Company Registration Number: 07715233

KARTA II PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

KARTA II PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Wilmington Trust SP Services (London) Limited D J Wynne
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	07715233
Registered office	Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arms Yard London EC2R 7AF
Independent auditors	KPMG LLP, Statutory Auditor Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL

KARTA II PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements of Karta II PLC (the "Company" or the "Issuer") for the year ended 31 December 2019. In accordance with IFRSs, and particularly IFRS 10 - Consolidated financial statements, the Company is considered to be controlled by Eurobank S.A. (the "Transferor" or the "Originator" or the "Servicer" or the "Parent Company"), a bank incorporated in Greece. The Company was incorporated in England and Wales together with Karta II Holdings Limited (the "Holdings") to take part in the Karta II securitisation transaction (the "Securitisation Transaction") as described in the Strategic Report. In addition to the information in the Strategic Report regarding the Securitisation Transaction, the directors manage the Company's affairs in accordance with the Offering Circular (the "Offering Circular") dated 15 August 2011 which was further amended by the Global Amendment Deed and Noteholder Consent on the 25 September 2013, 8 February 2016, 13 October 2017 and 30 January 2019.

On 30 January 2019 the 'Bullet Maturity Date' was extended to February 2021 and the 'Final Maturity Date' to February 2023. The Bullet maturity date signifies the end of the securitization's revolving period. During the revolving period, receivables can be transferred out of (receivables prior denouncement) and into (replenishments of loans with higher credit quality) the securitization scheme.

From the Bullet Maturity Date, the amortization period begins, lasting up to the Final Maturity Date. During the amortization period, collections are used to repay the notes, while no further transfers of receivables in the perimeter (replenishments) are performed.

The offering circular can be obtained from the Originator at www.eurobank.gr/en/group/investor-relations/debt-investors/securitizations/karta-ii

The principal activities of the Company, Results and Dividends, Future Developments, Key Performance Indicators, Principal Risks and Uncertainties are detailed in the Strategic Report.

CORPORATE GOVERNANCE STATEMENT
The directors are responsible for the Company's internal control environment and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. The procedures enable the Company to comply with any regulatory obligations. For further details, refer to the notes to the financial statements particularly note 14 on financial risk management.

CREDITOR PAYMENT POLICY
The Company's policy concerning the payment of its trade creditors is to pay in accordance with its contractual and other legal obligations. All creditors are paid in accordance with the priority of payments set out in the Offering Circular.

DIRECTORS
The directors who served the Company during the year and up to the date of signing the financial statements were as follows:

Wilmington Trust SP Services (London) Limited
D J Wynne

THIRD PARTY INDEMNITIES
Third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the annual reports and financial statements.

DIVIDENDS
The directors have not recommended a dividend (2018: €nil).

FUTURE DEVELOPMENTS
Information on future developments is included in the "Future Developments" section of the Strategic report.

FINANCIAL RISK MANAGEMENT
Information on Financial Risk Management in included in the "Principal Risks and Uncertainties" section of the Strategic report.

KARTA II PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors’ Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company’s auditors are aware of that information.

Signed on behalf of the Board

I Kyriakopoulos for and on behalf of Wilmington Trust SP Services (London) Limited
Director
31 July 2020

KARTA II PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report of Karta II PLC (“the Company”) for the year ended 31 December 2019.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES
The principal activity of the Company is set by the Offering Circular and is that of a special purpose company incorporated for the securitisation of a portfolio of receivables (the “Receivables”). The Receivables consist of credit card agreements selected from the total portfolio of agreements entered into by the Transferor with obligors in Greece and originated by Eurobank S.A.

The Offering Circular sets out the details of the Securitisation Transaction.

On 16 August 2011 the Company issued €900,000,000 Class A Asset Backed Floating Rate Notes due 2019 (the “Class A Notes” or “Notes”) and used the entire proceeds to purchase the Receivables. The Notes are listed on the Irish Stock Exchange.

Interest on the Notes is payable monthly in arrears on the 25th day of each month subject to adjustment for non-business days. The interest rate for the Notes is 1.00 per cent per annum above the one month EURIBOR rate. The first interest payment date was on 25 September 2011.

A partial repayment of €200,000,000 was made on 25 September 2013 followed by €300,000,000 on 13 December 2017.

On 30 January 2019 the ‘Bullet Maturity Date’ was extended to February 2021 and the ‘Final Maturity Date’ to February 2023. The Bullet Maturity Date signifies the end of the securitization’s revolving period. During the revolving period, receivables can be transferred out of (receivables prior denouncement) and into (replenishments of loans with higher credit quality) the securitization scheme.

The Bullet Maturity Date is in February 2021 and the amortization period begins after this date, lasting up to the Final Maturity Date. During the amortization period, collections are used to repay the notes, while no further transfers of receivables in the perimeter (replenishments) are performed.

The transaction is due to close on the Final Maturity Date in 2023. However, the Directors expect and intend to further extend both the Bullet Maturity Date and the Final Maturity Date so the Company can continue its existing operations for the foreseeable future.

The Directors are currently assessing the potential impact of Euribor reform due in 2021.

The sale of the Receivables to the Company is considered to fail the derecognition criteria of IFRS 9 financial instruments and therefore they are retained on the statement of financial position of the Originator. The Company records in its statement of financial position a receivable from the Originator (the “Deemed Loan to the Originator”), rather than the Receivables it has legally purchased.

In accordance with the Offering Circular, the Company will only retain €400 in respect of any interest payment date and the resulting difference is included in arriving at the deferred consideration payable to the originator.

The Company’s only sources of funds for the payment of principal and interest due on the Notes are the principal and interest collections which the Company will be entitled to receive from the Receivables.

Credit enhancement is provided to the Notes mainly through deferred consideration and a reserve fund account funded through a subordinated loan from the Originator.

The Originator, in its capacity as an active servicer of the Company, has opted to proactively repurchase any Receivables prior to their designation as uncollectible, also considering the credit enhancement structure of the transaction that brings all relevant credit risks to the Originator, at a price equal to the outstanding balance of the relevant Receivable i.e. Principal Balance & Finance Charges (unpaid interest, fees and expenses) at the time of repurchase. Furthermore, receivables repurchased as per the aforementioned process are periodically replaced by those with higher credit quality, further strengthening the Company’s financial position.

RESULTS AND DIVIDENDS
The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The profit for the year was €3,888 (2018: €3,888). At the year end, the Company had net assets of €45,963 (2018: €42,075). The directors have not recommended a dividend (2018: €nil).

FUTURE DEVELOPMENTS
No changes are expected to the Company's operations in the future as the Company's operations are governed by the transaction documents. The future performance of the Company depends on the performance of the Receivables.

KEY PERFORMANCE INDICATORS
The key financial performance indicators of the business are considered to be the credit quality of the underlying Receivables as detailed in note 7, the Company's cash position and the credit enhancements in place, namely the subordinated loan and the deferred purchase consideration. Details of other performance indicators are included in the Investor reports which are publicly available on the following website: www.eurobank.gr.

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks affecting the Company and its management are set out in note 14 to the financial statements. Market liquidity constraints, limited availability of credit and difficult trading conditions continue to pose challenges to the borrowers with whom the Company has exposure through the Deemed Loan to the Originator. A detailed consideration of the risk factors relevant to the Securitisation Transaction is included in the section "Risk Factors" of the Offering Circular.

On 23 June 2016, the UK voted to exit the European Union. The UK left the EU on 31 January 2020 and entered a transitional phase which is due to end on 31 December 2020. No exit deal has been currently reached, it is difficult to determine the likely economic financial impact at this stage, however, general market conditions may slow in the short to medium term which could impact the performance of the reference portfolio. This is not expected to have any effect on the Company's ability to trade as a going concern, given the credit enhancement in the structure and the limited recourse nature of the Company's debt. However, the directors will continue to closely monitor the impact of the decision on the market and therefore on the Company.

GOING CONCERN
The ultimate depth and duration of the COVID-19 economic impact are highly uncertain, but it is expected to be temporary. As the outbreak will eventually dissipate, the economic activity in Greece should accelerate. In addition, the effect of the COVID-19 pandemic is expected to have no material impact on the Company, given that the Originator retains substantially all the risks and rewards of the securitized Receivables Portfolio, the credit enhancement structure of the transaction and the repurchase mechanism of all credit cards by the Bank prior to the denouncement.

The Company's cash flows are derived from the Deemed Loan to the Originator which in turn is derived from the underlying Receivables Portfolio. In the event that there are insufficient funds available as a result of defaults on the Receivables, there is a risk that the Company will not be able to meet its principal and interest obligations in terms of the Notes after meeting its obligations in terms of the priority of payments.

The Originator's own going concern assessment is important for the Company as the Originator is responsible for servicing and administering the Receivables. The factors affecting the Originator's going concern are set out in note 1 to the financial statements.

Signed on behalf of the Board

I Kyriakopoulos for and on behalf of Wilmington Trust SP Services (London) Limited
Director
31 July 2020

Independent auditor's report

to the members of Karta II PLC

1. Our opinion is unmodified

We have audited the financial statements of Karta II PLC ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the board of directors.

We were first appointed as auditor by the directors on 5 August 2019. The period of total uninterrupted engagement is for the 2 financial years ended 31 December 2019. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: financial statements as a whole	€ 3,600,000 (2018: € 3,201,493) 0.90% (2018: 0.80%) of Total Assets	
Key audit matters		**vs 2018**
Event driven	**New:** Going Concern	▲
Recurring risks	Recoverability of deemed loan to Originator	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Going Concern Refer to page 5 (Strategic Report) and page14 (accounting policy).	**Heightened levels of uncertainty and disclosure quality** The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Company. The most likely causes for the Company not to be able to continue as a going concern are that the Originator exercises its call option in the Receivables Securitisation Deed, or that the Note Trustee gives notice to the Company that there is an event of default (as described in the Offering Circular) that will mean that all of the Notes then outstanding shall immediately become due and repayable. The risk most likely to adversely affect the Company's available financial resources over this period is the impact of COVID-19 on the Originator. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.	Our procedures included: — **Evaluating Director's intent:** We evaluated the going-concern assessment performed by management, including the impact of COVID-19 on the Originator. — **Test of details:** Obtain written confirmation from the Originator that they do not intend to exercise the call option for at least 12 months from the date of approval of the financial statements. Confirm with the Originator that they had not been informed by the Note Trustee that there was any event of default. Examine reports showing the ageing of the underlying Receivables in 2019 and 2020 so as to detect any deterioration in performance that might indicate whether an event of default may happen in the foreseeable future. Assessed the ability of the Originator to re-purchase receivables prior to their designation as uncollectible. Assessed the level of credit enhancement against expected credit loss provision in a plausible but severe stress. — **Assessing transparency:** We considered the adequacy of disclosures relating to going concern in the financial statements, whether they were fair and balanced to continue as a going concern. **Our results** — We found the going concern disclosure without any material uncertainty to be acceptable (2018 result: acceptable).

KPMG

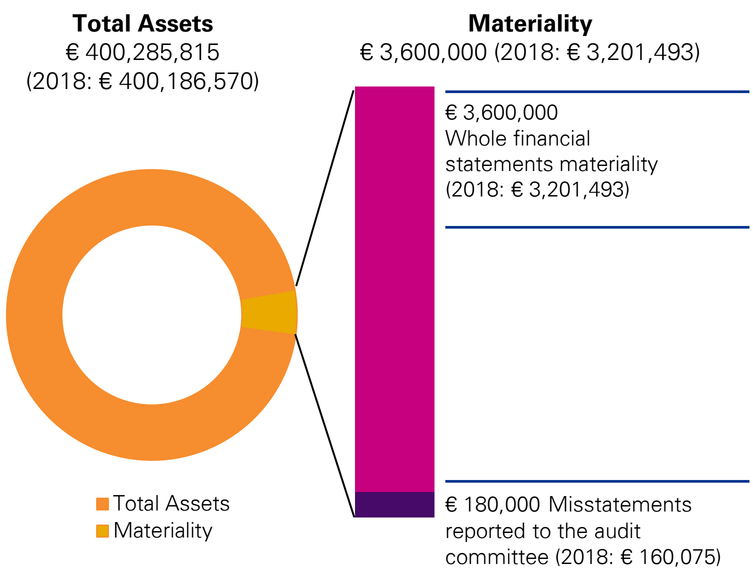
	The risk	Our response
Recoverability of deemed loan to Originator € Nil provision; 2018 € Nil provision Refer to Note 2 of the Accounting policies for detail.	**Risk of incorrect determination of the Expected Credit Loss (ECL) on deemed loan to Originator** **Subjective Estimate** The Company has a deemed loan to the Originator. The loan is collateralised on a portfolio of credit card receivables sold to the Company by the Originator. There is substantial credit enhancement in the structure via a subordinated loan and deferred consideration. In addition the Originator re-purchases receivables prior to their designation as uncollectible. As a result the Company has not incurred any credit losses since inception. IFRS 9 requires the Company to recognise an ECL on financial instruments which involve significant judgement and estimates. The Company has not recorded an ECL in the financial statements at the year end due to management's assertion that a combination of repurchase of receivables prior to their designation as uncollectible and the credit enhancements available means that the risk of future credit losses is negligible. **Disclosure quality** The disclosures regarding the Company's application of IFRS 9 are key to explaining the key judgements and material inputs to the IFRS 9 ECL calculation.	Our procedures included: — **Test of details:** Understanding and challenging the ECL methodology adopted by the Company. Obtain written confirmation from the Originator that it intends to continue purchasing receivables prior to their designation as uncollectible for the remaining life of the transaction. Perform procedures to verify the existence of the subordinated loan. Verify the accuracy of the deferred consideration by validating movements during the year. Test the Company's right to be able to use the subordinated loan and deferred consideration to absorb losses, via the Offering Circular. Comparison of credit enhancements to repurchases of receivables by the Originator in prior years, and the level of ECL in the underlying portfolio. Comparison of the ageing of the Receivables portfolio post year end to that at year end to ascertain if the quality has fallen, which in turn could impact recoverability. Comparison of treatment to other similar securitisation vehicles in the market. Utilise IT testing to validate that all loans that are due to be designated as uncollectible are de-designated and re-purchased by the Originator. — **Assessing transparency**: We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made is sufficiently clear. **Our results** — The results of our testing were satisfactory and we considered nil ECL charge and the related disclosures to be acceptable (2018: acceptable).

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at € 3,600,000 (2018: € 3,201,493), determined with reference to a benchmark of Total Assets, of which it represents 0.90% (2018: 0.80%).

We agreed to report to the Board of Directors any uncorrected identified misstatements exceeding € 180,000 (2018: € 160,075), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed at the Company's offices in London and Athens.



4. We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

We identified going concern as a key audit matter (see section 2 of this report). Based on the work described in our response to that key audit matter, we are required to report to you if:

— we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

We have nothing to report in these respects.

5. We have nothing to report on the strategic report and the directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

— we have not identified material misstatements in those reports;

— in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

— adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

— the financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: specified areas of money laundering, sanctions list and financial crime, market abuse regulations and certain aspects of Company legislation recognising the financial and regulated nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Mike Heath

Mike Heath (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
E14 5GL
London

31 July 2020

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

CONTINUING OPERATIONS	Note	2019 €	2018 €
Interest income	3	**2,834,933**	2,864,132
Interest expense	4	**(2,434,767)**	(2,554,933)
Net interest income		**400,166**	309,199
Administrative expenses	5	**(395,366)**	(304,399)
Profit before tax		**4,800**	4,800
Income tax charge	6	**(912)**	(912)
Profit for the year and total comprehensive income		**3,888**	3,888

The results for the current year and prior year were derived from continuing operations. There have been no recognised gains or losses during the year other than those recorded in the statement of profit or loss and other comprehensive income. Accordingly, no statement of other comprehensive income is presented.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share Capital €	Retained Earnings €	Total Equity €
Balance as at 1 January 2018	14,385	23,802	38,187
Profit for the year and total comprehensive income	-	3,888	3,888
Balance as at 1 January 2019	14,385	27,690	42,075
Profit for the year and total comprehensive income	-	3,888	3,888
Balance as at 31 December 2019	**14,385**	**31,578**	**45,963**

The notes on pages 14 to 28 form part of these financial statements.

KARTA II PLC

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €	2018 €
Assets			
Deemed Loan to the Originator	7	**282,181,991**	294,116,651
Other receivables	8	**2,026**	2,026
Cash and cash equivalents	9	**118,101,798**	106,067,893
Total assets		**400,285,815**	400,186,570
Equity			
Share capital	10	**14,385**	14,385
Retained earnings		**31,578**	27,690
Total equity		**45,963**	42,075
Liabilities			
Liabilities evidenced by paper held at amortised cost	11	**400,000,000**	400,000,000
Other liabilities	12	**238,940**	143,583
Tax payable	6	**912**	912
Total liabilities		**400,239,852**	400,144,495
Total equity and liabilities		**400,285,815**	400,186,570

These financial statements of Karta II PLC, company registration number 07715233, on pages 11 to 28 were approved by the Board of directors on 31 July 2020 and are signed on its behalf by:

I Kyriakopoulos for and on behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 14 to 28 form part of these financial statements.

KARTA II PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	€	€
Cash flows from operating activities		
Profit before tax	**4,800**	4,800
Adjustments for:		
Interest income	**(2,834,933)**	(2,864,132)
Interest expense	**2,434,767**	2,554,933
Increase in accruals and deferred income	**100,611**	54,885
Cash used in operating activities	**(294,755)**	(249,514)
Income tax paid	**(912)**	(924)
Net cash used in operating activities	**(295,667)**	(250,438)
Cash flows generated from investing activities		
Interest received	**7,026,456**	5,233,469
Deemed loan to the Originator movements	**7,743,138**	9,130,000
Net cash generated from investing activities	**14,769,594**	14,363,469
Cash flows used in financing activities		
Interest paid	**(2,440,022)**	(2,554,748)
Net cash used in financing activities	**(2,440,022)**	(2,554,748)
Net increase in cash and cash equivalents	**12,033,905**	11,558,283
Cash and cash equivalents at start of year	**106,067,893**	94,509,610
Cash and cash equivalents at end of year	**118,101,798**	106,067,893

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements.

The notes on pages 14 to 28 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

General information
Karta II PLC is a public limited company, limited by shares incorporated and domiciled in the United Kingdom with registered number 07715233. The principal activity of the Company is set by the Offering Circular and is that of a special purpose company incorporated for the securitisation of a portfolio of Receivables. The Receivables consist of credit card agreements selected from the total portfolio of agreements entered into by the Transferor with obligors in Greece and originated by Eurobank S.A.

Basis of preparation
The principal accounting policies applied in the preparation of these financial statements are set out below.

The financial statements have been prepared on a going concern basis, as the Board of the Directors considered this to be appropriate. Please also refer to the Going Concern section below.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs), IFRS Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The Company mainly transacts in Euros ("€"), therefore, the Euro is its functional and presentational currency.

Going Concern
The annual financial statements have been prepared on a going concern basis, as the Board of the Directors considered this is to be appropriate, taking into consideration the following:

The Company's structure
The Directors of the Company have concluded that the Originator has retained substantially all the risks and rewards of the securitised Receivables Portfolio and, as a consequence, the Company does not recognise the Receivables on its Statement of Financial Position, but rather a Deemed Loan to the Originator.

The deferred purchase consideration (representing the excess of the Company's collections regarding the Receivables over the Company's payments as determined by the Offering Circular), and the subordinated loan provided by the Originator to the Company, act in combination as credit enhancements to the Company's structure.

The Directors have reviewed data and information relating to the credit quality of the credit card agreements underlying the Deemed loan to the Originator and are satisfied that the level of impairment of the underlying assets does not exceed the amount of the aforementioned credit enhancements. In addition they have confirmed that the Originator, in its capacity as an active servicer of the Company, has opted to proactively repurchase certain Receivables prior to their designation as uncollectible and, furthermore, that receivables removed as per the aforementioned process are periodically replenished using new ones with higher credit quality, further strengthening the Company's financial position. The Originator has confirmed its intention to continue this practice for the remainder of the transaction, up to the full repayment of the Notes.

On 30 January 2019 the 'Bullet Maturity Date' was extended to February 2021 and the 'Final Maturity Date' to February 2023. The Bullet maturity date signifies the end of the securitization's revolving period. During the revolving period, receivables can be transferred out (receivables prior denouncement) and in (replenishments of loans with higher credit quality) the securitization scheme.

The Bullet Maturity Date is in February 2021 and the amortization period begins after this date, lasting up to the Final Maturity Date. During the amortization period, collections are used to repay the notes, while no further transfers of receivables in the perimeter (replenishments) are performed.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

The transaction is due to close on the Final Maturity Date in 2023. However, the Directors expect and intend to further extend both the Bullet Maturity Date and the Final Maturity Date so the Company can continue its existing operations for the foreseeable future.

In addition, the terms and conditions of the Notes state that the Transferor is entitled to an optional early redemption of the Notes, exercisable in full on any interest payment date on or after 25 September 2011 or on the occurrence of a Regulatory Event which materially affects the amount of capital which the Originator is required to allocate in respect of the Portfolio or if it becomes unlawful for the Issuer to perform its obligations under the Notes. The Company has obtained confirmation by the Transferor that it does not currently have any intention to exercise the aforementioned option.

Macroeconomic environment and Parent Company position

2020 had begun with positive medium-term prospects for the economy in Greece and the other countries where the Group has a substantial presence, however the coronavirus (covid-19) outbreak posed substantial uncertainties and risks for both macroeconomic environment and the ability of lots of businesses to operate under the restrictive measures adopted to contain the virus's expansion. The global economic slowdown from the recent covid-19 pandemic is mainly related with the disruption of trade and global supply chains and the risks that the local lockdowns in the majority of countries from mid-March 2020 create for the 2020 world growth and beyond.

The lockdown in Greece started in mid-March 2020 and a gradual relief takes place according to the Greek government's plan from 4 May 2020 onwards. Greece's real GDP in 2020 is expected to recede significantly, with the notable negative economic impact expected within the first half of 2020. The European and Greek economy are expected to rebound in the second half of 2020, if the virus is contained. The effects of covid-19 on the economic activity depend heavily on the timing of the curbing of its expansion and of lift of lockdown measures, the nature and size of fiscal and monetary support measures, the virus' epidemiological behavior and the impact on consumer and investor behavior post-crisis in the second half of the year. A significantly adverse impact on certain sectors of the Greek economy is expected, including a) lower tourism revenues, b) reductions in the demand for the manufacturing sector's products, as a result of the slowdown in key markets, c) disruptions in the manufacturing sector's supply chains and d) decrease in shipping activity due to the expected decline in global trade. The European Commission (EC), in its recent 2020 Spring forecasts (8 May 2020), estimates a 9.7% drop of real GDP in Greece in 2020, followed by a 7.9% recovery in 2021 and predicts a rise in the 2020 unemployment rate to 19.9% from 17.3% in 2019. On the fiscal front, according to the recently published 6th Review of the Enhanced Surveillance, Greece's primary balance is expected to register a deficit of 3.5% of GDP in 2020 from a surplus of 3.5% of GDP in 2019, due to reduced public revenue and to the public support measures of € 6.2 billion as of end of April 2020, aimed in addressing the economic effects of the covid-19 pandemic. The primary balance is expected to register a surplus of 0.7% of GDP in 2021. On 15 April 2020, amid the covid-19 lockdown, the Greek Public Debt Management Agency (PDMA) issued a seven-year bond of € 2 billion at a yield of 2.013%. Furthermore, according to the ECB's decision notified to the Bank on 6 March 2020, it has been concluded that the reasons to impose sovereign limits on the Greek banks' (including Eurobank) exposure towards the Hellenic Republic have ceased to exist and therefore its previous decision on those limits shall be repealed.

In response to the covid-19 outbreak, there has been a monetary, fiscal and regulatory support to the economy and the banking system by both Greek Government and European authorities. In particular, the Eurogroup held on 4 March 2020, decided that non-permanent deviations of member states from the agreed fiscal paths due to unusual effects outside the control of their governments, i.e. the effects of the pandemic, are acceptable. At the same time, the EC introduced a Temporary Framework for State Aid, i.e. a deviation from the strict state aid rules that the member states can use in order to support their economy during the covid-19 outbreak. A number of additional tools and initiatives at the European Union (EU) / Eurozone level aim at mitigating the negative effects of the covid-19 epidemic including the Coronavirus Response Investment Initiative, the Solidarity Fund financial support, the Emergency Support Instrument for the health-sector, the SURE instrument for employment, the EIB pan-European guarantee fund for SMEs and the ESM Pandemic Crisis Support. The Greek government from mid-March 2020 announced a series of fiscal measures aiming to smooth the negative effect of the covid-19 outbreak. According to its most recent announcement on 20 May 2020, the domestic cost of the public support measures is estimated at a minimum of € 14.5 billion (including the above mentioned measures of € 6.2 billion) and contain,

1. PRINCIPAL ACCOUNTING POLICIES (continued)

among others, temporary allowances for employees and free lancers whose jobs got suspended, tax and other relief measures to individuals and businesses, loan guarantees, interest subsidies and temporary reductions in various VAT rates of goods and services whose consumption is expected to be affected significantly in the following months. According to the Greek government, the aforementioned EU tools and initiatives will increase the funds aiming to address the impact of the covid-19 pandemic up to € 24 billion.

Furthermore the ECB, on 24 March 2020 established a temporary Pandemic Emergency Purchase Programme (PEPP) with an overall financial envelope of € 750 billion. The PEPP will last until the end of 2020 and the marketable debt securities issued by the Hellenic Republic will be eligible too. The PEPP came on top of the ECB liquidity measures of 12 March 2020 (additional Long Term Financing operations, more favorable terms for the Targeted Long Term Operations, new Asset Purchase Programme of € 120 billion).

On 12 March 2020, the ECB announced a number of temporary capital and operational relief measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy. Banks will be allowed to use capital and liquidity buffers and cover Pillar 2 requirements with other than CET 1 instruments. On the same date the EBA decided to postpone the EU-wide stress test exercise to 2021 to allow banks to focus on and ensure continuity of their core operations, including support for their customers. The ECB stated that it supports the above EBA decision and will extend the postponement to all banks (including Eurobank) subject to the 2020 stress test. In addition, the EBA stated that there is flexibility in the implementation of the EBA Guidelines on management of non-performing and forborne exposures and called for a close dialogue between supervisors and banks, also on their non-performing exposure strategies, on a case by case basis.

Regarding the outlook for the next 12 months, the covid-19 outbreak poses significant challenges to a number of activities and initiatives critical for the medium-term economic prospects of the region, indicatively: (i) the implementation of the reforms and privatizations' program, (ii) the implementation of the Public Investments Program, (iii) the attraction of new investments in the country.

Materialization of the above covid-19 related and other risks would have potentially adverse effects on the fiscal planning of the Greek sovereign and on the liquidity, solvency and profitability of the Greek banking sector, as well as on the realization of their Non Performing Exposures (NPE's) reduction plans. The Group is continuously monitoring the developments on the covid-19 front and has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals for the quarters ahead, focusing primarily to the support of its viable clients, the protection of its asset base quality, the resilience of its pre-provision profitability and the completion of its transformation plan. In addition, the Group, under the extraordinary circumstances of the covid-19 pandemic, has proceeded with the successful implementation of its Business Continuity Plan to ensure that business is continued and critical operations are unimpededly performed. In line with authorities' instructions and recommendations, the Group has taken all the required measures to ensure the health and safety of its employees and customers (e.g. implementation of teleworking, restrictions to business trips, medical supplies for protective equipment).

The Group's total CAD and Common Equity Tier 1 (CET1) ratios stood at 17.8% and 15.4% respectively as at 31 March 2020, and the net profit attributable to shareholders amounted to € 57 million (€ 60 million net profit from continuing operations before € 3 million restructuring costs after tax) for the first quarter of 2020. Furthermore, as at 31 March 2020, the Group deposits have increased by € 0.5 billion to € 45.3 billion (2019: € 44.8 billion), leading the Group's (net) loans to deposits (L/D) ratio to 83.4% as at 31 March 2020 (2019: 83.2%). In the context of the internal liquidity stress test framework, which is part of the 2020 ILAAP (Internal Liquidity Adequacy Assessment Process), the results of the short and medium term liquidity stress tests indicate that the Bank has adequate liquidity buffer to withstand to all of the stress test scenario effects.

As at 31 March 2020, the Group's NPEs' stock amounting to € 13 billion, remained relatively stable compared to 31 December 2019. Pursuant to Law 4649/2019, on 25 February 2020, Eurobank submitted to the Ministry of Finance two applications for opting-in to the Hellenic Asset Protection Scheme ("HERCULES") of the Cairo I and Cairo II securitizations and on 15 May 2020 of the Cairo III securitization. The aforementioned three

1. PRINCIPAL ACCOUNTING POLICIES (continued)

securitizations and the agreement with an international investor on the projects Cairo and FPS sale are key components of the forward-looking strategy of Eurobank Holdings Group, aiming at reducing the NPE ratio in the 15% region from 29% as at 31 March 2020.

Brexit

On 23 June 2016, the UK voted to exit the European Union. The UK left the EU on 31 January 2020 and entered a transitional phase which is due to end on 31 December 2020. No exit deal has been currently reached, it is difficult to determine the likely economic financial impact at this stage, however, general market conditions may slow in the short to medium term which could impact the performance of the reference portfolio. This is not expected to have any effect on the Company's ability to trade as a going concern, given the credit enhancement in the structure and the limited recourse nature of the Company's debt. However, the directors will continue to closely monitor the impact of the decision on the market and therefore on the Company.

Going concern assessment

Considering the above, the Board of Directors have made an assessment of the Company's ability to cover its liabilities for at least 12 months from the date of approval of these financial statements and up to the Final Maturity Date, having taken into consideration the factors relating to (a) the Company's financial position, (b) the Originator's financial position and its financial support of the entity to continuing its operations and (c) the performance of the underlying Receivables, and are satisfied that the financial statements of the Company can be prepared on a going concern basis.

Amendments to standards and new interpretations adopted by the Company

The standard below is effective from 1 January 2019 but does not have any effect on the Company's financial statements.

Description	Effective date
IFRS 16: Leases	1 January 2019

Financial assets

Financial assets are measured on initial recognition at fair value. Under IFRS 9, the classification and subsequent measurement of financial assets is principally determined by the entity's business model and their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest').

The Company has assessed its business models in order to determine the appropriate IFRS 9 classification for its financial assets. Financial assets are held to collect contractual cash flows and therefore meet the criteria to remain at amortised cost. In order to be accounted for at amortised cost, it is necessary for individual instruments to have contractual cash flows that are solely payments of principal and interest. These financial assets meet this criteria and are therefore subsequently measured at amortised cost.

Financial assets and liabilities measured at amortised cost are accounted for under the effective interest rate ('EIR') method. This method of calculating the amortised cost of a financial asset or liability involves allocating interest income or expense over the relevant period. The EIR rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Deemed Loan to the Originator

Under IFRS 9 Financial instruments, if a transferor retains substantially all the risks and rewards associated with the transferred assets, the transaction is accounted for as a financing transaction, notwithstanding that it is a sale transaction from a legal perspective. The directors of the Company have concluded that the Originator has retained substantially all the risks and rewards of the securitised Receivables Portfolio as the Originator has a continuing practise of repurchasing receivables prior to their designation as uncollectible and, furthermore, has provided appropriate credit mechanisms (subordinated loan and deferred purchase price) to the Company. As a consequence, the Company does not recognise the Receivables on its Statement of Financial Position, but rather a Deemed Loan to the Originator.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

The Deemed Loan to the Originator initially represented the consideration paid by the Company in respect of the acquisition of an interest in the securitised Receivables Portfolio and is subsequently adjusted due to repayments made by the Originator to the Company, as well as with replenishments with new receivables. The Deemed Loan is carried at amortised cost using the effective interest method.

The subordinated loan provided by the Originator to the Company is the main form of credit enhancement for the Notes. It is netted off against the Deemed Loan to the Originator since they are with the same counterparty. The Company will repay the subordinated loan to the Originator only if it first receives an equivalent amount from the Originator.

In addition to the subordinated loan, deferred consideration payable to the Originator, representing the excess of the Company's collections regarding the Receivables over the Company's payments as determined by the Offering Circular, is netted off against the deemed loan since they have the same counterparty, they were entered into at the same time and in contemplation of one another, they relate to the same risk and there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction.

In the Statement of Comprehensive Income the deferred consideration charge is netted off against interest income as it represents income that the Company is not entitled to retain.

The Company regularly reviews the underlying collateral in relation to the Deemed Loan to the Originator as part of its assessment for impairment. The methodology applied is further discussed below.

Impairment losses on Deemed Loan to the Originator

The Company's Deemed Loan to the Originator as defined above, was subject to IFRS 9's expected credit loss model.

The Company recognises expected credit loss impairment on the Deemed Loan to the Originator at amortised cost when it is estimated that it will not be in a position to receive all payments due. The amount of the expected credit losses ("ECL") allowance for impairment at amortised cost is the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate of the deemed loan.

At each reporting date, an impairment loss equal to 12-month expected credit losses (allocated to stage 1) is recognised for all financial assets for which there is no significant increase in credit risk since initial recognition. For financial assets for which there is a significant increase in credit risk since their initial recognition (allocated to stage 2), and that are credit impaired (allocated to stage 3) an impairment loss equal to lifetime expected credit losses will be recognised.

The Deemed Loan to the Originator is considered impaired when it is probable that the Company will be unable to collect all amounts due according to the relevant contractual terms.

An assessment of whether credit risk has increased significantly since the initial recognition of the Deemed Loan to the Originator is performed at each reporting period by considering primarily the change in the risk of default occurring over the remaining life of the Deemed Loan to the Originator. The Company assess whether a significant increase in credit risk ("SICR") has occurred since the initial recognition based on qualitative and quantitative, reasonable and supportable forward-looking information that includes a degree of management judgment.

The default of the Deemed Loan is 90 days in arrears or any qualitative factors that the Originator is unlikely to pay. For the Company, the directors will review the availability of credit enhancement and assess whether the deemed loan is in default (90 days in arrears) or any qualitative factors that the Originator is unlikely to pay.

The ECL calculation on the Deemed Loan to the Originator takes into account the repurchases of receivables by the Originator, the subordinated loan and deferred consideration. The impairment of the underlying portfolio of

1. PRINCIPAL ACCOUNTING POLICIES (continued)

receivables is also considered. The Originator's key assumptions for the recoverability of the underlying receivables portfolio relate to the estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral. These Originator's key assumptions are based on observed data from historical patterns and are updated regularly as new data becomes available. The ECL of the underlying credit cards portfolio has been calculated by the Originator, under the requirements of IFRS9, at €51.9m (unaudited) as of 31 December 2019 (€30.8m (unaudited) as of 31 December 2018) and is significantly lower than the respective level of available credit enhancements. The accuracy of impairment calculations would be affected by the probability of default, significant increase in credit risk, loss given default and the macroeconomic factors. The macroeconomic factors that are incorporated into the risk parameter models are used to calculate the ECL of the underlying portfolio of receivables which is assessed against the credit enhancements. As a result of these available credit enhancements, the macroeconomic conditions do not currently have any material effect on the Deemed Loan to the Originator.

Liabilities evidenced by paper held at amortised cost
Liabilities evidenced by paper comprise the Notes issued by the Company through the Offering Circular dated 15 August 2011. These Notes were initially recognised at the fair value of the issue proceeds net of transaction costs incurred and are subsequently stated at amortised cost using the effective interest method. In the event that impairment losses exceed the credit enhancement provided by the Originator, some loss may be borne by the Noteholders.

The terms and conditions of the Notes state that the Transferor is entitled to an optional early redemption of the Notes. This option has been exercisable in full on any interest payment date on or after 25 September 2011 or on the occurrence of a Regulatory Event which materially affects the amount of capital which the Originator is required to allocate in respect of the Portfolio or if it becomes unlawful for the Issuer to perform its obligations under the Notes. The directors of the Company have concluded that the economic characteristics and risks of this prepayment option are closely related to the economic characteristics and risks of the Notes. As such, the option is not separately accounted for as an embedded derivative.

Cash and cash equivalents
Cash and cash equivalents comprise balances with less than 3 months maturity from the date of acquisition. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the Offering Circular.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Dividend distribution on shares is recognised as a deduction in the Company's equity when approved by the General Meeting of the Company's shareholders. Interim dividends are recognised as a deduction in the Company's equity when approved by the Directors.

Interest income and interest expense
Interest income and expense for all interest-bearing financial instruments are recognised on accruals basis within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest rate method.

Foreign currencies
Monetary assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the reporting date. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Effective interest rates
The effective interest rate method calculates the amortised cost of a financial asset or financial liability (or a group of financial assets or liabilities) and allocates the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Calculation of the effective interest rate takes into account early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

In order to determine the effective interest rate applicable to loans an estimate must be made of the expected life of the loans and hence the cash flows relating to them. These estimates are based on historical data from historical patterns and are updated regularly.

Taxation
Current tax is recognised at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the year end date. The Company is taxed under The Taxation of Securitisation Companies Regulations 2006 (the "Permanent Tax Regime") under which the Company is taxed by reference to its retained profit as defined by the "Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)".

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The most important area where the directors use judgement in applying its accounting policies is in relation to ECL. The directors have assessed the ECL to be zero. This conclusion has been reached as:

1) The Originator repurchases Receivables prior to their designation as uncollectible from the Company. As a result it has not incurred a loss since inception. The magnitude of the aforementioned repurchases has been historically low compared to the underlying loan portfolio as a whole, as well as compared to the credit protection mechanisms in place (€7.5m for 2019, €1.73m post balance sheet date and up to 31 May, 2020).
2) Credit enhancement provided through a reserve fund account (€45m: 2019 and 2018) funded through a loan from the Originator; and
3) The income from the Receivables is expected to exceed the interest payable on the Notes issued by the Company. This excess spread is available to make good any reductions in the principal balance of the Receivables as a result of defaults by borrowers. The deferred purchase consideration as of 31.12.2019 amounted to €85m. A similar excess spread was also applicable for the 2018 year end.

Therefore total credit enhancement (ignoring future excess spread) is €130m (2018: €123m). If the Originator was to have ceased repurchases of receivables, this credit enhancement would absorb 17 times the "losses" implied by the level of repurchases in 2019.

For the Deemed Loan to the Originator, the estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. INTEREST INCOME

Interest income represents the net interest income on the Deemed Loan to the Originator. It comprises interest income received and charges on the underlying receivables offset by deferred consideration expense due to the Originator and interest payable on the subordinated loan to the Originator.

	2019	2018
	€	€
Net interest income on Deemed Loan to the Originator	2,834,933	2,864,132

4. INTEREST EXPENSE

	2019	2018
	€	€
Interest on Notes	2,434,767	2,554,933

5. ADMINISTRATIVE EXPENSES

Profit before tax is stated after charging/(crediting):	2019	2018
	€	€
Auditors' remuneration – audit of the statutory financial statements of the Company	74,996	27,000
Auditors' remuneration – amounts relating to prior year	64,338	-
Tax and other compliance services of the Company	917	5,682
Tax and other compliance services of the Holding company	-	2,383
Accountancy fees	(5,501)	5,363
Servicing fees	206,048	207,950
Other expenses	55,292	55,905
Exchange (gains)/ losses recognised	(724)	116
	395,366	304,399

Apart from the directors, the Company has no employees (2018: no employees) and, other than the fees paid to Wilmington Trust SP Services (London) Limited as set out in note 13, the directors received no remuneration during the year (2018: €nil). The reported figure for accountancy fees includes a reversal of an over accrual of €5,363. Non-audit services were not provided by the Company's appointed auditors during the year. Fees payable for tax services for the year are €8,981(2018: €8,424). The reported figure includes a reversal of an over accrual of €8,064 relating to a prior year. The tax services are not provided by the statutory auditor

6. INCOME TAX CHARGE

(a) Analysis of tax charge in the year

	2019	2018
Current tax:	€	€
Corporation tax charge for the year	912	912
Total income tax charge in the statement of comprehensive income	912	912

(b) Reconciliation of effective tax rate

The tax assessed on the profit on ordinary activities for the period is equal to the standard rate of corporation tax in the UK of 19% (2018: 19%):

	2019	2018
	€	€
Profit before tax	4,800	4,800
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	912	912
Total income tax charge	912	912

6. INCOME TAX CHARGE (continued)

Under the powers conferred by Finance Act 2005, secondary legislation was enacted in 2006 which ensures that, subject to certain conditions being met, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement. For UK corporation tax purposes, the Company has been considered as a Securitisation Company under the "Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)". Therefore the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the Transaction and as defined by the "Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)".

The directors are satisfied that the Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

7. DEEMED LOAN TO THE ORIGINATOR

	2019	2018
	€	€
Gross Deemed Loan to the Originator	**412,543,694**	417,555,059
Subordinated Loan	**(45,000,000)**	(45,000,000)
Amounts payable to Bank of Greece under Law 128/75	**(205,152)**	(207,967)
Deferred purchase consideration	**(85,156,550)**	(78,230,441)
Net Deemed Loan to the Originator	**282,181,992**	294,116,651

Under Law 128/75 of the Hellenic Republic, consumer loans bear a 0.60% p.a. levy charge. The levy charge is payable to the Bank of Greece.

The Deemed Loan to the Originator is classified as a stage 1 asset given that the credit risk has not increased significantly from initial recognition. The Directors have reviewed data and information relating to the credit quality of the credit card agreements underlying the Deemed loan to the Originator and are satisfied that the level of impairment of the underlying assets does not exceed the amount of the credit enhancements, namely the subordinated loan and the deferred purchase consideration. In addition they have confirmed that the Originator, in its capacity as an active servicer of the Company, has opted to proactively repurchase certain Receivables prior to their designation as uncollectible and, furthermore, that receivables removed as per the aforementioned process are periodically replenished using new ones with higher credit quality, further strengthening the Company's financial position. Having considered the above, it has been concluded that the Deemed Loan to the Originator is not considered to be impaired at 31 December 2019.

Ageing analysis of the underlying Portfolio of Receivables is disclosed below:

	2019	2018
	€	€
Current	**358,091,589**	360,628,064
Past due 1 – 29 days	**23,074,128**	26,088,684
Past due 30 – 59 days	**5,328,829**	6,304,279
Past due 60 – 89 days	**2,128,282**	3,280,506
Past due 90 – 179 days	**4,337,271**	4,804,769
Past due 180 – 359 days	**4,482,255**	5,176,253
Past due > 360 days	**15,101,340**	11,272,504
Total	**412,543,694**	417,555,059

8. OTHER RECEIVABLES

	2019	2018
	€	€
Accrued income	**2,026**	2,026

9. CASH AND CASH EQUIVALENTS

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements.

	2019	2018
	€	€
Cash and bank current accounts	**73,087,024**	61,053,913
Bank deposit accounts	**45,014,774**	45,013,980
	118,101,798	106,067,893

All cash is held with the Originator.

10. SHARE CAPITAL

	2019	2018
Issued, called up and allotted:	€	€
(2018: 2) fully paid ordinary shares at £1 each	**2**	2
(2018: 49,998) partly paid ordinary shares at £1 each	**14,383**	14,383
	14,385	14,385

There are 50,000 authorised ordinary shares of £1 each. The issued share capital consists of 2 fully paid ordinary shares and 49,998 quarter paid ordinary shares. The issued share capital is reflected in the financial statements as €14,385 based on the prevailing exchange rate at 5 August 2011 (€/£ 0.869) on the date the Company changed its functional and presentational currency from sterling to Euros. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11. LIABILITIES EVIDENCED BY PAPER HELD AT AMORTISED COST

	2019	2018
Non-current liabilities	€	€
Floating rate loan notes	**400,000,000**	400,000,000

The Notes are listed on the Irish Stock Exchange and are secured over a portfolio of credit card agreements originated in Greece.

The exposure of the Company's borrowings to interest rate changes and contractual re-pricing dates at the reporting date are as follows:

	2019	2018
	€	€
3 months or less	**400,000,000**	400,000,000

Interest on the Notes is payable on a monthly basis at the one month EURIBOR plus 1.00%.

On 30 January 2019 the 'Bullet Maturity Date' was extended to February 2021 and the 'Final Maturity Date' to February 2023. The Bullet maturity date signifies the end of the securitization's revolving period. During the revolving period, receivables can be transferred out (receivables prior denouncement) and in (replenishments of loans with higher credit quality) the securitization scheme.

From the Bullet maturity date, the amortization period begins, lasting up to the Final Maturity Date. During the amortization period, collections are used to repay the notes, while no further transfers of receivables in the perimeter (replenishments) are performed.

11. LIABILITIES EVIDENCED BY PAPER HELD AT AMORTISED COST (continued)

The transaction is due to close on the Final Maturity Date in 2023. However, the Directors expect and intend to further extend both the Bullet Maturity Date and the Final Maturity Date so the Company can continue its existing operations for the foreseeable future.

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

12. OTHER LIABILITIES

	2019	2018
	€	€
Interest payable	**37,056**	42,310
Accruals and deferred income	**201,884**	101,273
	238,940	143,583

13. RELATED PARTY TRANSACTIONS

The Company has identified the following transactions which are required to be disclosed under the terms of IAS 24 "Related Party Disclosures".

During the year, administration and accounting services were provided by Wilmington Trust SP Services (London) Limited for which Wilmington Trust SP Services (London) Limited earned €22,390 (2018: €19,371) including irrecoverable value added tax. D J Wynne, a director of the Company, is also a director of Wilmington Trust SP Services (London) Limited.

During the year, there were net movements of (€5,011,366) to Eurobank S.A. from the Company in respect of the principal on the Deemed Loan (2018: €16,730,514). The interest income earned on the underlying Receivables for the year was €61,048,530 (2018: €61,621,787).

Eurobank S.A. administers the Receivables on behalf of the Company and earned €206,048 (2018: €207,950) during the year.

Eurobank S.A. earned €55,261,647 (2018: €55,730,408) with respect to deferred consideration during the year and was owed €85,156,550 (2018: €78,230,441) at the end of the year, which is included within the Deemed Loan to the Originator at amortised cost above.

All the notes are held by Eurobank S.A. entities as at 31 December 2019.

14. FINANCIAL RISK MANAGEMENT

The Originator considers the Company to be its subsidiary. The Originator manages the Receivables under the servicer agreement with the Company according to the Offering Circular. In managing the Receivables, the Originator applies its own formal risk management structure for managing risk, including established risk limits, reporting lines, mandates and other control procedures. This structure is reviewed regularly by the Originator's Assets and Liabilities Committee (ALCO), which is charged with the responsibility for managing and controlling the statement of financial position exposures of the Originator.

Interest rate risk

After taking into consideration the administered interest rate nature of the Company's Deemed Loan to the Originator, the regular re-pricing of the Company's floating rate notes, together with the nature of the Company's other assets and liabilities, the directors do not believe that the Company has any significant interest rate re-pricing exposure.

Credit risk

The maximum exposure to credit risk is considered by the directors to be the carrying value of the Deemed Loan to the Originator (see note 7) and bank deposits. The Receivables consist of credit card agreements selected from the total portfolio of agreements entered into by the Transferor with obligors in Greece and originated by Eurobank S.A.

14. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk
The Company's policy is to manage liquidity risk through its excess spread, a reserve fund and an over-collateralisation of Receivables underlying the loan to the Originator. As the length of the Notes is designed to match the length of the Receivables underlying the loan to the Originator, there are deemed to be limited liquidity risks facing the Company.

The following table details the Company's liquidity analysis for its financial liabilities at 31 December 2019. The interest payable on the loan notes and subordinated loans is estimated based on the outstanding principal and interest rates at the period end calculated up to the final maturity date.

At 31 December 2019	**Carrying Amount**	**Gross nominal outflow**	**Less than 1 month**	**1 to 3 months**	**3 to 12 months**	**More than 1 year**
	€	**€**	**€**	**€**	**€**	**€**
Liabilities						
Liabilities evidenced by paper	**400,000,000**	**400,000,000**	**-**	**-**	**-**	**400,000,000**
Interest payable	**37,056**	**6,924,800**	**186,344**	**360,667**	**1,653,056**	**4,724,733**
Accruals	**201,883**	**201,883**	**-**	**201,883**	**-**	**-**
Total liabilities	**400,238,939**	**407,126,683**	**186,344**	**562,550**	**1,653,056**	**404,724,733**

At 31 December 2018	Carrying Amount	Gross nominal outflow	Less than 1 month	1 to 3 months	3 to 12 months	More than 1 year
	€	€	€	€	€	€
Liabilities						
Liabilities evidenced by paper	400,000,000	400,000,000	-	-	-	400,000,000
Interest payable	42,310	10,714,601	204,289	422,667	1,944,267	8,143,378
Accruals	101,273	143,582	-	143,582	-	-
Total liabilities	400,143,583	410,858,183	204,289	566,249	1,944,267	408,143,378

Currency risk
All of the Company's assets and liabilities are denominated in Euros ("€"), and therefore currently there is no foreign currency risk.

Capital management
The Company considers its capital to comprise its ordinary share capital and its accumulated retained earnings. There have been no changes in what the Company considers to be its capital since the previous year. The Company is not subject to any external capital requirements, except for the minimum requirement under the Companies Act 2006. The Company has not breached this minimum requirement.

Financial instruments
The Company's financial instruments comprise of a Deemed Loan to the Originator, cash and cash equivalents, interest-bearing borrowings and various receivables and payables that arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments is undertaken.

14. FINANCIAL RISK MANAGEMENT (continued)

Fair values
The fair values together with the carrying amounts shown in the statement of financial position are as follows:

	Note	**Carrying amount 2019**	**Approximate fair value 2019**	Carrying amount 2018	Approximate fair value 2018
		€	**€**	€	€
Deemed Loan to the Originator	7	**282,181,992**	**248,831,535**	294,116,651	133,932,107
Other assets	8	**2,026**	**2,026**	2,026	2,026
Cash and cash equivalents	9	**118,101,798**	**118,101,798**	106,067,893	106,067,893
		400,285,816	**366,935,359**	400,186,570	240,002,026
Liabilities evidenced by paper	11	**400,000,000**	**366,933,333**	400,000,000	240,000,000
Other liabilities	12	**238,940**	**238,940**	143,583	143,583
Tax payable	6	**912**	**912**	912	912
		400,239,852	**367,173,185**	400,144,495	240,144,495

Please see note 1 for information on calculation of fair values.

Management notes the significant shortfall between the carrying amount and fair value of the notes (and of the Deemed Loan to the Originator) as of the end of the reporting period that is considered to be due to the high impact risks associated with Greece in general. The aforementioned difference does not represent an expectation that the Noteholders will not be fully repaid. The ability to repay the issued notes depends on the quality of the underlying receivables and their servicing by the Originator. The Deemed Loan to Eurobank S.A. is not considered to be impaired and the low fair value of the Deemed Loan to the Originator and the notes does not indicate that the impairment losses recognized on the Receivables portfolio are understated.

Fair value hierarchy
Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset or liability as follows:

Level 1 - valued using quoted prices in active markets for identical assets or liabilities

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data. The valuation techniques used by the Company are explained in the accounting policies note.

The Company has no financial instruments included in its balance sheet that are measured at fair value.

The fair value the Loans and Notes are categorised as level 3.

14. FINANCIAL RISK MANAGEMENT (continued)

As at 31 December 2019 **Financial assets at fair value**	**Total** **€**	**Level 1** **€**	**Level 2** **€**	**Level 3** **€**
Deemed Loan to the Originator	**248,831,535**	**-**	**-**	**248,831,535**

As at 31 December 2019 **Financial liabilities at fair value**	**Total** **€**	**Level 1** **€**	**Level 2** **€**	**Level 3** **€**
Liabilities evidenced by paper	**366,933,333**	**-**	**-**	**366,933,333**

As at 31 December 2018 Financial assets at fair value	Total €	Level 1 €	Level 2 €	Level 3 €
Deemed Loan to the Originator	133,932,107	-	-	133,932,107

As at 31 December 2018 Financial liabilities at fair value	Total €	Level 1 €	Level 2 €	Level 3 €
Liabilities evidenced by paper	240,000,000	-		240,000,000

15. SEGMENTAL REPORTING

Having considered the Company's activities the directors have not identified any reportable segments.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The shares in the Company are held by Wilmington Trust SP Services (London) Limited under Declarations of Trust for charitable purposes. Eurobank S.A. has no direct ownership interest in the Company. However, in accordance with IFRS, and particularly IFRS 10, the Originator considers itself to be the controlling party of the Company and the results of the Company are included in the consolidated financial statements of Eurobank S.A., which are available online at www.eurobank.gr.

As of November 2015, the percentage of the Eurobank S.A. (the Bank) ordinary shares with voting rights held by the Hellenic Financial Stability Fund (HFSF) stands at 2.38%. In May 2019, following the increase of the share capital of the Bank in the context of the merger with absorption of Grivalia Properties REIC, the percentage of the Bank's ordinary shares with voting rights held by the HFSF decreased from 2.38% to 1.40%. The HFSF is considered to have significant influence over the Bank pursuant to the provisions of the Law 3864/2010, as in force, and the Relationship Framework Agreement (RFA) the Bank has entered into with the HFSF.

In the context of the above Law, HFSF exercises its voting rights in the Bank's General Meetings only for decisions concerning the amendment of the Bank's Articles of Association, including the increase or decrease of the Bank's capital or the granting of a corresponding authorization to the Bank's Board, decisions concerning the mergers, divisions, conversions, revivals, extension of duration or dissolution of the Bank, the transfer of assets (including the sale of subsidiaries), or any other issue requiring approval by an increased majority as provided for in Greek Company Law 4548/2019.

The financial statements of Eurobank S.A. are available from its head office: 8 Othonos Street, 105 57, Athens, Greece, and from its website at www.eurobank.gr.

17. OTHER SIGNIFICANT AND POST BALANCE SHEET EVENTS

On 20 March 2020, the Parent Company completed the demerger of Eurobank Ergasias through the business banking sector's hive down and the establishment of a new company-credit institution under the corporate name "Eurobank S.A".