

**Company Registration Number: 07715262**

**KARTA II HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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# **KARTA II HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

<b>Directors</b>	D J Wynne Wilmington Trust SP Services (London) Limited
<b>Company secretary</b>	Wilmington Trust SP Services (London) Limited
<b>Company number</b>	07715262
<b>Registered office</b>	Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arms Yard London EC2R 7AF
<b>Business address</b>	Third Floor 1 King's Arms Yard London EC2R 7AF

# **KARTA II HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their annual report and the financial statements of Karta II Holdings Limited (the “Company”) 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”), a bank incorporated in Greece. The Company was incorporated in England and Wales together with Karta II PLC (the “Issuer”) 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 dated 15 August 2011 as amended by the Global Amendment Deed and Noteholder Consent dated 25 September 2013 and further amended by the Amendment Deed and Noteholder Consent dated 8 February 2016 (the “Offering Circular”) which can be obtained from the Originator at [www.eurobank.gr](http://www.eurobank.gr).

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

The Company did not trade during the year or the preceding year and made neither a profit nor a loss. There were also no other gains and losses for the current financial year or the preceding financial year. Accordingly, neither an income statement nor a statement of comprehensive income has been presented.

#### **GOING CONCERN**

The directors have undertaken a detailed assessment of the Company’s ongoing business model and the directors believe it is appropriate to prepare these financial statements on the assumption that the Company will be able to continue as a going concern for the foreseeable future.

#### **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 9 on financial risk management.

#### **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 is included in the “Principal Risks and Uncertainties” section of the Strategic report.

## **KARTA II HOLDINGS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

##### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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:

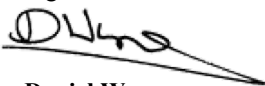
- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable 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 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 its financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board



**Daniel Wynne**  
Director  
18 September 2020

# **KARTA II HOLDINGS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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

#### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The Company’s principal activity is to hold an investment in Karta II Plc.

The principal activity of Karta II Plc is set by the Offering Circular and is that of a special purpose company to facilitate 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 Issuer issued €900,000,000 Class A Asset Backed Floating Rate Notes due 2019, amended from 2018 on 8 February 2016, (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.

The Notes amortisation year/period, prior to which no Notes capital repayments are made, started on 25 September 2013 with a partial repayment of €200,000,000 and their scheduled final maturity date is the interest payment date falling in October 2019, amended from October 2018 on 8 February 2016.

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.

#### **RESULTS AND DIVIDENDS**

The Company’s financial position at the end of the year is shown in the attached financial statements. At the year end, the Company had net assets of €14,385 (2018: €14,385). The directors have not recommended a dividend (2018: €nil).

#### **FUTURE DEVELOPMENTS**

No significant change in the principal activity of the Company is envisaged in the foreseeable future and the directors expect the Company’s performance to be in line with the current year.

#### **KEY PERFORMANCE INDICATORS**

The carrying value of its investment in PLC is considered to be the key performance indicator for the Company. The directors have reviewed the investment for impairment and are satisfied that the investment is not impaired.

## **KARTA II HOLDINGS LIMITED**

### **STRATEGIC REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

##### **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 9 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 Issuer 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.

The Originator's own going concern assessment is critical 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.

The UK left the European Union ("EU") at 23:00 GMT on 31 January 2020 and has now entered an 11-month period, known as the transition. The transition keeps the UK bound to the EU's rules and is due to last until 31 December 2020. This decision to leave the EU continues to create economic and other uncertainties about both the process and its consequences which represent risks that may affect the Company's investments. However this is not expected to have any effect on the Company's ability to trade as a going concern. At the date of signing these Financial statements, the Directors do not foresee any immediate risks crystallising, however, the directors will continue to closely monitor the impact of the decision on the market and therefore on the Company.

Signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'D Wynne', with a long horizontal line extending to the right from the end of the signature.

**Daniel Wynne**  
Director  
18 September 2020

**KARTA II HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Share Capital €</b>	<b>Retained earnings €</b>	<b>Total Equity €</b>
Balance as at 1 January 2018	1	14,384	14,385
Result for the year and total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 1 January 2019	1	14,384	14,385
Result for the year and total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at 31 December 2019</b>	<u><b>1</b></u>	<u><b>14,384</b></u>	<u><b>14,385</b></u>

The notes on pages 9 to 13 form part of these financial statements.



# KARTA II HOLDINGS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 €	2018 €
<b>Assets</b>			
Investments	5	14,384	14,384
Cash and cash equivalents	6	<u>1</u>	<u>1</u>
<b>Total assets</b>		<b><u>14,385</u></b>	<b><u>14,385</u></b>
<b>Equity</b>			
Share capital	7	1	1
Retained earnings		<u>14,384</u>	<u>14,384</u>
<b>Total equity</b>		<b><u>14,385</u></b>	<b><u>14,385</u></b>

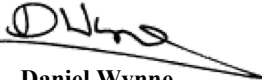
For the period ending 31 December 2019, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements of Karta II Holdings Limited, company registration number 07715262, were approved by the Board of Directors on 18 September 2020 and are signed on its behalf by:

  
**Daniel Wynne**  
Director

The notes on pages 9 to 13 form part of these financial statements.

**KARTA II HOLDINGS LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 €	2018 €
<b>Cash flows generated from operating activities</b>		
Result before tax for the year	<u>-</u>	<u>-</u>
<b>Net cash generated from operating activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	-	-
Cash and cash equivalents at start of year	<u>1</u>	<u>1</u>
<b>Cash and cash equivalents at end of year</b>	<u>1</u>	<u>1</u>

The notes on pages 9 to 13 form part of these financial statements.

# **KARTA II HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. PRINCIPAL ACCOUNTING POLICIES**

##### **General information**

Karta II Holdings Limited (the “Company”) is a limited liability company, limited by shares incorporated in England and Wales and domiciled in the United Kingdom with registered number 07715262.

The Company’s principal activity is to hold an investment in Karta II Plc.

The principal activity of Karta II Plc is set by the Offering Circular and is that of 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.

The Company did not trade during the year or the preceding year and made neither a profit nor a loss. There were also no other gains and losses for the current financial year or the preceding financial year. Accordingly, neither an income statement nor a statement of comprehensive income has been presented.

##### **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 as appropriate.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs), IFRS Interpretations Committee (IFRS IC) 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 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 as appropriate.

##### **Investments**

Investments are stated in the statement of financial position at cost, less any provision for impairment. The Originator is deemed to be the parent of the group undertakings in which the Company has share holdings. The Company therefore does not prepare consolidated financial statements.

##### **Interest income and interest expense**

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

##### **Cash and cash equivalents**

Cash and cash equivalents comprise balances with less than 3 months maturity from the date of acquisition.

##### **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

## KARTA II HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

##### Foreign currencies

denominated in foreign currencies are recognised in the statement of comprehensive income.

##### Income tax

Income tax on the profit or loss for the year comprises current tax. The current income charge tax is calculated on the basis of the tax laws enacted at the end of the reporting year/period in the country where the company operates and generates taxable income.

##### 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.

##### Consolidation

In accordance with Section 400 of the Companies Act 2006, group financial statements have not been prepared as the Company is a wholly owned subsidiary of Eurobank S.A, which prepares consolidated financial statements which are publicly available.

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain estimates in the financial statements are based wholly or in part on estimates or assumptions made by the directors. There is, therefore, a potential risk that they may be subject to change in future periods.

## 3. RESULT BEFORE TAX

Apart from the directors, the Company has no employees and, other than the fees paid to Wilmington Trust SP Services (London) Limited as set out in note 8, the directors received no remuneration during the year.

## 4. INCOME TAX CHARGE

### (a) Analysis of tax charge in the year

	2019	2018
	€	€
<b>Current tax:</b>		
Corporation tax charge for the year	—	—
Total income tax charge in the statement of comprehensive Income	—	—

### (b) Reconciliation of effective tax rate

The tax on the Company's result before tax is equal to (2018: equal to) the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company as follows:

Result before tax	—	—
Result before tax multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	-	-
Non –allowable items	—	—
Total income tax charge	—	—

## KARTA II HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2019

##### 5. INVESTMENTS

	2019	2018
	€	€
Shares in group undertakings	<u>14,384</u>	<u>14,384</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Country of incorporation	Details of investments and proportion held by country	Nature of business
Karta II PLC	England and Wales	99.99% of ordinary shares	Special purpose entity which was established for the purpose of facilitating the securitisation of a portfolio of Receivables originated by Eurobank S.A through the issue of Asset-Backed Floating Rate Loan Notes

##### 6. 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
	€	€
Bank deposit accounts	<u>1</u>	<u>1</u>

##### 7. SHARE CAPITAL

	2019	2018
	€	€
Issued, called up and allotted: 1 (2015: 1) fully paid ordinary shares at £1	<u>1</u>	<u>1</u>

There are 100 authorised ordinary shares of £1 each. The issued share capital of the Company consists of 1 fully paid ordinary share. The issued share capital is reflected in the financial statements as €1 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.

##### 8. RELATED PARTY TRANSACTIONS

During the year administration and accounting services were provided to the Karta II Plc and Karta II Holdings Limited 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. These services were borne by the Issuer. D J Wynne, whom is a director of the Company, is also a director of Wilmington Trust SP Services (London) Limited.

## **KARTA II HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **9. FINANCIAL RISK MANAGEMENT**

##### **Interest rate risk**

The Company's financial instruments comprise an investment, cash and liquid resources. All amounts are in Euros, therefore there is no interest rate risk.

##### **Liquidity risk**

The Company's principal activity is to hold an investment in Karta II Plc. Due to the nature of the company's activity there is no significant liquidity risk.

##### **Currency risk**

With the minor exception of the Company's UK domiciled sterling cash deposit accounts, the remainder of the Company's assets and liabilities are denominated in Euros ("€"), and therefore currently there is no foreign currency risk.

##### **Financial instruments**

The Company's financial instruments comprise an investment, cash and cash equivalents and various receivables and payables that arise directly from its operations.

##### **Fair value**

There is no significant difference between the carrying amount and the fair value of the Company's financial instruments.

##### **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.

#### **10. SEGMENTAL REPORTING**

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

#### **11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The shares in the Company are held by Wilmington Trust SP Services (London) Limited under a Declaration 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](http://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

## **KARTA II HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

##### **11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY (Continued)**

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](http://www.eurobank.gr).

##### **12. OTHER SIGNIFICANT AND POST BALANCE SHEET EVENTS**

During March 2020, the World Health Organisation declared the Covid-19 virus a pandemic and in response, the UK Government announced the temporary closure of a number of non-essential industries and a nationwide social distancing programme to reduce the spread. Measures taken by the UK Government have affected economic activity however a wide range of economic stimulus plans have been implemented to support the economy. At this stage the impact on the Company has not been significant and the Directors consider it to be a non-adjusting post balance sheet event and as such no adjustments have been made to the financial statements or the accompanying disclosures for the year ended 31 December 2019. The Directors continue to assess the ongoing risks and going concern status of the Company.