Company Registration Number: 07140938

PISTI 2010-1 PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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PISTI 2010-1 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	07140938
Registered office	c/o Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arm Yard London EC2R 7AF
Auditor	MHA MAcIntyre Hudson LLP London United Kingdom
Servicer	Alpha Bank AE 40 Stadiou 102 52 Athens Greece

PISTI 2010-1 PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report of Pisti 2010-1 Plc (the "Company") for the year ended 31 December 2019.

GENERAL

PRINCIPAL ACTIVITIES

The Company was incorporated as a Public Limited Company on 29 January 2010. The principal activities of the Company are those of a special purpose vehicle, set up to acquire a portfolio of loans and Credit Card Accounts (the "Receivables"), and to finance such activities by issuing securities, entering into financial instruments and derivative contracts, borrowing 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 25 February 2010, on 25 February 2010 the Company issued €602,400,000 Series 2010-1 Class A Asset Backed Fixed Rate Notes and €353,900,000 Series 2010-1 Class B Asset Backed Floating Rate Notes due February 2021 in order to purchase a portfolio of loans (Open Loan Account and Credit Card Account) from Alpha Bank AE (the "Originator") in Greece. The fixed and floating rate loan notes are due to mature in February 2021 and are listed on the Irish Stock Exchange (main market). On 20 June 2018, Series 2010-1 Class A and B Notes final maturity date was extended to February 2026.

The sale of the Receivables 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 Alpha Bank AE, (the 'Originator'). As such the Company records in its Statement of Financial Position a 'Deemed Loan to the Originator' rather than the Portfolio of loans 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 €3,888 (2018: €3,888). As at year end the carrying value of the Deemed the Loan to Originator was €429,445,254 (2018: €399,385,156). Loan notes and borrowings held at the year-end were amounted to €582,893,695 (2018: €580,059,720). As of 31 December 2019 cash and cash equivalents, including reserve funds, were €184,040,186 (2018: €181,103,650). The key performance indicators of the Company are net interest income and impairment losses. During 2019 net interest income was €79,567,214 (2018: €77,600,728). The impact of the impairment charge to the results of the Company is offset through deferred purchase consideration as explained further in note 1.

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 13 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 €429,445,254 (2018: €424,688,355). Loan notes and borrowings held at the year end amounted to €582,893,695 (2018: €580,059,720). As of 31 December 2018, cash and cash equivalents, including reserve funds, were €184,040,186 (2018: €181,103,650). The Company' made a profit of €3,888 in the current year (2018: €3,888) and at year end Shareholder funds were €50,941 (2018: €47,053).

The directors have undertaken a detailed assessment of the Company's on-going business model, in view of the importance of the recovery of the deemed loan to the Originator ('Alpha Bank AE' 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.

GOING CONCERN (CONTINUED)

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 Open Loan Account and Credit Card Accounts 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. On 20 June 2018, Series 2010-1 Class A and B Notes final maturity date was extended to February 2026.

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 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.

GOING CONCERN (CONTINUED)

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 individuals that face limitation or decrease in their income as they are employed in industries that are affected, with fixed term loans (consumer and housing), credit cards and open personal loans past due for up to 20 days:
• Suspension of loan installments or the minimum amount due for cards and open personal loans until 30 September 2020.
• Capitalization of the contractual interest, during the suspension period, as well as any expenses (e.g. insurance premiums), in the balance of the loan at the time of their calculation.

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.

MANAGEMENT OF THE BUSINESS AND 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 portfolio of loans acquired from Alpha Bank AE.

PRINCIPAL RISKS AND UNCERTAINTIES 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 and the management of these are set out in note 13 to the financial statements.

Interest rate risk
The Company is exposed to interest rate risk as interest rates on the portfolio of receivables will not necessarily match the rate of interest payable on the loan notes. The interest rate on the portfolio of loans is set by Alpha Bank AE on behalf of the Company, whereas interest on loan notes is fixed or calculated by reference to a margin over one month EURIBOR.

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.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT (CONTINUED)

Operational risk
The principal operational risk to the Company is the ability of the Company 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.

If there are insufficient funds available as a result of such deficiencies, then the Company may not be able, after making the payments to be made in priority thereto, to pay, in full or at all, amounts of interest and principal due to holders of, firstly, the Class B Notes and secondly, the Class A Notes. In this situation, there may not be sufficient funds to redeem each class of the Notes on or prior to the final maturity date.

In addition, over reliance on the servicer and underperformance of the servicer could materially impact cash flows, income and profitability and therefore adversely impact the Company's result.

Compliance risk
Compliance risk exists where failure to comply with applicable legislation and regulatory requirements within the geographies and markets the Company operates and potential breaches may result in reputational damage 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.

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. 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.

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

Credit risk
The Company is exposed to credit risk, in relation to defaults from repayments of the portfolio of receivables underpinning the Deemed Loan to the Originator. At the time of acquisition, the portfolio of loans was carefully selected to meet certain criteria, as set out in the offering circular issued in connection with the issue of the fixed and floating rate loan notes. These criteria and the day to day management of the portfolio of loans are undertaken by Alpha Bank AE which actively manages the collection of the outstanding amounts. During the year Alpha Bank AE have repurchased default loans. As noted above, the issues prevalent in Greece could impact on the ability of the borrower to repay the loans. However, 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 dependent on the ability of underlying borrowers to service their loans. During 2019 Alpha Bank AE has repurchased Receivables from the Company of €42,897,896 (2018: €18,153,935). As at the signing date of the Financial Statements Alpha Bank AE has repurchased €32,655,277since the year end.

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.

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

Ioannis Kyriakopoulos
Director
02 September 2020

PISTI 2010-1 PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements of Pisti 2010-1 Plc (the "Company") for the year ended 31 December 2019 with comparatives for the year ended 31 December 2018.

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

Mr D J Wynne
Mr I Kyriakopoulos (Appointed on March 2019)
Mr R Sutton (Resigned 26 March 2019)
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.

CAPITAL STRUCTURE
Details of the issued share capital, together with details of holders of shares are shown in Note 10 and Note 15 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
The directors have carried out an assessment of the principal risks facing to the Company and appropriate processes are put in place to monitor and mitigate them.

The key business risks affecting the Company and its management are discussed in the strategic report and further information on the Company's financial risks management are set out in note 13, "Financial Risk Management" to the financial statements.

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.

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

POST BALANCE SHEET EVENTS
Loans amounting to €32,655,277 have been redeemed since the year end. The Company has also acquired loans amounting to €94,660,052 since the year end. 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(2) 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

PISTI 2010-1 PLC

STATEMENT OF DIRECTORS' 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 PISTI 2010-1 PLC

1. Our Opinion

We have audited the financial statements of PISTI 2010-1 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	EUR 6,567 k	1% of the preliminary underlying receivable 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 429,445,254 (2018, EUR 424,688,355), 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	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 t 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 expected credit losses of the underlying receivables

The valuation of deemed loan to originator involves a significant degree of judgement 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.	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 EUR 6,567k which was determined on the basis of 1% of preliminary underlying receivable which formed the basis of the Deemed Loan to the Originator.

We agreed to report any corrected or uncorrected adjustments exceeding EUR 328k.

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

PISTI 2010-1 PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €	2018 €
Interest income	3	**12,335,197**	12,166,443
Interest expense	4	**(12,143,413)**	(12,015,184)
Net interest income		**191,784**	151,259
Administrative expenses	5	**(186,984)**	(146,459)
Profit before tax for the year		**4,800**	4,800
Tax charge	6	**(912)**	(912)
Profit for the year		**3,888**	3,888
Other comprehensive income		**-**	-
Total comprehensive income	10	**3,888**	3,888

The results for the current year and prior year were derived from continuing operations.

The notes on pages 22 to 39 form part of these financial statements.

PISTI 2010-1 PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	**2019**	2018
		€	€
Assets			
Cash and cash equivalents	9	**184,040,186**	181,103,650
Deemed Loan to Originator	7	**429,445,254**	424,688,355
Other assets	8	**4,094**	4,094
Total assets		**613,489,534**	605,796,099
Equity			
Issued capital	10	**14,283**	14,283
Retained earnings	10	**36,658**	32,770
Total equity		**50,941**	47,053
Liabilities			
Other liabilities	12	**2,820,677**	385,215
Tax payable		**1,824**	912
Deferred consideration payable	7	**27,722,397**	25,303,199
Loan notes and borrowings	11	**582,893,695**	580,059,720
Total liabilities		**613,438,593**	605,749,046
Total equity and liabilities		**613,489,534**	605,796,099

These financial statements for Pisti 2010-1 Plc, Company registration 07140938, on pages 18 to 39 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 39 form part of these financial statements.

PISTI 2010-1 PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital	Retained earnings	Total
		€	€	€
Balance at 1 January 2019		**14,283**	**32,770**	**47,053**
Profit for the year	10	**-**	**3,888**	**3,888**
Balance attributable to equity holders as at 31 December 2019		**14,283**	**36,658**	**50,941**

	Notes	Share capital	Retained earnings	Total
		€	€	€
Balance at 1 January 2018		14,283	28,882	43,165
Profit for the year	10	-	3,888	3,888
Balance attributable to equity holders as at 31 December 2018		14,283	32,770	47,053

The notes on pages 22 to 39 form part of these financial statements.

PISTI 2010-1 PLC

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 €	31 December 2018 €
Cash flows from operating activities			
Profit before tax for the year		**4,800**	4,800
Adjustments for:			
Interest income	**3**	**(91,710,627)**	(89,615,912)
Interest expense	**4**	**12,143,413**	12,015,184
Deferred consideration expense and impairment		**79,375,430**	77,449,469
Increase in accruals and deferred income		**38,889**	19,587
Tax paid		**-**	(924)
Net cash used in operating activities		**(148,095)**	(127,796)
Cash flows from investing activities			
New receivables originated or purchased		**(1,593,191,806)**	(1,590,728,186)
Repayments of loans and loans repurchased by originator		**1,622,950,966**	1,555,976,904
Interest income received		**91,818,416**	90,173,583
Net cash generated from investing activities		**121,577,576**	55,422,302
Cash flows from financing activities			
Interest paid		**(6,924,375)**	(9,155,563)
Transferor interest paid		**(111,568,570)**	(24,272,767)
Net cash used in financing activities		**(118,492,945)**	(33,428,330)
Net increase in cash and cash equivalents		**2,936,536**	21,866,176
Cash and cash equivalents at the start of the year		**181,103,650**	159,237,474
Cash and cash equivalents at the end of the year		**184,040,186**	181,103,650

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	580,059,720	-	2,833,975	582,893,695
Total liabilities arising from financing activities	**580,059,720**	**-**	**2,833,975**	**582,893,695**

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 39 form part of these financial statements.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. PRINCIPAL ACCOUNTING POLICIES

Pisti 2010-1 Plc is a Public Limited Company incorporated and domiciled in England and Wales with registered number 07140938**.**

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

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

The financial statements of the Company are prepared on a going concern basis, under the historical cost convention as modified by revaluation of certain financial instruments in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU).

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

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 13 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 €429,445,254 (2018: €424,688,355Loan notes and borrowings held at the year end amounted to €582,893,695 (2018: €580,059,720). As of 31 December 2019, cash and cash equivalents, including reserve funds, were €184,040,186 (2018: €181,103,650). The Company' made a profit of €3,888 in the current year (2018: €3,888) and at year end Shareholder funds were €50,941 (2018: €47,053).

The directors have undertaken a detailed assessment of the Company's on-going business model, in view of the importance of the recovery of the deemed loan to the Originator ('Alpha Bank AE' 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 Open Loan Account and Credit Card Accounts 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 directors believe the Company has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements were approved and the financial statements have therefore been prepared under the going concern basis.

Financial Instruments
The Company recognises a financial asset or a financial liability at the time it becomes a party to a contract because that is the point at which it has contractual rights or obligations. Financial assets are initially recognised at fair value and are subsequently carried at amortised cost using effective interest method. The financial liabilities are initially recognised at fair value net of transaction costs incurred and are subsequently stated at amortised cost using the effective interest method.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

Description	Effective date
IFRS 16: Leases	1 January 2019

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.

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

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 the Originator
Under IFRS 9 Financial Instruments, if a transferor retains substantially all the risks and rewards associated with the transferred assets, the transaction is accounted for as a financing transaction, notwithstanding that it is a sale transaction from a legal perspective.

The directors of the Company have concluded that the Originator has retained substantially all the risks and rewards of the securitised 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.

Under the terms of the securitisation, on each interest payment date after the closing date, the Company makes payments to the Originator as Transferor deferred Purchase Price (the "Deferred Purchase Consideration") as calculated by the cash manager as further consideration for the portfolio of loans that have been sold and assigned to the Company. This is comprised of transferor interest (the "Transferor Interest") and deferred cash payments to be made on each interest payment date ("IPD") equal to any remaining cash available for investment not otherwise utilised in the reduction of the Transferor Interest. The Transferor Interest consists of an amount equal to the aggregate amount of all loans purchased by the Issuer at the year end, less all payments made as at the year end and deferred cash payments. The Deferred Purchase Consideration is included within 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.

Deferred Purchase Consideration payable to the Originator
Under the term of the securitisation, the Company retains €400 at each IPD from the beneficial interest in the loans. Income in excess of €400 per each IPD is payable to Alpha Bank AE and treated as a component of the Deemed Loan to the Originator. The payments of Deferred Purchase Consideration is strictly governed by the priority of payments that sets out how cash can be utilised. This obligation is recognized as a financial liability in these financial statements and is disclosed net with the deemed loan to originator

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 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,

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

Loan notes and borrowings
Loans notes and borrowings comprise of loan notes issued by the Company through its prospectus dated 25 February 2010. 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.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 portfolio of loans underpinning the Deemed Loan to the Originator, 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 year. 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, transferor interest 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.

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 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.

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;

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

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 judgement 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.

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 portfolio of loans 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 Portfolio of loans it has legally purchased. As a result of credit enhancement, on 31.12.2019 there was a decrease in the expected credit losses on the underlying Receivables Portfolio held as collateral by €13,267,930. As a result, it is 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.

An asset moves to stage 2 when its credit risk has increased significantly relative to credit risk at initial recognition. In assessing the stage at which the Deemed Loan to the Originator has been classified, the Company assesses the movement in the ECL of the underlying Receivables Portfolio against the enhanced credit available. If there is no enhanced credit available within the entity 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.

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 Receivables Portfolio 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.

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

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 the Deemed loan to Originator	**91,710,627**	89,615,912
Increase in Deferred purchase consideration	**(92,643,360)**	(97,451,706)
Impairment reversal	**13,267,930**	20,002,237
Net Interest income on Deemed Loan to the Originator	**12,335,197**	12,166,443

4. INTEREST EXPENSE

	2019	2018
	€	€
Contractual interest on loan notes	**9,309,437**	9,181,209
Amortisation of premium on loan notes	**2,833,976**	2,833,975
	12,143,413	12,015,184

5. ADMINISTRATIVE EXPENSES

	2019	2018
	€	€
Auditors remuneration - audit of the statutory financial statements of the Company	**22,322**	22,368
Auditors remuneration relating to prior year	**34,017**	-
Tax compliance	**2,088**	1,912
Corporate service and accountancy fees	**28,161**	24,937
Other fees	**40,962**	37,808
Servicing fees	**59,434**	59,434
	186,984	146,459

The Company has no employees (2018: nil) and, other than the corporate services fees paid to Wilmington Trust SP Services (London) Limited, the directors received no remuneration during the year (2018: €nil).

6. TAXATION

(a) Analysis of charge in the year:

	2019	2018
	€	€
Current tax:		
Corporation tax charge for the year at 19% (2018: 19%)	**912**	912

The UK corporation tax rate was reduced from 21% to 20% in April 2016. Further reductions to 19% (effective from 01 April 2017) were substantively enacted at the reporting date. This will reduce current tax charges accordingly. Subsequently the UK government announced that the UK corporation tax rate will reduce further to 17% from 01 April 2020. At budget 2020, the UK government announced that the Corporation tax main rate would remain at 19% for the years starting 1 April 2020 and 2021. It has not been possible to quantify the full anticipated effect of the announced further rate reduction, although this will reduce the Company's future current tax charge accordingly.

(b) Reconciliation of effective tax rate

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

	2019	2018
	€	€
Profit on ordinary activities before tax	**4,800**	4,800
Current tax charge at 19% (2018:19%)	**(912)**	(912)
	(912)	(912)

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. As at 31 December 2019, there are no tax-related contingent assets or contingent liabilities in accordance with International Accounting Standard No. 37 'Provisions, Contingent Liabilities and Contingent Assets' (IAS 37).

7. DEEMED LOAN TO THE ORIGINATOR

	2019	2018
	€	€
Carrying value of receivables portfolio	**604,972,151**	621,571,170
Deferred Purchase Consideration	**(175,526,897)**	(196,882,815)
Deemed Loan to the Originator	**429,445,254**	424,688,355

The Deemed Loan to the Originator is underpinned by the Receivables Portfolio of loans originally acquired on 25 February 2010 and subsequent acquisitions since.

Under the terms of the offering circular, the Company can continue to purchase additional loans subject to meeting the criteria in the offering circular.

Under the term of the securitisation, the Company retains €400 at each interest payment date ("IPD") from the beneficial interest in the loans. Income in excess of €400 per each IPD is payable to Alpha Bank AE and treated as a component of the effective interest on the Deemed Loan to the Originator.

In order to provide credit enhancement, the unpaid transferor interest is offset against the gross deemed loan balance. The credit risk inherent in the Deemed Loan to the Originator is reviewed as part of the Company's impairment analysis of the structure. The Company assesses the Deemed Loan to the Originator in line with IFRS 9, using staging analysis to consider whether credit risk has increased since initial recognition.

7. DEEMED LOAN TO THE ORIGINATOR (CONTINUED)

This assessment by the Company considers the risk mitigating effects of the unpaid deferred purchase consideration, as well as the underlying credit risk of the borrowers. The credit risk at the borrower level is monitored by the Originator by reviewing changes in the credit risk profile of the underlying borrowers. The tables below show the Company's staging analysis for the Deemed Loan to the Originator.

Deemed Loan to the Originator	**Stage 1**	**Stage**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2019	**424,688,355**	**-**	**-**	**424,688,355**
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	**1,728,767,641**	-	-	**1,728,767,641**
Total repayments of loans and loans repurchased by the Originator	**(1,758,742,379)**	-	-	**(1,758,742,379)**
Movement in Deferred Consideration	**(6,366,479)**	-	-	**(6,336,479)**
Movement in interest accrued	**107,789**	-	-	**107,789**
Reclassification of deferred consideration to be settled in cash subsequent to year-end	**27,722,397**			**27,722,397**
Movement in the ECL of the underlying receivable portfolio	**13,267,930**	-	-	**13,267,930**
Gross carrying amount as at 31 December 2019	**429,445,254**	-	-	**429,445,254**

The deemed loan is classified as a stage 1 asset meaning the credit risk has not increased significantly from the prior year.

Deemed Loan to the Originator	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at 1 January 2018	**418,373,505**	**-**	**-**	**418,373,505**
IFRS ECL transition adjustment	(66,756,544)	-	-	(66,756,544)
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	1,718,771,709	-	-	1,718,771,709
Total repayments of loans and loans repurchased by the Originator	(1,685,135,781)	-	-	(1,685,135,781)
Movement in Deferred Consideration	(6,427,653)	-	-	(6,427,653)
Movement in interest accrued	557,683	-	-	557,683
Reclassification of deferred consideration to be settled in cash subsequent to year-end	25,303,199			25,303,199
Movement in the ECL of the underlying receivable portfolio	20,002,237	-	-	20,002,237
Gross carrying amount as at 31 December 2018	**424,688,355**	**-**	**-**	**424,688,355**

7. DEEMED LOAN TO THE ORIGINATOR (CONTINUED)

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

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI	Total
	€	€	€	€	€
Loans					
Gross carrying amount	530,200,475	98,549,826	30,368,170	1,811,936	660,930,407
Less: ECL allowance for impairment losses	(10,756,468)	(32,383,564)	(12,397,007)	(421,217)	(55,958,256)
Total Net Loans	**519,444,007**	**66,166,262**	**17,971,163**	**1,390,719**	**604,972,151**

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. As at 31 December 2019, deferred consideration to be settled in cash subsequent to year-end amounting to €27,722,397, has been classified as a financial liability entitled "deferred consideration payable" in the statement of financial position.

As at 31 December 2018

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI	Total
	€	€	€	€	€
Loans					
Gross carrying amount	554,765,312	83,879,260	48,322,405	3,830,379	690,797,356
Less: ECL allowance for impairment losses	(10,876,782)	(23,132,674)	(33,636,054)	(1,580,676)	(69,226,186)
Total Net Loans	**543,888,530**	**60,746,586**	**14,686,351**	**2,249,703**	**621,571,170**

8. OTHER ASSETS

	2019	2018
	€	€
Amount due from Parent Company	**4,094**	4,094

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	**2,347,805**	34,880
Reserve account	**19,277,470**	19,277,470
Bank deposit accounts	**162,414,911**	161,791,300
	184,040,186	181,103,650

The bank accounts are held with Alpha Bank AE as detailed in note 14.

10. TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share Capital	Retained Earnings	Total
	€	€	€
Balance at 1 January 2018	14,283	28,882	43,165
Profit for the year	-	3,888	3,888
Balance attributable to equity holders as at 31 December 2018	14,283	32,770	47,053
Profit for the year	-	3,888	3,888
Balance attributable to equity holders as at 31 December 2019	**14,283**	**36,658**	**50,941**

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.

Pisti Holdings Limited holds 49,999 shares in the Company. Wilmington Trust SP Services (London) Limited holds the entire share capital in Pisti 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 the controlling party.

11. LOAN NOTES AND BORROWINGS

	2019	2018
Non-current liabilities	€	€
Series 2010-1 Class A Asset Backed Fixed Rate Notes	**369,300,000**	369,300,000
Series 2010-1 Class B Asset Backed Floating Rate Notes	**216,900,000**	216,900,000
Unamortised premium on loan notes	**(3,306,305)**	(6,140,280)
	582,893,695	580,059,720

On 25 February 2010, €956,300,000 of Fixed and Floating Rate Loan Notes were issued to Alpha Bank AE. At 31 December 2019 Loan Notes held by Alpha Bank AE are €586,200,000 (2018: €586,200,000). 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 statement of comprehensive income as an adjustment to the effective interest expense on the loan notes.

The Asset Backed Fixed and Floating Rate Loan Notes due for repayment by February 2026 are listed on the Irish Stock Exchange and are secured over a portfolio of receivables (Open Loan Account and Credit Card Account) originated by Alpha Bank AE in Greece (the 'Deemed Loan to the Originator'). Interest on the Series 2010-1 Class A Asset Backed Fixed Rate Loan Notes and Series 2010-1 Class B Asset Backed Floating Rate Loan Notes are 2.50% payable on a Monthly basis. Class B loan note interest and principal is subordinated to 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 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 Deemed Loan to the Originator, 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 Open Loan Account and Credit Card Account 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. No loans and borrowings were repaid during the year (2018: €nil).

12. OTHER LIABILITIES

	2019	2018
	€	€
Interest payable	**2,487,645**	102,583
Accruals and deferred income	**84,938**	46,049
Levy and insurance accruals	**243,046**	231,535
Service fee accruals	**5,048**	5,048
	2,820,677	385,215

13. FINANCIAL RISK MANAGEMENT

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

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

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.

Interest rate risk
Interest rate risk arises when the interest is received on a fixed rate on the Deemed Loan to the Originator and paid on a floating rate to the loan notes holders or vice versa. The Company is exposed to interest rate risk as interest rates on the portfolio of loans will not necessarily match the rate of interest payable on the loan notes. The interest rates on the portfolio of loans is set by Alpha Bank AE on behalf of the Company, whereas interest on loan notes is either fixed or calculated by reference to a margin over one month EURIBOR.

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.

The sensitivity of the Company to interest rate changes, and the resulting changes in net assets attributable to equity shareholders, is limited as the Company only retains €4,800 of available revenue receipts from the beneficial interest in the portfolio of loans with the resulting fluctuations being taken up by the transferor interest due to Alpha Bank AE If interest rates had been 25 basis points higher and all other variables held constant, net assets attributable to equity shareholders for the period ended 31 December 2019 would have been €106,763 higher (2018: €14,278). If interest rates had been 25 basis points lower and all other variables held constant, net assets attributable to equity shareholders for the year ended 31 December 2019 would have been lower by €106,763 (2018: €14,278).

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

	Note	Carrying amount 2019 €	Fair value 2019 €	Carrying amount 2018 €	Fair value 2018 €
Financial assets:					
Deemed Loan to the Originator	7	**429,445,254**	**461,997,204**	399,385,156	439,603,242
Other assets	8	**4,094**	**4,094**	4,094	4,094
Cash and cash equivalents	9	**184,040,186**	**184,040,186**	181,103,650	181,103,650
Financial liabilities:					
Loan notes	11	**582,893,695**	**538,293,540**	580,059,720	530,068,230
Other liabilities	12	**2,820,677**	**2,820,677**	385,216	385,216

The fair value of the Deemed Loan to the Originator has been based on the discounted cash flows methodology applying market rates adjusted for the appropriate fair value credit spread.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 the Originator	**461,997,204**	Discounted cash flows using the swap curve, plus the weighted average fair value credit spread 14.32.% of the loans
Financial liabilities:		
Loan notes and borrowings	**538,293,540**	Discounted cash flows using the Bloomberg Swap S232 curve, plus the average CDS spread of 324.73 bps

2018	Total fair value €	Valuation method
Financial assets:		
Deemed Loan to the Originator	439,603,242	Discounted cash flows using the swap curve, plus the weighted average fair value credit spread 9.98% of the loans
Financial liabilities:		
Loan notes and borrowings	530,068,230	Discounted cash flows using the Bloomberg Swap S232 curve, plus the average CDS spread of 324.73 bps

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				
Deemed Loan to the Originator	36,166,963	393,278,289	-	429,445,252
Other assets	-	-	4,094	4,094
Cash and cash equivalents	-	184,040,186	-	184,040,186
Total assets	**36,166,963**	**577,318,475**	**4,094**	**613,489,532**
Liabilities				
Loan notes and borrowings	213,593,695	369,300,000	-	582,893,695
Other liabilities	-	-	2,820,678	2,820,678
Total liabilities	**213,593,695**	**369,300,000**	**2,820,678**	**585,714,373**

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

At 31 December 2018	Within one year €	After one year €	Non - interest bearing €	Total €
Assets				
Deemed Loan to the Originator	160,731	399,224,425	-	399,385,156
Other assets	-	-	4,094	4,094
Cash and cash equivalents	-	181,103,650	-	181,103,650
Total assets	**160,731**	**580,328,075**	**4,094**	**580,492,900**
Liabilities				
Loan notes and borrowings	210,759,720	369,300,000	-	580,059,720
Other liabilities	-	-	345,240	345,240
Total liabilities	**210,759,720**	**369,300,000**	**345,240**	**580,404,960**

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 analysis has been presented.

Liquidity risk
The Company's policy is to manage liquidity risk through its use of cash balances. As the length of the loan notes is designed to match the length of the Receivables Portfolio, 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 fixed and floating rate loan notes. Under these terms, payments are made on monthly basis. The repayment of the loan notes is determined by the collection of the principal on the underlying receivables.

The following table details the Company's liquidity analysis for its financial liabilities at 31 December 2019. The interest payable on the loan notes is estimated based on the outstanding principal and interest rates at the year 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	**582,893,695**	**586,200,000**	**-**	**-**	**-**	**355,364,151**	**230,835,849**
Interest payable	**2,487,646**	**35,708,704**	**758,836**	**1,441,788**	**6,728,342**	**26,738,217**	**41,521**
Accruals and deferred income	**327,984**	**327,984**	**-**	**-**	**327,984**	**-**	**-**
Total liabilities	**585,709,325**	**622,236,688**	**758,836**	**1,441,788**	**7,056,326**	**382,102,368**	**230,877,370**

At 31 December 2018 Liabilities	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 €
Loan notes	580,059,720	586,200,000	-	-	-	586,200,000	-
Interest payable	102,583	17,290,433	758,836	1,441,788	6,728,342	8,361,467	-
Accruals and deferred income	282,633	282,633	-	-	282,633	-	-
Total liabilities	580,444,936	603,773,066	758,836	1,441,788	7,010,975	594,561,467	-

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 seven business days.

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

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: Caa2

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 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 €1,799,289 If the assigned cumulative probability of the upside scenario was increased from 20% to 40%, Expected Credit Losses would decrease by €1,799,289 In the event of such a scenario occurring there would still be sufficient Enhanced Credit available to offset the increased losses.

The credit quality of underlying portfolio of loans (before Originator's retain interest) is summarised as follows:

As at 31 December 2019

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Not Past Due	517,540,445	57,341,050	8,388,236	1,013,259	584,282,990
Past due	12,660,030	41,208,776	21,979,934	798,677	76,647,417
Carrying amount (before provision for impairment losses)	530,200,475	98,549,826	30,368,170	1,811,936	660,930,407
Expected credit losses	(10,756,468)	(32,383,564)	(12,397,007)	(421,217)	(55,958,256)
Net carrying amount	**519,444,007**	**66,166,262**	**17,971,163**	**1,390,719**	**604,972,151**
Value of collateral	-	-	-	-	-

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

As at 31 December 2018

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Not Past Due	539,009,254	36,873,723	7,772,343	1,380,845	585,036,165
Past due	15,756,058	47,005,537	40,550,062	2,449,534	105,761,191
Carrying amount (before provision for impairment losses)	554,765,312	83,879,260	48,322,405	3,830,379	690,797,356
Expected credit losses	(10,876,782)	(23,132,674)	(33,636,054)	(1,580,676)	(69,226,186)
Net carrying amount	**543,888,530**	**60,746,586**	**14,686,351**	**(2,249,703)**	**621,571,170**
Value of collateral	24,064,829	818,723	342,332	10,845	25,236,729

As at 31 December 2019

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Strong	345,172,304	878,841	-	327,422	346,378,567
Satisfactory	185,002,607	10,967,891	-	267,739	196,238,237
Watch list	25,564	86,703,094	-	424,475	87,153,133
Default	-	-	30,368,170	792,300	31,160,470
Carrying amount (before impairment)	530,200,475	98,549,826	30,368,170	1,811,936	660,930,407
Expected credit losses	(10,756,468)	(32,383,564)	(12,397,007)	(421,217)	(55,958,256)
Net carrying amount	**519,444,007**	**66,166,262**	**17,971,163**	**1,390,719**	**604,972,151**

As at 31 December 2018

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Strong	354,234,606	1,440,472		385,345	356,060,423
Satisfactory	200,520,202	44,942,000	-	844,546	246,306,748
Watch list	10,504	37,496,788	-	760,466	38,267,758
Default	-	-	48,322,405	1,840,022	50,162,427
Carrying amount (before impairment)	554,765,312	83,879,260	48,322,405	3,830,379	690,797,356
Expected credit losses	(10,876,782)	(23,132,674)	(33,636,054)	(1,580,676)	(69,226,186)
Net carrying amount	**543,888,530**	**60,746,586**	**14,686,351**	**2,249,703**	**621,571,170**
Value of collateral	24,064,829	818,723	342,332	10,845	25,236,729

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

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Current	517,540,445	57,341,050	8,388,236	1,013,259	584,282,990
1-29 days	12,660,030	30,470,992	6,293,754	394,034	49,818,810
30- 89 days past due	-	10,737,784	6,292,186	229,279	17,259,249
> 90 days past due	-	-	9,393,994	175,364	9,569,358
Carrying amount (before impairment)	530,200,475	98,549,826	30,368,170	1,811,936	660,930,407
Expected credit losses	(10,756,468)	(32,383,564)	(12,397,007)	(421,217)	(55,958,256)
Net carrying amount	**519,444,007**	**66,166,262**	**17,971,163**	**1,390,719**	**604,972,151**

As at 31 December 2018

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Current	528,656,134	27,931,843	2,476,004	1,061,739	560,025,720
1-29 days	15,232,396	22,758,714	2,455,386	489,236	40,935,732
30- 89 days past due	-	10,156,029	2,983,618	360,884	13,505,531
> 90 days past due	-	-	6,766,343	337,844	7,104,187
TOTAL	**543,888,530**	**60,746,586**	**14,686,351**	**2,249,703**	**621,571**
Value of collateral	24,064,829	818,723	342,332	10,845	25,236,729

Alpha Bank AE have repurchased loans from the Company of €16,960,837 (2018: €18,153,935) during the year.

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 portfolio of loans 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.

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 conditions.

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 €20,812 (2018: €22,368) 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 Kyriakopoulos, who is a director of the Company, is an employee of Wilmington Trust SP Services (London) Limited.

Under the terms of the securitisation transaction Alpha Bank AE was appointed as the loans servicer to administer the portfolio of loans. Under the terms of the securitisation transaction, the Company is able to purchase additional portfolio of loans during a revolving period under certain conditions. During 2019, €1,593,191,806 (2018: € l,590,728,186) of additional portfolio of loans was acquired and €42,897,896 of loans were repurchased (2018: €18,153,935).

During 2019 Alpha Bank AE earned €59,434 (2018: €59,434) in servicing fees for acting as the portfolio of loans servicer of which €5,048 (2018: €5,048) was outstanding at 31 December 2019 and included in accruals and deferred income.

Given the details set out in note 11, Loan Notes held by Alpha Bank AE are €586,200,000 as at 31 December 2019 (2018: €586,200,000). During 2019, €9,309,437 (2018: €9,181,209 of interest on Loan Notes was payable to Alpha Bank A.E of which €2,487,646 (2018: €102,583) was outstanding at year end.

Under the terms of the sale agreement relating to portfolio of loans, Alpha Bank AE has a residual interest in the portfolio of loan comprising Retained Interest and transferor interest. At 31 December 2019 €372,321,230(2018: €361,199,666) and €169,071,936 (receivables) (2018: €139,013,652) of Retained Interest and transferor interest respectively was retained by Alpha Bank AE and is included within the Deemed Loan to the Originator.

PISTI Holdings Limited is a related party by virtue of being parent of the Company. At 31 December 2019, an amount of €4,094 (2018: €4,094) was receivable from the parent.

Cash and cash equivalents include balance of €184,040,186 (2018: €181,103,650) in bank account held with Alpha Bank AE as at year end.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Pisti 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 Pisti 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 €32,655,277 have been redeemed since the year end. The Company has also acquired loans amounting to €94,660,052 since the year end. There were no other significant balance sheet events.