Company Registration Number: 06841918

EPIHIRO PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

EPIHIRO PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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EPIHIRO PLC

CORPORATE INFORMATION

Directors	Mr I Kyriakopoulos Mr D J Wynne Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	06841918
Registered office	c/o Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arms Yard London EC2R 7AF
Auditor	MacIntyre Hudson LLP London United Kingdom
Servicer	Alpha Bank AE 40 Stadiou 102 52 Athens Greece

EPIHIRO PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report of Epihiro Plc (the "Company") for the year ended 31 December 2019.

GENERAL

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of a special purpose vehicle, set up to acquire a portfolio of loans (corporate bonds and term loans) (the 'Underlying receivables'), and to finance such activities by issuing securities, raising or borrowing money and lending money with or without security subject to and in accordance with the terms of the relevant transaction documents.

In accordance with a securitisation prospectus dated 20 May 2009, the Company issued €3,292,000,000 of floating rate loan notes (the 'Loan Notes' or the 'Notes') in order to purchase the Underlying receivables (corporate bonds and term loans) from Alpha Bank AE (the "Originator") in Greece. During 2010 certain parts of the transaction were restructured. As a result of this restructuring €1,698,600,000 of the loan notes were redeemed on 21 December 2010. As at 31 December 2019 there were €1,589,378,014 of principal loan notes outstanding (31 December 2018: €1,588,073,585). The floating rate loan notes have a contractual maturity date of 20 January 2035 and are listed on the Irish Stock Exchange. Refer to note 14 for more information.

The sale of the receivables portfolio to the Company is considered to fail the derecognition criteria of IFRS 9, Financial Instruments, in the books of Alpha Bank AE and therefore they are retained on the Statement of Financial Position of the Originator. As such, the Company records in its Statement of Financial Position a 'Deemed Loan to the Originator' rather than the Underlying receivables it has legally purchased.

REVIEW OF THE BUSINESS

KEY PERFORMANCE INDICATORS AND RESULTS

The Company's financial position at the year-end is shown in the attached financial statements. The profit on ordinary activities after taxation for the year was €4,773 (31 December 2018: €4,024). As at year end carrying value of the Deemed Loan to Originator was €1,418,220,143 (31 December 2018: €1,466,417,110). Loan notes and borrowings held at the year end amounted to €1,589,378,014 (31 December 2018: €1,588,073,585). As of 31 December 2019, cash and cash equivalents, including reserve funds, were €201,254,372 (31 December 2018: €154,568,106). The key performance indicators of the Company are net interest income and impairment losses. During 2019 net interest income was €260,688 (2018: €211,472) and the impairment charge was €nil (2018: €nil).

FUTURE DEVELOPMENTS

The directors expect that the present level of activity will be sustained in the foreseeable future and the activities of the Company are limited to those of the holding and management of the Underlying receivables acquired from Alpha Bank AE.

PRINCIPAL RISKS AND UNCERTAINIES AND RISK MANAGEMENT

The Company is exposed to a range of business risks and a detailed consideration of the risk factors relevant to the Securitisation Transaction is included in the section "Risk Factors" of the Offering Circular and they are summarised below. Further information on the Company's financial risks management are set out in Note 14 to the financial statements.

Market Risk

Market risk exists where changes in the economic environment in which the Company operates may negatively impact the Company's performance. The Company is exposed to a range of market risks which includes market liquidity constraints, limited availability of credit and difficult trading conditions continue to pose significant challenges to the underlying borrowers with whom the Company has exposure through the Deemed Loan to the Originator. Conditions may deteriorate further due to the continued financial and economic uncertainty in Greece. However, based on the terms of transaction documents, the risk for the Company in being able to pay off its obligation is limited to the receipt of funds from the Originator.

Operational risk
The principal operational risk to the Company is its ability to meet its obligations to pay principal and interest on the Loan notes and its operating and administrative expenses. The Company's cash flows are derived from the Deemed Loan to the Originator which in turn is derived from the underlying loan portfolio. In the event that there are insufficient funds available as a result of defaults on the loan portfolio, 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.

In addition, the reliance on the servicer and underperformance of the servicer or risk of loss of relationship could materially impact cash flows, income and profitability and therefore adversely impact the Company's results.

The directors together with the servicer actively manage the operational risks and ensure that they are compliant with necessary regulations and are performing as expected.

Compliance risk
Compliance risk exists where failure to comply with applicable legislation and regulatory requirements within the geographies and markets in which the Company operates and any potential breaches may result in reputational damage and fines which may impact the Company's ability to remain competitive in the market.

The Company has appointed a servicer and a corporate service provider in order to keep up to date with any changes to any regulatory environment which could adversely impact the Company.

Interest rate risk
Interest rate risk arises from the mismatch between the mix of fixed, floating and variable rate interest received on the Underlying receivables and the floating rate interest which the Company pays on the funding. On 21 December 2010 certain parts of the transaction were restructured and the swap agreement was terminated. As a result the Company is exposed to basis rate risk. Interest receivable and interest payable are both at floating rates. However the margin between the effective interest received from the Underlying receivables and interest paid on loan notes is considered sufficient to hedge risk of increases in floating rates.

Credit risk
The Company is exposed to credit risk, in relation to defaults from repayments of the Underlying receivables underpinning the Deemed Loan to the Originator. At the time of acquisition, the Underlying receivables were carefully selected to meet certain criteria, as set out in the offering circular issued in connection with the issue of the floating rate loan notes. These criteria and the day to day management of the Underlying receivables are undertaken by Alpha Bank AE which actively manages the collection of the outstanding amounts. Alpha Bank AE also provides credit enhancement through deferred consideration that brings all relevant credit risks to the Originator. Please refer to note 1 for additional information in relation to credit risk and IFRS 9 implementation.

Liquidity risk
Notwithstanding the factors noted above in relation to the risks associated with collecting amounts due from the Deemed Loan to Originator, liquidity risk is not regarded as significant, given that the entity is only obliged to make payments to the loan notes holders and the subordinated reserve loan provider from amounts collected from the Underlying receivables. The Company holds a large cash balance which helps it in managing the liquidity risk.

Foreign currency risk
The Company's assets and liabilities are denominated in Euros and are not exposed to any material currency fluctuations to any material transactions that are denominated in currencies other than Euros. Accordingly, the currency risk for the Company as a whole is considered to be low.

BREXIT Risk
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 borrowers' ability to service their debt.

BREXIT Risk (CONTINUED)
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. In addition, although the directors of the SPV are based in the UK, the underlying receivables (collateral) is in the European Union. 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.

GOING CONCERN
The Company's business activities, together with the factors likely to affect its future development, performance and position and its principal uncertainties are set out in the Strategic Report. In addition, note 14 to the financial statements includes the Company's financial risk management objectives and its exposures to market risk, credit risk and liquidity risk. As at year end carrying value of the Deemed Loan to Originator was €1,418,220,143 (31 December 2018: €1,466,417,110). Loan notes and borrowings held at the year end amounted to €1,589,378,014 (31 December 2018: €1,588,073,585). As of 31 December 2019, cash and cash equivalents, including reserve funds, were €201,254,372 (31 December 2018: €154,568,106). The Company made a profit of €4,773 in the year (2018: €4,024).

The directors have undertaken a detailed assessment of the Company's ongoing business model, in view of the importance of the recovery of the Deemed loan to the Originator ('Alpha Bank A.E'. or 'the Group') in being able to repay its liabilities on the loan notes. Under the terms of the loan notes issued by the Company and associated arrangements, amounts due are only payable and limited to the extent that there are sufficient receipts from the Deemed Loan to the Originator.

Under the terms of the prospectus, the Class A and Class B loan notes are limited-recourse debt obligations of the Company. The ability of the Company to meet its obligations under the loan notes will be directly dependent primarily upon the receipt by it of principal and interest from the obligors under the Deemed Loan to the Originator, Other than any interest earned by the Company in respect of the Company bank accounts, the Company is not expected to have any other funds available to it to meet its obligations under the loan notes and/or any other payment obligation ranking in priority to, or pari passu with, the loan notes. Upon enforcement of the security for the loan notes, the Trustee or any receiver and the loan notes holders will have recourse only to the purchased loans, the Company's interest in the relevant related security and to any other assets of the Company then in existence as described in this document. If there are insufficient amounts available from the charged property (i.e. the Deemed loan to the Originator) to pay in full the Company's secured liabilities, then the secured creditors shall have no further claim against the Company in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

The main factors causing uncertainty to the application of the Going Concern principle relate to the economic environment in Greece and the effects of the spread of coronavirus pandemic (COVID-19) in Europe in the first half of 2020.

The prolonged recession that the Greek economy has experienced in recent years led to the significant deterioration in the creditworthiness of corporate and individuals. In addition, as a result of the Greek sovereign debt crisis and the measures taken to deal with it, there was a significant outflow of deposits and the imposition of capital controls. On 1 September 2019 capital controls were fully removed. The successful completion of the third financial support program of the Hellenic Republic provided the possibility of forming a cash buffer aiming at reducing any potential financial risks after the completion of the program. The Hellenic Republic is taking steps to gradually recover its access to the financial markets to meet its financing needs.

The emergence of COVID-19 is adding a major uncertainty in terms of both macroeconomic developments, mainly due to the restrictive measures imposed and the cost resulting from the financial support of sector business and private individuals mostly affected by the coronavirus. The adoption of restrictive measures is expected to adversely affect the ability of borrowers to repay their liabilities and, consequently, the amount of expected credit risk losses. The financial implications depend to a large extent on how long this crisis will last and vary on a case-by-case basis as each sector of the economy is affected differently. It is noted that on 4 May 2020 started the gradual removal of the pandemic-related restrictions of economic activity, a fact that is expected to contribute to the mitigation of the economic impacts in conjunction with the healthcare developments with regards to the spread of the coronavirus. In the context of efforts to relieve individuals and businesses most affected by the coronavirus

GOING CONCERN (CONTINUED)

and its associated restrictive measures, the Greek government has announced a package of tax and other relief measures, while credit institutions apply in turn relief measures to ensure timely payment of financial commitments of these borrowers.

The Originator, to support its customers who are affected or expected to be affected by the crisis due to the COVID-19 pandemic, has taken, and will continue to take, supportive measures. The measures concern either new loans, in the context of strengthening the liquidity of small, medium and large enterprises, as well as the self-employed, or modifications in the repayment schedules of existing loan of both businesses and individuals. Moreover, the Originator actively participates in every effort planned and coordinated by the Greek Government, either through the competent Ministries or through the Hellenic Development Bank and other European institutions to support the Greek economy (TEPIX, European Investment Fund, COSME etc.).

The modifications granted to existing loans are treated by the Originator in line with the principles of the European Banking Authority Guidelines "on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis" (EBA/GL/2020/02) that aim to provide clarity to the EU banking sector on how to handle in a consistent manner, aspects related to (i) the classification of loans in default, (ii) the identification of forborne exposures and (iii) the accounting treatment.

In this respect, provided that those measures are not borrower-specific, the payment moratorium is fixed for every borrower irrespective of the borrowers' specific financial circumstances and the NPV loss is immaterial, modifications in payment schedules do not have to be automatically classified as Distressed Restructuring (Forbearance) as for IFRS 9 and the definition of default. Modifications in the schedule of payments of existing loans are proposed to customers operating or employed in sectors affected by the COVID-19 pandemic, for which the Originator has assessed, through the submission of a relevant request from the customer, that liquidity problems they face are temporary and that the credit standing of the obligor would not be significantly affected by the current situation in the long term.

For Medium and Large enterprises operating in industries or objects affected by the COVID-19 crisis and provided that they had no arrears on 31 December 2019:
• Postponement of capital installments due from 1 March 2020 to 30 September 2020 at the end of the loan.
• Installments that include interest and capital due from 1 March 2020 to 30 September 2020, could be distributed equally among the remaining installments of the loan.
• Capitalization of interest accrued until 30 June 2020 or until any other date is decided.
• Extension of the obligation to recycle revolving loans until 31 December 2020.
• Possibility of replacing post-dated checks, received as collateral, with other checks from the same issuer of a later date, after an updated creditworthiness control.

For Small enterprises and self-employed operating in industries or objects affected by the COVID-19 crisis and provided that they had no arrears on 31 December 2019:
• Postponement of capital installments due from 1 March 2020 to 30 September 2020 at the end of the loan.
• Possibility of installments capitalization that include interest and capital due until 30.6.2020 or until a potential date that is decided.
• Extension of the obligation to recycle revolving loans until 31 December 2020
• Possibility of replacing post-dated checks received as collateral, with other checks from the same issuer of a later date, after an updated creditworthiness control.

The loan modifications are flagged in the Bank's systems, so that the Bank is able to monitor them.

The Originator, in its capacity as servicer of the Company, also actively repurchases receivables when they are deemed to become uncollectible. Also considering the credit enhancement available within the structure, in the form of deferred purchase consideration and the cash at bank balances the Company has sufficient liquidity to continue to meet its obligations of the interest due on the Loan Notes for a period of at least 12 months.

GOING CONCERN (CONTINUED)

Based on the above, the Originator's management and the directors of the Company have reasonable expectation that the Originator and the Company will continue in operational existence for the foreseeable future, therefore the financial statements have been prepared on a going concern basis

Approved by the Board of Directors and authorised for issue on its behalf by:

Ioannis Kyriakopoulos
Director
02 September 2020

EPIHIRO PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements of Epihiro PLC (the "Company") for the year ended 31 December 2019.

THE DIRECTORS
The directors who served the Company during the year and up to the date, except as noted are as follows:

Mr R Sutton (Resigned 26 March 2019)
Mr I Kyriakopoulos (Appointed on 26 March 2019)
Mr D J Wynne
Wilmington Trust SP Services (London) Limited

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

DONATIONS
The Company made no political or charitable donations during the year under review (2018: €nil).

THIRD PARTY INDEMNITIES
Qualifying 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 Strategic Report, Directors' Report and financial statements.

CORPORATE GOVERNANCE
The directors have been charged with governance in accordance with the transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

The transaction documents provide for procedures that 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 whilst enabling them to comply with the regulatory obligations.

Due to the nature of the securities which have been issued on the Irish Stock Exchange, the directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is largely exempt from the disclosure requirements of the provisions of the UK Code Corporate Governance.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. Due to the nature of the entity there are limited stakeholders involved but the Directors continue to have regard to the interests of the Company's stakeholders, including the impact of its activities when making decisions.

CAPITAL STRUCTURE
Details of the issued share capital, together with details of holders of shares are shown in Note 11 and Note 16 to the financial statements. 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 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.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders. 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 the minimum requirement.

RISK MANAGEMENT
Business risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them. The key business risks affecting the Company and its management are set out in note 14, "Financial Risk Management" to the financial statements.

CAPITAL RISK MANAGEMENT
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders. 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 the minimum requirement.

FUTURE DEVELOPMENTS
Future Developments are discussed in details in the strategic report.

POST BALANCE SHEET EVENTS
Loans amounting to €1,031,219,463 have been redeemed since the year end. The Company has also acquired loans amounting to €355,670,644 since the year end.

On the 20 July the Company partially cancelled €385,600,000 of the Class A notes and €707,800,000 of the Class B notes. €400,000,000 of the Class A Notes and €100,000,000 of the Class B Notes held by the Originator remain outstanding and continue to be listed on the Irish Stock Exchange. There were no other significant balance sheet events.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

APPOINTMENT OF AUDITORS

In accordance to section 485 of the Companies Act 2006, the Board of Directors has proposed the appointment of MacIntyre Hudson LLP as the statutory Auditor of the company who have expressed willingness to accept the engagement.

Approved by the Board of Directors and authorised for issue on its behalf by:

Ioannis Kyriakopoulos
Director
02 September 2020

EPIHIRO PLC

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Annual 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 are required 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 accounts 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPIHIRO PLC

1. Our Opinion

We have audited the financial statements of Epihiro PLC.

The financial statements that we have audited comprise:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes In Equity
- Statement of Cash Flows
- Notes 1 to 16 of the financial statements, including the accounting policies.

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.

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 the Company's profit for the year then ended;
- The financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- The financial statements 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 under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with our report to the Board of Directors.

Overview

Materiality	€14,538,000	1% of the preliminary underlying receivables balance which formed the basis of the Deemed Loan to the Originator. We have assessed that updating the materiality to use the final figure would not cause a material impact on the testing.
Key audit matters		
Recurring	• Valuation of the Deemed Loan to the Originator	

2. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters 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 and, as required for public interest entities, our results from those procedures. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the Deemed Loan to the Originator	
The Risk	**Our response**
As disclosed in note 1 and note 7 the Company holds a deemed loan to the originator of EUR 1,418,220,143 (2018, EUR 1,466,417,110), receivable from Alpha Bank (the Bank) relating to a portfolio of loans (the Receivables Portfolio) in which the Company has acquired a beneficial interest. The Deemed Loan to the Originator is accounted for at amortised cost as disclosed in note 1. Impairment on the Deemed Loan to the Originator and the credit enhancements provided by the Originator available within the structure in the form of deferred consideration and an ability to repurchase. Any misstatement within the valuation of the credit enhancement components will directly impact expected credit losses on the Deemed Loan to the Originator. - The deferred consideration balance available within the entity; and - Application of repurchases and replacements for customers as required under the transaction documents The valuation of deemed loan to originator involves a significant degree of judgement	We performed the following procedures to assess expected credit losses on the Deemed Loan to the Originator - Recalculated deferred consideration as at 31 December 2019 to assess whether it is sufficient to cover the ECL provision recognised on the underlying Receivables Portfolio - Tested on a sample basis of the purchases, repurchases and replacements of loans - Performance an assessment of the financial condition of the Originator as at 31 December 2019 - Reviewed post year end investor reports and the receivables portfolios for any factors that may have an impact on impairment The expected credit loss ("ECL") calculation on Deemed Loan to the Originator is based on the ECL calculation of the underlying receivables underpinning the Deemed Loan. In performing our audit procedures over the measurement of the

and estimation which was identified as a potential area susceptible to misstatements. Management have described the recognition of impairment on Deemed Loan to the originators in note 1, note 2 and note 7 to the financial statements.	expected credit losses of the underlying receivables we involved IFRS 9 experts and we focused on the following procedures among others: - Inquiries and obtaining an understanding of the Bank's process of determining expected credit losses of underlying receivables; - Inspection and review of the bank's impairment practices and procedures applied to the underlying receivables; - Review of the adequacy of the methods applied in respect to the development of key assumptions used in IFRS 9 calculations and recalculation of ECL of underlying receivables on a sample basis
Result of our procedures Based on the audit procedures performed, valuation of the Deemed Loan to the Originator is consistent with the audit evidence obtained.	

3. Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that would change or influence the economic decision of a reasonably knowledgeable person. Materiality is used in planning the scope of our work, executing that work and evaluating the results. Materiality in respect of the Company was set at €14,538,000 which was determined on the basis of 1% of preliminary underlying receivables balance which formed the basis of the Deemed Loan to the Originator.

We agreed to report any corrected or uncorrected adjustments exceeding €727,000.

We did not identify any material misstatement during our audit work.

4. Capability of the audit in detecting irregularities, including fraud

As part of our audit we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to both reduce costs and inflate operating profit, and management bias in accounting estimates.

Audit procedures performed by the engagement team included, but were not limited to:

- Obtaining an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements. The key laws and regulations we considered in this context included UK Companies Act, the Financial Services and Markets Act 2000 and applicable tax legislation. In addition, we considered compliance with the UK Bribery Act and employee legislation, as fundamental to the Company's operations;
- Discussing among the engagement team including significant component audit teams and involving relevant internal specialists, including tax, valuations, pensions, IT, forensic and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Discussions with local management, internal audit and the Company's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Enquiring of the audit and finance committee concerning actual and potential litigation and claims;
- Evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;

- Assessment of matters reported on the Company's whistleblowing helpline and the results of management's investigation of such matters;
- Reading key correspondence with regulatory authorities such as the Financial Conduct Authority, Prudential Regulatory Authority, and Financial Reporting Council
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular with respect to provisions for claims incurred but not reported

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We did not identify any key audit matters relating to irregularities, including fraud.

5. We have nothing to report on going concern

As explained in note 2 section a, the directors have prepared the financial statements on the going concern basis. In doing so they have concluded that there are no material uncertainties that would cast significant doubt on over their ability to continue as a going concern for the foreseeable future. The foreseeable future is usually defined as a period of up to one year from the date of approval of these financial statements.

It is our responsibility to obtain sufficient and appropriate evidence regarding and to conclude on:

- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the parent Company's ability to continue as a going concern and
- the appropriateness of the directors' use of the going concern basis of accounting in the preparation of the financial statements.

Our work on going concern involved:

i. the consideration of inherent risks to the Company's operations and specifically its business model

ii. the evaluation of how those risks might impact on the Company's available financial resources.

iii. where additional resources may be required the reasonableness and practicality of the assumptions made by the directors when assessing the probability and likelihood of those resources becoming available.

Our work has concluded that those inherent risks were not so significant as to require us to perform any additional audit procedures.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion of the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Strategic report and directors report
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Directors remuneration report
Those aspects of the director's remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

7. Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires is 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 by 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.

8. Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or the parent Company or to cease operations, or have no realistic alternative but to do so.

9. Auditor's responsibilities for the audit of the financial statements

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 error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud 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 these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the directors.

- As noted in Section 5 it is our responsibility to conclude on whether a material uncertainty exists and on the appropriateness of the directors' use of the going concern basis of accounting. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the parent Company to cease as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. Use of our report

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.

Rakesh Shaunak FCA (Senior Statutory Auditor)
for and on behalf of MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditor
6th Floor
2 London Wall Place
London
EC2Y 5AU
02 September 2020

EPIHIRO PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**2019** €	**2018** €
Interest income	3	**3,076,684**	3,601,443
Interest expense	4	**(2,815,996)**	(3,389,971)
Net interest income		**260,688**	211,472
Administrative expenses	5	**(254,795)**	(206,504)
Profit before tax for the year		**5,893**	4,968
Tax charge	6	**(1,120)**	(944)
Profit for the year		**4,773**	4,024
Total comprehensive income	10	**4,773**	4,024

All the Company's income and expenses arise from continuing operations.

The notes on pages 22 to 41 form part of these financial statements.

EPIHIRO PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 December 2019 €	31December 2018 €
Assets			
Cash and cash equivalents	9	**201,254,372**	154,568,106
Deemed Loan to the Originator	7	**1,418,220,143**	1,466,417,110
Other assets	8	**4,852**	4,852
Total assets		**1,619,479,367**	1,620,990,068
Equity			
Issued capital	**10**	**16,402**	16,402
Retained earnings	10	**11,820**	7,047
Total equity		**28,222**	23,449
Liabilities			
Tax payable		**2,058**	938
Other liabilities	12	**186,135**	267,567
Deferred consideration payable	7	**29,884,938**	32,624,529
Loan notes and borrowings	11	**1,589,378,014**	1,588,073,585
Total liabilities		**1,619,451,145**	1,620,966,619
Total equity and liabilities		**1,619,479,367**	1,620,990,068

The financial statements for Epihiro Plc, Company registration 06841918, on pages 18 to 41 were approved and authorised for issue by the directors on 02 September 2020 and are signed on their behalf by:

Ioannis Kyriakopoulos
Director

The notes on pages 22 to 41 form part of these financial statements

EPIHIRO PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital	Retained earnings	Total
		€	€	€
Balance at 1 January 2018		16,402	3,023	19,425
Profit for the year		-	4,024	4,024
At 31 December 2018		16,402	7,047	23,449
Profit for the year	**10**	-	4,773	4,773
At 31 December 2019		**16,402**	**11,820**	**28,222**

The notes on pages 22 to 41 form part of these financial statements.

PIHIRO PLC

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019	31 December 2018
Cash flows from operating activities		**€**	€
Profit before tax for the year		**5,893**	4,968
Adjustments for:			
Net Interest income	**3**	**(3,076,684)**	(3,601,443)
Interest expense	**4**	**2,815,996**	3,389,971
Tax paid		**-**	(1,056)
Increase/(decrease) in accruals and deferred income	**12**	**30,189**	(158,918,559)
Deferred purchase consideration		**(53,296,933)**	(56,817,441)
Net cash used in operating activities		**(53,521,539)**	(215,943,560)
Cash flows from investing activities			
Interest income received		**60,226,405**	63,369,829
New receivables originated or purchased		**(743,034,408)**	(790,210,402)
Repayments of loans and loans repurchased by originator		**784,638,997**	619,614,855
Net cash generated from investing activities		**101,830,994**	(107,225,718)
Cash flows from financing activities			
Interest paid		**(1,623,189)**	(1,052,336)
Net cash used in financing activities		**(1,623,189)**	(1,052,336)
Net (decrease)/increase in cash and cash equivalents		**46,686,266**	(324,221,613)
Cash and cash equivalents at the start of the year		**154,568,106**	478,789,719
Cash and cash equivalents at the end of the year	**9**	**201,254,372**	154,568,106

Notes to the statement of cash flows

Reconciliation of liabilities arising from financing activities

	1 January 2019	Cashflows	Non cash	31 December 2019
			Amortisation of premium on loan notes	
	€	€	€	€
Loan notes and borrowings	1,588,073,585	-	1,304,429	1,589,378,014
Total liabilities arising from financing activities	**1,588,073,585**	**-**	**1,304,429**	**1,589,378,014**

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 22 to 41 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Epihiro plc is a Public Limited Company incorporated and domiciled in England and Wales with registered number 06841918.

Statement of compliance
These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union (EU) ("Adopted IFRS").

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

The Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting year beginning 1 January 2019.

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

The Company has made estimates and judgements in relation to valuation of deemed loan from originator and loan notes (refer to note 14).

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position and its principal uncertainties are set out in the Strategic Report. In addition, note 14 to the financial statements includes the Company's financial risk management objectives and its exposures to market risk, credit risk and liquidity risk. As at year end carrying value of the Deemed Loan to Originator was €1,418,220,143 (31 December 2018: €1,466,417,110). Loan notes and borrowings held at the yearend amounted to €1,589,378,014(31 December 2018: €1,588,073,585). As of 31 December 2019, cash and cash equivalents, including reserve funds, were €201,254,372 (31 December 2018: €154,568,106). The Company made a profit of €4,773 in the year (2018: €4,024).

The directors have undertaken a detailed assessment of the Company's ongoing business model, in view of the importance of the recovery of the Deemed loan to the Originator ('Alpha Bank A.E'. or 'the Group') in being able to repay its liabilities on the loan notes. Under the terms of the loan notes issued by the Company and associated arrangements, amounts due are only payable and limited to the extent that there are sufficient receipts from the Deemed Loan to the Originator.

Under the terms of the prospectus, the Class A and Class B loan notes are limited-recourse debt obligations of the Company. The ability of the Company to meet its obligations under the loan notes will be directly dependent primarily upon the receipt by it of principal and interest from the obligors under the Deemed Loan to the Originator, Other than any interest earned by the Company in respect of the Company bank accounts, the Company is not expected to have any other funds available to it to meet its obligations under the loan notes and/or any other payment obligation ranking in priority to, or pari passu with, the loan notes. Upon enforcement of the security for the loan notes, the Trustee or any receiver and the loan notes holders will have recourse only to the purchased loans, the Company's interest in the relevant related security and to any other assets of the Company then in existence as described in this document. If there are insufficient amounts available from the charged property (i.e. the Deemed loan to the Originator) to pay in full the Company's secured liabilities, then the secured creditors shall have no further claim against the Company in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

The main factors causing uncertainty to the application of the Going Concern principle relate to the economic environment in Greece and the effects of the spread of coronavirus pandemic (COVID-19) in Europe in the first half of 2020.

The prolonged recession that the Greek economy has experienced in recent years led to the significant deterioration in the creditworthiness of corporate and individuals. In addition, as a result of the Greek sovereign debt crisis and the measures taken to deal with it, there was a significant outflow of deposits and the imposition of capital controls. On 1 September 2019 capital controls were fully removed. The successful completion of the third financial support

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Going concern (Continued)

program of the Hellenic Republic provided the possibility of forming a cash buffer aiming at reducing any potential financial risks after the completion of the program. The Hellenic Republic is taking steps to gradually recover its access to the financial markets to meet its financing needs.

The emergence of COVID-19 is adding a major uncertainty in terms of both macroeconomic developments, mainly due to the restrictive measures imposed and the cost resulting from the financial support of sector business and private individuals mostly affected by the coronavirus. The adoption of restrictive measures is expected to adversely affect the ability of borrowers to repay their liabilities and, consequently, the amount of expected credit risk losses. The financial implications depend to a large extent on how long this crisis will last and vary on a case-by-case basis as each sector of the economy is affected differently. It is noted that on 4 May 2020 started the gradual removal of the pandemic-related restrictions of economic activity, a fact that is expected to contribute to the mitigation of the economic impacts in conjunction with the healthcare developments with regards to the spread of the coronavirus. In the context of efforts to relieve individuals and businesses most affected by the coronavirus and its associated restrictive measures, the Greek government has announced a package of tax and other relief measures, while credit institutions apply in turn relief measures to ensure timely payment of financial commitments of these borrowers.

The Originator, to support its customers who are affected or expected to be affected by the crisis due to the COVID-19 pandemic, has taken, and will continue to take, supportive measures. The measures concern either new loans, in the context of strengthening the liquidity of small, medium and large enterprises, as well as the self-employed, or modifications in the repayment schedules of existing loan of both businesses and individuals. Moreover, the Originator actively participates in every effort planned and coordinated by the Greek Government, either through the competent Ministries or through the Hellenic Development Bank and other European institutions to support the Greek economy (TEPIX, European Investment Fund, COSME etc.).

The modifications granted to existing loans are treated by the Originator in line with the principles of the European Banking Authority Guidelines "on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis" (EBA/GL/2020/02) that aim to provide clarity to the EU banking sector on how to handle in a consistent manner, aspects related to (i) the classification of loans in default, (ii) the identification of forborne exposures and (iii) the accounting treatment.

In this respect, provided that those measures are not borrower-specific, the payment moratorium is fixed for every borrower irrespective of the borrowers' specific financial circumstances and the NPV loss is immaterial, modifications in payment schedules do not have to be automatically classified as Distressed Restructuring (Forbearance) as for IFRS 9 and the definition of default. Modifications in the schedule of payments of existing loans are proposed to customers operating or employed in sectors affected by the COVID-19 pandemic, for which the Originator has assessed, through the submission of a relevant request from the customer, that liquidity problems they face are temporary and that the credit standing of the obligor would not be significantly affected by the current situation in the long term.

For Medium and Large enterprises operating in industries or objects affected by the COVID-19 crisis and provided that they had no arrears on 31 December 2019:
• Postponement of capital installments due from 1 March 2020 to 30 September 2020 at the end of the loan.
• Installments that include interest and capital due from 1 March 2020 to 30 September 2020, could be distributed equally among the remaining installments of the loan.
• Capitalization of interest accrued until 30 June 2020 or until any other date is decided.
• Extension of the obligation to recycle revolving loans until 31 December 2020.
• Possibility of replacing post-dated checks, received as collateral, with other checks from the same issuer of a later date, after an updated creditworthiness control.

For Small enterprises and self-employed operating in industries or objects affected by the COVID-19 crisis and provided that they had no arrears on 31 December 2019:
• Postponement of capital installments due from 1 March 2020 to 30 September 2020 at the end of the loan.
• Possibility of installments capitalization that include interest and capital due until 30.6.2020 or until a potential date that is decided.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Going concern (Continued)

• Extension of the obligation to recycle revolving loans until 31 December 2020
• Possibility of replacing post-dated checks received as collateral, with other checks from the same issuer of a later date, after an updated creditworthiness control.
The loan modifications are flagged in the Bank's systems, so that the Bank is able to monitor them.

The Originator, in its capacity as servicer of the Company, also actively repurchases receivables when they are deemed to become uncollectible. Also considering the credit enhancement available within the structure, in the form of deferred purchase consideration and the cash at bank balances the Company has sufficient liquidity to continue to meet its obligations of the interest due on the Loan Notes for a period of at least 12 months.

Based on the above, the Originator's management and the directors of the Company have reasonable expectation that the Originator and the Company will continue in operational existence for the foreseeable future, therefore the financial statements have been prepared on a going concern basis

Classification and measurement of financial assets and financial liabilities
IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI) and fair value through profit and loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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 standard sets out three types of business model:

- Hold to collect: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are accounted for at amortised cost.

- Hold to collect and sell: this model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity as circumstances change. These assets are accounted for at fair value through other comprehensive income (FVOCI).

- Hold to sell: the entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation. These assets are held at fair value through profit or loss (FVTPL). An entity may also designate assets at FVTPL upon initial recognition where it reduces an accounting mismatch. An entity may elect to measure certain holdings of equity instruments at FVOCI, which would otherwise have been measured at FVTPL.

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.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Derecognition of Financial Instruments
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of:
(i) the consideration received (including any new asset obtained less any new liability assumed); and
(ii) any cumulative gain or loss that had been recognised in other comprehensive income.
is recognised in Statement of profit & loss and other comprehensive income. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.
Financial liabilities are derecognised when the Company obligation is discharged, cancelled or expires. A financial liability (or part of it) is extinguished when the Company either:
- discharges the liability (or part of it) by paying the creditor; or
- is legally released from primary responsibility for the liability either by process of law or the creditor.

Deemed Loan to Originator
Under IFRS 9 Financial instruments Financial Instruments: recognition and measurement, 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 Underlying Receivables and, that it would not be appropriate for the company to recognise the Underlying Receivables in its financial statements. The amounts advanced to Alpha Bank AE have been thus recognised as a deemed loan to the originator.

The deemed loan to originator is presented in these financial statements net of deferred purchase consideration payable to the originator as the amounts are due to the same counterparty 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.

The Deemed Loan to the Originator is initially recognised at fair value and subsequently carried at amortised cost. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Deferred consideration payable to the Originator
Under the terms of the securitisation the Company retains the right to 0.01% of available revenue receipts from the beneficial interest in the Underlying Receivables. Net cash generated in excess of 0.01% which represents the excess of the collections from the underlying receivables over the SPVs payments payable to the noteholders is payable to Alpha Bank AE. The payments of deferred consideration are strictly governed by the priority of payments that sets out how cash can be utilized. This obligation is recognized as a financial liability in these financial statements and is disclosed net with the deemed loan to originator. The amounts due to be paid in the interest payment date proceeding the financial year end have been classified as Deferred Consideration payable on the Statement of Financial Position.

Impairment losses on Deemed Loan to the Originator
The Company's Deemed Loan to the Originator as defined above, is subject to an expected credit loss model under IFRS 9.

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. At each reporting date, an impairment loss equal to 12-month expected credit losses (allocated to stage 1) is recognised for all financial assets

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment losses on Deemed Loan to the Originator (continued)

for which there is no significant increase in credit risk since initial recognition. For financial assets that 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 recoverability of the Deemed Loan to the Originator is dependent on the collections from the underlying Receivables Portfolio and the credit enhancement available in the structure. If there is no enhanced credit available within the entity, (deferred purchase consideration as a balance payable to the Originator), this would result in the Deemed Loan to the Originator to be classified as Stage 2. It will be classified as stage 3 when the credit rating agencies downgrade Alpha Bank AE to a default rating. The key assumptions for recoverability relate to 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 key assumptions are based on observed data from historical patterns and which is are updated regularly and reviewed by management as new data becomes available. IFRS 9 does not include a definition of what constitutes a significant increase in credit risk ("SICR"). 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 SICR has occurred since the initial recognition based on qualitative and quantitative, reasonable and supportable forward-looking information that includes a degree of management judgement.

Purchased or originated credit-impaired ('POCI') financial assets represent loans that are credit-impaired at initial recognition. For these assets, all changes in lifetime ECL since initial recognition are recognised as a loss allowance with any changes recognised in profit or loss.

The default of the deemed loan is 90 days in arrears or any qualitative factors that the borrowers are 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 borrower are unlikely to pay.

The ECL calculation on the Deemed Loan to the Originator is based on the ECL calculation on the Underlying Receivables underpinning the Deemed Loan to the Originator after taking into account any deferred consideration payable to the Originator.

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 assessment on the probability of default is performed on each reporting period taking into account the movement in their credit rating, assessment of their financial position and other qualitative factors. Loss given default is the percentage of the total exposure that the Company estimates as unlikely to recover at the time of the default.

The macroeconomic factors such as GDP, unemployment rates, house price index evolution, bankruptcy trends, loan product features, the level of interest rate, account management policies and practices, changes in laws and regulations and other influences in customer payment patterns which are used as independent variables for optimum predictive capability, are incorporated in the risk parameter models are used to calculate the ECL of the underlying Receivables Portfolio which is then assessed against the deferred purchase consideration. As a result of the available credit enhancement at 31 December 2019, the macroeconomic conditions do not have any material effect on the Deemed Loan to the Originator as at the year end.

Impairment losses on the securitised assets will not result in an impairment loss on the deemed loan as long as they do not exceed the credit enhancement granted by the Originator (deferred consideration) therefore the cash flows from the underlying Receivables Portfolio are still expected to be sufficient to meet obligations under the deemed loan.

The impairment charge recognized in the year is disclosed together with the deferred consideration as an adjustment to the interest income. As noted above the deferred consideration adjusts the interest received on the underlying portfolio of receivables. Under the terms of the securitization credit losses sustained on the portfolio are made good through the adjustment of the deferred consideration payable.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Loan notes and borrowings
Loans notes and borrowings comprise loan notes issued by the Company through its prospectus dated 20 May 2009. Loan notes are initially recognised at fair value net of transaction costs incurred and are subsequently stated at amortised cost using the effective interest method.

Cash and cash equivalents
For the purposes of the Statement of Cash flows, cash and cash equivalents comprise balances with less than 3 months to maturity. 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.

Segmental Reporting
An operating segment is a component of a Company that engages in business activities from which it may earn revenues and incur expenses. The principal asset of the Company is Underlying receivables originated in Greece which generates the Company's revenue, which is managed by the board in the United Kingdom, funded by floating rate loan notes issued and listed on Irish Stock Exchange. The Board believes that the Company has only one operating segment and operates in only one geographical area being Europe.

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 that the Company may be exposed to. 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, deferred consideration payable to Originator, transaction costs and all other premiums or discounts. For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset. Under IFRS 9, interest income on stage 3 impaired loans are calculated based on the net carrying amount of the loans using the effective interest rate method.

The interest income is presented net of any deferred purchase consideration payable and deferred purchase expense.

Taxation
The Company has elected to be taxed under the "permanent" tax regime for securitisation companies (contained in Statutory Instrument 2006/3296), under which the Company is taxed broadly by reference to its net cash flows during the period, and not by reference to its accounting profits, to the extent that these differ.

Comparative Financial Information
Any changes in the presentation of items in the financial statements have been reflected in the comparative amounts.

Expenditure
Expenses are included in the statement of profit & loss on an accrual basis.

Share Capital
Share capital is issued in Sterling and has been determined to be classified as equity.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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.

The most important areas where the directors use critical accounting estimates and judgements in applying its accounting policies are as follows;

Critical accounting judgements
The assessment of the Probability of Default, "PD", is calculated as part of the annual financial reporting and is based on criteria such as any changes in their credit rating, their financial position and qualitative factors.

The expected credit losses ("ECL") measurement for impairment requires the Company to apply a high degree of judgment in determining the allowance for impairment losses and for the assessment of the significant increase in credit risk ("SICR").

IFRS 9 does not include a definition of what constitutes a SICR. An assessment of whether credit risk has increased significantly since the initial recognition of the deemed loan 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 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. In the portfolio of receivables, a default refers to a loan which is 90 days in arrears, further detail on a SICR of the Deemed Loan to Originator is detailed in note 1.

Given the nature of the Company's activities, the applicable business model was identified as being one that holds to collect the cash flows of the deemed loan. It was then necessary to confirm that cash flows received in respect of the deemed loan represent payments of solely principal and interest ("SPPI").

IFRS 9 does not provide specific guidance on assessing the SPPI criterion for deemed loan assets. Furthermore a deemed loan does not have a single contract which sets out its contractual terms, but instead is formed from elements of different contracts that give rise to the deemed loan. It is therefore necessary to determine what the contractual terms of the deemed loan are by considering the various contractual rights and obligations that the Deemed loan to the Originator represents. This requires consideration of the terms of the underlying assets and of the Loan notes purchased or subordinated loans provided by the Originator, as well as any associated instruments to determine which of the cash flows of the underlying assets are incorporated into the deemed loan. The directors have concluded that the Deemed loan to the Originator does not violate the SPPI test and therefore should be measured at amortised cost under IFRS 9.

Key sources of estimation uncertainty
The use of estimates and assumptions is an integral part of recognising amounts in the financial statements that mostly relate to the following:

Impairment losses of financial assets
The impairment of the Deemed Loan to the Originator depends on the recoverability of the underlying Receivables Portfolio and the credit enhancement available in the structure.

The sale of the Underlying receivables to the Company is considered to fail the derecognition criteria of IFRS 9, Financial Instruments, in the books of Alpha Bank A.E. and therefore they are retained on the Statement of Financial Position of the Originator. As such, the Company records in its Statement of Financial Position a 'Deemed Loan to the Originator', rather than the Underlying receivables it has legally purchased.

The recoverability of the Deemed loan to the Originator is dependent on the collections from the underlying Receivables Portfolio. 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. The key assumptions for recoverability relate to 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 key assumptions are based on observed data from historical patterns and are updated regularly as new data becomes available.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment losses of financial assets (continued)
An assessment of whether credit risk has increased significantly since 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 Receivables Portfolio. However, considering that deferred consideration liability represents a credit enhancement it is assumed that there has been a significant increase in credit risk of the Deemed loan to the Originator when deferred consideration liability is fully offset by the respective impairment losses of the Underlying receivables.

On 31 December 2019 there was a decrease in the expected credit losses on the underlying Receivables Portfolio held as collateral by €19,744,708. It is therefore assumed that there has been an improvement in the credit risk of the Deemed loan to the Originator which, as at 31 December 2019, is classified in stage 1.

When measuring ECL the Company uses reasonable and forward looking information relevant to the portfolio of receivables. For the calculation of the expected credit loss on the underlying portfolio of receivables incorporates the following parameters:

- Probability of default (PD): the probability of default over the next 12 months is used to calculate the expected credit loss for 12 months, and the probability of default over the life of the instrument is used to calculate the lifetime expected credit losses. PD is an estimate of the likelihood of default based on 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 and certain economic conditions.
- Exposure at default (EAD): EAD is the maximum loss that would result from counterparty potential default.
- Loss given default (LGD) is the percentage of the total exposure that the Company estimates as unlikely to recover at the time of the default.

These key assumptions are based on observed data from historical patterns and are updated regularly as new data becomes available. The methodology and the key assumptions used in calculating the ECL are based on observed data from historical patterns and are updated regularly as new data becomes available.

The Company also calculates the sensitivity of the ECL to changes in the estimated forward looking information, refer to note 14 for further details.

IFRS 9 stage classification of The Deemed Loan to the Originator
The Deemed Loan to the Originator is classed as stage 1 if there is enhanced credit available, in the form of deferred consideration to offset any of the ECL losses in the underlying Receivables Portfolio. If there is no enhanced credit available within the entity, (deferred purchase consideration as a balance payable to the Originator), this would result in the Deemed Loan to the Originator to be classified as Stage 2. It will be classified as stage 3 when the credit rating agencies have downgraded Alpha Bank AE to a default rating. These key assumptions are based on observed data from historical patterns and are updated regularly as new data becomes available. The methodology and the key assumptions used in calculating the ECL are based on observed data from historical patterns and are updated regularly as new data becomes available.

Measurement of fair values
The Company's accounting policies and disclosures require measurement of fair values with regard to presentation of financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets and liabilities;
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. INTEREST INCOME

	2019	2018
	€	€
Gross Interest Income on Deemed Loan to Originator	**56,373,618**	60,418,884
Increase in Deferred Purchase Consideration	**(53,296,934)**	(56,817,441)
Net Interest income on Deemed Loan to Originator	**3,076,684**	3,601,443

4. INTEREST EXPENSE

	2019	2018
	€	€
Levy 128	**1,243,853**	1,864,353
Interest on loan notes	**267,715**	221,190
Amortisation of premium, on loan notes	**1,304,428**	1,304,428
	2,815,996	3,389,971

5. ADMINISTRATIVE EXPENSES

	2019	2018
	€	€
Servicing fees	**114,647**	117,956
Corporate service fees	**39,511**	38,029
Tax compliance services fees	**2,022**	(3,995)
Other expense	**27,511**	22,114
Auditors remuneration - audit of the statutory financial statements of the Company	**32,472**	32,400
Auditors remuneration related to prior year	**38,632**	-
	254,795	206,504

Apart from the directors, the Company has no employees (2018: none) and, other than the corporate services fees paid to Wilmington Trust SP Services (London) Limited as set out above and in note 15, the directors received no remuneration during the year (2018: nil). No non audit services were performed by the auditor (2018: none). In addition, fees payable for tax services for the year is €2,022 (2018: €2,026 which was offset from a prior year over provision (2018: €6,020).

6. TAXATION

(a) Analysis of charge for the year:

	2019	2018
	€	€
Current tax:		
Corporation tax charge for the year 19% (2018: 19%)	**1,120**	944
Total income tax charge in income statement	**1,120**	944

(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 on ordinary activities before tax	**5,893**	4,968
Current tax charge at 19% (2018:19%)	**(1,120)**	(944)

The directors are satisfied that this 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 ORIGINATOR

	2019	2018
	€	€
Carrying value of the receivables portfolio	**1,473,575,983**	1,503,173,211
Deferred purchase consideration after reclassification	**(55,355,840)**	(36,756,101)
	1,418,220,143	1,466,417,110

The carrying value of The Deemed Loan to Originator can be analysed as follows:

	2019	2018
Current Assets	**€**	€
Deemed Loan to Originator	**345,449,835**	478,541,529
Non Current Assets		
Deemed Loan to Originator	**1,128,126,148**	987,875,581
	1,473,575,983	1,466,417,110

The Underlying receivables is due to be repaid before the contractual maturity date of January 2035.

As at 31 December 2019

Deemed Loan to the Originator	Stage 1	Stage 2	Stage 3	Total
	€	€	€	€
Gross carrying amount as at 1 January 2019	**1,466,417,110**	**-**	**-**	**1,466,417,110**
Changes in the gross carrying amount attributable to:				
- Transfer from stage 1 to 2	-	-	-	-
- Transfer from stage 1 to 3	-	-	-	-
- Transfers from stage 2 to 1	-	-	-	-
- Transfers from stage 2 to 3	-	-	-	-
- Transfers from stage 3 to 2	-	-	-	-
- Transfers from stage 3 to 1	-	-	-	-
- Write offs	-	-	-	-
New receivables originated or purchased	743,034,408			743,034,408
Total repayments of loans and loans repurchased by the Originator	(792,155,363)	-	-	(792,155,363)
Movement in deferred consideration	(48,484,676)	-	-	(48,484,676)
Movement in interest accrued	(220,982)	-	-	(220,982)
Reclassification of deferred consideration to be settled in cash subsequent to year-end	29,884,938	-	-	29,884,938
Movement in the ECL of the underlying receivable portfolio	19,744,708	-	-	19,744,708
Gross carrying amount as at 31 December 2019	**1,418,220,143**	**-**	**-**	**1,418,220,143**

7. DEEMED LOAN TO ORIGINATON (CONTINUED)

Deemed Loan to the Originator	Stage 1	Stage 2	Stage 3	Total
	€	€	€	€
Gross carrying amount as at 1 January 2018	**1,267,163,183**	**-**	**-**	**1,267,163,183**
IFRS ECL transition adjustment	(20,198,397)	-	-	(20,198,397)
Changes in the gross carrying amount attributable to:				
- Transfer from stage 1 to 2	-	-	-	-
- Transfer from stage 1 to 3	-	-	-	-
- Transfers from stage 2 to 1	-	-	-	-
- Transfers from stage 2 to 3	-	-	-	-
- Transfers from stage 3 to 2	-	-	-	-
- Transfers from stage 3 to 1	-	-	-	-
- Write offs	-	-	-	-
New receivables originated or purchased	790,210,402	-	-	790,210,402
Total repayments of loans and loans repurchased by the Originator	(615,840,609)	-	-	(615,840,609)
Movement in deferred consideration	4,443,882	-	-	4,443,882
Movement in interest accrued	138,501	-	-	138,501
Reclassification of deferred consideration to be settled in cash subsequent to year-end	32,624,529	-	-	32,624,529
Movement in the ECL of the underlying receivable portfolio	7,875,619	-	-	7,875,619
Gross carrying amount as at 31 December 2018	**1,466,417,110**	**-**	**-**	**1,466,417,110**

The credit quality of the Receivables Portfolio underlying the Deemed Loan to the Originator as at 31 December 2019 is summarised as follows:

Receivables Portfolio at amortised cost – 31 December 2019

	Non SPPI loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI	Total
	€	€	€	€	€	€
Loans						
Gross carrying amount	15,960,812	1,250,419,560	109,401,635	105,421,061	20,253,928	1,501,456,996
Less: ECL allowance for impairment losses	-	(6,011,033)	(2,378,916)	(18,712,627)	(778,437)	(27,881,013)
Total Net Loans	**15,960,812**	**1,244,408,527**	**107,022,719**	**86,708,434**	**19,475,491**	**1,473,575,983**

Receivables Portfolio at amortised cost – 31 December 2018

	Non SPPI loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI	Total
	€	€	€	€	€	€
Loans						
Gross carrying amount	16,051,950	1,271,718,660	153,898,543	91,168,332	17,857,740	1,550,695,225
Less: ECL allowance for impairment losses	-	(10,480,116)	(3,270,178)	(32,886,057)	(885,662)	(47,522,013)
Total Net Loans	**16,051,950**	**1,261,238,544**	**150,628,365**	**58,282,275**	**16,972,078**	**1,503,173,212**

7. DEEMED LOAN TO ORIGINATON (CONTINUED)

The Deemed Loan to the Originator was not impaired as at 31 December 2019 (2018: €nil) as the ECL balance is offset against the deferred purchase consideration.

The Deemed Loan to Originator is underpinned by Underlying receivables which is determined based upon criteria set out in the loan notes offering circular dated 20 May 2009. The Underlying receivables comprises corporate bonds and term loans originated by Alpha Bank AE. Under the terms of the offering circular, the Company can continue to purchase additional loans subject to meeting the criteria in the offering circular. Alpha Bank AE as a seller warrants the eligibility criteria of the loans to ensure that portfolio acquired meets criteria as set out in the term of transaction.

Under the terms of the securitisation, the Company retains the right to 0.01% of available revenue receipts from the beneficial interest in the Underlying receivables. Net cash generated in excess of 0.01% is payable to Alpha Bank AE and treated as a component of the Deemed Loan to Originator.

8. OTHER ASSETS

	2019	2018
	€	€
Amount due from Parent Company	**4,852**	4,852

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	**43,032**	37,139
Reserve accounts	**65,840,000**	65,840,000
Bank deposit accounts	**135,371,340**	88,690,967
	201,254,372	154,568,106

10. TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share capital	**Retained earnings**	**Total**
	€	€	€
Balance as at 1 January 2018	16,402	3,023	19,425
Profit for the year	-	4,024	4,024
Balance attributable to equity holders as at 31 December 2018	16,402	7,047	23,449
Profit for the year	**-**	**4,773**	**4,773**
Balance attributable to equity holders as at 31 December 2019	**16,402**	**11,820**	**28,222**

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 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.

Epihiro Holdings Limited holds 49,999 shares in the Company. The remaining one share is held under a nominee Declaration of Trust for charitable purposes. Wilmington Trust SP Services (London) Limited holds the entire share capital in Epihiro Holdings Limited under a declaration of trust for charitable purposes. Alpha Bank AE has no direct ownership interest in the Company; however, in accordance with IFRS the Company is considered to be controlled by Alpha Bank AE. Accordingly the results of the Company are included in the consolidated financial statements of Alpha Bank AE., being considered to be the quasi parent.

11. LOAN NOTES AND BORROWINGS

	2019	2018
Non-current liabilities	**€**	€
Class A floating rate loan notes	**785,600,000**	785,600,000
Class B floating rate loan notes	**807,800,000**	807,800,000
Unamortised premium on loan notes	**(4,021,986)**	(5,326,415)
	1,589,378,014	1,588,073,585

As at 31 December 2019, €1,593,400,000 (2018: €1,593,400,000) are held by, Alpha Bank AE. As the coupon on the Class A and B loan notes was below the market rate at the time of issue, the initial fair value of the loan notes was less than the proceeds received. This 'discount on loan notes' is being amortised to the income statement as an adjustment to the effective interest expense on the loan notes.

The Asset Backed Floating Rate Notes are due for repayment on the contractual maturity date of 20 January 2035.

They are listed on the Irish Stock Exchange and are secured over Underlying receivables originated by Alpha Bank AE, in Greece (Interest on the floating rate loan notes is payable on a half yearly basis at the six month EURIBOR plus the margin of 0.30% for the Class A loan notes and there is no margin on Class B loan notes. Class B loan note interest and principal is subordinated to the Class A loan note.

Under the terms of the prospectus, the Class A and Class B loan notes are limited-recourse debt obligations of the Company. The ability of the Company to meet its obligations under the loan notes will be directly dependent primarily upon the receipt by it of principal and interest from the obligors under the Deemed Loan to the Originator. Other than the foregoing and any interest earned by the Company in respect of the Company bank accounts, the Company is not expected to have any other funds available to it to meet its obligations under the loan notes and/or any other payment obligation ranking in priority to, or pari passu with, the loan notes. Upon enforcement of the security for the loan notes, the Trustee or any receiver and the loan notes holders will have recourse only to the purchased loans, the Company's interest in the relevant related security and to any other assets of the Company then in existence as described in this document.

If there are insufficient amounts available from the charged property to pay in full the Company's secured liabilities, then the secured creditors shall have no further claim against the Company in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

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

On 21 December 2010, certain parts of the transactions were restructured. The restructuring included the part redemption of Class A and Class B loan notes at par and part of Underlying receivables was repurchased by Alpha Bank A.E at par.

12. OTHER LIABILITIES

	2019	2018
	€	€
Interest payable	**-**	111,621
Accruals and deferred income	**186,135**	155,946
	186,135	267,567

During 2019 the Company purchased and obtained legal title to underlying loans of €743,034,408 (2018: €790,210,402 of which €nil (2018: €nil) were unsettled at the year end.

13. FINANCIAL RISK MANAGEMENT

The principal risks and uncertainties are set out in the Strategic Report on page 3.

The Company's financial instruments comprise of a Deemed Loan to the Originator, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments is undertaken.

The directors have considered the financial risks affecting the Company and have included the relevant disclosures of interest rate, credit, and liquidity risks in the Strategic Report.

Fair value of financial instruments and classification under IFRS 9
The fair values together with the carrying amounts shown in the balance sheet of the financial assets and financial liabilities are as follows:

	Note	Classification	**Carrying amount 2019 €**	**Fair value 2019 €**	Carrying amount 2018 €	Fair value 2018 €
Financial assets:						
Deemed Loan to Originator	**7**	Amortised cost	**1,418,220,143**	**1,380,779,131**	1,433,792,581	1,426,336,861
Cash and cash equivalents	**9**	Amortised cost	**201,254,372**	**201,254,372**	154,568,106	154,568,106
Other assets	**8**	Amortised cost	**4,852**	**4,852**	4,852	4,852
Financial liabilities:						
Loan notes	**11**	Amortised cost	**1,589,378,014**	**1,253,680,260**	1,588,073,585	1,254,606,080
Other liabilities	**12**	Amortised cost	**186,135**	**186,135**	267,567	267,567
Deferred consideration payable	**7**	Amortised cost	**29,884,938**	**29,884,938**	32,624,529	32,624,529

The fair value of the deemed loan to originator has been based on the discounted cash flows methodology applying market rates adjusted for the appropriate fair value credit spread. Deemed Loan to Originator was classified in Level 3 of the fair value hierarchy.

The fair value of Class A and B Notes is calculated using the relevant Bloomberg Swap curve, plus the average appropriate CDS spread for discounting the note's projected cash flows. Loan Notes and borrowings were classified in Level 3 of the fair value hierarchy.

The table below presents the valuation methods used for the measurement of Level 3 fair value:

2019	**Total fair value €**	**Valuation method**
Financial assets:		
Deemed Loan to Originator	**1,380,779,131**	Discounted cash flows using the swap curve, plus the weighted average fair value credit spread 6.11% of the loans
Financial liabilities:		
Loan notes and borrowings	**1,253,680,260**	Discounted cash flows using the Bloomberg Swap S45 curve, plus the average CDS spread of 425.357 bps

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

2018	Total fair value €	Valuation method
Financial assets:		
Deemed Loan to Originator	1,426,336,861	Discounted cash flows using the swap curve, plus the weighted average fair value credit spread 3.26% of the loans
Financial liabilities:		
Loan notes and borrowings	1,254,606,080	Discounted cash flows using the Bloomberg Swap S45 curve, plus the average CDS spread of 324.73 bps

Interest risk
Interest rate risk arises from the mismatch between the mix of fixed, floating and variable rate interest received on the Deemed loan to Originator and the floating rate interest which it pays on the funding. On 21 December 2010 certain parts of the transaction were restructured and the swap agreement was terminated. As a result the Company is exposed to basis rate risk. Interest receivable and interest payable are both on floating rate. However, the margin between the interest received and paid is considered sufficient to hedge risk of increases in floating rates.

Interest rate sensitivity
The sensitivity analysis below has been determined on the Company's exposure to interest rates for interest bearing assets and liabilities at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates and has been based on management assessment of the possible changes in interest rates.

If interest rates had been 25 basis points higher and all other variables held constant, net interest income for the period ended 31 December 2019 would have been €75,241 higher. If interest rates had been 25 basis points lower and all other variables held constant, net interest income for the year ended 31 December 2019 would have been lower by €75,241.

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

At 31 December 2019	Within one year €	After one year €	Non-interest bearing €	Total €
Assets				
Gross Deemed Loan to Originator	**1,384,328,245**	**89,247,410**	**-**	**1,473,575,655**
Other assets	**-**	**-**	**4,852**	**4,852**
Cash and cash equivalents	**-**	**201,254,372**	**-**	**201,254,372**
Total assets	**1,384,328,245**	**290,501,782**	**4,852**	**1,674,834,879**
Liabilities				
Loan notes and borrowings	**1,589,378,014**	**-**	**-**	**1,589,378,014**
Other liabilities	**-**	**-**	**186,135**	**186,135**
Total liabilities	**1,589,378,014**	**-**	**186,135**	**1,589,564,149**

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk
The Company's assets and liabilities are denominated in Euros and are not exposed to any material currency fluctuations. Accordingly, the currency risk for the Company as a whole is considered to be low. Hence no sensitivity exchange analysis has been presented.

Liquidity risk
The Company's policy is to manage liquidity risk through its use of its loan notes. As the length of the loan notes is designed to match the length of the Underlying receivables, there are deemed to be limited liquidity risks facing the Company. Payments made by the Company are made in accordance with the priority of payments as set out in the offering circular issued in connection with the issue of the floating rate loan notes. Under these terms, payments are made half yearly on 20th day of January and July. The repayment of the loan notes is determined by the collection of the principal on the underlying secured assets.

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 expected redemption date.

At 31 December 2019	**Carrying Amount**	**Gross nominal outflow**	**Less than 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 ` years**	**More than 5 years**
	€	**€**	**€**	**€**	**€**	**€**	**€**
Liabilities							
Loan notes	**1,589,378,014**	**1,593,400,000**	**-**	**-**	**-**	**-**	**1,593,400,000**
Interest payable	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accruals and deferred income	**186,135**	**186,135**	**-**	**-**	**186,135**	**-**	**-**
Total liabilities	**1,589,564,149**	**1,593,586,135**			**186,135**		**1,593,400,000**

At 31 December 2018	Carrying Amount	Gross nominal outflow	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
	€	€	€	€	€	€	€
Liabilities							
Loan notes	1,588,073,585	1,593,400,000	-	-	-	-	1,593,400,00
Interest payable	111,621	1,483,234	20,684	39,366	183,486	1,239,698	-
Accruals and deferred income	155,946	155,946	-	-	155,946	-	-
Total liabilities	1,588,341,152	1595,039,180	20,684	9,366	339,432	1,239,698	1,593,400,000

The maturity analysis in the table above assumes no Event of Default during the life of the loan notes. If an event of default is triggered, then the loan notes, under the terms of the offering circular, may become due and payable. The key Event of Default triggers are if the payment of principal or interest delayed for more than three or five days respectively.

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 and the cash and cash equivalents which are also held by the Originator. The credit risk is ultimately borne by Alpha Bank AE as it retains the portfolio of underlying receivables on the Statement of Financial Position. The credit rating of Alpha Bank AE performed by three international credit ratings agencies is as follows:

Moodys: Caa1

Fitch Ratings: CCC+

Standard & Poor's: B

The Originator has been affected by the high degree of uncertainty that characterises the Greek economic environment in recent years, as a result of the prolonged recession of the Greek economy, which led to a significant deterioration in the creditworthiness of corporate and individuals and therefore to the recognition of significant

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (continued)

impairment losses by the Originator and by the Greek banking system in general. In August 2018 the Hellenic Republic officially exited the international bail-out programme and this is expected to contribute to the decrease of uncertainty and to the enhancement of business community and investors' confidence in Greece.

The Originator has developed and implemented, a Model Validation Framework ("MVF"), consisting of Policy, Methodologies and technical specifications, regarding the credit risk model and more particularly the IFRS 9 models. Credit loss impairment has been measured at amortised cost. Please refer to note 1 for more details on credit risk measurement.

The Originator calculates Expected Credit Losses based on the weighted probability of three alternative scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of Expected Credit Losses of loan portfolios under a baseline and under two alternative macroeconomic scenarios (an upside and an adverse one) and also produces the cumulative probabilities associated with these scenarios. The macroeconomic variables affecting the level of expected credit losses are the Gross Domestic product (GDP), the unemployment rate and forward looking prices of residential and commercial real estates.

The cumulative probabilities of the macroeconomic scenarios for the Greek economy will indicate that the economy performs better or worse than forecasts of the baseline scenario and the alternative scenarios, i.e. the upside and downside scenario. For each one of the alternative scenarios, the expected credit loss is calculated and weighted against the probability of each scenario in order to calculate the weighted expected credit loss. The cumulative probability assigned to the base scenario is 60%, while cumulative probability assigned to the adverse and upside scenario is 20% for each of the scenario. If the assigned cumulative probability of the adverse scenario was increased from 20% to 40%, Expected Credit Losses would increase by €1,196,224. If the assigned cumulative probability of the upside scenario was increased from 20% to 40%, Expected Credit Losses would decrease by €1,196,224. In the event of such a scenario occurring there would still be sufficient Enhanced Credit available to offset the increased losses, as at year end the balance was €85,240,777 (2018: €69,380,631), which includes the re-classified balance of €29,884,938 as Deferred consideration payable (2018: €32,624,529).

Credit quality of Underlying receivables and IFRS 9 stage is summarised as follows:

As at 31 December 2019

	Non SPPI Loans	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€	€
Not Past Due	15,960,812	1,143,243,628	86,506,885	88,561,387	20,253,928	1,354,526,640
Past due	-	107,175,932	22,894,750	16,859,674	-	146,930,356
Carrying amount (before provision for impairment losses)	**15,960,812**	**1,250,419,560**	**109,401,635**	**105,421,061**	**20,253,928**	**1,501,456,996**
Expected credit losses	-	(6,011,033)	(2,378,916)	(18,712,627)	(778,437)	(27,881,013)
Net carrying amount	**15,960,812**	**1,244,408,527**	**107,022,719**	**86,708,434**	**19,475,491**	**1,473,575,983**
Value of collateral	15,960,812	866,297,637	90,001,411	62,545,765	18,848,095	1,053,653,720

When loans are transferred from the Originator the collateral attached to the loans are also transferred.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

As at 31 December 2018

	Non SPPI Loans	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€	€
Not Past Due	16,051,950	1,130,031,934	119,640,493	67,011,515	17,857,740	1,350,593,632
Past due	-	141,686,726	34,258,050	24,156,817	-	200,101,593
Carrying amount (before provision for impairment losses)	16,051,950	1,271,718,660	153,898,543	91,168,332	17,857,740	1,550,659,225
Expected credit losses	-	(10,480,116)	(3,270,178)	(32,886,057)	(885,662)	(47,522,013)
Net carrying amount	16,051,950	1,261,238,544	150,628,365	58,282,275	16,972,078	1,503,173,212
Value of collateral	16,231,830	840,008,232	124,913,612	47,588,713	17,858,699	1,046,601,086

Credit quality of underlying portfolio

As at 31 December 2019

	Non SPPI Loans	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Strong	-	379,056,689	10,862,446	-	-	389,919,135
Satisfactory	15,960,812	870,628,672	73,484,946	-	3,665,655	963,740,085
Watch list	-	734,199	25,054,243	-	16,588,273	42,376,715
Default	-	-	-	105,421,061	-	105,421,061
Carrying amount (before impairment)	**15,960,812**	**1,250,419,560**	**109,401,635**	**105,421,061**	**20,253,928**	**1,501,456,996**
Expected credit losses	-	(6,011,033)	(2,378,916)	(18,712,627)	(778,437)	(27,881,013)
Net carrying amount	**15,960,812**	**1,244,408,527**	**107,022,720**	**86,708,434**	**19,475,491**	**1,473,575,983**
Value of collateral	15,960,812	866,297,637	90,001,411	62,545,765	18,848,095	1,053,653,720

As at 31 December 2018

	Non SPPI Loans	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€	€
Strong	-	331,466,040	29,995,439	-	-	361,461,479
Satisfactory	16,051,950	921,811,043	89,483,503	-	2,228,392	1,029,574,888
Watch list	-	18,441,577	34,419,601	-	15,629,348	68,490,526
Default	-	-	-	91,168,332	-	91,168,332
Carrying amount (before impairment)	16,051,950	1,271,718,660	153,898,543	91,168,332	17,857,740	1,550,695,225
Expected credit losses	-	(10,480,116)	(3,270,178)	(32,886,057)	(885,662)	(47,522,013)
Net carrying amount	16,051,950	1,261,238,544	150,628,365	58,282,275	16,972,078	1,503,173,212
Value of collateral	16,231,830	840,008,232	124,913,612	47,588,713	17,858,699	1,046,601,086

The categories strong, satisfactory and watch list are based on a 12 month probability of default which is derived from a range of probabilities and calculated by the Originator. Receivables on the watchlist have a probability of default of 16% and above.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Ageing analysis by IFRS 9 stage

As at 31 December 2019

	Non SPPI Loans	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
	€	**€**	**€**	**€**	**€**	**€**
Current	15,960,812	1,143,243,628	86,506,885	88,561,387	20,253,928	1,354,526,640
1-29 days	-	107,175,931	9,941,209	15,505,234	-	132,622,374
30- 89 days past due	-	-	12,953,542	1,256,338	-	14,209,880
> 90 days past due	-	-	-	98,102	-	98,102
TOTAL	**15,960,812**	**1,250,419,559**	**109,401,636**	**105,421,061**	**20,253,928**	**1,501,456,996**
Value of collateral	15,960,812	866,297,637	90,001,411	62,545,765	18,848,095	1,053,653,720

Alpha Bank AE have repurchased loans from the Company of €222,651,536 (2018: €242,868,001).

As at 31 December 2018

	Non SPPI Loans	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€	€
Current	16,051,950	1,120,800,846	117,005,457	40,405,521	16,972,078	1,311,235,852
1-29 days	-	140,437,698	2,428,784	16,778,064	-	159,644,546
30- 89 days past due	-	-	31,194,124	1,098,690	-	32,292,814
> 90 days past due	-	-	-	-	-	-
TOTAL	16,051,950	1,261,238,544	150,628,365	58,282,275	16,972,078	1,503,173,212
Value of collateral	16,231,830	840,008,232	124,913,612	47,588,713	17,858,699	1,046,601,086

As set out in the policy on going concern, the current economic conditions in Greece may have an impact on the credit quality of the Underlying receivables underlying the Deemed Loan to Originator which could result in a significant additional impairment provision. However, the credit risk is ultimately borne by the Originator since the Notes are held by the Originator and the transaction is structured as limited recourse, such that the ability of the Company to meet its obligations under the loan notes will directly depend upon receipt of funds from the Originator, which is in turn dependant on the ability of underlying borrowers to service their loans.

The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flow from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral. These key assumptions are based on observable date from historical patterns and are updated regularly by Alpha Bank AE as new data becomes available.

In addition, the directors consider how appropriate past trends and patterns could impact the current economic climate and may make any adjustments they believe are necessary to reflect the current economic and market condition

The accuracy of impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders. 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 the minimum requirement.

14. 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 €39,511(2018: €40,243) including irrecoverable VAT and expenses. Mr D J Wynne, a director of the Company is also a director of Wilmington Trust SP Services (London) Limited. Mr I Kyriakopolous, who is a director of the Company, is an employee of Wilmington Trust SP Services (London) Limited.

Under the terms of the securitisation transaction, the Company is able to purchase additional Underlying receivables during a revolving period under certain conditions. During 2019, €743,034,408 (2018: €790,210,402) of additional Underlying receivables was acquired. During 2018 Alpha Bank AE made cash transfers to the Company of €569,503,827 (2018: €371,962,677) of principal loan repurchases and €60,226,405 (2018: €63,369,829) of interest in relation to the servicing of the Underlying receivables. During the year Alpha bank AE has repurchased loans of €222,651,536 (2018: €242,868,001). Alpha Bank AE earned €114,647 (2018: €117,956) in servicing fees for acting as the servicer of portfolio of loans which €57,077 (2018: €56,715) was outstanding at 31 December 2019 and included in accruals and deferred income.

Given the details set out in note 12, Loan Notes held by Alpha Bank AE are €1,593,400,000 as at 31 December 2019 (2018: €1,593,400,000). During 2019, €267,715 (2018: €221,190) of interest on Loan Notes was payable to Alpha Bank A.E of which €nil (2018: €111,621) was outstanding at year end.

Under the terms of the sale agreement relating to the Underlying receivables, Alpha Bank AE has a residual interest in the Underlying receivables comprising Retained Interest and Deferred Consideration. At 31 December 2019 €45,958,776 (2018: €89,821,071) was owed to Alpha Bank AE and is included within the Deemed Loan to Originator and as a separate liability on the statement of financial position.

Cash and cash equivalents include balance of €201,254,372 (2018: €154,514,460) in bank account held with Alpha Bank A.E. as at year end.

EPIHIRO Holdings Limited is a related party by virtue of being parent of the Company. At 31 December 2019, an amount of €4,852 (2018: €4,852) was receivable from the parent.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Epihiro Holdings Limited holds 49,999 shares in the Company. The remaining one share is held under a nominee Declaration of Trust for charitable purposes. Wilmington Trust SP Services (London) Limited holds the entire share capital in Epihiro Holdings Limited under a declaration of trust for charitable purposes. Alpha Bank AE has no direct ownership interest in the Company. However, in accordance with IFRS 10 the results of the Company are included in the consolidated financial statements of Alpha Bank AE, a Company incorporated in Greece, whose principal place of business is 40 Stadiou, 102 52 Athens, Greece. It is the largest and smallest group into which the results of the Company are consolidated. The financial statement of Alpha Bank AE can be obtained from www.alpha.gr.

16. POST BALANCE SHEET EVENT

The risks arising from the outbreak of Coronavirus (Covid-19) which has occurred since the balance sheet date are disclosed on page 3. In view of its currently evolving nature, the Directors will continue to closely monitor the impact of the decision on the market and therefore on the Company.

Loans amounting to €1,031,219,463have been redeemed since the year end. The Company has also acquired loans amounting to €355,670,644 since the year end. There were no other significant balance sheet events.

On the 20 July the Company partially cancelled €385,600,000 of the Class A notes and €707,800,000 of the Class B notes. €400,000,000 of the Class A Notes and €100,000,000 of the Class B Notes held by the Originator remain outstanding and continue to be listed on the Irish Stock Exchange.