2010	**19**	**4,435**	**4,454**

The notes on pages 14 to 25 form part of these financial statements

Cash Flow Statement for the year ended 31 December 2010

	Note	Year ended 31 December	
		2010 **€'000**	2009 €'000
Cash flows from operating activities			
Interest received		**100,958**	212,592
Interest paid		**(136,601)**	(280,785)
Cash payments to suppliers		**(363)**	(403)
Income taxes paid		**(1,055)**	(3,190)
Cash flows from operating activities before changes in operating assets and liabilities		**(37,061)**	(71,786)
Changes in operating assets and liabilities			
Net decrease in deposits with banks		**1,618,162**	1,452,056
Net (increase)/decrease in other assets		**(12)**	-
Net increase in other liabilities		**1**	38
Net cash from operating activities		**1,581,090**	1,380,308
Cash flows from financing activities			
Proceeds from issue of loan notes and commercial paper		**3,627,807**	6,595,225
Repayments of loan notes and commercial paper		**(5,395,299)**	(8,071,342)
Dividends paid		**(16,434)**	-
Net cash used in financing activities		**(1,783,926)**	(1,476,117)
Net decrease in cash and cash equivalents		**(202,836)**	(95,809)
Cash and cash equivalents at beginning of year		**835,446**	931,255
Cash and cash equivalents at end of year	11	**632,610**	835,446

The notes on pages 14 to 25 form an integral part of these financial statements

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

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 medium term notes listed on the Luxemburg Stock Exchange, purchased by institutional and private investors, and commercial papers. The listed medium term 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

The 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 financial statements, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The directors have considered all the information available to them, including the latest developments as a result of the EU summit on 21 July 2011, the strength of the Parent Company's capital base as it is also reflected in the recent EBA stress test results (see note 19), the resilience of its profitability and 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. These risks include the material uncertainties arising from the potential impact of a probable Greek sovereign debt reprofiling on the Parent Company's and therefore the Company's capital and funding. The directors believe that the ongoing negotiations within the EU on the viability of the Greek sovereign debt will be successful and that in the event of a Greek sovereign debt reprofiling, support measures for the safeguarding of the Greek banking industry, if needed, will be activated by the Hellenic Republic and the Bank of Greece in cooperation with the international community. Therefore, the directors consider that it is appropriate to prepare the financial statements of the Company on a going concern basis. Accordingly, the financial statements of the Company have been prepared on a going concern basis and consequently do not include the adjustments that would result if the Company was unable to continue as a going concern.

The 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 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 1, Amendment-Presentation of Items of Other Comprehensive Income (effective 1 January 2013, 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)
-IAS 12, Amendment-Deferred tax: Recovery of Underlying Assets (effective 1 January 2012, not yet endorsed by EU)
-IAS 19, Amendment – Employee Benefits (effective 1 January 2013, not yet endorsed by EU)
-IAS 24, Amendment-Related Party Disclosures (effective 1 January 2011)
-IAS 27, Amendment - Separate Financial Statements (effective 1 January 2013, not yet endorsed by EU)
-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)
-IFRS 9, Financial Instruments (effective 1 January 2013, not yet endorsed by EU)
-IFRS 13, Fair Value Measurement (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 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 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.

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

2. Accounting policies (continued)

c) Financial assets (continued)

(i) Financial assets at fair value through profit or loss (continued)

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

- it eliminates or significantly reduces measurement or recognition inconsistencies; or
- financial assets share the same risks with financial liabilities and those risks are managed and evaluated on a fair value basis; or
- 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

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Loans originated by the Company are recognised when cash is advanced to the borrowers. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised 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.

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

2. Accounting policies (continued)

e) Financial liabilities (continued)

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 derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

f) Income tax

(i) Current 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.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date

g) 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.

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 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 recognised 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 recognised 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.

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

j) 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.

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. 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 majority of cash proceeds generated from the EMTN and ECP programmes are placed on deposits 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. 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.

Macroeconomic Environment Uncertainty

As noted in the directors' report the main risks of the Parent Company for the next 12 months stem from a) the macroeconomic environment and a probable Greek sovereign debt reprofiling, which could have a significant adverse impact on the Parent Company's capital through its exposure in Greek government bonds as well as on its liquidity support from ECB b) 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 the European Central Bank (ECB). At the year-end, the Bank's net balance with the 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 asked 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.

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

3. Principal risks and uncertainties (continued)

b) Market risk: The Company is exposed to 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 rates applied to loan notes and commercial paper 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 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. The majority of cash proceeds generated from the EMTN and ECP programs 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 third parties.

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 derivative financial liabilities are grouped together with those for the loan notes.

	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:					
- Commercial paper	**15,000**	**-**	**-**	**-**	**15,000**
- Loan notes	**24,017**	**677,310**	**1,519,009**	**5,816,744**	**8,037,080**
- Other liabilities	**1,409**	**-**	**398**	**-**	**1,807**
	40,426	**677,310**	**1,519,407**	**5,816,744**	**8,053,887**

	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	7,777,487	9,215,916
- Other liabilities	453	-	652	-	1,105
	232,146	628,468	928,274	7,777,487	9,566,375

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

3. Principal risks and uncertainties (continued)

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 recognised 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.

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 market 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.

ii) Level 2 - Financial instruments measured using valuation techniques where all significant inputs are market observable. Basic inputs into the valuation techniques are interest rate curves, exchange rates, equity prices and implied volatilities obtained from internationally recognized market data providers.

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

Fair value of financial assets and liabilities

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	**-**	**333,330**	**-**	**333,330**
Derivative financial instruments	**-**	**3,111**	**-**	**3,111**
Total financial assets	**-**	**336,441**	**-**	**336,441**
Financial liabilities measured at fair value:				
Liabilities evidenced by paper designated at fair value	**-**	**692,247**	**-**	**692,247**
Derivative financial instruments	**-**	**17,016**	**-**	**17,016**
	-	**709,263**	**-**	**709,263**

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

	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

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 recognised 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.

b) Fair value financial instruments

The fair values of the 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 market 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 market observable data.

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

5. Interest and similar income

	2010 **€' 000**	2009 €' 000
Interest income on deposits with the parent company	**228,901**	267,157
Other interest income	**3,068**	1,024
	231,969	268,181

6. Interest expense and similar charges

	2010 **€' 000**	2009 €' 000
Interest payable on loan notes	**223,468**	251,098
Other interest payable	**2,178**	7,936
	225,646	259,034

In 2010 the interest expense from loan notes held with EFG Eurobank Ergasias group amounted to € 60,861 ths (2009: € 51,812 ths).

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

	2010 **€' 000**	2009 €' 000
Changes in fair value of liabilities evidenced by paper	**(61,405)**	(15,057)
Changes in fair value of derivatives managed with liabilities evidenced by paper	**23,956**	22,465
Changes in fair value of deposits managed with liabilities evidenced by paper	**37,664**	(7,146)
	215	262

8. Operating expenses

	2010 **€' 000**	2009 €' 000
Auditors remuneration		
-Audit of the statutory financial statements of the Company	**38**	38
-Tax services	**22**	35
EMTN update costs	**339**	330
	399	403

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).

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

10. Income tax expense

The rate of corporation tax for the years 2010 and 2009 in United Kingdom was 28%. The carrying amount of the financial assets and liabilities and their tax base are substantially the same; therefore, no deferred tax has been calculated.

	2010 €' 000	2009 €' 000
Current tax on profits for the year	**1,719**	2,520
	1,719	2,520
Profit before income tax	**6,139**	9,006
Tax calculated at the standard rate of corporation tax in the UK of 28%	**1,719**	2,520
Total tax charge for year	**1,719**	2,520

11. Deposits with banks

	2010 €' 000	2009 €' 000
Deposits with the parent company designated at fair value	**333,330**	237,590
Deposits with the parent company at amortised cost	**6,698,160**	8,381,789
Other banks	**10,495**	114,575
	7,041,985	8,733,954
- with original maturity of more than 90 days	**6,409,375**	7,898,508
- with original maturity of less than 90 days (cash and cash equivalents)	**632,610**	835,446

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 and commercial paper.

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 utilises 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	**342,759**	**3,111**	**17,016**	908,621	1,026	121,546
	342,759	**3,111**	**17,016**	908,621	1,026	121,546

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	**6,365,880**	7,665,659
Less: Un-amortised discount and issue costs	**(51,293)**	(57,502)
Book value of loan notes	**6,314,587**	7,608,157
Commercial paper	**14,997**	349,077
	6,329,584	7,957,234

The loan notes, bearer in form, are issued on either a 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.

For the commercial paper program, the Parent Company’s 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 year.

At 31 December 2010, the loan notes at amortized cost and commercial papers held by the EFG Eurobank Ergasias group amounted to € 2,287,313 ths (2009: € 2,626,699 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	**692,247**	638,627
	692,247	638,627

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 issued by the Company have been designated at fair value through profit or loss, because they share the same risks with linked deposits and derivatives and those risks are managed and evaluated on a fair value basis. Especially for those notes that do not contain embedded derivatives, the designation also addresses any arising accounting mismatch that would occur from their measurement at amortized cost while the linked derivatives would be measured at fair value through profit or loss. As part of the risk management strategy, all these notes are managed either by placing funds (deposits) to the Parent Company on the same terms and conditions with the loan notes or by entering into swap transactions The fair value of loan notes is determined using valuation techniques where all significant inputs are market observable.

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 by the EFG Eurobank Ergasias group amounted to € 258,775 ths (2009: € 255,370 ths).

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

15. Income tax payable and other liabilities

	2010 €' 000	2009 €' 000
Corporation tax	**1,758**	1,094
Other liabilities	**49**	11
	1,807	1,105

16. Share capital

	2010 Number	**2010 £'000**	2009 Number	2009 £'000
Authorised and issued ordinary shares of £1 each	**50,000**	**50**	50,000	50
Allotted and paid up at 25p per ordinary share of £1 each	**50,000**	**13**	50,000	13

The paid up 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.

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. 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, and from its website at www.eurobank.gr.

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 and fixed rate loan notes issued to a wide range of investors.

19. Post balance sheet events

On 3 June, 2011 the Parent Company's credit rating by Moody's was changed to B3. On 15 June 2011 the Parent Company's credit rating by S&P was changed to CCC. On 14 July 2011 the Parent Company's credit rating by Fitch was changed to B-.

As announced on 15 July 2011 and under the 2011 EU-wide stress test's adverse scenario the Parent Company's Core Tier 1 capital would show in 2012, using a static balance sheet assumption as at December 2010, a marginal shortfall of 0.1% compared to the test's benchmark of 5%. Incorporating the actions that have already been decided, announced and are already being implemented, the Core Tier I ratio, after applying the assumed shock under the adverse stress scenario, stands at 7,6% as ratified by Bank of Greece.