PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
P.O. Box 90351
1006 BJ Amsterdam
The Netherlands
Telephone +31 (20) 568 66 66
Facsimile +31 (20) 568 68 88
www.pwc.com/nl

Private and Confidential
EFG New Europe Funding II B.V.
Attn. the Managing Directors
Naritaweg 165
1043 BW Amsterdam

30 September 2010

Reference: VvdR/e0178302

Subject: Auditor's Report for the financial statements of EFG New Europe Funding II B.V.

Dear Sirs,

We are pleased to send you an initialled copy of the 2009 financial statements, which contains our signed auditor's report dated 30 September 2010 for EFG New Europe Funding II B.V. Furthermore, we enclose two copies of the aforementioned auditor's report.

Reliability and continuity of automated data processing
Pursuant to the provisions of Article 2:393, subsection 4 of the Dutch Civil Code, we are to report our findings on the reliability and continuity of the computerised data processing system as part of our audit of the financial statements.

Our audit of the financial statements is aimed at expressing an opinion on the financial statements and not aimed specifically at making a statement on the reliability and continuity of (parts of) the computerised data processing system.

Our audit of the financial statements has not revealed any facts that we believe should be brought to your attention.

Regulation on Reporting Fraud
The primary responsibility for the prevention and detection of fraud and error rests with those charged with governance and the managing directors. The auditor's responsibility is for evaluating the risk that the financial statements could be materially misstated due to fraud, mistakes or misappropriation of assets.

During our audit of the financial statements for the year ended 31 December 2009, no indications of fraud have come to our attention, which require us to inform the managing directors or the company administrator.

Consent to use and make public our auditor's report and related conditions
We confirm that we give our consent to your including a copy of our auditor's report in the 2009 financial statements, which correspond with the attached initialled version.

We confirm that we give our consent to your publication of the copy of our auditor's report, as included in the section Other information of the enclosed annual report, which have been initialled by us, provided that the financial statements prepared are adopted without changes by the general meeting of shareholders, and that they are filed with the Trade Register within one month of the date of this letter. If you publish the financial statements and a copy of the auditor's report on the Internet, you must safeguard that the financial statements are adequately segregated from any other information on the website. This could be done by publishing the financial statements as a separate, non-editable file, or by including a warning as soon as the reader leaves the financial statements (such as "You are now leaving the protected financial statements audited by the accountant").

Signing the financial statements
The original financial statements must be signed by the managing directors and must be offered to the shareholder. These financial statements must be adopted in a general meeting of shareholders and the adoption must be laid down in the minutes of the meeting.

Subsequent events
Please note that, if prior to the general meeting of shareholders there are circumstances (subsequent events) that necessitate adjustment of the financial statements, such an adjustment must be made before the general meeting of shareholders is held, by virtue of article 362, paragraph 6, Book 2 of the Netherlands Civil Code and article 392, paragraph 1, under g, Book 2 of the Netherlands Civil Code. Naturally, in such a situation, our consent is revoked.

Filing requirements
Within 8 days after adoption by the shareholder the annual report must be filed with the Chamber of Commerce in Amsterdam. There is no requirement for the managing directors to sign those financial statements which are to be filed at the Chamber of Commerce. In order to avoid the risk of identity theft we recommend not filing financial statements and auditor's reports which include original signatures. In an accompanying letter to the Chamber of Commerce, you should mention that the original financial statements have

been signed by the managing directors and adopted by the shareholders' meeting, and the date on which this took place.

It should be borne in mind that filing the financial statements is required by law and that any failure to file them constitutes an offence. In certain cases, failure to file may lead to you, as managing directors, being held liable.

If you have any queries, please do not hesitate to contact us,

Yours faithfully,
PricewaterhouseCoopers Accountants N.V.

V.S. van der Reijden RA
Director

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
P.O. Box 90357
1006 BJ Amsterdam
The Netherlands
Telephone +31 (0) 20 568 66 66
Facsimile +31 (0) 20 568 68 88
www.pwc.com/nl

To: the General Meeting of Shareholders of EFG New Europe Funding II B.V.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2009 of EFG New Europe Funding II B.V., Amsterdam as set out on pages 2 to 21, which comprise the balance sheet as at 31 December 2009, the profit and loss account, the statement of comprehensive income, the changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Managing Directors' responsibility

Managing Directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of Managing Directors in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 internal control relevant to the company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

VvdR/e0178302

PRICEWATERHOUSECOOPERS

estimates made by Managing Directors, 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 give a true and fair view of the financial position of EFG New Europe Funding II B.V. as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Report of Managing Directors is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 30 September 2010
PricewaterhouseCoopers Accountants N.V.

V.S. van der Reijden RA

EFG NEW EUROPE FUNDING II B.V.

Amsterdam, The Netherlands

ANNUAL REPORT 2009

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

EFG NEW EUROPE FUNDING II B.V.

Contents

EFG NEW EUROPE FUNDING II B.V.

Amsterdam

Directors' Report

In accordance with the Articles of Association of EFG New Europe Funding II B.V., the management herewith submits the Annual Report of EFG New Europe Funding II B.V. (the Company) for the period ended 31 December 2009.

Key Activities

The key activities of the Company is to invest in loans granted to Romanian customers (originated by the EFG Group in Romania). All loans and advances to customers are acquired from existing loans to Romanian customers from the group company Bancpost S.A.. The Company itself is funded directly by EFG Cyprus Limited in Cyprus.

Overview of activities

The credit crisis has continued during 2009. It has had an increasing impact on the economies of relevant countries. If growth of such economies continue to slow down or such economies go into recession that is likely to have an adverse effect on the ability of companies to repay or refinance their existing debt. Ultimately such macro economic conditions may adversely affect the rating, performance and the realization value of the Company's collateral.

Result

In the current financial period the Company recorded a profit of EUR 3,090,748 which is set out in detail in the attached Income Statement.

During 2009 the interest income was generated by an average annual portfolio of approximate 810 million euro. During 2008 the interest income was generated by an average annual portfolio of approximate 172 million euro built during August 2008 to December 2008.

Risk Management

The Managing Board utilizes a risk management policy and receives regular reports to enable prompt identification of financial risk so that appropriate actions may be taken. Loan assets and loan liabilities are undertaken back to back and on a non recourse basis. The Company employs written policy and procedures that sets out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these. For a further analysis we refer to note no. 5 in the Notes to the balance sheet and Profit and Loss account of this report.

Outlook

It is expected that the nature of the activities of the company will remain unchanged during 2010.

Post balance sheet events

No major post balance sheet events affecting the financial statements have occurred to date.

Future Developments

The Company's business strategy and activities are linked to these of EFG Eurobank Ergasias S.A., which is the indirect shareholder of the Company. EFG Eurobank Ergasias S.A. is the shareholder of Eurobank EFG Cyprus LTD who in turn provides the Company a limited recourse for the loans it provides to the Company. The business environment during 2009 has been challenging for EFG Eurobank Ergasias S.A. and the Company, but the second half of 2009 witnessed clear signs of stabilization in global financial markets and the global economy.

Despite the Greek crisis EFG Eurobank Ergasias S.A. passed all stress-tests successfully and is internationally regarded as a stable bank with a strong financial health. In light of the aforementioned and since EFG Eurobank Ergasias S.A. does not have any capitalization or liquidity problems, the members of the Management Board of the Company do not expect any material challenges with respect to the stability of EFG Eurobank Ergasias S.A. nor the limited recourse that Eurobank EFG Cyprus LTD provides for the Company's loan portfolio.

Amsterdam, September 30, 2010

Managing Directors

E.A. Giannopoulou H. Kokologiannis

S. Boermans J. Helder

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

EFG NEW EUROPE FUNDING II B.V.

Balance Sheet as at December 31, 2009
(amounts in EUR, after appropriation of results)

ASSETS

	Notes	31/12/2009	31/12/2008
Non Current Assets			
Loans & advances to customers	7	748,208,672	654,689,809
Current Assets			
Loans & advances to customers	7	80,352,874	63,460,899
Other receivables	8	111,287	-
Cash and cash equivalents	9	14,138,294	14,749,155
TOTAL ASSETS		842,811,127	732,899,863

EQUITY AND LIABILITIES

	Notes	31/12/2009	31/12/2008
Capital and reserves attributable to equity holders of the company			
Issued and paid-up capital	10	20,000	20,000
Share premium	10	1,980,000	1,980,000
Accumulated profits/(losses)	10	12,397	(3,078,351)
		2,012,397	(1,078,351)
Current Liabilities			
Borrowings from group company	11	836,255,032	729,850,062
Interest payable to group company	12	2,140,664	3,736,455
Other payables	13	2,190,887	391,697
Income tax payable	17	212,147	--
		840,798,730	733,978,214
TOTAL EQUITY AND LIABILITIES		842,811,127	732,899,863

The notes to the accounts on pages 8 to 22 form an integral part of these financial statements

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

EFG NEW EUROPE FUNDING II B.V.

Income Statement
for the financial period ended December 31, 2009
(amounts in EUR)

DRAFT

	Notes	31/12/2009	24/4 - 31/12/2008
Interest income	14	85,303,809	20,685,823
Interest expense	15	(83,337,921)	(21,290,608)
		1,965,888	(604,785)
Provision for impairment of loans	6	(618,124)	(1,999,994)
Other operating income		2,174,617	--
Operating income		3,522,381	(2,604,779)
Foreign exchange gain/(loss)		14,607	(314,515)
Operating costs	16	(202,927)	(159,057)
		3,334,061	(3,078,351)
Income tax expense	17	(243,313)	--
		3,090,748	(3,078,351)

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

The notes to the accounts on pages 8 to 22 form an integral part of these financial statements.

EFG NEW EUROPE FUNDING II B.V.

Statement of comprehensive income
for the financial period ended December 31, 2009
(in EUR)

DRAFT

	Notes	1/1 - 31/12/2009	24/4 - 31/12/2008
Net result after taxation		3,090,748	(3,078,351)
Other comprehensive income:			
		--	--
Other comprehensive income for the period, net of ta		--	--
Total comprehensive income for the period		3,090,748	(3,078,351)

EFG NEW EUROPE FUNDING II B.V.

Cash Flow Statement
for the financial period ended December 31, 2009
(amounts in EUR)

	Notes	EUR 1/1/2009-31/12/2009	EUR 24/4/2008-31/12/2008
Cash flow from operating activities:			
Profit/(Loss) before taxation		3,334,061	(3,078,351)
Cash generated from operations		3,334,061	(3,078,351)
Net (Increase) in investments in loans & advances	7	(277,130,895)	(761,822,382)
Repayments of investments in loans & advances		85,106,117	23,877,091
Interest received		81,613,940	19,794,584
Net (increase) in other receivables	8	(111,287)	--
Net (increase) in interest payable to group company	12	83,332,587	21,290,608
Interest (paid)	12	(84,928,378)	(17,554,153)
Net increase in other payables	13	1,799,191	391,697
Net (increase) in income taxes payable	15	(31,166)	--
Net Cash flow (used in) operating activities		(107,015,830)	(717,100,907)
Cash flows from financing activities:			
Proceeds from issue of capital	10	--	2,000,000
Increase in borrowings from group company	11	292,423,895	740,787,894
(Repayments) of borrowings from group company		(186,018,925)	(10,937,832)
Net cash from financing activities		106,404,970	731,850,062
Increase in cash and cash equivalents		(610,860)	14,749,155
Cash and cash equivalents at beginning of period		14,749,155	--
Effect of exchange rate changes on cash and cash equivalent		--	--
Cash and cash equivalents at the end of period		14,138,295	14,749,155

The notes to the accounts on pages 8 to 22 form an integral part of these financial statements

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

EFG NEW EUROPE FUNDING II B.V.

Statement of changes in equity
for the financial period ended December 31, 2009
(amounts in EUR)

EQUITY

The Company's authorised share capital amounts to EUR 90,000 and consists of 90,000 ordinary shares with a nominal value of EUR 1 each.
As at December 31, 2009, 20,000 shares were issued and fully paid-up. The movements in EUR in the year under review can be summarised as follows:

	Issued and paid-up capital	Share premium	Accumulated profits/(losses)	Total
Balance as at incorporation	20,000	--	--	**20,000**
Additions	--	1,980,000	--	**1,980,000**
Result for the period	--	--	(3,078,351)	**(3,078,351)**
Balance as at December 31, 2008	**20,000**	**1,980,000**	**(3,078,351)**	**(1,078,351)**
Result for the period	--	--	3,090,748	**3,090,748**
Balance as at December 31, 2009	**20,000**	**1,980,000**	**12,397**	**2,012,397**

EFG New Europe Funding II B.V. is fully controlled and owned by EFG New Europe Holding B.V., a wholly owned subsidiary of EFG Eurobank Ergasias S.A., a bank incorporated in Greece and listed on the Athens Stock Exchange.

The notes to the accounts on pages 8 to 22 form an integral part of these financial statements

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

EFG NEW EUROPE FUNDING II B.V.

Notes to the Financial Statements as at December 31, 2009
(amounts in EUR)

1 GENERAL

EFG New Europe Funding II B.V. (the Company) was incorporated on April 24, 2008 and has its registered address at Naritaweg 165, Amsterdam, The Netherlands. The Company is incorporated in The Netherlands and is wholly owned by EFG New Europe Holding B.V., a wholly owned subsidiary of EFG Eurobank Ergasias S.A. The ultimate parent company is Private Financial Holding Limited, which is owned and controlled indirectly by members of the Latsis family.

The key activities of the Company is to invest in loans granted to Romanian customers (originated by the EFG Group in Romania). All loans and advances to customers are acquired from existing loans to Romanian customers from the group company Bancpost S.A.. The Company itself is funded directly by EFG Cyprus Limited in Cyprus.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

The Company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Commission. These standards are subject to ongoing amendments by the IASB (International Accounting Standard Board) and subsequent endorsement by the European Commission.

(a) Standards and interpretations issued and effective:
The application of the amended and new standards and interpretations listed below did not result in substantial changes to the Company's accounting policies:
IFRS 7 'Financial instruments – Disclosures' (amendment).- effective 1January 2009;
IAS 1 (revised), 'Presentation of financial statements'. - effective 1 January 2009;
IFRS 2 (amendment), 'Share-based payment'. - it is not yet endorsed by the EU.

(b) Standards and Interpretations issued but not yet effective:
The following Standards and Interpretation that were issued but not yet effective for accounting periods beginning in January 1, 2009 have not been early adopted
IFRIC 17, 'Distribution of non-cash assets to owners'. - effective on or after 1 January 2010;
IAS 27 (revised), 'Consolidated and separate financial statements'. - effective from 1 January 2010;
IFRS 3 (revised), 'Business combinations'. - effective from 1 January 2010;
IAS 38 (amendment), 'Intangible Assets'. - effective 1 January 2010;
IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. - effective 1 January 2010;
IAS 1 (amendment), 'Presentation of financial statements'. - effective 1 January 2010;
IFRS 2 (amendments), 'Group cash-settled share-based payment transactions' effective from 1 January 2010;

The application of the above mentioned standards and interpretations is not expected to have a material impact on the Company's financial statements in the period of the initial application, although disclosures may be more extensive. IAS 1 affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS.

The Company recorded financing only from related parties, therefore, its going concern depends of the future continuation of these relations.

Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

Foreign currency
Transactions in foreign currencies are translated into Euro at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities stated in foreign currencies at the balance sheet date are translated into Euro at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in the Income Statement.

Non-monetary assets and liabilities in foreign currencies, which are stated at historical cost, are translated into Euro at the foreign exchange rate prevailing at the date of the transaction, in the Balance Sheet. Any resulting movement is also recognised in the Income Statement.

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUE)

Income tax

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable based on the taxable profit for the year, using tax rates enacted or substantially prevailing at the balance sheet date. Taxable profit may differ from profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred 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 income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the investment. The Company classifies its financial assets and financial liabilities in the category: loans & advances to customers and borrowings from group company.
As at December 31, 2009, the Company did not conclude any derivative contracts.

(a) Loans and receivables/payables

Loans and receivables/payables are non-derivative financial assets and financial liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after balance sheet date. These are classified as non-current assets and non-current liabilities.

Loans and receivables

These represent Loans and Advances to customers, and are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate provisions for estimated irrecoverable amounts are recognised in the Income Statement when there is objective evidence that the asset is impaired.

The nominal or cost value of the other receivables, which are not traded in active markets or for which no valuation techniques can be applied is assumed to appropriate their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment

If there is objective evidence that an impairment loss on loans and receivables, carried at amortised cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset will be reduced either directly or through use of an allowance account. Any such loss would be recognised in the Income Statement.

Interest-bearing borrowings

Interest-bearing borrowings are stated at amortised cost using the effective interest method. Applying the effective interest method, the entity amortises any fees, transaction cost and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the underlying liability. Any such amortisation would be recognized in the Income Statement.

Other payables

The nominal or cost value of the other payables, which are not traded in active markets or for which no valuation techniques can be applied is assumed to appropriate their fair value.

Share capital

Share capital is equal to the nominal value of shares, respectively with to the value of capital contribution, of premiums and incorporated reserves or other operations which lead to its modification.
Subscribed and paid-in capital is recorded based on the articles of incorporation and on the supporting documents regarding capital paid-in.

3 CASH FLOW STATEMENT

The Cash Flow statement has been prepared in accordance with the indirect method.

4 PRINCIPLES OF DETERMINATION OF RESULT

General

Result is determined as the difference between income generated by loans, and the costs and other charges for the year. Income from transactions is recognized in the year in which it is realized.

Interest income and expenses

Interest income and interest expense are recognised in the Income Statement for all interest bearing financial instruments.

For all interest bearing financial instruments, interest income or interest expense is recognised using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability (on an amortised cost basis). The calculation includes all contractual terms of the financial instrument (for example, prepayment options) but not 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.

Fees and Commissions are generally recognised on an accrual basis when the service has been provided.

Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognized in the Profit & Loss Account in the period that they arise. Exchange rate differences on non-current and non-liabilities loans are recognized in the Profit & Loss Account in the period they arise.

Taxation

Domestic corporate income tax is determined by applying Dutch fiscal practice rules and taking into account allowable deductions, charges and exemptions.

5 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of risks. Exposure to credit, interest rate, currency and liquidity risk arises in the normal course of the Company's business. The Company's overall risk management policy focus on the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.
The management considers there is no significant concentration of the following risks at the balance sheet date.
The procedures for assessing the risk are also shown below:

5.1. Credit risk

Credit risk - is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the loans and advances to customers and placements with banks.

The Company's portfolio is reviewed on a regularly basis for impairment provisions.

There is a limited recourse through the Overdraft Multicurrency Agreement which states that the aggregate loss accrued by the Company (Borrower) in relation to its creditors defaulting under corresponding loans will not exceed the lower of Euro 2,000,000 million or, 1% (one percent) of the outstanding amounts of corresponding loans, calculated before tax and over the total term of the this agreement. Subject to the above, the Company will repay the borrowings to group company in full (including principal, interest and commission) on demand. The repayment of the borrowings and/or any installment shall be in the currency in which the borrowings are outstanding unless the Lender accepts that repayment may be made in another currency.
The interest rate is the aggregate of a margin and the applicable Libor rate in case the borrowings are denominated in a currency other than Euro. In case the borrowings are denominated in Euro, the interest rate is the aggregate of a margin and the applicable Euribor rate.

Impairment and provisioning policy

Impaired loans and advances are loans and advances for which the Company determines that it is probable that it will be unable to collect entire principal and interest due according to the contractual terms of the loan / securities agreement(s). Individually impaired assets are those which have been individually assessed for impairment and for which an impairment loss has been recognized. For individually assessed accounts, loans are treated as impaired as soon as there is objective evidence that an impairment loss has been incurred.
Depending on the credit rating and existing collateral appropriate loan loss provisions are booked.

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

Impairment and provisioning policy (continued)

The Company reviews its impairment models on a regularly basis. In determining whether an impairment loss should be recorded in the income statement, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year could be different from the assumptions used and could require a material adjustment to the carrying amount of the finance lease receivables and loans.

Credit monitoring

The Company is aware of the state of the borrower's business and any change in its creditworthiness at all times, as regular evaluation of financial statements and of the borrower's business operations are performed.

Loans and advances

Loans and advances are accounted for net of provisions for impairment. The estimated fair value of loans and advances as disclosed in note 5.1.2, represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

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 provided where there is objective evidence that the Company will not be able to collect all amounts due. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Company's portfolio, could result in evidence that is different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

Exposure to credit risk is managed through regular analysis of the ability of borrowers to meet interest and capital repayment obligations. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees. The split of portfolio of the Company by industry is detailed in below.
The Company has no geographical exposure to a market other than Romania.

Cash and cash equivalents

There are no restrictions on the availability of cash and cash equivalents. These are readily available.

Collateral

The Company employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:
- Mortgages over residential properties
- Charges over business assets such as premises, inventory and accounts receivable;

Longer-term finance and lending to corporate entities are generally secured; mortgage loans are also secured, while consumer loans to individuals are generally unsecured. In addition, in order to minimise the credit loss the Company will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Credit related Commitments

The primary purpose of credit related commitments is to ensure that funds are available to a customer as required. Commitment to extend credit represents contractual commitment to extend credit in the form of loans. However, most commitments to extend credit are contingent upon customers maintaining specific credit standards.

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

5.1.1. Maximum exposure to credit risk before collateral held or other credit enhancements:

	Consumer	Mortgage	Small business	Wholesale	Total 31/12/09
Loans & advances to customers	330,381,507	334,763,467	84,829,315	61,150,440	811,124,729
Interest receivable	3,896,839	5,188,425	4,546,096	3,917,563	17,548,923
Other receivables related to loans	1,262,934	138,847	447,380	38,711	1,887,872
Other receivables (note 8)					111,287
Taxation (note 17)					--
Due from banks/current accounts (note 9)					12,101,453
Due from banks/deposits placed with banks (note 9)					2,036,841
Total					844,811,105
Less: allowance for impairment	(1,893,725)	(31,415)	(74,839)	-	(1,999,978)
Net					842,811,127

	Consumer	Mortgage	Small business	Wholesale	Total 31/12/08
Loans & advances to customers	295,742,828	351,988,564	54,113,972	-	701,845,364
Interest receivable	1,851,177	4,384,494	320,196	-	6,555,867
Other receivables (note 8)	5,712,535	5,182,234	854,702	-	11,749,471
Taxation (note 17)					--
Due from banks/current accounts (note 9)					12,737,523
Due from banks/deposits placed with banks (note 9)					2,011,632
Total					734,899,857
Less: allowance for impairment	(1,662,406)	(79,556)	(258,032)	-	(1,999,994)
					732,899,863

5.1.2. Loans and advances

As at December 31, 2009 and 2008, Loans and advances are summarised as follows:

	31/12/09	31/12/08
	EUR	EUR
Neither past due nor impaired	635,494,691	647,217,319
Past due but not impaired	86,934,538	72,011,773
Impaired (collectively + individually)	108,132,295	921,610
Total	**830,561,524**	**720,150,702**

The above-mentioned balances represent the loans and advances before impairment.

(a) Loans and advances neither past due nor impaired

The credit quality of the portfolio of loans and advances that were neither past due nor impaired at 31 December 2009 and 2008 can be assessed by reference to the Group policy. The outstanding balances of non delinquent loans are reported in this category (loans of acceptable - low risk). The following information is based on that system:

2009	Consumer	Mortgage	Small business	Wholesale	Total
Acceptable- low risk	266,007,663	316,406,695	45,606,529	2,230,608	630,251,495
Watch list	--	--	--	5,243,196	5,243,196
Total	**266,007,663**	**316,406,695**	**45,606,529**	**7,473,804**	**635,494,691**

2008	Consumer	Mortgage	Small business	Wholesale	Total
Acceptable- low risk	275,677,720	335,479,977	36,059,622		647,217,319
Total	**275,677,720**	**335,479,977**	**36,059,622**	**--**	**647,217,319**

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

5.1.2. *Loans and advances*

(b) Loans and advances past due, but not impaired

Consumer and Small Business Loans and advances less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary.

Mortgage Loans and advances less than 180 days past due are not considered impaired, unless other information is available to indicate the contrary.

The fair value of collateral is the lower of the loan's carrying amount, the collaterals' fair value and, if any, the prenotation.

Gross amount of loans and advances by class to customers that were past due but not impaired were as follows:

The reason for not impairing the past due balances is included in note 7 (Overdraft Multicurrency Agreement)"

2009	Consumer	Mortgage	Small business	Wholesale	Total
Past due up to 29 days	27,211,489	12,106,592	4,582,937	8,936,194	52,837,212
Past due 30 - 89 days	18,521,380	7,743,504	3,627,244	2,341,326	32,233,454
Past due 90 - 179 days	--	1,863,872	--	--	1,863,872
Total	**45,732,869**	**21,713,968**	**8,210,181**	**11,277,520**	**86,934,538**
Fair value of collateral	--	21,279,348	7,573,038	11,184,322	40,036,708

2008	Consumer	Mortgage	Small business	Wholesale	Total
Past due up to 29 days	20,195,310	22,715,219	15,505,344	--	58,415,873
Past due 30 - 89 days	6,929,463	3,360,096	3,306,341	--	13,595,900
Total	**27,124,773**	**26,075,315**	**18,811,685**	--	**72,011,773**
Fair value of collateral	--	25,459,207	17,357,612	--	42,816,819

(c) *Impaired loans and advances*

(c 1) *Impaired loans and advances collectively assessed*

For collectively assessed accounts, loans are treated as impaired based on historical loss data for groups of loans with similar characteristics.

The collectively assessed loans and advances to customers before taking into consideration the cash flows from collateral held is presented below:

2009	Consumer	Mortgage	Total
Collectively assessed loans	23,794,018	1,969,823	25,763,841
Fair value of collateral	-	1,892,687	1,892,687

2008	Consumer	Mortgage	Total
Collectively assessed loans	504,048	-	504,048
Fair value of collateral	-	-	-

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers Accountants N.V.
For identification purposes only

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

5.1.2. *Loans and advances (continued)*

(c 2) *Impaired loans and advances individually assessed*

For individually assessed accounts, loans are treated as impaired as soon as there is objective evidence that an impairment loss has been incurred. The criteria used by the Company to determine that there is objective evidence of impairment include:
- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the 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;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- 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:
  - 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.

The individually assessed loans and advances to customers before taking into consideration the cash flows from collateral held is presented below. The breakdown of the gross amount of individually assessed loans and advances by classes is:

2009			
	Small business	Wholesale	Total
Individually assessed loans	35,926,533	46,441,921	82,368,454
Fair value of collateral	37,291,562	55,842,299	93,133,861

2008			
	Small business	Wholesale	Total
Individually assessed loans	417,562	-	417,562
Fair value of collateral	399,033	-	399,033

(d) *Loans and advances renegotiated*

In this category are included loans and advances, whose terms have been renegotiated and are no longer considered past due nor impaired, as the minimum number of payments and conditions required under the new arrangements have been fulfilled.

As at Dec 31, 2009 and 2008 there are no such loans in Company's portfolio.

(e) *Repossessed collaterals*

During 2009, the Company has repossessed collaterals amounting to EUR 104 thousand through his agent assigned for the administration of these loans, Bancpost S.A. These collaterals are recorded in the agent's books until the Company instructs otherwise. Until such time, the Company recognized a receivable from its agent (at the auction value of the collateral), in correspondence with a reduction of the loan receivable. During 2008 there were no repossessed collateral.

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

5.1.2. *Loans and advances (continued)*

<u>*Concentration of risks of financial assets with credit risk exposure*</u>

Consumer loans

The following table breaks down the Company's main credit exposure at their carrying amounts, as categorized by the geographical sectors of our counterparties:

Loans and advances to customers:	31/12/09	31/12/08
Romania	335,541,280	303,306,540
Total	335,541,280	303,306,540

Mortgage loans

The following table breaks down the Company's main credit exposure at their carrying amounts, as categorized by the geographical sectors of our counterparties:

Loans and advances to customers:	31/12/09	31/12/08
Romania	340,090,739	361,555,292
Total	340,090,739	361,555,292

Small Business Borrowings/ Corporate loans

The following table breaks down the Company's main credit exposure at their carrying amounts, as categorized by the industry sectors of our counterparties:

Loans and advances to customers:	Small Business Borrowings 31/12/09	Corporate 31/12/09	Small Business Borrowings 31/12/08
Commerce and services	66,769,233	28,080,827	34,577,703
Manufacturing	12,049,194	20,043,254	6,560,940
Shipping	-	-	21,674
Construction	8,162,475	13,948,237	5,669,774
Other	2,841,889	3,034,396	8,458,779
Total	89,822,791	65,106,714	55,288,870

5.2 Market risk

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific movements and changes in the level of volatility of market rates of prices such as interest rates, foreign exchange rates and equity prices.

5.2.1. *Interest rate risk*

The risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
Loan assets and loan liabilities are undertaken back to back on terms that both relate to the same variable Euribor or Libor rate. The risk is fully compensated by this balance and hence there is no sensitivity risk to a change in interest rate. Borrowings bear interest at 1 month or 3 month Euribor/Libor plus a spread and according to the Multicurrency agreement.
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.
The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

5.2 Market risk (continued)

5.2.2. *Sensitivity analysis*

The sensitivity of the Income Statement is the effect of the assumed changes in interest rates and FX rate on the net income for one year.

Sensitivity analysis used for monitoring market risk do not represent worst case scenario.

The effect on the income statement as a result of parallel shift in yield curve is nil.

An analysis of the Company's sensitivity to an increase or decrease in FX rates (assuming constant balance sheet position) is as follows:

Sensitivity of Income Statement

	31/12/09	31/12/08
Interest Rate	gain/(loss)	gain/(loss)
+100bps parallel shift	(131,864)	(280,047)
Foreign exchange		
10% depreciation of functional ccy (EUR) over foreign currencies	407,278	610,517

Sensitivity calculation parameters

Interest Rate Sensitivity: The table above summarises the impact of a parallel shift of the yield curve on the Bank's income statement and other comprehensive income performed on an interest rate gap model by applying a parallel shift of 100 basis points. Based on the fluctuation of interest rates in the prior year and Bank's Treasury Department forecast analysis ±100 basis points is determined to be a reasonably possible shift.

FX Rates Sensitivity: The table above summarises the impact of a reasonably possible change of 10% in the value of RON against foreign currencies on the Bank's income statement and other comprehensive income calculated by applying the change to monetary financial instruments denominated in foreign currencies held by the Bank as at 31 December.

At 31 December 2009, if market interest rates had been 100 basis points higher/ lower and with all other variables held constant, profit for the year would have been EUR 131,864 (2008: EUR 280,047) lower/ lower and comprehensive income would have been unaffected.

At 31 December 2009, if EUR had strengthened/ weakened by 10% against relevant foreign currencies (all other variables held constant) profit for the year would have been EUR 407,278 higher/ lower (2008: EUR 610,517 lower/ higher) and comprehensive income would have been unaffected.

5.3. Liquidity risk

The risk that daily calls on its cash may exceed available cash resources. Any cash flow shortfalls will be managed in coordination with EFG Eurobank Ergasias S.A., sole shareholder of EFG New Europe Holding B.V., which is the immediate parent and controlling entity of the Company.

Loan assets and loan liabilities are undertaken back to back and on a non recourse basis.

The table below presents the cash flow payable by the Company under financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are contractual undiscounted cash flows.

Contractual undiscounted cash flows

	31/12/09	31/12/08
Up to 1 month:		
Borrowings from group companies	836,255,032	729,850,062
Interest payable to group companies	6,222,801	7,616,110
	842,477,833	737,466,172
Total:		
Borrowings from group companies	836,255,032	729,850,062
Interest payable to group companies	6,222,801	7,616,110
	842,477,833	737,466,172

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

5.4. Fair values of financial assets and liabilities

The fair values of the financial assets and liabilities approximate their carrying amounts. As a result the management of the Company considers the fair value of the loans & advances to customers as not materially different from the book value shown on the balance sheet.

	2009		2008	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Loans & advances to customers	828,561,546	832,373,187	718,150,708	720,505,951
Cash and cash equivalents	14,138,294	14,138,293	14,749,155	14,749,155
Other receivables	111,287	111,287	--	--
Liabilities				
Borrowings from group company	838,395,696	841,205,732	733,586,517	735,593,881
Other payables	2,190,887	2,190,887	391,697	391,697
Income tax payable	212,147	212,147	--	--

5.5. Capital management

The Company's main objectives when managing capital, is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company is not required to comply with any capital requirements set by the regulators.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Apart from the historical experience the Company considered also the effect of the current financial industry conditions in evaluating these estimates and judgements.

Impairment losses on loans and advances

The Company reviews its loan portfolios to assess impairment at least on a half yearly basis. In determining whether an impairment loss should be recorded in the income statement, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

7 LOANS & ADVANCES TO CUSTOMERS

	31/12/09	31/12/08
Consumer loans	335,541,280	303,306,541
Mortgage loans	340,090,739	361,555,293
Small Business Borrowings/ Corporate loans	154,929,505	55,288,868
Total loans to Romanian clients - gross	830,561,524	720,150,702
Less: allowance for impairment	(1,999,978)	(1,999,994)
	828,561,546	718,150,708
Current Assets:		
Loan repayments due:		
Up to 1 month	6,678,976	5,304,648
1-3 months	15,756,111	10,601,340
4-12 months	57,917,787	47,554,911
	80,352,874	63,460,899
Non Current Assets:		
1-5 years	310,377,385	238,572,932
Over 5 years	437,831,287	416,116,877
	748,208,672	654,689,809

Loans bear interest at 1 month or 3 month Euribor/Libor plus a spread and according to the Master Receivables Sale and Purchase Agreements. A Overdraft Multicurrency agreement dated July 11, 2008 between the Company (Borrower) and EFG Cyprus Ltd (Lender) was concluded. There is a limited recourse through the Overdraft Multicurrency Agreement which states that the aggregate loss accrued by the Company (Borrower) in relation to its creditors defaulting under corresponding loans will not exceed the lower of Euro 2,000,000 million or, 1% (one percent) of the outstanding amounts of corresponding loans, calculated before tax and over the total term of the this agreement.

During 2009 the Company has concluded agreements with Bancpost S.A. (a subsidiary of EFG Eurobank Ergasias S.A.) by which substantially all the risks and rewards associated with a portfolio of loans granted to companies were transferred from Bancpost S.A. to the Company. Bancpost S.A continues to act as an administrator of these loans.

Movements in provisions for impairment of loans and interest receivable are:

Type of loan:	Consumer loans	Mortgage loans	SBB loans	Total
Opening balance as at January 1, 2009	1,662,407	79,556	258,031	1,999,994
New provisions	231,319	(48,141)	434,946	618,124
Amounts written off	-	-	(618,140)	(618,140)
Closing balance as at December 31, 2009	1,893,726	31,415	74,837	1,999,978

8 OTHER RECEIVABLES

Description	31/12/09	31/12/08
Receivable from repossessed collaterals	104,444	-
Other receivables	6,843	-
	111,287	-

During 2009, the Company has repossessed collaterals amounting to EUR 104 thousand through his agent assigned for the administration of these loans, Bancpost S.A. These collaterals are recorded in the agent's books until the Company instructs otherwise. Until such time, the Company recognized a receivable from its agent (at the auction value of the collateral), in correspondence with a reduction of the loan receivable.

9 **CASH AND CASH EQUIVALENTS**

Description	31/12/09	31/12/08
Due from banks/current accounts	12,101,453	12,737,523
Due from banks/deposits placed with banks	2,036,841	2,011,632
	14,138,294	14,749,155

There are no restrictions on the availability of cash and cash equivalents. These are readily available.

10 **EQUITY**

The Company's authorised share capital amounts to EUR 90,000 and consists of 90,000 ordinary shares with a nominal value of EUR 1 each. As at December 31, 2009, 20,000 shares were issued and fully paid-up. The movements in the Equity we refer to the Statement of Equity on page 7 of this report.

EFG New Europe Funding II B.V. is fully controlled and owned by EFG New Europe Holding B.V., a wholly owned subsidiary of EFG Eurobank Ergasias S.A., a bank incorporated in Greece and listed on the Athens Stock Exchange.

11 **BORROWINGS FROM GROUP COMPANY**

	31/12/09	31/12/08
Financing borrowings from group company	836,255,032	729,850,062
	836,255,032	729,850,062

A Overdraft Multicurrency agreement dated July 11, 2008 between the Company (Borrower) and EFG Cyprus Ltd (Lender) was concluded.

According to the Overdraft Multicurrency agreement the borrowings are repriced and renewed on a monthly basis. The borrowings are matched with the loans and advances to customers (note 5).

Borrowings bear interest at 1 month or 3 month Euribor/Libor plus a spread and according to the Multicurrency agreement.

12 **INTEREST PAYABLE TO GROUP COMPANY**

	31/12/09	31/12/08
EFG Cyprus Limited, Cyprus	2,140,664	3,736,455
	2,140,664	3,736,455

Repayments are due within 1 month.

13 **OTHER PAYABLES**

	31/12/09	31/12/08
Other liabilities	2,190,887	390,923
Payable tax levy interest	--	774
	2,190,887	391,697

14 **INTEREST INCOME**

	1/1/09-31/12/09	24/4/08-31/12/08
Interest income on loans and advances	76,004,544	19,141,940
Interest related income	17,696,744	3,892,542
Interest related fees	(8,397,479)	(2,348,659)
	85,303,809	20,685,823

The interest income for 2008 was for the period April 24 till December 2008, based on a loan portfolio between EUR 400 and EUR 500 million. The increase in the interest income for 2009 was due to the additional sub participation agreement and relates to the period of 12 months.

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Accountants N.V.
For identification purposes only

15 INTEREST EXPENSE

	1/1/09-31/12/09	24/4/08-31/12/08
Interest expense borrowings from group company	83,161,842	21,290,608
Bank interest expense	176,079	--
	83,337,921	21,290,608

16 OPERATING COSTS

	1/1/09-31/12/09	24/4/08-31/12/08
Management, domiciliary and accounting fees	75,000	42,500
Occasional consultancy fees	57,327	51,352
Non-deductible VAT	27,274	13,106
Other	43,326	52,099
	202,927	159,057

The audit fees of EUR 25,000 (2008: EUR 29,750) included under "Other" solely comprises the fees of external auditor PricewaterhouseCoopers Accountants N.V. for the statutory audit of the financial statements. The external auditor has not charged any fees relating to other assurance related services, tax, consulting or any other consulting services.

17 TAXATION

As at December 31, 2009 and 2008, this item can be detailed as follows:

	31/12/09	31/12/08
Result before taxation	3,334,061	(3,078,351)
Less: Foreign exchange gain	(14,607)	--
Less: Unrealized impairment loss on loans	(1,552,735)	--
Deduction loss 2008	(769,412)	--
Taxable loss	997,307	(3,078,351)
Corporate income tax expense for the period	243,313	--
Effective corporate income tax rate	*7.30%*	*0.00%*

The movements in the taxation are as follows:

	31/12/09
Opening balance	--
Estimate tax charge for the year	(243,313)
Payments made via preliminary assessment 2008	31,166
Closing balance	(212,147)

The nominal Corporate income tax in the Netherlands is 20% for the first EUR 200,000 and the remaining taxable result 25.5%.
Based upon the taxable result of the Company during the year under review, the effective Corporate income tax is 7.40%.

18 RELATED PARTIES

The Company's immediate parent and controlling entity is EFG New Europe Holding B.V., a wholly owned subsidiary of EFG Eurobank Ergasias S.A. (Greece), the ultimate parent company of which is Private Financial Holding Limited, which is owned and controlled indirectly by members of the Latsis family. As at 31 December 2009, the EFG Group held 44.1% of the ordinary shares and voting rights of the Parent bank through its 100% controlled subsidiaries. The remaining ordinary shares and voting rights are held by institutional and retail investors, none of which, to the knowledge of the Parent bank, holds 5% or more. Private Financial Holdings Limited (PFH) became the ultimate parent company on 6 August 2009, after the restructuring of the EFG Group. Until 6 August 2009, the ultimate parent company of EFG Group was EFG Bank European Financial Group (EFGB).

The related parties considered for reporting purposes comprise of Bancpost S.A., EFG Eurolife General Insurance S.A., EFG Eurolife Life Insurance S.A. and Eurobank EFG Cyprus Ltd. which are entities controlled by EFG Eurobank Ergasias S.A.
The related party transactions the Company is involved in refer to the Balance Sheet and Income Statement.
A number of transactions are entered into with related parties in the normal course of business. Related party transactions presents the transactions of acquisitions/disposals of portfolio done during 2009.These include loans, deposits and foreign currency transactions and borrowings, deposits to banks, acquisition and sale of loans. These transactions bear the normal market prices.

18 RELATED PARTIES (continued)

During 2009 the Company has concluded agreements with Bancpost SA by which loans granted to companies and retail amounting to EUR 290,804,448 were assigned from Bancpost SA to the Company. Subsequently, the agreement with Bancpost SA was partially terminated with respect to the loans portfolio amounting to EUR 101,814,209. Bancpost SA acts only as an administrator of these loans on behalf of the Company.

The related party transactions refer to the Income Statement can be specified as follows:

	31/12/09	31/12/08
Interest expense borrowings	(83,161,842)	(21,290,608)
Bank fees	(16,054)	(17,558)
Expenses relating to interest income on loans & advances	(8,397,479)	(2,348,660)
Interest income	43,508	77,299
	(91,531,867)	(23,579,527)

The related party transactions that refer to the Balance Sheet can be specified as follows:

	31/12/09	31/12/08
Current accounts with banks	12,090,016	12,716,037
Term deposits with other banks	2,036,841	2,011,632
Loans & advances to customers (prepaid origination fees)	7,252,711	11,018,649
Other receivables	92,667	-
Term loans from banks	(838,395,697)	(733,586,517)
Other payables	(2,055,418)	(254,554)
	(818,978,880)	(708,094,753)

19 COMMITMENTS AND CONTINGENCIES

As at December 31, 2009 and 2008, there were
- no pledge over the Company's assets
- no commitments or letter of guarantees issued by the Company in favor of other third parties
- no capital expenditure or operational lease commitments

Taxation risk

In various circumstances, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities, together with late payment interest and penalties (accruing at a rate of approximately 5% p.a. with a maximum of EUR 4,920). Tax periods remain open for 12 years. The company's management considers that the tax liabilities included in these financial statements are fairly stated.

20 POST BALANCE SHEET EVENTS

No major post balance sheet events affecting the financial statements have occurred to date.

21 NUMBER OF EMPLOYEES AND EMPLOYEES COSTS

In the current financial period the Company did not have any employees. Hence, it did not pay any wages and related social security.

22 DIRECTORS

The Company had four Managing Directors, who received no remuneration during the current financial period. The Company has no Supervisory Directors.

The Board of Managing Directors,

E.A. Giannopoulou

H. Kokologiannis

S. Boermans

I. Helder

Amsterdam, September 30, 2010

EFG NEW EUROPE FUNDING II B.V.

Amsterdam

Other Information

Other reserve

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared, the other reserves are at the disposal of the shareholder in accordance with Article 22 of the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholders' equity exceeds the amount of the issued capital and the legal reserves.

Appropriation of result

The Board of Managing Directors proposes to add the net profit for the year to the other reserve. This proposed allocation of result has been incorporated in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

Auditors report

Reference is made to the auditors' report hereinafter.