

HVB Finance London Limited

Directors' report and financial statements

31 December 2007

Registered number 03733494



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

Principal activities and business review

The principal activity of the company is to grant loans to companies incorporated in Greece and to arrange the syndication of these loans

In accordance with existing service agreements, the company pays management fees to its parent company, Bayerische Hypo und- Vereinsbank AG in consideration for financial consultancy and advisory, loans administration, accounting and financial services received. This management fee also incorporates the company's use of the parent company's premises and fixed assets.

At 31 December 2007 the company had 4 loan relationships (2006: 5) and loan assets of EUR 31 million (2006: EUR 24 million). The results for the year ended 31 December 2007 are given in the profit and loss account on page 5 of the financial statements.

Dividends

A dividend was not paid for the current year (2006: nil).

Directors and directors' interests

The directors who held office during the year were as follows:

R A Shelmerdine (company secretary)

K Bright

J Laviolette

M Self

No director had any beneficial interest in the shares of the company or any other UK company and none of the directors had any interest in any material contract during the year relating to the business of the group.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By the order of the Board



R A Shelmerdine
Secretary

9 September 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HVB FINANCE LONDON LIMITED

We have audited the financial statements of HVB Finance London Limited for the year ended 31 December 2007 which comprise of the Profit and Loss Account, the Balance Sheet, Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
*Chartered Accountants
Registered Auditor*

8 Salisbury Square
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EC4Y8BB
United Kingdom

9/9/2008

Profit and loss account
for the year ended 31 December 2007

	<i>Note</i>	2007	2006
		€000	€000
Interest receivable	3	1,478	1,486
Interest payable	4	(1,261)	(1,181)
Net Interest Receivable		217	305
Other Operating Income		0	1
Operating Income		217	306
Administrative expenses		(187)	(214)
		30	92
Foreign exchange (loss)		(21)	(18)
Profit on ordinary activities before taxation	2	9	74
Tax on profit on ordinary activities	5	(3)	(24)
Profit on ordinary activities after taxation		6	50

There are no recognised gains or losses for the financial period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains or losses is given.

There is no difference between the profit and loss account on an historical cost basis and that shown above.

The notes on pages 8 to 12 form part of these financial statements.

Balance sheet
As at 31 December 2007

	<i>Note</i>	2007 €000	2006 €000
Debtors : amounts falling due after more than one year	<i>6</i>	24,178	14,239
Debtors : amounts falling due within one year	<i>7</i>	6,783	9,527
		<hr/> 30,961	<hr/> 23,766
Cash			
Cash at bank and in hand	<i>8</i>	272	258
Creditors : amounts falling due within one year	<i>9</i>	(6,849)	(9,585)
Net current assets		<hr/> 206	<hr/> 200
Total assets less current liabilities		24,384	14,439
Creditors : amounts falling due after more than one year	<i>10</i>	(24,178)	(14,239)
Net Assets		<hr/> 206 <hr/>	<hr/> 200 <hr/>
Capital and reserves			
Called up share capital	<i>11</i>	25	25
Profit and loss account		181	175
Shareholders' funds		<hr/> 206 <hr/>	<hr/> 200 <hr/>

The notes on pages 8 to 12 form part of these financial statements

These financial statements were approved by the board of directors on 9 September 2008 and were signed on its behalf by


J Laviolette
Director

9 September 2008

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2007

	2007	2006
	€'000	€'000
At 1 January	200	150
Profit for the year	6	50
	<hr/>	<hr/>
At 31 December	206	200
	<hr/>	<hr/>

The notes on pages 8 to 12 form part of these financial statements

Notes *(forming part of the financial statements)*

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The financial statements have been prepared on a going concern basis.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Income and expenses

Interest receivable and payable are accounted for on an accrual basis over the term of the transactions. Net interest receivable is considered to be the turnover and cost of sales for the company.

Functional currency

As the principal transactions of the company are in EURO, the functional currency is considered to be EURO. Consequently, the accounts have been presented in EURO.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Related parties

As the company is a wholly owned subsidiary, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Loans and Advances

Loans and advances are stated at cost less any impairment.

Notes (continued)

2 Profit on ordinary activities before taxation

	2007	2006
	€000	€000

Profit on ordinary activities before taxation is stated after charging:

Auditor's remuneration Audit of these financial statements	16	14
	<u>16</u>	<u>14</u>

No directors' emoluments or staff costs were paid in respect of the current or preceding financial year
There were no employees of the company during the current or preceding financial year

3 Interest receivable

	2007	2006
	€000	€000
Interest receivable from Group Undertakings	10	4
Interest receivable from Customer Loans	<u>1,468</u>	<u>1,482</u>
	<u>1,478</u>	<u>1,486</u>

4 Interest payable

	2007	2006
	€000	€000
Interest payable to Group undertakings	<u>1,261</u>	<u>1,181</u>

Notes *(continued)*

5 Taxation

	2007	2006
	€000	€000
<i>UK Corporation Tax</i>		
Current tax on income for the year	3	22
Adjustment in respect of prior years	0	2
	<u>3</u>	<u>24</u>

Factors affecting the tax charge for the current year

The directors are not aware of any factors that may affect the future tax charge

The current tax charge for the year is the same as (2006 lower) the standard rate of corporation tax in the UK (30%, 2006 30%) This is explained below

	2007	2006
	€000	€000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	9	74
	<u>3</u>	<u>22</u>
UK corporation tax at 30% (2006 30%)		
<i>Effects of</i>		
Adjustment in respect of prior years	0	2
	<u>3</u>	<u>24</u>
Total current tax charge		

Notes (continued)

6 Debtors : amounts falling due after more than one year

	2007	2006
	€000	€000
Loans to Customers due after one year	<u>24,178</u>	<u>14,239</u>

7 Debtors : amounts falling due within one year

	2007	2006
	€000	€000
Loans to Customers due within one year	6,593	9,354
Accrued Income	181	173
Tax Debtor	9	0
	<u>6,783</u>	<u>9,527</u>

All the credit risk on loans to customers is covered by a guarantee from HVB Munich

8 Cash at Bank

The cash at bank and in hand of €271,908 (2006 €257,948) is held with HVB London Branch, a group undertaking

9 Creditors: amounts falling due within one year

	2007	2006
	€000	€000
Amounts owed to group undertakings	6,740	9,491
Taxation	0	5
Other creditors	109	89
	<u>6,849</u>	<u>9,585</u>

Included within amounts owed to group undertakings is interest owed to group undertakings amounting to €146,979 (2006 €136,963)

Notes (continued)

10 Creditors: amounts falling due after one year

	2007	2006
	€000	€000
Amounts owed to group undertakings	<u>24,718</u>	<u>14,239</u>

Included within amounts owed to parent undertakings are loans which are renewed on a quarterly or half-yearly basis. However as the nature of the loans are to fund long term advances and are not expected to be repaid within one year, the amounts are shown as due after more than one year.

11 Called up share capital

	2007	2006
	€000	€000
<i>Authorised</i>		
Equity 25 Ordinary shares of €1,000 each	<u>25</u>	<u>25</u>
<i>Allotted, called up and fully paid</i>		
Equity 25 Ordinary shares of €1,000 each	<u>25</u>	<u>25</u>

12 Parent company undertaking

The smallest group in which the company is consolidated is Bayerische Hypo und-Vereinsbank AG, a company incorporated in Germany. Copies of the group financial statements of Bayerische Hypo und-Vereinsbank AG are available to the public and may be obtained from Am Tucherpark 16, 80538 Munchen, Germany.

The company's ultimate parent company and controlling entity is Unicredit S p A, a company incorporated in Italy, the largest group in which the company is consolidated. Copies of the group financial statements of Unicredito S p A are available to the public and may be obtained from Via Minghetti 17, I-00187 Rome, Italy.