

Company Registration Number: 06789992

AXIA II FINANCE PLC
FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON 13
JANUARY 2009 TO 31 DECEMBER 2009

WEDNESDAY



LD2 22/09/2010 126
COMPANIES HOUSE

AXIA II FINANCE PLC

FINANCIAL STATEMENTS

**FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31
DECEMBER 2009**

CONTENTS	PAGE
Officers and professional advisers	1
Directors' report	2 to 4
Independent auditors' report	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 to 19

AXIA II FINANCE PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mr M H Filer Mr S Masson Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	06789992
Registered office	c/o Wilmington Trust SP Services (London) Limited Fifth Floor 6 Broad Street Place London EC2M 7JH
Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Hay's Galleria 1 Hay's Lane London SE1 2RD

AXIA II FINANCE PLC

DIRECTORS' REPORT

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

The directors present their report and the audited financial statements of Axia II Finance PLC (the "Company" or the "Issuer") for the period from incorporation on 13 January 2009 to 31 December 2009. The Company is incorporated as a public limited company and domiciled in the United Kingdom.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a special purpose entity, set up to acquire a portfolio of Corporate Term Loans and Bonds in Greece (the "Receivables Portfolio") originated by Piraeus Bank S.A. (the "Originator" or the "Servicer"), financed primarily through the issue of Asset Backed Floating Rate Notes due 2031 (the "Notes" or the "Liabilities evidenced by paper")

The Originator has retained substantially all the risks and rewards of ownership of the Receivables Portfolio and therefore its transfer to the Company was accounted for as a financing transaction ("a deemed loan"), notwithstanding that it was a sale from a legal perspective.

The Notes were issued by the Company on 7 May 2009 as described in the Offering Circular dated 7 May 2009 (the "Offering Circular") and are listed on the Irish Stock Exchange. The Notes are in bearer form and comprise of €459,000,000 Class A Notes and €441,000,000 Class B Notes.

Interest on the Notes is paid quarterly in arrears on the 29th of January, April, July and October in each year (each an "Interest Payment Date").

- (i) on the Class A Notes, at an annual rate of three-month EURIBOR plus a margin of 0.50%, and
- (ii) on the Class B Notes, at an annual rate of three-month EURIBOR plus a margin of 1.50%.

The results for the period and the Company's financial position at the end of the period are shown in the attached financial statements. The directors have not recommended a dividend.

The key performance indicators ("KPI's") of the Company are considered to be its profit margin and the level of impairment over the Receivables Portfolio. The Company's profit before income tax margin for the period was 0.01%. The level of impairment at 31 December 2009 (impairment provision divided by the gross outstanding balance of the Receivables Portfolio) was 0.3%.

The business and economic environment during 2009 and to date has been challenging. The uncertainties in the Greek economy caused by the global financial crisis have intensified greatly since the beginning of the fourth quarter of 2009 when the budget deficit expanded to 12.9% of GDP and public debt reached 115% of annual GDP, revealing a chronic structural weakness of the Greek economy: low productivity, deteriorating competitiveness and inadequate fiscal management.

On 23 April 2010 the Greek Government formally requested the activation of the loan package previously agreed with the IMF and the Eurozone community to help support the Greek economy. Despite this drawdown by the Greek Government, Greece suffered further debt-rating downgrades - the latest being in June 2010 when Moody's cut Greece's government bond rating by four notches, to "Ba1" from "A3," and also downgraded Greece's short-term issuer rating to "Not-Prime" from "Prime."

FUTURE DEVELOPMENTS

No significant change in the Company's business is expected in the foreseeable future.

AXIA II FINANCE PLC

DIRECTORS' REPORT (continued)

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's financial instruments comprise primarily of the deemed loan to the Originator, cash and cash equivalents and the Notes. The main risks arising from the Company's financial instruments are interest rate risk and credit risk. Their management is predetermined by the terms of the Offering Circular and other transaction documents.

Credit risk

The credit risk of the Company relates primarily to the risk of delinquency or default of the deemed loan to the Originator, which in turn depends on the credit risk associated with the Receivables Portfolio.

Credit enhancement is provided to the Company in a number of ways. The income on the Receivables Portfolio is expected to exceed the interest payable on the Company's deemed loan to the Originator. This excess spread is available to make good any reductions in the principal balance of the Receivables Portfolio as a result of defaults. In addition the Originator provided the Company with a subordinated loan in order to create a reserve fund.

The likelihood of defaults in the Receivables Portfolio and the amounts that may be recovered in the event of default are related to a number of factors. Significant changes in the economy or in the health of a particular geographical zone that represents a concentration in the Receivables Portfolio could affect the cash flows from the Receivables Portfolio.

Interest rate risk

Interest rate risk arises as a result of differences between the rates of interest payable under the Receivables Portfolio and the rates at which the Notes bear interest.

Liquidity risk

Liquidity risk is not regarded as significant, given that the Company is only obliged to make payments to the Noteholders, to the extent that funds are available from the Receivables Portfolio.

Currency risk

The majority of the Company's assets and liabilities are denominated in Euro and therefore there is no significant foreign currency risk.

GOING CONCERN

The Company's principal activities, together with the factors likely to affect its future development, performance and position and its principal risks and uncertainties are set out above. The directors have undertaken a review and concluded that the Company has adequate resources and suitable arrangements in place for it to be able to continue in operational existence for the foreseeable future. Therefore the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

DIRECTORS

The directors who served the Company during the period are

Mr M H Filer	Appointed 13 January 2009
Wilmington Trust SP Services (London) Limited	Appointed 13 January 2009
Mr S Masson	Appointed 13 January 2009

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. Due to the nature of the business, the main creditors are the note holders. Principal and interest is repaid quarterly in accordance with the agreements in place.

AXIA II FINANCE PLC

DIRECTORS' REPORT (continued)

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

DONATIONS

The Company made no political or charitable donations during the period under review

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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,
- 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. They 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 accordance with Section 418 each director in office at the date the directors' report is approved confirms that (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(b) he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with the Companies Act 2006.

By order of the Board



Sunil Masson on behalf of Wilmington Trust SP Services (London) Limited
Director
14 September 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXIA II FINANCE PLC

We have audited the financial statements of Axia II Finance PLC for the period from incorporation on 13 January 2009 to 31 December 2009 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit and cash flows for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



Peter Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 September 2010

AXIA II FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

**FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31
DECEMBER 2009**

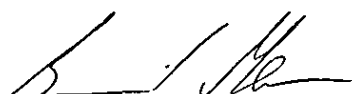
	Note	€
Interest income	3	14,411,580
Interest expense	4	<u>(13,730,049)</u>
Net interest income		681,531
Administrative expenses	5	<u>(679,819)</u>
Profit before income tax		1,712
Income tax expense	6	<u>(479)</u>
Profit for the period		<u>1,233</u>
Total comprehensive income		<u><u>1,233</u></u>

The notes on pages 10 to 19 form part of these financial statements

AXIA II FINANCE PLC**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2009**

	Note	€
Assets		
Deemed loan to the Originator	7	808,332,226
Cash and cash equivalents	8	<u>99,151,114</u>
Total assets		<u>907,483,340</u>
Equity		
Share capital	9	13,479
Retained earnings		<u>1,233</u>
Total equity		<u>14,712</u>
Liabilities		
Liabilities evidenced by paper	10	900,000,000
Other payables	11	7,468,149
Current income tax liability		<u>479</u>
Total liabilities		<u>907,468,628</u>
Total equity and liabilities		<u>907,483,340</u>

These financial statements of Axia II Finance PLC, company registration number 06789992 were approved by the board of directors on 14 September 2010 and are signed on their behalf by



Sunil Masson on behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 10 to 19 form part of these financial statements

AXIA II FINANCE PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

	Share Capital €	Retained Earnings €	Total €
Issue of shares	13,479	-	13,479
Profit for the period	-	<u>1,233</u>	<u>1,233</u>
Balance at 31 December 2009	<u>13,479</u>	<u>1,233</u>	<u>14,712</u>

The notes on pages 10 to 19 form part of these financial statements

AXIA II FINANCE PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

€

Cash flows from operating activities

Profit before income tax for the period	1,712
<i>Adjustments for</i>	
Interest income	(14,411,580)
Interest expense	13,730,049
Increase in other payables	<u>287,903</u>
Cash used in operating activities	(391,916)
Income tax paid	<u>-</u>
Net cash used in operating activities	<u>(391,916)</u>

Cash flows from investing activities

Deemed loan granted to the Originator	(900,000,000)
Deemed loan repayments received from originator	91,667,774
Interest received	<u>14,411,580</u>
Net cash used in investing activities	<u>(793,920,646)</u>

Cash flows from financing activities

Issue of Notes	900,000,000
Redemption of Notes	-
Issue of shares	13,479
Interest paid	<u>(6,549,803)</u>
Net cash from financing activities	<u>893,463,676</u>

Net increase in cash and cash equivalents	99,151,114
Cash and cash equivalents at start of the period	<u>-</u>
Cash and cash equivalents at end of the period	<u>99,151,114</u>

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements and as such the cash and cash equivalents are not freely available to be used for other purposes

The notes on pages 10 to 19 form part of these financial statements

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

1. GENERAL INFORMATION

Axia II Finance PLC (the "Company" or the "Issuer") is a public limited company incorporated and domiciled in the United Kingdom with registered number 06789992.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently for the years presented.

The financial statements have been prepared under the historical cost convention, in compliance with the requirements of the Companies Act 2006 and in accordance with the applicable International Financial Reporting Standards (IFRS) as adopted by the EU.

As explained in the directors' report, the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

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

The preparation of financial statements in compliance 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 impairment of the deemed loan to the Originator as explained in the directors' report and also below is considered an area where assumptions and estimates are significant to the financial statements and a higher degree of judgement and complexity are involved.

New financial reporting standards affecting presentation and disclosure

In the current period, the following revised standards have been adopted and have affected the 2009 financial statements:

- IAS 1 (Presentation of Financial Statements - as amended) the amendments on this standard have introduced a number of changes in the format and content of the financial statements,
- IFRS 7 (Financial instruments disclosures - as amended) the amendments on this standard have expanded the disclosures required in respect of fair value measurements and liquidity risk.

Early adoption of standards

The directors consider that there are no standards relevant to the Company which should be adopted early.

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deemed loan to the Originator

Under IFRS, 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 Originator has retained substantially all the risks and rewards of the Receivables Portfolio and as a consequence, the Company does not recognise the Receivables Portfolio on its balance sheet but rather a deemed loan to the Originator, where recourse to the Originator is limited to the cashflows from the Receivables Portfolio and any additional credit enhancement provided by the Originator.

The initial amount of the Deemed loan to the Originator corresponds to the consideration paid by the Company for the Receivables Portfolio. The Company recognises principal and interest cashflows from the Receivables Portfolio only to the extent that it is entitled to retain such cashflows. Cashflows attributable to the Originator are not recognised by the Company.

The Company assesses at each balance sheet date whether there is objective evidence that the deemed loan to the Originator is impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan (a 'loss event') and that loss event (or events) has an impact on the future cash flows of the loan that can be reliably estimated.

Delinquencies and defaults on the securitised assets will not result in an impairment loss if the cashflows from the Receivables Portfolio are still expected to be sufficient to meet the obligations under the limited recourse loan. Losses incurred on the securitized assets will not trigger an impairment of the deemed loan to the Originator as long as they do not exceed the credit enhancement granted by the Originator (subordinated loan and deferred consideration).

The amount of the loss is measured as the difference between the carrying amount of the deemed loan to the Originator and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted with the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. As a result the subordinated loan from the Originator is offset against the deemed loan to the Originator.

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, 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 and as such the cash and cash equivalents are not freely available to be used for other purposes.

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liabilities evidenced by paper

Liabilities evidenced by paper were initially recognised at fair value being equal to the issue proceeds and are subsequently stated at amortised cost using the effective interest method. The issue costs have been borne by the Originator.

Interest income and interest expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. 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. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. 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 Income statement.

Taxation

Current tax is recognised at amounts expected to be paid (or recovered) 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 during the year.

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

3. INTEREST INCOME

13 January 2009 to
31 December 2009
€

Interest on deemed loan to the Originator 14,411,580

Interest on the subordinated loan from the Originator of €574,514 is offset against the interest on the deemed loan to the Originator

4. INTEREST EXPENSE

13 January 2009 to
31 December 2009
€

Interest on liabilities evidenced by paper 13,730,049

5. ADMINISTRATIVE EXPENSES

13 January 2009 to
31 December 2009
€

Servicing fees	597,364
Auditors' remuneration – audit of the statutory financial statements of the Company	54,289
Corporate service fees	13,689
Other fees	<u>14,477</u>
	<u>679,819</u>

The Company has no employees (2008 nil) Other than the corporate services fees paid to Wilmington Trust SP Services (London) Limited as set out above and in note 13, the directors received no remuneration during the year (2008 €nil)

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

6. INCOME TAX EXPENSE

(a) Analysis of charge for the period:

	13 January 2009 to 31 December 2009 €
Current tax:	
Current tax charge for the period	<u>479</u>
Income tax expense in statement of comprehensive income	<u>479</u>

(b) Reconciliation of effective tax rate

The charge for the period can be reconciled to the profit before income tax per the statement of comprehensive income as follows

	13 January 2009 to 31 December 2009 €
Profit before income tax	<u>1,712</u>
Tax at the UK corporation tax rate of 28% (2008 28%)	<u>479</u>
Total income tax expense	<u>479</u>

Under the powers conferred by the Finance Act 2005, secondary legislation was enacted in November 2006 which ensures that, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the retained profit of the securitisation company

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

As at 31 December 2009, there are no tax-related contingent assets or contingent liabilities in accordance with International Accounting Standard No 37 'Provisions, Contingent Liabilities and Contingent Assets' (IAS37)

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

7. DEEMED LOAN TO THE ORIGINATOR

	2009
	€
Deemed loan to the Originator	853,789,166
Subordinated loan from the Originator	<u>(45,456,940)</u>
Deemed loan to the Originator on the statement of financial position	<u>808,332,226</u>

The deemed loan to the Originator is secured with a portfolio of Euro denominated Greek corporate term loans and bonds (the "Receivables Portfolio") The deemed loan to the Originator is not considered to be impaired at 31 December 2009

The credit quality of the Receivables underlying the deemed loan to the Originator is summarised as follows

	31 December
	2009
	€
Neither past due nor impaired	784,667,328
Past due but not impaired	71,370,286
Impaired	-
	<u>856,037,614</u>
Less allowance for impairment	<u>(2,632,221)</u>
	<u>853,405,393</u>

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

8. 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

	2009
	€
Bank current accounts	481,858
Bank deposit accounts	<u>98,669,256</u>
	<u>99,151,114</u>

9. SHARE CAPITAL

The authorised share capital of the Company consists of 50,000 ordinary shares of £1 each. The issued share capital consists of 2 fully paid and 49,998 quarter paid ordinary shares.

10. LIABILITIES EVIDENCED BY PAPER

The Asset Backed Floating Rate Notes due for repayment by January 2031 are listed on the Irish Stock Exchange, and are secured over a loan portfolio consisting of the term loans or bonds portfolio in Greece. The repayment of the Notes depends on the funds generated by the Receivables Portfolio being sufficient.

The exposure of the Company to interest rate changes and contractual re-pricing in relation to the Notes at the year end were as follows:

	2009
	€
3 months or less	
Class A floating rate loan notes	459,000,000
Class B floating rate loan notes	<u>441,000,000</u>
	<u>900,000,000</u>

The Company has not had any defaults on principal, interest or any other breaches with respect to the Notes.

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

11. OTHER PAYABLES

	2009
	€
Interest payable	7,180,246
Accrued expenses	<u>287,903</u>
	<u>7,468,149</u>

12. 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 period administration and accounting services were provided by Wilmington Trust SP Services (London) Limited for which Wilmington Trust SP Services (London) Limited earned €28,731 including irrecoverable VAT and expenses. Mr M H Filer, a director of the Company is also a director of Wilmington Trust SP Services (London) Limited. Mr S Masson, who is a director of the Company, is an employee of Wilmington Trust SP Services (London) Limited.

Under the terms of the sale agreement, Piraeus Bank S A earns deferred purchase consideration. During 2009 this amounted to €2,130,874. At 31 December 2009 €2,130,874 was owed to Piraeus Bank S A. These amounts are included within the deemed loan to the Originator.

The Notes held by Piraeus Bank group entities at 31 December 2009 amounted to €900,000,000.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The shares in the Company are 99.99% held by Wilmington Trust SP Services (London) Limited under a Declaration of Trust for charitable purposes. The remaining 0.01% of the shares is held under a nominee Declaration of Trust for charitable purposes. Piraeus Bank S A has no direct ownership interest in the Company. However, in accordance with IFRS, and particularly SIC 12, the results of the Company are included in the consolidated financial statements of Piraeus Bank S A. The Company's ultimate parent undertaking and controlling party is considered to be Piraeus Bank S A. The consolidated financial statements of Piraeus Bank S A can be obtained at www.piraeusbank.gr

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

14. FINANCIAL RISK MANAGEMENT

The principal risks and uncertainties are set out in the Directors' Report

Credit risk

The maximum exposure to credit risk is considered to be the carrying amount of the relevant financial assets as detailed below

	31 December 2009 €
Deemed loan to the Originator	808,332,226
Cash and cash equivalents	<u>99,151,114</u>
Maximum credit risk exposure	<u>907,483,340</u>

Fair values of financial assets and liabilities

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

	Carrying amount 2009 €	Fair value 2009 €
Financial assets		
Deemed loan to the Originator	808,332,226	591,072,000
Cash and cash equivalents	<u>99,151,114</u>	<u>99,151,114</u>
Financial liabilities		
Liabilities evidenced by paper	900,000,000	682,740,000
Other liabilities	<u>7,468,149</u>	<u>7,468,149</u>

The fair value of the liabilities evidenced by paper has been estimated based on the price quoted by the European Central Bank for accepting the underlying securities as collateral for lending to the Originator. The fair value of the deemed loan to the Originator has been determined based on the estimated fair value of the liabilities evidenced by paper. Determining fair value is dependent on many factors and can only be an estimate of what value may be obtained in the open market at any point in time.

AXIA II FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON 13 JANUARY 2009 TO 31 DECEMBER 2009

14. FINANCIAL RISK MANAGEMENT (continued)

Interest rate re-pricing analysis

The following table details the Company's exposure to interest rate risk by the earlier of contractual maturities or re-pricing

	0 to 3 months €	Non interest bearing €	Total €
At 31 December 2009			
Assets			
Deemed loan to the Originator	808,332,226	-	808,332,226
Cash and cash equivalents	<u>99,151,114</u>	<u>-</u>	<u>99,151,114</u>
Total assets	<u>907,483,340</u>	<u>-</u>	<u>907,483,340</u>
Liabilities			
Liabilities evidenced by paper	900,000,000	-	900,000,000
Other liabilities	-	7,468,149	7,468,149
Tax payable	<u>-</u>	<u>479</u>	<u>479</u>
Total liabilities	<u>900,000,000</u>	<u>7,468,628</u>	<u>907,468,628</u>

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due. The Company has a reserve fund generated as a result of the subordinated loan from the Originator.

The ability of the Company to meet its obligations on time and in full in respect of payments of interest and principal on the Notes and its operating expenses is wholly dependant upon and is limited to the receipt by it of funds, through the Originator in its capacity as the Servicer, from the Receivables Portfolio.

The Company will not have any other funds available to it to meet its obligations under the Notes or any other payments ranking in priority to, or pari passu with, the Notes.

Foreign currency risk

The majority of the Company's assets and liabilities are denominated in Euros and therefore there is minimal foreign currency risk.