EFG NEW EUROPE FUNDING II B.V.

Amsterdam, The Netherlands

ANNUAL REPORT 2010

EFG NEW EUROPE FUNDING II B.V.

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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 year ended 31 December 2010.

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.

Result

In the current financial year the Company recorded a profit of EUR 1,752,474 which is set out in detail in the attached Income Statement.

Risk Management

The Managing Board utilizes a risk management policy and receives regular reports to enable prompt identification of financial risk so that appropiate actions may be taken. 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 further analysis we refer to note 5 of the financial statements in which the different risks identified for the company have been further addressed.

Outlook

It is expected that the nature of the activities of the company will remain unchanged during 2011.

Post balance sheet events

On 29 August 2011 the Board of Directors of EFG Eurobank Ergasias S.A. (sole shareholder of EFG New Europe Holding B.V. immediate parent and controlling entity of the Company) and Alpha Bank, a Greek bank listed in the Athens Stock Exchange, jointly announced that they have agreed to recommend to General Meetings of their shareholders the merger of the two banks. The merger was approved by the Extraordinary General Meetings of the two banks in November 2011 with the completion of the legal merger expected to be effected by early 2012.

In December 2011 the Company acquired a loan portfolio from Eurobank EFG Bulgaria AD and an additional loan portfolio from Bancpost S.A. with a total combined amount of approximately EUR 100,000,000. Since these loans do not contain a limited recourse or guarantee from another Eurobank company, the Company increased its capital by EUR 10,000,000.

Future Developments

The Company's business strategy and activities are linked to these of EFG Eurobank Ergasias S.A., which is the sole shareholder of EFG New Europe Holding B.V. (the immediate parent and controlling Entity of the Company) 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 and its subsidiaries. On the basis of the analysis of the Bank's and the Company's profitability, capital solvency and liquidity, the proven support of EC/ECB/IMF to the Greek Economy and considering that the Greek Government fiscal adjustment program will continue to be consistently implemented, the directors are satisfied that the company has adequate resources to continue its business for the foreseeable future.

Amsterdam, January 12, 2012.

Managing Directors

E.A. Giannopoulou

G. Pradelli

S. Boermans

T. Helder

EFG NEW EUROPE FUNDING II B.V.

Balance Sheet as at December 31, 2010
(amounts in EUR, after appropriation of results)

ASSETS	Notes	31/12/2010	31/12/2009
Non Current Assets			
Loans & advances to customers	7	694,929,158	748,208,672
Current Assets			
Loans & advances to customers	7	72,958,298	80,352,874
Other receivables	8	103,176	111,287
Cash and cash equivalents	9	14,168,317	14,138,293
TOTAL ASSETS		782,158,951	842,811,128
EQUITY AND LIABILITIES			
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	1,764,871	12,397
		3,764,871	2,012,397
Current Liabilities			
Borrowings from group company	11	775,860,113	836,255,032
Interest payable to group company	12	1,761,436	2,140,665
Other payables	13	595,187	2,190,887
Income tax payable	17	177,344	212,147
		778,394,080	840,798,731
TOTAL EQUITY AND LIABILITIES		782,158,951	842,811,128

The notes to the accounts on pages 7 to 24 form an integral part of these financial statements

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EFG NEW EUROPE FUNDING II B.V.

Income Statement
for the financial Year ended December 31, 2010
(amounts in EUR)

	Notes	01/01-31/12/2010	01/01-31/12/2009
Financial income and expenses			
Interest income	14	77,966,905	85,303,808
Interest expense	15	(76,426,270)	(83,337,921)
		1,540,635	1,965,887
Provision charge for impairment of loans	7	(21)	(618,125)
Other operating income		1,312,339	2,174,617
Operating income		2,852,953	3,522,380
Foreign exchange (Loss)/Gain		(601,379)	14,607
Operating costs	16	(156,197)	(202,927)
PROFIT / (LOSS) BEFORE TAXATION		2,095,377	3,334,060
Corporate income tax	17	(342,903)	(243,313)
PROFIT / (LOSS) AFTER TAXATION		1,752,474	3,090,748

The notes to the accounts on pages 7 to 24 form an integral part of these financial statements

EFG NEW EUROPE FUNDING II B.V.

Statement of comprehensive income
for the financial Year ended December 31, 2010
(in EUR)

	Notes	1/1 - 31/12/2010	1/1 - 31/12/2009
Net result after taxation		**1,752,474**	**3,090,748**
Other comprehensive income:			
		--	--
Other comprehensive income for the period, net of tax		--	--
Total comprehensive income for the period		**1,752,474**	**3,090,748**

The notes to the accounts on pages 7 to 24 form an integral part of these financial statements

EFG NEW EUROPE FUNDING II B.V.

Cash Flow Statement
for the financial Year ended December 31, 2010
(amounts in EUR)

	Notes	EUR 1/1/2010-31/12/2010	EUR 1/1/2009-31/12/2009
Cash flow from operating activities:			
Profit/(Loss) before taxation		2,095,377	3,334,060
Cash generated from operations		2,095,377	3,334,060
Net (increase) in loans & advances	7	(56,580,811)	(277,130,895)
Repayments of investments in loans and advances	7	35,237,049	85,106,117
Interest received	7	82,017,851	81,613,940
Net (increase) in other receivables		8,111	(111,287)
Net (increase) in income tax receivable		-	
Net (increase) in interest payable to group company		76,426,270	83,332,587
Interest (paid)		(76,805,498)	(84,928,378)
Net increase in other payables		(1,595,700)	1,799,191
Net (increase) in income taxes payable		44,553	(31,166)
Income taxes paid		(422,259)	
Net Cash flow used in operating activities		60,424,944	(107,015,831)
Cash flows from financing activities:			
Proceeds from issue of capital	10	-	-
Increase in borrowings from group company	11	117,308,564	292,423,895
Repayment of borrowings from group company	12	(177,703,483)	(186,018,925)
Net cash from financing activities		(60,394,919)	106,404,970
(Decrease) / Increase in cash and cash equivalents		30,025	(610,861)
Cash and cash equivalents at the beginning of the year	9	14,138,294	14,749,155
Effect of exchange rate changes on cash and cash equivalent		-	-
Cash and cash equivalents at the end of the year	9	**14,168,318**	**14,138,294**

The notes to the accounts on pages 7 to 24 form an integral part of these financial statements

EFG NEW EUROPE FUNDING II B.V.

Statement of changes in equity
for the financial Year ended December 31, 2010
(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, 2010, 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 January 1, 2009	20,000	1,980,000	(3,078,351)	**(1,078,351)**
Additions	-	-	-	-
Profit (Loss) for the period	-	-	3,090,749	**3,090,749**
Balance as at December 31, 2009	**20,000**	**1,980,000**	**12,398**	**2,012,398**
Balance as at January 1, 2010	20,000	1,980,000	12,398	**2,012,398**
Loss (Profit) for the period	-	-	1,752,474	**1,752,474**
Balance as at December 31, 2010	**20,000**	**1,980,000**	**1,764,871**	**3,764,871**

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 7 to 24 form an integral part of these financial statements

EFG NEW EUROPE FUNDING II B.V.

Notes to the Financial Statements as at December 31, 2010
(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 is wholly owned by EFG New Europe Holding B.V., a wholly owned subsidiary of EFG Eurobank Ergasias S.A in Greece.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 granted loans 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 **SIGNIFICANT 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 Union. These standards are subject to ongoing amendments by the IASB (International Accounting Standard Board) and subsequent endorsement by the European Commission. The policies set out below have been consistently applied to the years 2009 and 2010.
(a) Amended and new standards and interpretations effective in 2010

- IAS 27, Revised - Consolidated and Separate Financial Statements
- IAS 39, Amendment - Eligible Hedged Items
- IFRS 3, Revised - Business Combinations
- IFRS 2, Amendments - Group Cash settled Share based payment transactions
- IFRIC 15, Agreements for the Construction of Real Estate
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation
- IFRIC 17, Distributions of Non-cash Assets to Owners
- Amendments to various Standards that form part of IASB's 2009 Annual Improvement Project

(b) Standards and Interpretations issued but not yet effective

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

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern

The accompanying financial statements have been prepared based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, the management reviews the forecasts of the future cash inflows.

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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

As at December 31, 2010, the Company did not conclude any derivative contracts.

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.

Share capital

Share capital is equal to the nominal value of shares, respectively with to the value of capital contribution, of premium 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.

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

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) a breach of contract, such as a default or delinquency in interest or principal payments;

c) the Group 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;

d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

e) the disappearance of an active market for that financial asset because of financial difficulties; or

f) 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.

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 recognised 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.

EFG NEW EUROPE FUNDING II B.V.

3 CASH FLOW STATEMENT

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

4 PRINCIPLES OF DETERMINATION OF RESULT

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.

5 **FINANCIAL RISK MANAGEMENT(CONTINUE)**

The Company's portfolio is reviewed on a regulary basis for impairment provisions.
There is a limited recourse through the Over 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 or, 1% (one percent) of the outstanding amounts of corresponding loans, calculated before tax and over the total term of the this agreement.

Impairment and provisioning policy

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) a breach of contract, such as a default or delinquency in interest or principal payments;
c) the Group 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;
d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e) the disappearance of an active market for that financial asset because of financial difficulties; or
f) 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.

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, the company determines whether a loan loss provision is required.

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 net of provisions for impairment. The estimated fair value of loans and advances 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.

EFG NEW EUROPE FUNDING II B.V.

Notes to the Financial Statements as at December 31, 2010
(amounts in EUR)

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

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.

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

	31/12/10	31/12/09
Loans & advances to customers -principal outstanding (*)	748,800,557	811,124,728
Interest receivable	18,800,934	17,548,924
Other receivables ralated to loans-monthly administration fees	2,285,966	1,887,872
Less: allowance for impairment (own risk)	(2,000,000)	(1,999,978)
Net Loans and advances to customers	**767,887,456**	**828,561,546**
Other receivables (Note 8)	103,176	111,287
Total	**767,990,633**	**828,672,833**

(*) Loans & advances to customers are after any write downs performed due to limited recourse against borrowings, which for 2010 amounts to 25,827,271 EUR.

EFG NEW EUROPE FUNDING II B.V.

Notes to the Financial Statements as at December 31, 2010
(amounts in EUR)

5.1.2. ***Loans and advances***

As at December 31, 2010 and 2009, Loans and advances are summarised as follows:

	2010	2009
Neither past due nor impaired	551,718,269	635,494,691
Past due but not impaired	89,086,111	86,934,538
Impaired- individually assessed *	94,392,941	82,368,454
Impaired -collectively assessed *	34,690,135	25,763,841
Gross Loans and advances to Customers	**769,887,456**	**830,561,524**
Less: Allowance for impairment (own risk)	(2,000,000)	(1,999,978)
Net Loans and advances to customers	**767,887,456**	**828,561,546**

(*)Loans & advances to customers are after any write downs performed due to limited recourse against borrowings which for 2010 amounts to 25,827,271 EUR.

(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 2010 and 2009 was assessed by reference to the entity's own standard grading system. The following information is based on that system:

	2010	2009
Acceptable- low risk	551,661,995	630,251,495
Watch list	56,274	5,243,196
Total	**551,718,269**	**635,494,691**

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

5.1.2. *Loans and advances*

	Consumer	Mortgage	Small business	Wholesale	2010 Total
Past due up to 29 days	39,864,150	18,044,298	2,548,622	777,447	61,234,517
Past due 30 - 89 days	13,260,633	7,116,815	2,432,526	-	22,809,973
Past due 90 - 180 days	-	2,484,501	-	2,557,120	5,041,621
Total	53,124,783	27,645,614	4,981,148	3,334,567	**89,086,111**
Fair value of collateral	-	27,128,206	4,529,935	4,512,424	**36,170,565**

	Consumer	Mortgage	Small business	Wholesale	2009 Total
Past due up to 29 days	27,211,489	12,106,592	4,582,937	8,936,194	52,837,213
Past due 30 - 89 days	18,521,380	7,743,504	3,627,244	2,341,326	32,233,453
Past due 90 - 180 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**

(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:

	2010 Consumer	Mortgage	Total
Collectively assessed loans	26,204,586	8,485,549	34,690,135
Fair value of collateral	-	7,626,688	7,626,688

	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

5 **FINANCIAL RISK MANAGEMENT (CONTINUE)**

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

The breakdown of the gross amount of individually assessed loans and advances by classes is:

	2010		
	Small business	**Wholesale**	**Total**
Individually assessed loans	42,857,009	51,535,932	94,392,941
Fair value of collateral	37,020,920	59,384,584	96,405,504

	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	93,133,860

5 FINANCIAL RISK MANAGEMENT (CONTINUE)

5.1.2. *Loans and advances*

(d) *Repossesed collaterals*

During 2009, the Company has repossesed 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 2010 there were no repossessed collateral.

Concentration of credit risk exposure

Geographical Sector

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

	Consumer	Mortgage	Small business	Wholesale	2010 Total
Loans and advances to customers:	289,734,101	346,920,644	77,409,607	55,823,105	769,887,456
Romania	289,734,101	346,920,644	77,409,607	55,823,105	769,887,456

	Consumer	Mortgage	Small business	Wholesale	2009 Total
Loans and advances to customers:	335,541,280	340,090,739	89,822,791	65,106,714	830,561,524
Romania	335,541,280	340,090,739	89,822,791	65,106,714	830,561,524

Industry sector

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

	Consumer	Mortgage	Small business	Wholesale	2010 Total
Commerce and services	-	-	57,191,487	24,033,284	81,224,771
Manufacturing	-	-	10,675,937	19,848,451	30,524,388
Shipping	-	-	-	-	-
Construction	-	-	7,070,216	8,793,871	15,864,087
Other industries	-	-	2,471,968	3,147,499	5,619,467
Private individuals	289,734,101	346,920,644	-	-	636,654,745
Total	**289,734,101**	**346,920,644**	**77,409,607**	**55,823,105**	**769,887,456**

EFG NEW EUROPE FUNDING II B.V.

Notes to the Financial Statements as at December 31, 2010
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5 FINANCIAL RISK MANAGEMENT (CONTINUE)

	Consumer	Mortgage	Small business	Wholesale	2009 Total
Commerce and services	-	-	66,769,233	28,080,827	94,850,060
Manufacturing	-	-	12,049,194	20,043,254	32,092,447
Shipping	-	-	-	-	-
Construction	-	-	8,162,475	13,948,237	22,110,712
Other industries	-	-	2,841,890	3,034,397	5,876,286
Private individuals	335,541,280	340,090,739	-	-	675,632,019
Total	**335,541,280**	**340,090,739**	**89,822,791**	**65,106,714**	**830,561,524**

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.

5.2.2. *Sensitivity analysis*

The sensitivity of the Income Statement is the effect of the assumed changes in foreign exchanges rates 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

Foreign exchange	31/12/10 gain/(loss)	31/12/09 gain/(loss)
10% depreciation of functional currency (EUR) over foreign currencies	(1,242,016)	407,278

5.3. Liquidity risk

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

	31/12/10	31/12/09
Upto 1 month:		
Borrowings from group companies	775,860,112	836,255,032
Interest payable to group companies	5,423,286	6,222,801
	781,283,399	842,477,833
Total:		
Borrowings from group companies	775,860,112	836,255,032
Interest payable to group companies	5,423,286	6,222,801
	781,283,399	842,477,833

EFG NEW EUROPE FUNDING II B.V.

Notes to the Financial Statements as at December 31, 2010
(amounts in EUR)

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 and advances to customers as not materially different from the book value shown on the balance sheet.

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.

7 LOANS & ADVANCES TO CUSTOMERS

	31/12/10	31/12/09
Consumer loans *	289,734,101	335,541,280
Mortgage loans *	346,920,644	340,090,739
Small Bussiness Borrowings/ Wholesale loans *	133,232,712	154,929,505
Total loans to Romanian clients - gross	769,887,456	830,561,523
Less: allowance for impairment (own risk)	(2,000,000)	(1,999,978)
Total	767,887,456	828,561,545

(*) Loans & advances to customers are after any write downs performed due to limited recourse against borrowings, which for 2010 amounts to 25,827,271 EUR. This write down is counterbalanced by the write down of financing borrowings from Group company for the same amount (refer to note 11).

Movement in write downs limited recourse :	
Opening balance as at January 1, 2010	-
Write downs performed during 2010	25,827,271
Closing balance as at December 31, 2010	25,827,271

	31/12/10	31/12/09
Current Assets:		
Loan repayments due:		
Upto 1 month	6,071,108	6,678,976
1-3 months	12,091,316	15,756,111
4-12 months	54,795,875	57,917,787
Total	72,958,298	80,352,874
Non Current Assets:		
1-5 years	304,814,078	310,377,385
Over 5 years	390,115,080	437,831,288
Total	694,929,158	748,208,672

Loans bear interest at 1 month or 3 month Euribor/Libor plus a spread and according to the Master Receivables Sale and Purchase Agreements. An Over Multicurrency agreement dated July 11, 2008 between the Company (Borrower) and EFG Cyprus Ltd (Lender) was concluded. There is a limited recourse through the Over 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 or, 1% (one percent) of the outstanding amounts of corresponding loans, calculated before tax and over the total term of the this agreement.
During 2010, the Company did not acquire or sale any loans portfolio.
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 in 2010 and 2009 for impairment of loans and interest receivable (own risk) are:

Type of loan:	Consumer loans	Mortgage loans	Small business loans	Total
Opening balance as at January 1, 2010	1,893,726	31,415	74,837	1,999,978
Provision Charge for the period	(101,913)	87,032	14,902	21
Amounts written-down				-
Closing balance as at December 31, 2010	1,791,813	118,447	89,739	2,000,000

Type of loan:	Consumer loans	Mortgage loans	Small business loans	Total
Opening balance as at January 1, 2009	1,662,407	79,556	258,031	1,999,994
Provision Charge for the period	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

	31/12/10	31/12/09
Receivable from repossessed collaterals	103,065	104,444
Other receivables	111	6,843
Total	103,176	111,287

9 CASH AND CASH EQUIVALENTS

	31/12/10	31/12/09
Due from banks/current accounts	12,121,370	12,101,453
Due from banks/deposits placed with banks	2,046,947	2,036,841
Total	14,168,317	14,138,293

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, 2010, 20,000 shares were issued and fully paid-up. The movements in the Equity we refer to the Statement of Equity on page 6 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

	31/12/10	31/12/09
Financing borrowings from group company	801,687,383	836,255,032
Write-downs due to limited recourse against loans and advances to customers	(25,827,271)	
Total	775,860,112	836,255,032

An Over Multicurrency Agreement dated July 11, 2008 between the Company (Borrower) and EFG Cyprus Ltd (Lender) was concluded.
The attribution of impairment on loans & advances to borrowers relates to the impairments that management have estimated on the loan portfolio.
Under the Over Multicurrency Agreement the credit risk of the portfolio exceeding EUR 2,000,000 is born by EFG Cyprus Ltd.
Therefore the financing agreement has been adjusted with the respective amounts of write downs

According to the Over Multicurrency agreement the borrowings are repriced and renewed on a monthly basis.
The borrowings are matched with the loans and advances to customers (note 7).
Borrowings bear interest at 1 month or 3 month Euribor/Libor plus a spread and according to the Multicurrency Agreement.

EFG NEW EUROPE FUNDING II B.V.

Notes to the Financial Statements as at December 31, 2010

(amounts in EUR)

12 INTEREST PAYABLE TO GROUP COMPANY

	31/12/10	31/12/09
EFG Cyprus Limited, Cyprus.	1,761,436	2,140,665
Total	1,761,436	2,140,665

Repayments are due within 1 month.

13 OTHER PAYABLES

	31/12/10	31/12/09
Payables to Bancpost SA	577,303	2,048,209
Payables to EFG Eurolife Life Insurance	6,783	4,932
Payables to EFG Eurolife General Insurance	2,771	2,077
Payables to sundry lawyers	5,815	1,617
Other payables	2,515	134,053
Total	595,187	2,190,887

14 INTEREST INCOME

	1/1/10-31/12/10	1/1/09-31/12/09
Interest income on loans and advances	66,333,396	76,004,544
Interest related income	16,235,984	17,696,743
Interest related fees	(4,602,475)	(8,397,479)
Total	77,966,905	85,303,808

15 INTEREST EXPENSE ON BORROWINGS

	1/1/10-31/12/10	1/1/09-31/12/09
Interest expense borrowings	76,042,074	83,161,842
Bank interest expenses	384,195	176,078
Total	76,426,270	83,337,921

16 OPERATING COSTS

	1/1/10-31/12/10	1/1/09-31/12/09
Management, domiciliary and accounting fees	75,000	75,000
Occasional consultancy fees	39,879	57,327
Non-deductible VAT	21,593	27,274
Other	19,725	43,326
Total	156,197	202,927

17 TAXATION

As at December 31, 2010 and 2009 this item can be detailed as follows:

	31/12/10	31/12/09
Result before taxation	2,095,377	3,334,060
Less: Foreign exchange loss	601,379	(14,607)
Less: Non-taxable other operating income	(1,308,900)	(1,552,735)
Deduction loss carried forward	--	(769,412)
Taxable (loss)/profit	1,387,856	997,306
Corporate income tax expense for the period	342,903	243,313
Deferred tax on losses for the period (at 20% tax rate)	--	--
Effective corporate income tax rate	*24.71%*	*24.40%*

The movements in the taxation are as follows:

	31/12/10
Opening balance	(212,147)
Estimate tax charge for the year	(342,903)
Payments made	422,259
Amounts refunded by the Tax Authorities	(31,940)
Interest expense related to CIT	(12,613)
Closing balance	(177,344)

The nominal Corporate income tax in the Netherlands is 20% for the first EUR 200,000 and the remaining taxable result 25,5%.

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 2010, the EFG Group held 44.8% 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.

The related parties considered for reporting purposes comprise of Bancpost S.A., S.C EFG Eurolife Asigurari Generale S.A., S.C. EFG Eurolife Asigurari de Viata 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. These include loans, deposits and foreign currency transactions, and acquisition of other services. The volumes of related party transactions, outstanding balances at the year end, and relating expense and income for the year are as follows:

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

	31/12/10	31/12/2009
Interest expense borrowings	(76,426,270)	(83,161,842)
Bank fees	(7,471)	(16,054)
Expenses relating to interest income on loans & advances	(4,602,475)	(8,397,479)
Interest income	11,083	43,508
Total	(81,025,132)	(91,531,868)

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

	31/12/10	31/12/09
Current accounts with banks	12,077,034	12,090,016
Term deposits with other banks	2,046,947	2,036,841
Loans & advances to customers (prepaid origination fees)	5,799,645	7,252,711
Other receivables	103,065	92,667
Term loans from banks	(777,621,548)	(838,395,697)
Other payables	(587,057)	(2,055,418)
Total	(758,181,915)	(818,978,880)

EFG NEW EUROPE FUNDING II B.V.

Notes to the Financial Statements as at December 31, 2010
(amounts in EUR)

19 COMMITMENTS AND CONTINGENCIES

No off balance sheet contractual commitments or obligations, affecting the financial statements, have occurred to date.

20 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.

21 DIRECTORS

During the current and the previous financial year 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

G. Pradelli

S. Boermans

I. Helder

Amsterdam, January 12, 2012.

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 accumulated profits.
This proposed allocation of result has been incorporated in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

Post Balance Sheet Events

On 29 August 2011 the Board of Directors of EFG Eurobank Ergasias S.A. (sole shareholder of EFG New Europe Holding B.V. – immediate parent and controlling entity of the Company) and Alpha Bank, a Greek bank listed in the Athens Stock Exchange, jointly announced that they have agreed to recommend to General Meetings of their shareholders the merger of the two banks. The merger was approved by the Extraordinary General Meetings of the two banks in November 2011 with the completion of the legal merger expected to be effected by early 2012.
In December 2011 the Company acquired a loan portfolio from Eurobank EFG Bulgaria AD and an additional loan portfolio from Bancpost S.A. with a total combined amount of approximately EUR 100,000,000. Since these loans do not contain a limited recourse or guarantee from another Eurobank company, the Company increased its capital by EUR 10,000,000.

Auditors report

Reference is made to the auditors' report hereinafter.

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Independent auditor's report

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

Report on the financial statements

We have audited the accompanying financial statements 2010 as set out on pages 2 to 23 of EFG New Europe Funding II B.V., Amsterdam, which comprise the balance sheet as at 31 December 2010, the profit and loss account, the statements of comprehensive income, 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.

Directors' responsibility

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 estimates made by the 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.

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T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl, VvdR/e0233749

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 2010, 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 Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 12 January 2012
PricewaterhouseCoopers Accountants N.V.

Original has been signed by V.S. van der Reijden RA