

Company Registration Number: 07140938

PISTI 2010-1 PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



PISTI 2010-1 PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CONTENTS	PAGE
Corporate information	1
Strategic report	2 to 6
Directors' report	7 to 8
Statement of Directors' responsibilities	9
Independent auditor's report to the members	10 to 15
Statement of comprehensive income	16
Statement of financial position	17
Statement of changes in equity	18
Statement of cash flows	19
Notes to the financial statements	20 to 38

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
Independent auditor	MHA MacIntyre Hudson London United Kingdom
Servicer	Alpha Bank SA 40 Stadiou 102 52 Athens Greece

PISTI 2010-1 PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report of Pisti 2010-1 Plc (the “Company”) for the year ended 31 December 2020.

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 SA (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 SA and therefore they are retained on the Statement of Financial Position of Alpha Bank SA, (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 (2019: €3,888). As at year end the carrying value of the Deemed the Loan to Originator was €434,409,303 (2019: €429,445,254). Loan notes and borrowings held at the year-end were amounted to €584,060,626 (2019: €582,893,695). As of 31 December 2020, cash and cash equivalents, including reserve funds, were €180,489,700 (2019: €184,040,186). The key performance indicators of the Company are net interest income and impairment losses. During 2020 net interest income was €162,717 (2019: €191,784). The impact of the impairment charge to the results of the Company is offset through deferred purchase consideration as explained further in note 1.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company’s stakeholders, including the impact of its activities on the community, the environment and the Company’s reputation, when making decisions.

As a securitisation vehicle, the governance structure of the Company is such that the key policies have been predetermined at the time of issuance. The Directors consider what is most likely to promote the success of the Company in the long term. The directors have had regards to the matters set out in section 172(1) of the Companies Act 2006 as follows:

- with reference to subsection (a) concerning the likely consequences of any decision in the long term: Transaction Documentation has been set up to achieve the Company’s purpose and business objectives, safeguard the assets and promote the success of the Company with a long term view and as disclosed under basis of preparation in Note 1 and in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit.

PISTI 2010-1 PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

SECTION 172 STATEMENT (CONTINUED)

- Due to the nature of the entity it has no employees therefore subsection (b) is not relevant.
- The Company operates within the parameters laid out by the transaction documents which governs how all the parties involved in the transaction interact, therefore subsection (c) and (e) is not relevant.
- Subsection (d) is not relevant as the Company's operations have no impact on the community or environment.
- The Company ownership structure is arranged such that subsection (f) has no impact.

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 €434,409,303 (2019: €429,445,254). Loan notes and borrowings held at the year end amounted to €584,060,626 (2019: €582,893,695). As of 31 December 2020, cash and cash equivalents, including reserve funds, were €180,489,700 (2019: €184,040,186). The Company' made a profit of €3,888 in the current year (2019: €3,888) and at year end Shareholder funds were €54,829 (2019: €50,941).

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 SA' 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 the transaction documents. 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 2020, the emergence and rapid spread of the Covid-19 pandemic overturned the growth prospects of the global economy, exacerbated the uncertainty of economic developments and worsened labor market conditions. Many governments, in an effort to boost the resilience of their national economies, have been forced to take emergency fiscal measures to support national health systems and ensure employment and entrepreneurship. During the first wave of the pandemic, in March and April, Greece, which is the main country where the Company operates, managed to curb the exponential spread of infections, due to the timely introduction of restrictive measures. Following the gradual easing of the first lockdown from May onwards, economic activity gradually returned to normal in the third quarter of 2020, which was reflected in real GDP growth of 2.3% on a quarterly basis. However, Greece recorded milder growth on a quarterly basis, compared to the Eurozone, as the low performance of tourism-related activities in the third quarter negatively affected growth dynamics. The recovery of economic activity in the summer months was interrupted by the resurgence of the COVID-19 pandemic in the fall, with the result that the recovery in 2021 due to the second wave of the pandemic is expected to be milder than original forecast. The European Commission forecasts a sharp decline in real GDP in 2020 (-9%) and an incomplete recovery in 2021

PISTI 2010-1 PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

GOING CONCERN (CONTINUED)

(5%). Similarly, the latest IMF forecasts, which are included in its latest report (Report on Greece No. 20/308, November 2020) predict a large decline in real GDP in 2020 (-9.5%) and a partial recovery in 2021 (5.7%). The forecasts of the Ministry of Finance, included in the State Budget 2021, predict a recession of (10.5%) in 2020 and a slight recovery in 2021 by 4.8%.

It is noted that the Covid-19 pandemic continues to create uncertainty while in the coming period its financial impact is expected to lead to a deterioration in the creditworthiness of individuals and corporates. To date, these effects have been mitigated by banking industry repayment deferrals and government incentives.

The significant fiscal support of the Greek government is estimated to partially offset the negative consequences of the recession. In particular, according to the estimates of the State Budget of 2021, the recession in 2020 could reach 17.5% (support measures for 7.0% of GDP) without fiscal interventions. In addition, of the 4.8% growth rate projected for 2021, 2.5% is attributed to the extension of fiscal support measures and the remaining 2.1% is attributed to the European Union Recovery and Sustainability Fund (RRF). On the other hand, the progress made in the development and distribution of effective vaccines will improve the outlook and strengthen the climate of trust, leading to a virtuous cycle from 2021.

In this context, the key factors that are expected to determine the course of economic activity in 2021 are: First, the extent to which vaccination programs will free up travel and boost private consumption, and second, the activation of the EU Recovery Plan -27 ("Next Generation EU", NGEU).

The prospect of access to the funds of the European Recovery and Resilience Facility (RRF), from the second half of 2021, can significantly enhance the growth potential of the country. The investments that are expected to be made will be mainly focused on green and digital development. In total, during the period 2021-2026, the Greek economy is expected to benefit with Euro 32 billion, of which Euro 19.3 billion relate to grants and Euro 12.7 billion relate to loans on favourable terms. Especially for 2021, Euro 2.6 billion are expected to be raised from the Recovery and Sustainability Mechanism in the form of grants and Euro 1.6 billion from the REACT-EU initiative, as well as Euro 1.3 billion with the form of loans.

It is also important that the European Central Bank, in its decisions in March, April and December 2020, accepted the securities of the Hellenic Republic as collateral for liquidity operations. The Hellenic Republic is taking steps to gradually recover its access to the financial markets to meet its financing needs.

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 SA.

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.

PISTI 2010-1 PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT (CONTINUED)

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 SA 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.

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 23.00GMT on 31 January 2020 and exited the subsequent 11- month transition window at 23.00 GMT on 31 December 2020. On 24 December 2020 a Trade and Cooperation Agreement (the "Agreement") was formalised between the EU and the UK which established the basis for the broad relationship between the EU and the UK going forwards.

Whilst the Agreement reduces the inherent uncertainty arising from the UK's exit from the EU, the macro-economic effect that this trade deal has on the economy is difficult to determine. However, given the credit enhancement in the structure and the limited recourse nature of the Company's debt, the Company is not ultimately exposed if the underlying obligors are unable to repay the receivables. 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.

PISTI 2010-1 PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT (CONTINUED)

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 SA which actively manages the collection of the outstanding amounts. During the year Alpha Bank SA 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 2020 Alpha Bank SA has repurchased Receivables from the Company of €35,909,251 (2019: €42,897,896). As at the signing date of the Financial Statements Alpha Bank SA has repurchased €3,011,369 since 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:



Barry Neilson
Authorised Signatory
For Wilmington Trust SP Services (London) Limited

Wilmington Trust SP Services (London) Limited

Director

13 August 2021

PISTI 2010-1 PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited financial statements of Pisti 2010-1 Plc (the "Company") for the year ended 31 December 2020 with comparatives for the year ended 31 December 2019.

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
Wilmington Trust SP Services (London) Limited

DIVIDENDS

The directors have not recommended a dividend (2019: €nil).

DONATIONS

The Company made no political or charitable donations during the year under review (2019: €nil).

THIRD PARTY INDEMNITIES

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the Strategic Report, Directors' Report and financial statements.

CORPORATE GOVERNANCE

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

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

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

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

CAPITAL STRUCTURE

Details of the issued share capital, together with details of holders of shares are shown in Note 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.

PISTI 2010-1 PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 €3,011,369 have been redeemed since the year end. The Company has also acquired loans amounting to €19,397,658 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 489 of the Companies Act 2006, a resolution to re-appoint MHA MacIntyre Hudson as the statutory Auditor for the ensuing year will be proposed at the annual general meeting. MHA MacIntyre Hudson have expressed their willingness to continue in office as auditor.

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



Barry Neilson
Authorised Signatory
For Wilmington Trust SP Services (London) Limited

Wilmington Trust SP Services (London) Limited

Director

13 August 2021

PISTI 2010-1 PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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") in conformity with the requirements of the Companies Act 2006. For the purpose of compliance with the rules of the Irish Stock Exchange, these financial statements are also prepared in accordance with EU adopted IFRS. 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

For the purpose of this report, the terms "we" and "our" denote MHA MacIntyre Hudson in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Pisti Plc ("the Company"). For the purposes of the table on pages 10 to 11 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA MacIntyre Hudson. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Pisti Plc (the "Company").

The financial statements that we have audited comprise:

- Statement of Comprehensive Income for the year then ended.
- Statement of Financial Position as at 31 December 2020.
- Statement of Changes in Equity for the year then ended.
- Statement of Cash Flows for the year then ended.
- 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) in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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") in conformity with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Companies Act 2006.

Our opinion is consistent with our reporting to the Board.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewed and challenged management's assessment of going concern.
- Made inquiries of management regarding any known issues that would affect going concern beyond 12 months from the approval of the financial statements and reviewed minutes of board meetings and other relevant committees.
- Reviewed and assessed management's projected budget forecast and the Company's strategic plan.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PISTI 2010-1 PLC
(CONTINUED)**

Overview of our audit approach

Materiality	2020	
Materiality	€6,317,621	1% of the preliminary underlying receivables balance which formed the basis of the Deemed Loan to the Originator.
	€315,881	Threshold for reporting to those charged with governance
Key audit matters		
Recurring	Valuation of the Deemed Loan to the Originator	

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 year 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 listed 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

Key audit matter description	As disclosed in note 1 and note 7 the Company holds a deemed loan to the originator of EUR 434,409,303 (2019, EUR 429,445,254), receivable from Alpha Bank (the Bank) relating to a portfolio of loans (the Receivables Portfolio) in which the Company has acquired a beneficial interest. The Deemed Loan to the Originator is accounted for at amortised cost as disclosed in note 1. Impairment on the Deemed Loan to the Originator and the credit enhancements provided by the Originator available within the structure in the form of deferred consideration and an ability to repurchase. Any misstatement within the valuation of the credit enhancement components will directly impact expected credit losses on the Deemed Loan to the Originator. - The deferred consideration balance available within the entity; and - Application of repurchases and replacements for customers as required under the transaction documents The valuation of deemed loan to originator involves a significant degree of judgement 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.
How the scope of our audit responded to the key audit matter	Our work in this area included the following procedures: Recalculated deferred consideration as at 31 December 2020 to assess whether it is sufficient to cover the ECL provision recognised on the underlying Receivables Portfolio

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PISTI 2010-1 PLC
(CONTINUED)**

	• 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 2020 • Reviewed post year end investor reports and the receivables portfolios for any factors that may have an impact on impairment • The expected credit loss ("ECL") calculation on Deemed Loan to the Originator is based on the ECL calculation of the underlying receivables underpinning the Deemed Loan. In performing our audit procedures over the measurement of the expected credit losses of the underlying receivables we involved IFRS 9 experts and we focused on the following procedures among others: • Inquiries and obtaining an understanding of the Bank's process of determining expected credit losses of underlying receivables; • Inspection and review of the bank's impairment practices and procedures applied to the underlying receivables; • Review of the adequacy of the methods applied in respect to the development of key assumptions used in IFRS 9 calculations and recalculation of ECL of underlying receivables on a sample basis.
Key Observations	Based on the audit procedures performed, valuation of the Deemed Loan to the Originator is consistent with the audit evidence obtained.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. 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 €6,317,621 which was determined on the basis of 1% of preliminary underlying receivables balance which formed the basis of the Deemed Loan to the Originator.

The Deemed Loan to the Originator of Pisti Plc is considered to be the most appropriate benchmark of preliminary materiality, as this is seen as the key performance indicator for users of the financial statements.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Company was set at €4,106,454 which represents 65% of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls, and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding €315,881 to the Board as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PISTI 2010-1 PLC (CONTINUED)

The scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Reporting on other information

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.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received 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.

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 to cease operations, or have no realistic alternative but to do so.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PISTI 2010-1 PLC (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- 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, IT 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, and Financial Reporting Council

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Other requirements

We were appointed by the Directors on 20 March 2020. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the company and we remain independent of the company in conducting our audit.

Use of our report

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PISTI 2010-1 PLC
(CONTINUED)**

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, CTA.
(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**

13 August 2021

PISTI 2010-1 PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €	2019 €
Interest income	3	10,562,148	12,335,197
Interest expense	4	<u>(10,399,431)</u>	<u>(12,143,413)</u>
Net interest income		162,717	191,784
Administrative expenses	5	<u>(157,917)</u>	<u>(186,984)</u>
Profit before tax for the year		4,800	4,800
Tax charge	6	<u>(912)</u>	<u>(912)</u>
Profit for the year		3,888	3,888
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>3,888</u></u>	<u><u>3,888</u></u>

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

The notes on pages 20 to 38 form part of these financial statements.

PISTI 2010-1 PLC**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Note	2020 €	2019 €
Assets			
Cash and cash equivalents	9	180,489,700	184,040,186
Deemed Loan to Originator	7	434,409,303	429,445,254
Other assets	8	4,094	4,094
Total assets		<u>614,903,097</u>	<u>613,489,534</u>
Equity			
Issued capital	10	14,283	14,283
Retained earnings		40,546	36,658
Total equity		<u>54,829</u>	<u>50,941</u>
Liabilities			
Other liabilities	12	473,614	2,820,677
Tax payable	6	912	1,824
Deferred consideration payable	7	30,313,116	27,722,397
Loan notes and borrowings	11	584,060,626	582,893,695
Total liabilities		<u>614,848,268</u>	<u>613,438,593</u>
Total equity and liabilities		<u>614,903,097</u>	<u>613,489,534</u>

These financial statements for Pisti 2010-1 Plc, Company registration 07140938, on pages 16 to 38 were approved and authorised for issue by the directors on 13 August 2021 and are signed on their behalf by:



Barry Neilson
Authorised Signatory
For Wilmington Trust SP Services (London) Limited

Wilmington Trust SP Services (London) Limited
Director

The notes on pages 20 to 38 form part of these financial statements.

PISTI 2010-1 PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital €	Retained earnings €	Total €
Balance at 1 January 2020		14,283	36,658	50,941
Profit for the year		-	3,888	3,888
Balance attributable to equity holders as at 31 December 2020	10	<u>14,283</u>	<u>40,546</u>	<u>54,829</u>

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

The notes on pages 20 to 38 form part of these financial statements.

PISTI 2010-1 PLC

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 €	31 December 2019 €
Cash flows from operating activities			
Profit before tax for the year		4,800	4,800
Adjustments for:			
Interest income	3	(94,340,214)	(91,710,627)
Interest expense	4	10,399,431	12,143,413
Deferred consideration expense and impairment		83,778,066	79,375,430
(Decrease)/increase in accruals and deferred income		(38,388)	38,889
Tax paid		(1,824)	-
Net cash used in operating activities		(198,129)	(148,095)
Cash flows from investing activities			
New receivables originated or purchased		(1,592,475,084)	(1,593,191,806)
Repayments of loans and loans repurchased by originator		1,618,062,890	1,622,950,966
Interest income received		94,015,254	91,818,416
Net cash generated from investing activities		119,603,060	121,577,576
Cash flows from financing activities			
Interest paid		(11,540,625)	(6,924,375)
Transferor interest paid		(111,414,792)	(111,568,570)
Net cash used in financing activities		(122,955,417)	(118,492,945)
Net (decrease)/increase in cash and cash equivalents		(3,550,486)	2,936,536
Cash and cash equivalents at the start of the year		184,040,186	181,103,650
Cash and cash equivalents at the end of the year		180,489,700	184,040,186

Notes to the statement of cash flows

Reconciliation of liabilities arising from financing activities

	1 January 2020	Cashflows	Non cash Amortisation of premium on loan notes	31 December 2020
	€	€	€	€
Loan notes and borrowings	582,893,695	-	1,166,931	584,060,626
Total liabilities arising from financing activities	582,893,695	-	1,166,931	584,060,626

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 20 to 38 form part of these financial statements.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 and approved by the directors in accordance with International Financial Reporting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006. For the purpose of compliance with the rules of the Irish Stock Exchange, these financial statements are also prepared in accordance with EU adopted 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 United Kingdom (IFRS as adopted by the UK).

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 €434,409,303 (2019: €429,445,254) Loan notes and borrowings held at the year end amounted to €584,060,626 (2019: €582,893,695). As of 31 December 2020, cash and cash equivalents, including reserve funds, were €180,489,700 (2019: €184,040,186). The Company made a profit of €3,888 in the current year (2019: €3,888) and at year end Shareholder funds were €54,829 (2019: €50,941).

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 SA' 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 the transaction documents. 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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

In 2020, the emergence and rapid spread of the Covid-19 pandemic overturned the growth prospects of the global economy, exacerbated the uncertainty of economic developments and worsened labor market conditions. Many governments, in an effort to boost the resilience of their national economies, have been forced to take emergency fiscal measures to support national health systems and ensure employment and entrepreneurship. During the first wave of the pandemic, in March and April, Greece, which is the main country where the Company operates, managed to curb the exponential spread of infections, due to the timely introduction of restrictive measures. Following the gradual easing of the first lockdown from May onwards, economic activity gradually returned to normal in the third quarter of 2020, which was reflected in real GDP growth of 2.3% on a quarterly basis. However, Greece recorded milder growth on a quarterly basis, compared to the Eurozone, as the low performance of tourism-related activities in the third quarter negatively affected growth dynamics. The recovery of economic activity in the summer months was interrupted by the resurgence of the COVID-19 pandemic in the fall, with the result that the recovery in 2021 due to the second wave of the pandemic is expected to be milder than original forecast. The European Commission forecasts a sharp decline in real GDP in 2020 (-9%) and an incomplete recovery in 2021 (5%). Similarly, the latest IMF forecasts, which are included in its latest report (Report on Greece No. 20/308, November 2020) predict a large decline in real GDP in 2020 (-9.5%) and a partial recovery in 2021 (5.7%). The forecasts of the Ministry of Finance, included in the State Budget 2021, predict a recession of (10.5%) in 2020 and a slight recovery in 2021 by 4.8%.

It is noted that the Covid-19 pandemic continues to create uncertainty while in the coming period its financial impact is expected to lead to a deterioration in the creditworthiness of individuals and corporates. To date, these effects have been mitigated by banking industry repayment deferrals and government incentives.

The significant fiscal support of the Greek government is estimated to partially offset the negative consequences of the recession. In particular, according to the estimates of the State Budget of 2021, the recession in 2020 could reach 17.5% (support measures for 7.0% of GDP) without fiscal interventions. In addition, of the 4.8% growth rate projected for 2021, 2.5% is attributed to the extension of fiscal support measures and the remaining 2.1% is attributed to the European Union Recovery and Sustainability Fund (RRF). On the other hand, the progress made in the development and distribution of effective vaccines will improve the outlook and strengthen the climate of trust, leading to a virtuous cycle from 2021.

In this context, the key factors that are expected to determine the course of economic activity in 2021 are: First, the extent to which vaccination programs will free up travel and boost private consumption, and second, the activation of the EU Recovery Plan -27 ("Next Generation EU", NGEU).

The prospect of access to the funds of the European Recovery and Resilience Facility (RRF), from the second half of 2021, can significantly enhance the growth potential of the country. The investments that are expected to be made will be mainly focused on green and digital development. In total, during the period 2021-2026, the Greek economy is expected to benefit with Euro 32 billion, of which Euro 19.3 billion relate to grants and Euro 12.7 billion relate to loans on favourable terms. Especially for 2021, Euro 2.6 billion are expected to be raised from the Recovery and Sustainability Mechanism in the form of grants and Euro 1.6 billion from the REACT-EU initiative, as well as Euro 1.3 billion with the form of loans.

It is also important that the European Central Bank, in its decisions in March, April and December 2020, accepted the securities of the Hellenic Republic as collateral for liquidity operations. The Hellenic Republic is taking steps to gradually recover its access to the financial markets to meet its financing needs.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

Early adoption of standards

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

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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of:

- (i) the consideration received (including any new asset obtained less any new liability assumed); and
- (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in Statement of profit & loss and other comprehensive income. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

Financial liabilities are derecognised when the Company obligation is discharged, cancelled or expires. A financial liability (or part of it) is extinguished when the Company either:

- discharges the liability (or part of it) by paying the creditor; or
- is legally released from primary responsibility for the liability either by process of law or the creditor.

Deemed Loan to 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 SA 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 SA 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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment losses on Deemed Loan to the Originator (continued)

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 SA to a default rating. The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral. These key assumptions are based on observed data from historical patterns and which is 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 2020, 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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purposes of the Statement of Cash flows, cash and cash equivalents comprise balances with maturities of three months or less from inception. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements and as such the cash and cash equivalents are not freely available to be used for other purposes.

Segmental Reporting

An operating segment is a component of a Company that engages in business activities from which it may earn revenues and incur expenses. The principal asset of the Company is 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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Critical accounting judgements

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

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 SA. 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 December 2020 there was a decrease in the expected credit losses on the underlying Receivables Portfolio held as collateral by €9,457,167 (2019: €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 2020, 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 SA 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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

Measurement of fair values

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

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

3. INTEREST INCOME

	2020 €	2019 €
Gross Interest income on the Deemed loan to Originator	94,340,214	91,710,627
Increase in Deferred purchase consideration	(93,235,233)	(92,643,360)
Impairment reversal	9,457,167	13,267,930
Net Interest income on Deemed Loan to the Originator	<u>10,562,148</u>	<u>12,335,197</u>

4. INTEREST EXPENSE

	2020 €	2019 €
Contractual interest on loan notes	9,232,500	9,309,437
Amortisation of premium on loan notes	1,166,931	2,833,976
	<u>10,399,431</u>	<u>12,143,413</u>

5. ADMINISTRATIVE EXPENSES

	2020 €	2019 €
Auditors remuneration - audit of the statutory financial statements of the Company	23,053	22,322
Auditors remuneration relating to prior year	-	34,017
Tax compliance	2,177	2,088
Corporate service and accountancy fees	11,036	28,161
Other fees	62,054	40,962
Servicing fees	59,597	59,434
	<u>157,917</u>	<u>186,984</u>

The Company has no employees (2019: nil) and, other than the corporate services fees paid to Wilmington Trust SP Services (London) Limited, the directors received no remuneration during the year (2019: €nil).

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6. TAXATION

(a) Analysis of charge in the year:

	2020	2019
	€	€
Current tax:		
Corporation tax charge for the year at 19% (2019: 19%)	<u>912</u>	<u>912</u>

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. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill (on 03 March 2021). These include an increase to the main rate to 25% from 01 April 2023. The small profits rate will remain at 19% for the financial year beginning 01 April 2022 and 2023.

(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% (2019: 19%).

	2020	2019
	€	€
Profit on ordinary activities before tax	<u>4,800</u>	<u>4,800</u>
Current tax charge at 19% (2019:19%)	<u>(912)</u>	<u>(912)</u>
	<u>(912)</u>	<u>(912)</u>

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 2020, 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

	2020	2019
	€	€
Carrying value of receivables portfolio	589,166,476	604,972,151
Deferred Purchase Consideration	<u>(154,757,173)</u>	<u>(175,526,897)</u>
Deemed Loan to the Originator	<u>434,409,303</u>	<u>429,445,254</u>

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 SA 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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020	429,445,254	-	-	429,445,254
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	1,731,175,171	-	-	1,731,175,171
Total repayments of loans and loans repurchased by the Originator	(1,756,113,051)	-	-	(1,756,113,051)
Movement in Deferred Consideration	(9,543,391)	-	-	(9,543,391)
Movement in interest accrued	(324,963)	-	-	(324,963)
Reclassification of deferred consideration to be settled in cash subsequent to year-end	30,313,116			30,313,116
Movement in the ECL of the underlying receivable portfolio	9,457,167	-	-	9,457,167
Gross carrying amount as at 31 December 2020	434,409,303	-	-	434,409,303

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	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

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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	478,713,573	147,200,975	8,935,166	817,851	635,667,565
Less: ECL allowance for impairment losses	<u>(10,643,648)</u>	<u>(31,686,581)</u>	<u>(4,028,797)</u>	<u>(142,063)</u>	<u>(46,501,089)</u>
Total Net Loans	<u>468,069,925</u>	<u>115,514,394</u>	<u>4,906,369</u>	<u>675,788</u>	<u>589,166,476</u>

The Deemed Loan to the Originator was not impaired as at 31 December 2020 (2019: €nil) as the ECL balance is offset against the deferred purchase consideration. As at 31 December 2020, deferred consideration to be settled in cash subsequent to year-end amounting to €30,313,116 (2019: €27,722,397), has been classified as a financial liability entitled “deferred consideration payable” in the statement of financial position.

As at 31 December 2019

	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	<u>(10,756,468)</u>	<u>(32,383,564)</u>	<u>(12,397,007)</u>	<u>(421,217)</u>	<u>(55,958,256)</u>
Total Net Loans	<u>519,444,007</u>	<u>66,166,262</u>	<u>17,971,163</u>	<u>1,390,719</u>	<u>604,972,151</u>

8. OTHER ASSETS

	2020	2019
	€	€
Amount due from Parent Company	<u>4,094</u>	<u>4,094</u>

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.

	2020	2019
	€	€
Cash and bank current accounts	43,751	2,347,805
Reserve account	19,277,470	19,277,470
Bank deposit accounts	<u>161,168,479</u>	<u>162,414,911</u>
	<u>180,489,700</u>	<u>184,040,186</u>

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

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10. SHARE CAPITAL

	2020	2019
Issued share capital:	€	€
2 (2019: 2) fully paid ordinary share at £1 each	2	2
49,998 (2019: 49,998) quarter paid ordinary shares at £1 each	<u>14,281</u>	<u>14,281</u>
	<u>14,283</u>	<u>14,283</u>

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 SA has no direct ownership interest in the Company, however, in accordance with IFRS the Company is considered to be controlled by Alpha Bank SA. Accordingly the results of the Company are included in the consolidated financial statements of Alpha Bank SA, being the controlling party.

11. LOAN NOTES AND BORROWINGS

	2020	2019
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	<u>(2,139,374)</u>	<u>(3,306,305)</u>
	<u>584,060,626</u>	<u>582,893,695</u>

On 25 February 2010, €956,300,000 of Fixed and Floating Rate Loan Notes were issued to Alpha Bank SA. At 31 December 2020 Loan Notes held by Alpha Bank SA are €586,200,000 (2019: €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 SA 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 the transaction documents.

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 (2019: €nil).

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12. OTHER LIABILITIES

	2020	2019
	€	€
Interest payable	179,521	2,487,645
Accruals and deferred income	46,550	84,938
Levy and insurance accruals	242,495	243,046
Service fee accruals	5,048	5,048
	<u>473,614</u>	<u>2,820,677</u>

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 SA 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 SA. 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 2020 would have been €77,096 higher (2019: €106,763). 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 2020 would have been lower by €77,096 (2019: €106,763).

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:

		Carrying amount	Fair value	Carrying amount	Fair value
	Note	2020	2020	2019	2019
		€	€	€	€
Financial assets:					
Deemed Loan to the Originator	7	434,409,303	487,103,151	429,445,254	461,997,204
Other assets	8	4,094	4,094	4,094	4,094
Cash and cash equivalents	9	<u>180,489,700</u>	<u>180,489,700</u>	<u>184,040,186</u>	<u>184,040,186</u>
Financial liabilities:					
Loan notes	11	584,060,626	522,240,450	582,893,695	538,293,540
Other liabilities	12	<u>473,614</u>	<u>473,614</u>	<u>2,820,677</u>	<u>2,820,677</u>

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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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:

2020	Total fair value €	Valuation method
Financial assets:		
Deemed Loan to the Originator	487,103,151	Discounted cash flows using the swap curve, plus the weighted average fair value credit spread 8.75% of the loans
Financial liabilities:		
Loan notes and borrowings	522,240,450	Discounted cash flows using the Bloomberg Swap S232 curve, plus the average CDS spread of 548.325 bps
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 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:

	Within one year €	After one year €	Non - interest bearing €	Total €
At 31 December 2020				
Assets				
Gross Deemed Loan to the Originator	47,046,040	387,363,263	-	434,409,303
Other assets	-	-	4,094	4,094
Cash and cash equivalents	-	180,489,700	-	180,489,700
Total assets	47,046,040	567,852,963	4,094	614,903,097
Liabilities				
Loan notes and borrowings	214,760,626	369,300,000	-	584,060,626
Other liabilities	-	-	473,613	473,613
Total liabilities	214,760,626	369,300,000	473,613	584,534,239

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Within one year €	After one year €	Non - interest bearing €	Total €
At 31 December 2019				
Assets				
Gross 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

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 2020. 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 2020	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	584,060,626	586,200,000	-	-	85,223,077	500,976,923	-
Interest payable	179,521	11,886,479	758,836	1,441,788	6,555,172	3,130,683	-
Accruals and deferred income	289,044	289,044	-	-	289,044	-	-
Total liabilities	584,529,191	598,375,523	758,836	1,441,788	92,067,293	504,107,606	-

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

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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 SA as it retains the portfolio of underlying receivables on the Statement of Financial Position. The credit rating of Alpha Bank SA performed by three international credit ratings agencies is as follows:

Moodys: Caa1

Fitch Ratings: CCC+

Standard & Poor's: B

The Originator has been affected by the high degree of uncertainty that characterises the Greek economic environment in recent years, as a result of the prolonged recession of the Greek economy, which led to a significant deterioration in the creditworthiness of corporate and individuals and therefore to the recognition of significant 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 €3,127,235. If the assigned cumulative probability of the upside scenario was increased from 20% to 40%, Expected Credit Losses would decrease by €3,127,173. 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 2020

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Not Past Due	470,663,631	105,091,268	949,379	615,303	577,319,581
Past due	8,049,942	42,109,707	7,985,787	202,548	58,347,984
Carrying amount (before provision for impairment losses)	<u>478,713,573</u>	<u>147,200,975</u>	<u>8,935,166</u>	<u>817,851</u>	<u>635,667,565</u>
Expected credit losses	<u>(10,643,648)</u>	<u>(31,686,581)</u>	<u>(4,028,797)</u>	<u>(142,063)</u>	<u>(46,501,089)</u>
Net carrying amount	<u>468,069,925</u>	<u>115,514,394</u>	<u>4,906,369</u>	<u>675,788</u>	<u>589,166,476</u>
Value of collateral	-	-	-	-	-

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

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)	<u>530,200,475</u>	<u>98,549,826</u>	<u>30,368,170</u>	<u>1,811,936</u>	<u>660,930,407</u>
Expected credit losses	<u>(10,756,468)</u>	<u>(32,383,564)</u>	<u>(12,397,007)</u>	<u>(421,217)</u>	<u>(55,958,256)</u>
Net carrying amount	<u>519,444,007</u>	<u>66,166,262</u>	<u>17,971,163</u>	<u>1,390,719</u>	<u>604,972,151</u>
Value of collateral	-	-	-	-	-

As at 31 December 2020

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Strong	328,113,120	8,421,777	-	195,840	336,730,737
Satisfactory	150,555,424	26,038,392	-	211,964	176,805,780
Watch list	45,029	112,740,806	-	342,385	113,128,220
Default	-	-	8,935,166	67,662	9,002,828
Carrying amount (before impairment)	<u>478,713,573</u>	<u>147,200,975</u>	<u>8,935,166</u>	<u>817,851</u>	<u>635,667,565</u>
Expected credit losses	<u>(10,643,648)</u>	<u>(31,686,581)</u>	<u>(4,028,797)</u>	<u>(142,063)</u>	<u>(46,501,089)</u>
Net carrying amount	<u>468,069,925</u>	<u>115,514,394</u>	<u>4,906,369</u>	<u>675,788</u>	<u>589,166,476</u>

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)	<u>530,200,475</u>	<u>98,549,826</u>	<u>30,368,170</u>	<u>1,811,936</u>	<u>660,930,407</u>
Expected credit losses	<u>(10,756,468)</u>	<u>(32,383,564)</u>	<u>(12,397,007)</u>	<u>(421,217)</u>	<u>(55,958,256)</u>
Net carrying amount	<u>519,444,007</u>	<u>66,166,262</u>	<u>17,971,163</u>	<u>1,390,719</u>	<u>604,972,151</u>

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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Ageing analysis by IFRS 9 stage

As at 31 December 2020

	Stage 1	Stage 2	Stage 3	POCI	Total
	€	€	€	€	€
Current	470,663,631	105,091,268	949,379	615,303	577,319,581
1-29 days	8,049,942	30,129,308	367,286	129,111	38,675,647
30- 89 days past due	-	11,980,399	451,229	47,755	12,479,383
> 90 days past due	-	-	7,167,272	25,682	7,192,954
Carrying amount (before impairment)	<u>478,713,573</u>	<u>147,200,975</u>	<u>8,935,166</u>	<u>817,851</u>	<u>635,667,565</u>
Expected credit losses	<u>(10,643,648)</u>	<u>(31,686,581)</u>	<u>(4,028,797)</u>	<u>(142,063)</u>	<u>(46,501,089)</u>
Net carrying amount	<u>468,069,925</u>	<u>115,514,394</u>	<u>4,906,369</u>	<u>675,788</u>	<u>589,166,476</u>

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)	<u>530,200,475</u>	<u>98,549,826</u>	<u>30,368,170</u>	<u>1,811,936</u>	<u>660,930,407</u>
Expected credit losses	<u>(10,756,468)</u>	<u>(32,383,564)</u>	<u>(12,397,007)</u>	<u>(421,217)</u>	<u>(55,958,256)</u>
Net carrying amount	<u>519,444,007</u>	<u>66,166,262</u>	<u>17,971,163</u>	<u>1,390,719</u>	<u>604,972,151</u>

Alpha Bank SA have repurchased loans from the Company of €26,117,089 (2019: €16,960,837) 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.

PISTI 2010-1 PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 €35,312 (2019: €20,812) 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 SA 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 2020, €1,592,475,084 (2019: €1,593,191,806) of additional portfolio of loans was acquired and €35,909,251 of loans were repurchased (2019: €42,897,896).

During 2020 Alpha Bank SA earned €59,597 (2019: €59,434) in servicing fees for acting as the portfolio of loans servicer of which €5,048 (2019: €5,048) was outstanding at 31 December 2020 and included in accruals and deferred income.

Given the details set out in note 11, Loan Notes held by Alpha Bank SA are €586,200,000 as at 31 December 2020 (2019: €586,200,000). During 2020, €9,232,500 (2019: €9,309,437 of interest on Loan Notes was payable to Alpha Bank SA of which €179,521 (2019: €2,487,646) was outstanding at year end.

Under the terms of the sale agreement relating to portfolio of loans, Alpha Bank SA has a residual interest in the portfolio of loan comprising Retained Interest and transferor interest. At 31 December 2020 €385,981,853 (2019: €372,321,230) and €200,911,564 (receivables) (2019: €169,071,936) of Retained Interest and transferor interest respectively was retained by Alpha Bank SA 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 (2019: €4,094) was receivable from the parent.

Cash and cash equivalents include balance of €180,489,700 (2019: €181,040,186) in bank account held with Alpha Bank SA 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 SA 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 SA, 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 SA can be obtained from www.alpha.gr.

16. POST BALANCE SHEET EVENT

On 16 April 2021, the Originator completed the demerger of Alpha Bank AE through the business banking sector's hive down and the establishment of a new company-credit institution under the corporate name "Alpha Bank SA".

On 25 May 2021, the Company partially redeemed €75,090,000 Class A Notes, and €44,110,000 Class B Notes.

Loans amounting to €3,011,369 have been redeemed since the year end. The Company has also acquired loans amounting to €19,397,658 since the year end. There were no other significant balance sheet events.