Annual Financial Report

31 December 2021

The attached Annual Financial Report has been approved by Piraeus Financial Holdings S.A. Board of Directors on 24 March 2022 and is available on the web site of Piraeus Financial Holdings S.A. at www.piraeusholdings.gr

The information contained in this Annual Financial Report has been translated from the original Annual Financial Report that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language Annual Financial Report, the Greek language Annual Financial Report will prevail over this document.

PIRAEUS
FINANCIAL HOLDINGS

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STATEMENT OF ARTICLE 4 PAR. 2 OF LAW 3556/2007

To the best of our knowledge, the full year 2021 financial statements that have been prepared in accordance with the applicable accounting standards give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Financial Holdings S.A. and the group of companies included in the consolidated financial statements, taken as a whole. In addition, the Board of Director's Annual Report for 2021 gives a fair and true view of the evolution, performance and position of Piraeus Financial Holdings S.A. and the group of companies included in the consolidated financial statements, taken as a whole, including the description of the main risks and uncertainties they have to face.

Athens, 24 March 2022

Non-Executive Chairman of BoD	Managing Director (CEO) Executive BoD Member	Non-Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou	Solomon A. Berahas

BOARD OF DIRECTORS' ANNUAL REPORT

International Environment and Economic Developments

In 2021, the global economy was characterized by the effort to recover from the severe consequences of the pandemic in conjunction with mass vaccination. The global economy grew in 2021 by 5.9% after shrinking by 3.1% in 2020. Severe supply chain problems led most economies to high inflation in 2021. In 2022, the global economy growth rate is expected to moderate to 4.4%. Elevated inflation rate is expected to persist with ongoing supply chain disruptions and high energy prices continuing in 2022, while the crisis in Ukraine creates additional risks and uncertainty, resulting in the possible maintenance of inflationary pressures for a longer period than initially expected.

The US economy grew by 5.7% in 2021 after shrinking by 3.4% in 2020. Inflation rate rose close to 6% at the end of 2021, which is the highest level since the early '80s. In 2022 the growth rate is expected to moderate to 4.4%. The Fed has decided to end the quantitative easing program in 2022 and raise the policy interest rate at least three times and start reducing its assets. Inflation rate is estimated to fall marginally below 3% by the end of 2022.

The Eurozone economy grew by 5.2% in 2021 after a recession of 6.4% in 2020. Inflation rate rose to close to 5% at the end of 2021 due to very high gas prices. In 2022, the growth rate is expected to soften to 4.1%. The European Central Bank (ECB) has decided to discontinue the Pandemic Emergency Purchase Programme (PEPP) program in 2022. However, the ECB will continue to fully reinvest the maturing securities, which were purchased with the PEPP program until at least the end of 2024. The Asset Purchase programme (APP) will be probably terminated until the end of 2022. Inflation rate is estimated to decline marginally lower than 2% by the end of 2022. However, the recent crisis in Ukraine enhances the upside risks in inflation rate during 2022 and the downside risks in growth rate due to the very high energy and food prices.

China's economy grew by 8.1% in 2021. In contrast to other major economies, the inflation rate in China was contained at low levels. In 2022 the growth rate is expected to slow down to 5.0%. China's Central Bank is expected to ease monetary policy in 2022, so as to support the decelerating economic activity. In total, the developing and emerging economies is expected to grow by 4.9% in 2022 lower compared to 6.5% in 2021 and after contracting by 2% in 2020.

GDP (% growth)	2020 actual	2021 actual	2022 estimate
World	-3.1%	5.9%	4.4%
US	-3.4%	5.7%	4.4%
Eurozone	-6.4%	5.2%	4.1%
China	2.2%	8.1%	5.0%

Developments in the Greek Economy in 2021, Prospects and Risks for 2022

In 2021, the Greek economy has entered in a course of robust economic recovery, following the deep recession of 9.0% in 2020. In 2021 real Gross Domestic Product (GDP) increased by 8.3% on an annual basis. The robust recovery in private consumption, the further increase in investments and the sharp increase in exports contributed positively to the strong recovery on an annual basis. Based on European Commission's forecasts (Winter Economic forecast, 10 February 2022), real GDP is expected to expand by 4.9% in 2022. The improvement of the economic climate, the good course in industry, trade and construction activity and the improvement in the labor market, despite the intense inflationary pressures, seem to support a solid recovery of the Greek economy.

In 2021, the Economic Sentiment Indicator increased to 105.1 points and returned close to the levels of 2019 (105.4 points). However, rising inflation and energy prices, as well as uncertainty about the evolution and effects of the pandemic, will continue to be a determinant of expectations in the coming months. The relaxation of the restrictions to deal with the health crisis and the restart of the tourist season, seem to have contributed to the acceleration of job creation. The unemployment rate in 2021 decreased to 14.8% (12-month average seasonally adjusted rate) compared to 16.4% in 2020 and employment increased by 1.2% (2020: -0.8%). However, the labor market has been affected by the implementation of specific operating constrains to companies and the adoption of measures to protect public health. In 2021, inflation stood at 1.2%. Consumer price growth accelerated in the second semester of 2021, after several months of decline, mainly reflecting rising cost of energy and food prices. In the first two months of 2022, inflation stood at 6.7%.

The continuing implementation of fiscal measures for the pandemic led to a state budget deficit, on a modified cash basis, of € 14.9 billion for the period January – December 2021 against a deficit of € 22.8 billion in the corresponding period of 2020. The State Budget Primary Balance amounted to a deficit of € 10.3 billion, against a primary deficit of € 18.2 billion performed at the same period of the previous year. The support measures taken to address the economic impact of the pandemic in the two years 2020-2021 amount to € 40 billion (€ 23.1 billion for actions implemented in 2020 and € 16.9 billion in 2021). At the same time, based on the Explanatory Budget Report for 2022, an additional € 3.3 billion of interventions for 2022 are estimated. Based on the Report, the general government deficit as a percentage of GDP is expected to drop at 9.6% in 2021 and 4.0% in 2022, from 10.1% in 2020 as per ESA (European System of Accounts). The general government primary deficit from 7.1% in 2020, is expected to reach 7.0% of GDP in 2021 and 1.4% of GDP in 2022.

In 2021, the current account deficit decreased by €356.6 million year-on-year and stood at €10.6 billion. A rise in the deficit of the balance of goods is due to the fact that imports increased more than exports. A rise in the services surplus is almost exclusively attributable to an improvement in the travel services balance; however, this was partly offset by a decline in the surplus of the transport balance. In terms of tourism, receipts in 2021 increased by 146.7% compared to 2020, and stood at € 10.65 billion.

The current health crisis finds the Greek real estate market in a critical period, showing significant recovery signs in the past three years. Residential property prices (the apartment price index as illustrated by the Bank of Greece "BoG") increased by 7.9% in the third quarter of 2021, on an annual basis. According to revised data, the year-on-year increase in the first and second quarters of 2021 was 4.3% and 6.2% respectively. In 2020, the apartment price index increased by 4.5% on an annual basis. The office price index increased by 1.3% in the first half of 2021 on an annual basis, following an increase by 1.2% in 2020.

In 2021, Greece continued its access to the international debt markets with seven successful Greek Government Bond ("GGB") issuances. The Greek state raised a total of € 15.8 billion on the open market in 2021, while for 2022 it has planned transactions amounting to € 12 billion. Despite funding needs remaining high in 2021, the liquidity raising from the international markets resulted in the maintenance of cash reserves at € 31.6 billion as of the end of the year. The favorable financing conditions continue to be supported also by ECB's accommodative monetary policy stance, including purchases of Greek securities under the PEPP. According to the decision of the Governing Council of the ECB at the December 2021 meeting, which it reaffirmed at the February meeting (3/2/2022), the Governing Council will discontinue net asset purchases under the PEPP at the end of

March 2022 and intends to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024. Moreover, based on the above decision, in the event of renewed market fragmentation related to the pandemic, PEPP reinvestments can be adjusted flexibly across time, asset classes and jurisdictions at any time. This could include purchasing bonds issued by the Hellenic Republic over and above rollovers of redemptions in order to avoid an interruption of purchases in that jurisdiction, which could impair the transmission of monetary policy to the Greek economy while it is still recovering from the fallout from the pandemic. Net purchases under the PEPP could also be resumed, if necessary, to counter negative shocks related to the pandemic.

In addition, the process of the second early repayment of part of the existing loans that Greece has received from the International Monetary Fund ("IMF"), amounting to € 3.3 billion, was completed in March 2021, thus reducing the funding cost of sovereign debt. The State is planning to early repay the last part of IMF loans (€ 1.8 billion) and a part of bilateral Eurozone countries loans (€ 5.3 billion) in the near future.

The 13th assessment of the Greek economy was successfully completed in February 2022, under the enhanced supervision regime, in which the country entered in the summer of 2018, after joining the economic and fiscal policy coordination cycle of the European Semester. The favorable prospects of the economy are reflected in the recent Greek sovereign rating upgrades. In April 2021, S&P upgraded the rating of Greece to "BB" (Positive Outlook), from "BB-". In September 2021, DBRS Morningstar and Scope ratings upgraded the Greek sovereign rating by one notch to BB (Positive Outlook) from BB low and to BB+ (Stable Outlook) from BB, respectively. On 14 January 2022, Fitch upgraded the outlook of the Greek economy from positive to stable, keeping sovereign rating unchanged at BB.

Moreover, on 13 July 2021 the Economic and Financial Affairs Council (ECOFIN) approved the National Recovery and Resilience Plan (NRRP) "Greece 2.0", following the positive assessment from the European Commission. The "Greece 2.0" plan is structured into four pillars: (1) Green transition; (2) Digital transformation; (3) Employment, skills and social cohesion (health, education, and social protection); and (4) Private investment and transformation of the economy. "Greece 2.0" plan includes 106 investments and 68 reforms, utilizing € 30.5 billion European funds (€ 17.8 billion in grants and € 12.7 billion in loans), while it is expected to mobilize € 60 billion of total investments in the country during the next five years.

The European Commission on 28 February 2022, has endorsed a positive preliminary assessment of Greece's payment request on 29 December 2021, following completion of all relative landmarks and goals, for € 3.6 billion, of which €1.7 billion in grants and €1.9 billion in loans, under the Recovery and Resilience Facility (RRF). Greece has already received a total of € 3.96 billion in pre-financing funds since the beginning of August (€ 2.31 billion for subsidies and € 1.65 billion for loans). In addition, by the beginning of January 2022, 103 projects have been included in the Recovery and Resilience Facility ("RRF"), with a total budget of more than € 6 billion.

The prospects of the Greek economy are particularly positive, as in the following years it will benefit from the utilization of European resources, the implementation of the reforms included in the National Recovery and Resilience Plan, the revision of the fiscal rules of the Stability and Growth Pact, favorable liquidity conditions, and the recovery of the European economy. According to the latest simulations by the Commission, the GDP level is expected to increase by 2.1-3.3% by 2026, from the combined effect of the grants and loans component of RRF. According to European Commission's Enhanced Surveillance Report (September 2021), such simulations do not include the possible positive impact from the structural reforms envisaged under the plan. Growth will also be supported by the new EU (European Union) funding cycle.

The recovery of 2022 depends on the utilization of funds under the RRF, the de-escalation of inflationary pressures, the geopolitical developments, the improvement of the epidemic status and the degree of tourist activity restoration. The velocity of the recovery, as well as the effective utilization of the EU recovery and resilience funds, will be decisive factors in determining the developments in the Greek economy, the banking sector and the Group in particular.

The primary risk factors affecting the developments in Greek economy, the domestic banking sector in general and the Group in particular, are the global and domestic macroeconomic and financial market conditions, the persistence of inflationary pressures, supply chain volatility and uncertainty, the continuing impact due to the coronavirus pandemic and the difficulties posed by the broader geopolitical conditions. In particular, the Russia-Ukraine crisis creates additional risks and uncertainty, affecting - among others - energy prices, resulting in maintaining inflationary pressures in intensity and time horizon, greater than the initial estimate. It may also have an impact on consumption, tourism and entrepreneurship, with an emphasis on international trade. Also, the possible upsurge of migration flows as a result of geopolitical developments is an additional source of uncertainty.

Developments in the Greek Banking System

The Greek banking system in 2021 continued to recover, managing the negative effects from the outbreak of the pandemic in 2020.

The confidence towards the Greek banking system by households and businesses continued to improve as evidenced by the increased deposits in the system. Moreover, the measures taken by the ECB, mainly through the Targeted Longer Term Refinancing Operations (TLTRO) facility, improved the funding and liquidity status of the system, while deposits continued rising in 2021. In December 2021, private sector deposits reached € 180 billion, up 10.3% year on year or € 16.8 billion higher compared to 31 December 2020.

The funding of the Greek Banks from the ECB continued to increase in 2021. As at 30 November 2021, total ECB funding to the Greek banking system stood at € 46.9 billion compared to € 41.2 billion at the end of December 2020. It should be noted that the aforementioned increase of Greek Banks' ECB funding has been facilitated by the ECB's decision on 7 April 2020 to waive the minimum credit quality requirement for marketable debt instruments issued by the Hellenic Republic for acceptance as collateral in the Eurosystem credit operations. In December 2020, the waiver was extended until June 2022. As a result of these decisions, the pool of eligible collateral of the Greek Banking system increased significantly and Greek Banks replaced wholesale funding through the repo market with cheaper ECB funding by utilizing the TLTRO facility. This development is underpinning Greek Banks efforts to finance at a lower cost the stabilization and recovery of Greek businesses from the pandemic-induced slowdown.

The stock of loans to the domestic private sector declined significantly in 2021 (with the drop being mainly attributed to the sales of Non-Performing Exposures (NPE) portfolios).

Going forward, credit expansion is expected to be positively affected by the funds of the Next Generation EU, the funding package during the period 2021-2026, sponsored by the EU, which targets to alleviate the impact of the Covid-19 pandemic. The Greek banking system is expected to leverage the EU funds in order to support the Greek economy and lay the ground for sustainable growth rates in the next years. On top of € 17.8 billion grants in the context of RRF, Greek banks are also expected to intermediate in order to allocate part of the € 12.7 billion loans. At the end of December 2021, the agreements between the Ministry of Finance and six (6) domestic banking institutions were signed for the utilization of the RRF funds.

In the first nine months of 2021, Greek Banks' losses widened significantly year over year, mainly driven by increased credit impairments. However, the majority of the credit impairments were related with scheduled NPE securitizations, hence a material derisking of the banking system's balance sheet has taken place.

The operating income of the sector in the first nine months of 2021 decreased on an annual basis, although net interest income remained practically flat. Total revenues declined due to lower non-recurring revenues year over year, while operating expenses increased due to non-recurring expenses related to restructuring costs and staff voluntary exit schemes for a number of banks.

A decision that indicates the restoration of confidence to the Greek banking system was taken on 6 March 2020, when ECB repealed the upper limits on their exposure to Hellenic Republic risk it had set in a previous decision in 2015 at the peak of the crisis. As a consequence, Greek banks were allowed to buy additional amounts of Greek sovereign debt. Greek Banks increased their exposure on Greek sovereign debt, which led to significant gains in 2020 and early 2021, mainly through exchanges of debt with the Greek state. In the last months of 2021, and more intensively at the beginning of 2022, Greek sovereign debt yields increased from historical low levels, driven by ECB's decision to discontinue net asset purchases under the PEPP at the end of March 2022, along with inflationary pressures and rising expectations for tighter monetary policy in the near future from major central banks.

The measures that the ECB Banking Supervision announced in March 2020, allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the capital conservation buffer (CCB). In addition, banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital. For example, Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R), according to Capital Requirements Directive (CRD) V provisions that were frontloaded in application.

During 2021, significant developments with regards to the strengthening of the capital base of the banking system took place. More specifically, two share capital increases have been executed with a total sum of € 2.2 billion. The first one totaling € 1.4 billion has been completed by Piraeus Financial Holdings in the second quarter of 2021, with the second one completed by another Greek systemic Bank in the beginning of the third quarter 2021.

Additionally, all Greek systemic Banks proceeded with fixed income issuances during 2021 with total proceeds in the tune of € 3.5 billion. More specifically an Additional Tier 1 issue of € 600 million was completed by Piraeus Financial Holdings in June 2021, a € 500 million Tier 2 issue took place earlier in the year by another Greek systemic Bank, while Senior Preferred bonds were issued by three Greek systemic Banks for total proceeds of € 2.4 billion.

In March 2020, the European Banking Authority (EBA) announced actions to mitigate the impact of Covid-19 on the EU banking sector, allowing more flexibility in the implementation of the EBA Guidelines on the management of non-performing and forborne exposures. On top of the introduction of more flexibility on capital buffers that the Single Supervisory Mechanism (SSM) announced, in March 2020 the supervisor introduced some flexibility on provisioning and Non-Performing Loans (NPL) formation, in the form of a) flexibility regarding the classification of debtors as unlikely-to-pay when banks call on public guarantees granted in the context of Covid-19, b) preferential prudential treatment in terms of supervisory expectations about provisioning when loans under public guarantees become NPE, and c) the supervisor deploying flexibility when discussing with banks the implementation of NPL reduction strategies. Finally, the ECB recommended that all banks avoid procyclical assumptions in their models to determine provisions, in order to avoid short term spikes in loan loss provisions and risk weighted asset inflation just coming from IFRS 9 models.

As at 30 September 2021, the NPE balance of the Greek banking system stood at € 20.9 billion with the NPE ratio standing at 15%. Trade, manufacturing and construction were the sectors with the highest stock of NPEs at 18%, 16% and 23% respectively.

The four Greek systemic banks successfully completed the 2021 SSM Stress Test exercise, as indicated by the results that were published on 30 July 2021. Greece's four systemic Banks fully loaded CET1 ratio averaged 15.7% at end-2023 in the baseline scenario. Under the adverse scenario, the fully loaded CET1 ratio average at end-2023 stood at 7.2%. It is important to note that the exercise was based on a static balance sheet approach and did not incorporate capital or other initiatives post 31 December 2020. Taking into account the capital actions executed by Greek Banks in the first semester of 2021, the fully loaded CET1 ratio at end-2023 would stand at 8.6%.

Significant developments that are expected to play key role in the Greek banks' priorities during 2022 are:

- The HAPS (Hellenic Asset Protection Scheme), also called "Hercules" plan, which has been instrumental during 2020 - 2021 in assisting banks to reduce their NPEs, through securitizations of which the senior tranches bear Government's guarantee; HAPS has been extended until October 2022 and all 4 systemic banks have utilized it to reduce NPEs;
- The new legislative framework on insolvency that passed into law in late 2020, which oversees the restructuring and bankruptcy process for all private debt to authorities, social security, banks etc. 2021 was the first full year of implementation of the new law, however, due to the Covid-19 pandemic, auctions have been put on hold until September 2021, which provided a stumbling block towards this goal. The conduct of electronic auctions has increased since its resumption in September 2021, while work is ongoing regarding the introduction of further enhancements. The full implementation of the new law should provide Banks with another tool to resolve non performing exposures;
- The deployment of the RRF funds for the financing of Greek businesses. At the end December 2021, the agreements between the Ministry of Finance and six (6) domestic banking institutions were signed for the utilization of the RRF funds. On the back of these agreements, RRF funds will be channeled in the next period to the Greek banks to finance Greek businesses. The first disbursement under the RRF umbrella are expected to have been completed by mid-2022;
- The 2022 supervisory Climate Risk Stress Test that will assess how prepared European banks are for dealing with financial and economic shocks stemming from climate risk. The Stress test will be conducted in the first half of 2022 by the ECB Banking Supervision. This test is a learning exercise for banks and supervisors alike. It aims to identify shortcomings, best practices and challenges banks face when managing climate-related risk. Importantly, this is not a pass or fail exercise, nor does it have direct implications for banks' capital levels.
- The establishment of the new Minimum Requirement for own funds and Eligible Liabilities ("MREL") by the Single Resolution Board ("SRB"), which became effective from 01 January 2022 and aims to ensure that banks are provided with sufficient own funds and eligible liabilities to guarantee their capacity to absorb losses and recapitalize in adverse scenarios, thus ensuring the continuity of their activity. For Greek Banks, MREL targets have been set according to a transition period, i.e. setting the final binding target by 31 December 2025, along with an interim binding target set for 01 January 2022.

Piraeus Financial Holdings Group Developments

2021 was a year of great importance for the Group as it fully unfolded its derisking strategy, building on the significant progress made during 2020.

More specifically, on 30 December 2020, the core banking operations of the Piraeus Bank S.A. were demerged, by way of hive-down, and were contributed into a newly-formed credit institution incorporated under the corporate name “Piraeus Bank Société Anonyme”.

In connection with the Demerger:

- Piraeus Bank Société Anonyme substituted the former Piraeus Bank S.A., by way of universal succession, to all the transferred assets and liabilities of the core banking operations of the former Piraeus Bank S.A.;
- Piraeus Bank S.A. ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities, and changed its corporate name to “Piraeus Financial Holdings Société Anonyme”; and
- Piraeus Financial Holdings Société Anonyme became the 100% shareholder of Piraeus Bank Société Anonyme and the direct or indirect holding company for all other companies that, prior to the Demerger, comprised the “Group”.

The most important corporate events for the Group during 2021 and up to the publication of the 2021 Annual Financial Report, were the following:

The Contingent Convertible Bond Conversion

On 14 January 2021, the trading of the 394,400,000 new common registered shares of nominal value € 6.00 each in the Athens Stock Exchange commenced, resulting from the share capital increase by € 2,366.4 million, further to the conversion of all the Contingent Convertible Securities (“CoCos”) of the bond loan issued by the Company of € 2,040 million total nominal value and issuance date 2 December 2015, which was covered in whole by the Hellenic Financial Stability Fund (HFSF), in accordance with Law 3864/2010, the Cabinet Act No 36/02.11.2015 and the respective corporate bodies’ resolutions. The New Shares resulted from the automatic conversion of all CoCos of a total nominal value of € 2,040 million to 394,400,000 common registered shares of the Company (determined by the division of 116% of the total CoCos nominal value by the Conversion Price, which amounts to € 6.00 per share as per the Bond Issuance Programme terms) on Monday 4 January 2021, which was designated as the Conversion Date, pursuant to the provisions of the Bond Issuance Programme and the Cabinet Act No 36/2015.

Profit Realization from Securities Portfolio

On 13 January 2021, the Greek Government and the Bank proceeded with a GGBs exchange that included existing sovereign bonds held by the Bank, of nominal value € 2.8 billion, with a new GGB of equivalent nominal value maturing in 2050. The exchange took place at market terms and was settled on 20 January 2021. The Group’s gain from the aforementioned exchange amounted to € 221 million. In February 2021, the Group’s net trading income was enhanced by realized gains from interest rate derivatives of € 82 million. On 1 March 2021, the Bank proceeded with the sale of Italian sovereign bonds of a nominal value of € 1,150 million from the debt securities portfolio classified at amortised cost. The Group’s gain from the aforementioned transaction amounted to € 85 million. On 17 December 2021 the Group exchanged with the Hellenic Republic existing GGBs of total nominal value € 429 million, for GGBs with various maturity of total nominal value € 425 million. The gain from the exchange of the aforementioned GGBs amounted to € 7 million.

Phoenix and Vega NPE Securitization

On 1 March 2021, Piraeus Financial Holdings S.A. and Intrum AB (publ) (“Intrum”) signed a binding agreement for the sale of thirty percent (30%) of the mezzanine notes and fifty percent (50%) plus one note of the junior notes of the Vega securitization. The Vega portfolio consists of three special purpose vehicles, namely Vega I NPL Finance DAC, Vega II NPL Finance DAC and Vega III NPL Finance DAC, with a total gross book value of approximately € 4.9 billion. The implied valuation of the Vega portfolio based on the anticipated fair value of the senior notes and the sale price of the mezzanine notes corresponds to approximately 31% of the total gross book value of the Vega portfolio. Prior to that, in February 2021, Piraeus Bank submitted application for the inclusion of the Vega securitizations in the "Hercules" Asset Protection Scheme pursuant to Law 4649/2019. The application related to the provision of a guarantee by the Greek State on the senior notes of approximately € 1.4 billion.

On 5 July 2021, the Group announced the completion of the Phoenix and Vega securitizations, in total € 7.0 billion of gross book value, following the granting of all necessary approvals. The distribution-in-kind to the shareholders, of the shares issued by the Cypriot subsidiary "Phoenix Vega Mezz Ltd", which holds 65% of the mezzanine and 45% of the junior tranches of the aforementioned NPE securitizations, in accordance with the respective resolution of PFH's Annual General Meeting of Shareholders dated 22 June 2021, was completed on 11 August 2021, as per the envisaged timeline.

Phoenix Vega Mezz Plc shares (ticker "PVMezz") were listed on the EN.A. PLUS segment (Alternative Market) of the Athens Stock Exchange on 12 August 2021.

Synthetic Securitization of Performing loans

On 11 March 2021 the Company entered into a binding agreement with global investor Christofferson, Robb & Company (CRC) for a synthetic (virtual) securitization of performing Small/ Medium Enterprises (SME) and Corporate loans, with an aggregate gross book value of approximately € 1.4 billion, in order to purchase credit protection, under a financial guarantee. As a result of the transaction, the Bank reduced its Risk Weighted Assets (RWAs) by approximately € 0.8 billion and thus had a regulatory capital accretion of approximately € 0.1 billion. The loans' portfolio remain on the balance sheet of the Bank. The transaction has received all customary approvals and was completed in Q2 2021.

Carve-out and Sale of the Merchant Acquiring Business Unit

On 15 March 2022, Piraeus Bank, Piraeus Financial Holding's subsidiary, successfully completed the spin-off of merchant acquiring services to a new company and its subsequent sale to Euronet Worldwide Inc.The two parties had signed the relevant binding agreement on 16 March 2021, pursuant to which Euronet Worldwide would provide merchant acquiring services to Piraeus Bank's customers. Within the framework of this agreement, Piraeus Bank and Euronet Worldwide start a new long-term strategic cooperation with respect to merchant acquiring, as well as the sale and distribution of relevant products and services. The total consideration of the transaction amounted at €300 million. The capital impact of the transaction resulted in a benefit of approximately 100 basis points over the total capital ratio of the Group as of 31 December 2021.

The Sunrise Plan

On 16 March 2021 the Board of Directors of Piraeus Financial Holdings approved a holistic strategic plan to accelerate its NPE reduction effort and to further enhance the Group's capital position through a combination of certain concerted actions (the Sunrise Plan). The Sunrise Plan comprises three conjunct pillars:

1. The acceleration of NPE reduction to reach a single-digit NPE ratio in 2022, through the securitization and subsequent de-recognition of NPEs with an estimated decrease of the gross book value of up to € 19 billion. Based on this accelerated plan, the Group proceeded in 2021 with the execution of the Phoenix, Vega, Sunrise I & Sunrise II non-performing loan securitization transactions and other direct NPE portfolio sales, with a total gross book value of approximately € 17.2 billion;
2. A series of capital enhancing actions, with cumulative benefit of approximately € 3 billion
    - A share capital increase of Piraeus Financial Holdings via a non-pre-emptive fully marketed offering of € 1.4 billion completed in April 2021;
    - Additional Tier 1 issuance of up to € 0.6 billion by Piraeus Financial Holdings completed in June 2021; and

- As detailed above, certain other non-dilutive capital accretive actions, including: (i) profit realization from securities portfolio already completed in Q1.2021; (ii) the carve-out and sale of Piraeus Bank's cards merchant acquiring platform; and (iii) the purchase of credit protection for select on-balance sheet performing loan portfolios (synthetic securitization); and

3. An operational streamlining plan of Piraeus Bank to enhance pre-provision income by a combination of top-line strengthening and a reduction in operating costs through efficiency improvements and digitization.

The Share Capital Increase

On 16 March 2021 the Company's Board of Directors decided to convene an Extraordinary General Meeting (EGM) seeking to be granted authorization to approve a share capital increase of Piraeus Financial Holdings S.A. via a non-pre-emptive fully marketed offering of around € 1.0 billion (the Equity Issue). The EGM was held on 7 April 2021 and approved the equity raise. The HFSF, as the largest shareholder of Piraeus Financial Holdings S.A., had confirmed their intention to fully support the capital increase. In line with their communication in November 2020, HFSF has decided to reduce its participation to a non-blocking minority shareholding.

On 20 April 2021, the Board of Directors of the Hellenic Capital Market Commission ("HCMC") approved the Prospectus of the Share Capital Increase, as required under the Prospectus Regulation 2017/1129 and the Delegated Regulations of European Commission (EC) 2019/979 and 2019/980, as currently in force, and law 4706/2020.

On 20 April 2021, Piraeus Financial Holdings announced an invitation to investors to participate in a public offering of up to 1,200,000,000 new shares pursuant to the resolution of its Board of Directors dated 16 April 2021 following the authorization granted by virtue of the resolution of the EGM of its shareholders dated 7 April 2021 with offering price between € 1.00 and € 1.15 per share in cash.

On 21 - 23 April 2021, the equity offering of Piraeus Financial Holdings took place.

On 23 April 2021, Piraeus Financial Holdings announced that the offer price of the share capital increase stood at €1.15 per share, at the top end of the initial range of € 1.0 - € 1.15.

On 29 April 2021, Piraeus Bank and Euroxx Securities, acting under their capacity as Lead Underwriters of the Share Capital Increase, announced details of the take up as follows:

From the New Shares:

(a) 180,000,000 of the New Shares (namely 15% of the New Shares) were allocated to investors who participated in the Public Offering.

In particular:

i) 38,248,791 of the New Shares (namely 21.25% of the New Shares allocated in the Public Offering) were allocated to qualified investors within the meaning of Article 2(e) of the Regulation (EU) 1129/2017 (the "Qualified Investors").

ii) 141,751,209 of the New Shares (namely 78.75 % of the New Shares allocated in the Public Offering) were allocated to investors who do not fall within the Qualified Investors category (the "Retail Investors")

(b) 1,020,000,000 of the New Shares (namely 85% of the New Shares) were allocated to investors who participated in the Institutional Offering.

The HFSF and Paulson & Co. Inc. (on behalf of the investment funds managed by it), Helikon Investment Limited and Aristotelis Mistakidis participated in the Share Capital Increase through the Institutional Offering. From the New Shares allocated in the Institutional Offering: 306,703,672 of the New Shares were allocated to the HFSF, corresponding to 25.56% of the Combined Offering. 230,434,782 of the New Shares were allocated to Paulson & Co. Inc., corresponding to 19.20% of the Combined Offering. 65,217,391 of the New Shares were allocated to Helikon Investment Limited, corresponding to 5.43% of the Combined Offering. 34,782,608 of the New Shares were allocated to Aristotelis Mistakidis, corresponding to 2.90% of the Combined Offering.

The total capital raised by the Company through the Combined Offering amounted to (before deducting the expenses) € 1,380,000,000.00. Taking into account valid subscriptions only, the total demand that was expressed in the Combined Offering amounted to 4,277,505,773 New Shares, thus oversubscribing the total number of the New Shares which were offered (namely 1,200,000,000 New Shares) by 3.56 times approximately.

On 7 May 2021, the 1,200,000,000 new common registered shares of Piraeus Financial Holdings that resulted from the share capital increase, started trading on the Athens Exchange, following the approval of the Listings and Market operation committee of the ATHEX on 6 May 2021.

As of 7 May 2021, the HFSF holds 337,599,150 common shares corresponding to 27.0% of the total shares of the Company, Paulson & Co. Inc. (on behalf of the investment funds managed by it) holds 232,758,919 common shares corresponding to 18.6% of the total shares of the Company, Helikon Investment Limited holds 65,217,391 common shares corresponding to 5.2% of the total shares of the Company.

Rating Upgrades

On 27 April 2021, following the earlier rating upgrade of Greece to "BB" from "BB-", S&P Global Ratings raised the long-term credit rating on Piraeus Bank S.A. to "B" from "B-", and affirmed the "B-" rating on Piraeus Financial Holdings. The outlooks on both entities are stable.

On 7 May 2021, Fitch Ratings upgraded Piraeus Bank S.A. long-term issuer rating to "CCC+" from "CCC", reflecting the progress in improving asset quality and capital, following the large NPE disposals and the executed equity raise. On 18 February 2022, Fitch Ratings upgraded Piraeus Bank's S.A. long-term issuer rating to "B-"with a positive outlook. The Bank's Senior Preferred debt rating has also been upgraded by two notches, to "B-".

On 4 January 2021, Moody's Investors Service assigned a "Caa2" bank deposit rating to Piraeus Bank S.A., the newly-formed credit institution, and a "Caa3" long-term issuer rating to Piraeus Financial Holdings S.A. Moody's has assigned a stable outlook to Piraeus Bank S.A. and maintained a stable outlook to Piraeus Financial Holdings S.A. On 11 May 2021, Moody's affirmed Piraeus Bank "Caa2" bank deposit rating and Piraeus Financial Holdings "Caa3" issuer rating and changed their respective outlook to positive from stable. On 20 September 2021, Moody's upgraded Piraeus Bank deposit rating to "B3" from "Caa2" and maintained a positive outlook.

On 13 January 2022, DBRS Morningstar assigned first-time public ratings to Piraeus Bank, including a long-term issuer rating of “B” and a stable outlook.

Additional Tier 1 Capital Issuance

On 9 June 2021, Piraeus Financial Holdings, announced that it had successfully completed the issuance of € 600 million Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write-Down Notes (“AT1 Notes”). The issue was subscribed by close to 200 institutional investors, from more than 20 countries, with a total demand reaching € 2.2 billion. The AT1 Notes are perpetual, with no fixed redemption date callable at par at the full discretion of the Company in 2026 or thereafter. They carry a coupon of 8.75%, which is paid semi-annually in arrears. The Company has the right to cancel all or part of any payment of interest in its sole discretion at any time and the nominal amount of the AT1 Notes may be written down or cancelled if the Company or its Supervisory Authority determines that the Common Equity Tier 1 Ratio, as of any date, has fallen below 5.125%.

The AT1 Notes were rated “Ca” by Moody’s and “CCC-“ by S&P. Settlement occurred on 16 June 2021 and the AT1 Notes were listed on the Euro MTF Market of the Luxembourg Stock Exchange. The net proceeds from the issue of the AT1 Notes will be used for general corporate and financing purposes of the Piraeus Group and to further strengthen its capital base and capital adequacy ratios by approximately 200 basis points post the scheduled NPE clean-up.

Sunrise I NPE Securitization

On 15 June 2021, Piraeus Financial Holdings announced that it reached definitive agreements with Intrum AB and Serengeti Asset Management LP for the sale of forty-nine percent (49%) and two percent (2%) of the mezzanine and junior notes of the Sunrise I NPE portfolio respectively. The Sunrise I portfolio consists of retail and corporate NPEs of total gross book value of € 7.2 billion.

The implied valuation for the Transaction, based on the nominal value of the senior notes and the sale price of the mezzanine and junior notes, corresponds to 34.5% of gross book value. Sunrise I senior notes were included in the Hellenic Asset Protection Scheme (the “Hercules” scheme), following the application related to the provision of a guarantee by the Greek State on the senior notes of approximately € 2.45 billion.

Piraeus Bank retains five percent (5%) of the mezzanine and junior notes of the Sunrise I securitization as per the respective securitization requirements. Conditional upon requisite supervisory and corporate approvals, Piraeus Financial Holdings is contemplating to distribute part or the whole of the remainder of the said financial instruments to its shareholders. Piraeus Bank also retains one hundred percent (100%) of the senior notes.

The Sunrise I NPE securitization transaction corresponding to a gross book value of € 7.2 billion, was completed on 20 September 2021, following the granting of all necessary approvals.

Sunrise II NPE Securitization

On 8 November 2021, Piraeus Financial Holdings announced that it reached definitive agreements with Intrum AB (publ) and Serengeti Asset Management LP for the sale of the mezzanine and junior notes from the Sunrise II securitization.

On 27 December 2021, the Sunrise II NPE securitization transaction, corresponding to a total gross book value of € 2.6 billion as at the reference cut-off date of the perimeter, was completed after receiving all necessary approvals.

Piraeus Financial Holdings has transferred forty-four percent (44%) of the mezzanine notes of the securitization to Intrum AB (publ) and seven percent (7%) to Serengeti Opportunities Partners LP, notes that have been acquired by Piraeus Financial Holdings through an intra-group transaction.

The implied valuation for the Transaction, based on the nominal value of the senior notes and the proceeds from the sale of the mezzanine and junior notes, corresponds to 47.4% of the portfolio gross book value.

Piraeus Bank holds five percent (5%) of the mezzanine and junior notes of the Sunrise II securitization, in accordance with the regulatory framework for securitizations. In addition, Piraeus Bank holds one hundred percent (100%) of the € 1.2 billion senior notes of the securitization.

Annual General Meeting

On 22 June 2021, the Annual General Meeting (AGM) of the Company approved the offset an amount equal to € 11,122,919,779 in the Company's "share premium" account against equivalent accumulated losses from prior years amounting to € 11,122,919,779 by writing-off losses in the account "Retained earnings" and authorized the Board of Directors to implement this decision at its discretion in the appropriate time and manner, taking into account the changing circumstances, the business planning and the respective legislative and fiscal framework, as in effect from time to time.

The AGM also approved i) the share capital decrease in kind by the amount of € 62,518,361.15 by decreasing the nominal value of each ordinary registered share issued by the Company by the amount of € 0.05, and the payment of the amount of the decrease by distributing to the Company's shareholders shares issued by the new established Cypriot company under the name "PHOENIX VEGA MEZZ LTD", a wholly owned subsidiary of the Company, of a value corresponding to the value of the decrease, i.e. 1,250,367,223 ordinary shares issued by the Cypriot Company, each ordinary registered share of a nominal value € 0.05, at a ratio of 1 share of the Cypriot Company for every 1 share of the Company already held by them, and ii) the amendment of Articles 5 and 25 of the Articles of Association of the Company in order to reflect the above share capital decrease and granted authorization to the Board of Directors of the Company to proceed to all necessary actions for the completion of the share capital decrease and the amendment of articles 5 and 25 of the Articles of Association.

Voluntary Exit Scheme

Following the successful implementation of the 2020 Voluntary Exit Scheme ("VES"), the Group initiated in 2021 new VES for targeted groups of employees, in accordance with its strategic objectives and transformation priorities. The decrease of the number of employees in 2021 is mainly due to the VES launched in both 2020 and 2021, based on which 899 employees exited during the year 2021. The provision utilized for VES within the period ended 31 December 2021 amounted to € 72 million.

2021 SSM Stress Test Exercise

On 30 July 2021, Piraeus Financial Holdings announced that had successfully completed the 2021 SSM Stress Test Exercise ("exercise") conducted by the European Central Bank. Under the baseline scenario, the fully loaded total capital ratio stood at 17.1%, while the CET1 ratio at 15.0% at year-end 2023. The baseline scenario was capital accretive by approximately 365 basis points versus 2020 as starting point. The adverse scenario resulted to a depletion of approximately 480 basis points for the 3-year period. The respective depletion in the 2018 Stress Test Exercise was approximately 770 basis points. The resulting fully-loaded capital ratios for year-end 2023 were 8.6% for total capital and 6.5% for CET1. The adverse scenario resulted to approximately 610 basis points depletion at the year with the highest impact (2021). The exercise was based on a static balance sheet approach and did not incorporate initiatives post 31 December 2020. Taking into account the € 1.4 billion share capital increase and the € 0.6 billion AT 1 issuance in Q2.2021, the fully loaded ratios under the adverse scenario for 2023 would be adjusted to approximately 13.5% total capital and approximately 10.0% CET1 as per proforma calculations.

Green Senior Preferred Bond

On 27 October 2021, the Company announced that its subsidiary Piraeus Bank S.A. had successfully completed the book building process for the issuance of a € 500 million Green Senior Preferred Bond (the "Bond") at a coupon 3.875%. The Bond was successfully issued on 3 November 2021. The Bond has a maturity of six (6) years, an embedded issuer call option after five (5) years and has been listed on the Luxembourg Stock Exchange's Euro MTF market. With this issue, Piraeus Bank is advancing its Environmental, Social & Corporate Governance (ESG) agenda, demonstrating its commitment to support the Greek economy and makes another step towards the implementation of its medium-term strategy for meeting its minimum requirements for own funds and eligible liabilities (MREL).

Management of selected non-core equity participations

On 20 December 2021, the Company announced that its subsidiary, Piraeus Bank S.A. has entered into a long-term partnership with affiliates of Blantyre Capital Limited for the management of non-core equity participations owned by the Bank for an initial period of 10 years. The portfolio under management, with an initial perimeter of € 0.2 billion, comprises certain equity interests that are unrelated to the financial sector in general and specifically to the Bank's principal activity. The capital benefit of the transaction is estimated at circa 0.7 percentage points as at the 31 December 2021 total capital ratio of Piraeus Group. The transaction will allow Piraeus Bank to optimize the value of its non-core equity participations by bringing such participations under specialized outsourced professional asset management overseen by affiliates of Blantyre Capital.

Project Dory - Agreement for the sale of shipping non-performing exposures portfolio

On 4 January 2022, the Company announced that its subsidiary Piraeus Bank S.A. has reached an agreement with an entity affiliated with Davidson Kempner Capital Management LP, for the sale of a shipping NPE portfolio amounting to a gross book value of € 0.4 billion. On 4 March 2022, the sale was completed, and the total agreed consideration of the transaction reached € 0.2 billion, or 53% of the portfolio gross book value. The Transaction was completed after receiving all the required approvals, as well as the consent of the HFSF.

Controlling Stake in Trastor Real Estate Investment Company

On 21 January 2022, the Company announced that its subsidiary Piraeus Bank S.A. has reached an agreement with WRED LLC ("WRED"), a company affiliated with Värde Partners, for the acquisition of WRED's c. 52% stake in Trastor Real Estate Investment Company S.A. ("Trastor"). The Transaction was completed on 28 February 2022, after receiving the required approvals, as well as the consent of the Hellenic Financial Stability Fund. The cash consideration of the transaction amounted to € 98 million (€ 1.25 per share).

Bloomberg Gender-Equality Index

On 28 January 2022, the Company announced that it is one of 418 companies across 45 countries and regions to join the 2022 Bloomberg Gender-Equality Index (GEI), a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting. This reference index measures gender equality across five pillars: female leadership & talent pipeline, equal pay & gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand. The 2022 GEI expands globally to represent 45 countries and regions, including firms headquartered in Colombia and Uruguay for the first time. Member companies represent a variety of sectors, including financials, technology and utilities, which collectively have the highest company representation in the index.

Organizational Structure of the Group

The Group manages its business through the following reportable segments:

Retail Banking – includes Mass, Affluent, Private Banking, Small Businesses, and Public core customer segments as well as Channels.

Corporate Banking – includes Large Corporates, Shipping, SME and Agricultural core customer segments.

Piraeus Financial Markets ("PFM") – includes the Fixed Income, Foreign Exchange, Treasury activities (including the management of the interest rate gap resulting from all banking activities) and Institutional Clients.

Other – includes all management related activities not allocated to specific customer segments, the management of REO, non-client related Group's equity participations, international banking, funding transactions approved by the Asset and Liability Management Committee ("ALCO") and intersegmental eliminations.

NPE MU – Includes the management of any NPE lending exposures assessed as non-core business, irrespectively of whether the said exposures are serviced by the Group or third parties. In addition, following the derecognition of Phoenix, Vega I, II, III, Sunrise I and Sunrise II securitized portfolios, the retained by the Group senior and subordinated notes are included in this reportable segment.

All inter-company transactions are undertaken on arm's length terms and inter-segment transactions and balances are eliminated within each relevant segment.

Evolution of Volumes and Results of Piraeus Financial Holdings Group during 2021

Piraeus Financial Holdings Group has a systemic position in the Greek banking market in terms of total assets, which amount to € 79.8 billion as at 31 December 2021. The Group holds the most extensive footprint in Greece with 414 branches (plus another 16 branches in 2 countries abroad) and a wide customer base of 5.7 million active customers, an increase by 221 thousand in 2021. The branch network in Greece was reduced by 70 units during 2021 as a result of the rationalisation plan. As at 31 December 2021, the Group's headcount totaled 9,270 employees in the continuing operations, of which 8,904 were employed in Greece (-1,104 compared to prior year end, mainly due to the implementation of the voluntary exit scheme).

Balance Sheet

Regarding the financial position of Piraeus Financial Holdings Group as at 31 December 2021, total assets amounted to € 79.8 billion compared to € 71.6 billion as at 31 December 2020.

Customer deposits of the Group continued to increase for another year, reaching € 55.4 billion as at 31 December 2021, corresponding to an increase of 11.7% compared to 31 December 2020. The Group holds 28.8% domestic market share in deposits. Savings deposits constitute 43.9% of the total deposits of the Group with time deposits at 18.6% and current, sight and other blocked deposits at 37.6%. Corporate deposits correspond to 30.0% of the total deposit base at the Group with retail deposits at 70.0%. The declining trend in time deposits' cost continued during 2021, with average time deposits' cost at 0.14% in 2021 versus 0.34% in 2020. The Group's loan book in terms of gross balance (grossed up with PPA) consists of corporate and public sector 76.1%, mortgage 18.7% and consumer, personal, credit cards and other loans 5.2%.

Selected Balance Sheet Figures	31/12/2021	31/12/2020[1] As restated	YoY
Gross Loans (grossed up with PPA adjustments)	38,492	49,528	-22.3%
Less: Expected Credit Loss (ECL) Allowance (grossed up with PPA adjustments)	(1,971)	(9,904)	-80.1%
Net Loans	36,521	39,624	-7.8%
Financial Assets	12,754	8,412	51.6%
Other Assets	30,514	23,524	29.7%
Total Assets	79,789	71,560	11.5%
Due to Banks	14,865	11,376	30.7%
Due to Customers	55,442	49,636	11.7%
Other Liabilities	3,680	3,351	9.8%
Total Liabilities	73,987	64,363	15.0%
Total Equity	5,803	7,197	-19.4%

[1] The comparative figures have been restated to reflect the adoption of the IFRIC decision of IAS 19 "Employee Benefits".

Utilisation of the Eurosystem funding increased further in 2021, to € 14.5 billion compared to € 11.0 billion as at 31 December 2020. ECB waiving the eligibility criteria on collateral, allowed Greek Banks including Piraeus Bank to use Greek sovereign debt securities as collateral for their funding. As a result, the Bank replaced more expensive repo funding with ECB funding. In this context, interbank repo funding remained low at € 283 million as at 31 December 2021 compared to € 96 million as at 31 December 2020. Funding from debt securities, increased through the issuance of € 600 million Additional Tier 1 instruments in June 2021 and a €500 million Green Senior Preferred debt instrument in October 2021.

The Group's financial assets portfolio has increased during 2021 to €12.7 billion as at 31 December 2021, compared to €8.4 billion as at 31 December 2020, mainly driven by the increase of the portfolio of debt securities at amortised cost.

Gross loans as at 31 December 2021 amounted to € 38.5 billion compared to € 49.5 billion at 31 December 2020. Note that € 1.5 billion out of the total gross loans amount in both 2021 and 2020, was related to the disbursement of an agri-loan towards Payment and Control Agency for Guidance and Guarantee Community Aid ("OPEKEPE") for the distribution of European Commission subsidies towards approximately 700 thousand farmers. The significant reduction in gross loans during 2021 was related to the acceleration of the balance sheet derisking, related with the conclusion and subsequent derecognition of the NPE securitizations Phoenix, Vega, Sunrise I & II and the classification as held-for-sale of two NPE portfolios, one related with leasing NPEs and one with shipping NPEs. Net loans stood at € 36.5 billion as at 31 December 2021, compared to € 39.6 billion as at 31 December 2020, with the Group's seasonally adjusted net loans to deposits ratio at 63.2% (excluding seasonal OPEKEPE seasonal funding facility), lower compared to 31 December 2020 (76.8%). New loan disbursements in 2021 for the Bank amounted to € 6.5 billion from € 6.3 billion in 2020. Most new originated loans in 2021 were directed to businesses, same as in 2020.

In the context of the Sunrise plan, the Group accelerated significantly the clean-up of its NPE portfolio during 2021, dropping NPEs to € 4.9 billion as at 31 December 2021, compared to € 22.4 billion as at 31 December 2020. The NPEs over total gross loans ratio for the Group stood at 12.6% as at 31 December 2021 from 45.3% as at 31 December 2020, declining due to the continuous efforts of the Group to improve its asset quality, while the Group NPE coverage ratio of loans by ECL allowance stood at 40.5% as at 31 December 2021 from 44.1% as at 31 December 2020.

The Group's strategy in managing NPEs is to achieve a single-digit NPE ratio in 2022, following the completion of the Group's NPE Reduction plan, which consists of a number of individual projects for a total amount of € 19 billion NPEs to be concluded between 2021 and 2022, currently more than 90% completed. A significant element of the NPE reduction plan has been the utilisation of HAPS as a mechanism to reduce NPEs and derisk the Group's balance sheet. Engagement in the securitization schemes has been further facilitated through the Group's corporate transformation (hive-down) and its strategic partnership with one of the biggest servicing platforms in Greece.

Profit & Loss

The Group's net interest income amounted to € 1.4 billion in 2021, presenting a decrease of 5.1% compared to 2020, mainly attributed to the loss of NPE-related income due to the derecognition of NPEs. Net fee and commission income amounted to € 394 million in 2021, 24.3% higher compared to 2020. Other income rose to € 722 million in 2021 compared to € 90 million in the previous year, mainly due to one off items of € 579 million.

Total net income for 2021 amounted to € 2.5 billion from € 1.9 billion in 2020, an increase of 33.4%. Excluding the one-off items of € 579 million, net income in 2021 increased by 2.9%. The Group's total operating expenses before provisions in 2021 stood at € 933 million, compared to € 1.1 billion in 2020. Excluding the extraordinary costs related with VES both from 2021 and 2020 (€ 25 million and € 152 million, respectively) and the G&A costs related with transformation projects in the Q1.2021, total operating expenses amounted to € 902 million in 2021, a reduction of 3.6% versus the previous year.

As a result of the above, Group's profit before provisions, impairments and income tax for the year 2021 amounted to € 1.6 billion, compared to € 0.8 billion in 2020, an increase of 97.8%. Excluding the one-off profit realization from the securities portfolio and the long-term partnership for the management of non-core equity participations owned by the Bank in 2021, the VES costs in 2020 and 2021 and the G&A costs related with transformation projects in the Q1.2021, the Group's profit before provisions, impairments and income tax increased by 9.6% in 2021 compared to 2020. The results of 2021 were burdened by ECL impairment charge on loans amounting to € 3.9 billion, relating with the losses of the Phoenix, Vega and Sunrise I & II securitizations and other NPE sales, over and above the recurring organic cost of risk.

The Group's profit/ (loss) before income tax in 2021 amounted to a loss of € 2.7 billion compared to a loss of € 534 million in 2020, while profit from continuing operations attributable to equity holders of the parent amounted to a loss of € 3.0 billion compared to a loss of € 655 million in 2020.

Selected Profit & Loss Figures	31/12/2021	31/12/2020[1] As restated	YoY
Net Interest Income	1,410	1,486	-5.1%
Net Fee & Commission Income	394	317	24.3%
Other Income	722	90	-
Total Net Income	2,526	1,893	33.4%
Staff Costs	(405)	(574)	-29.4%
-excl. VES costs	(380)	(422)	-10.0%
Administrative &Other Expenses	(418)	(399)	4.8%
Depreciation &Amortization	(110)	(115)	-4.3%
Total Operating Expenses Before Provisions	(933)	(1,088)	-14.2%
-excl. VES and other non-recurring costs	(902)	(936)	-3.5%
Profit Before Provisions, Impairment and Income Tax	1,592	805	97.8%
ECL Impairment losses and other credit risk related charges on loans and advances to customers at amortised cost	(4,245)	(1,104)	-
Other impairment & provisions	(56)	(218)	-74.3%
Share of profit of associates and joint ventures	18	(16)	-
Pre Tax Result	(2,691)	(534)	-
Income Tax Benefit / (Expense)	(316)	(127)	-
Profit/ (Loss) for the Year	(3,014)	(670)	-
Profit / (Loss) for the Year attributable to the equity holders of the parent (from Continuing Operations)	(3,007)	(655)	-
Profit / (Loss) for the Year **attributable to the equity holders of the parent** (from Discontinued Operations)	(7)	(10)	-

[1] The comparative figures have been restated to reflect the adoption of the IFRIC decision of IAS 19

Capital

As at 31 December 2021, the Group's total equity amounted to € 5.8 billion, compared to € 7.2 billion as at 31 December 2020. The Group's Basel III total capital adequacy ratio (TCR) stood at 15.75% compared to 15.82% on 31 December 2020. The Common Equity Tier 1 (CET 1) ratio stood at 11.12% vis-à-vis levels of 13.75% at 31 December 2020. The Group's total capital adequacy ratio has been positively affected by the € 1.4 billion share capital increase completed in April 2021, the € 0.6 billion Additional Tier 1 capital issuance completed in June 2021, while the losses relating with the Phoenix, Vega, Sunrise I & II NPE securitizations and other NPE sales had a negative impact on the said ratio. .Pro-forma Total Capital Adequacy ratio and CET 1 for the Group stands at 15.85% and at 11.19%, respectively, taking under consideration RWA relief following the completion of the sale of the shipping NPE portfolio (project Dory) on 4 March 2022.

The amount of deferred tax assets included in the Group's regulatory capital in accordance with the provisions of Greek Laws 4172/2013, 4302/2014, 4340/2015, stood at € 3.6 billion as of 31 December 2021, reduced by € 0.1 billion compared to 31 December 2020. The Group's fully loaded TCR stood at 13.4%, stable compared to 31 December 2020.

Following the conclusion of the SREP (Supervisory Review and Evaluation Process), the ECB informed Piraeus Financial Holdings Group of its Overall Capital Requirement ("OCR"), valid for 2022 (not taking into account Covid-19 mitigating measures). According to the decision, the Group would have to maintain an overall OCR of 14.25%, which included: (a) the minimum Pillar I total capital requirements of 8.00% as per article 92(1) of Regulation 575/2013/EU; (b) the additional Pillar II capital requirement of 3.00% as per article 16(2) of Regulation 1024/2013/EU; (c) the fully loaded capital conservation buffer of 2.50% as per Regulation 575/2013/EU, and (d) the fully loaded Other Systemically Important Institutions ("O-SII") capital buffer of 0.75% under Greek Law 4261/2014.

The spread of the Covid-19 pandemic has proven to be an unprecedented challenge both on a global and on a European level. On 12 March 2020, the ECB announced several measures to address the adverse economic effects resulting from Covid-19 on banks under its supervision. Among these measures, the ECB has allowed Banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and the CCB. Banks have also been allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, for example Additional Tier 1 or Tier 2 instruments, to meet the Pillar 2 Requirements (P2R). This brought forward a measure that was initially scheduled for January 2021, as part of the latest revision of the CRD V.

Share Capital

On 31 December 2021, the share capital of the Group amounted to € 1,188 million divided into 1,250,367,223 common registered voting shares with a nominal value of € 0.95 each. Common shares of Piraeus Financial Holdings are intangible, registered and listed on Athens Exchange.

The number of the outstanding shares of the Group, is the following:

Number of outstanding common shares owned by the HFSF / Percentage of total share capital	337,599,150	27.00%
Number of outstanding common shares owned by private investors / Percentage of total share capital	912,768,073	73.00%
Total number of outstanding common shares / Percentage of total share capital	1,250,367,223	100.00%

On 4 January 2021, subsequent to the 23 November and 7 December 2020 announcements, pursuant to the provisions of the € 2,040 million Perpetual CET1 Eligible CoCos Issuance Programme dated 2 December 2015 and Cabinet Act 36/2015, the CoCos were automatically converted into 394.4 million (resulting by the division of the 116% of the total nominal value of the CoCos by the Conversion Price, which amounted to € 6.00 per share) fully paid new ordinary registered voting shares. As a consequence of the above, the Company's share capital increased by an aggregate amount of € 2,366 million, equal to € 4,986 million divided into 831,059,164 ordinary voting shares with a nominal value of € 6.00 each. The New Shares, after the completion of the listing process on the Athens Stock Exchange, were credited to the Investor and Securities Accounts of the HFSF in the Dematerialized Securities System (DSS), increasing the HFSF's shareholding in the share capital of the Company from 26.4% to 61.3%.

The financial position of the Group was not affected by the aforementioned conversion of the CoCos to ordinary shares, which was reflected as a reclassification within equity, except for the associated share capital increase costs of € 27 million. The increase of € 2,366 million in share capital was combined with a decrease in retained earnings by € 326 million, which related to the CoCo dividend paid minus the capital increase costs and the derecognition of the CoCos reserve of € 2,040 million.

On 7 April 2021, the Extraordinary General Meeting of the Company's shareholders approved inter alia a) the increase of the nominal value of each common registered voting share of the Company from € 6.00 to € 99.00 by reducing the total number of common registered shares of the Company from 831,059,164 shares to 50,367,223 new common registered voting shares with a nominal value of € 99 each, by merging 16.5 shares into 1 new share of the Company (reverse split) and the consequent increase of the share capital of the Company by the amount of € 93.00 by capitalizing part of the existing "share premium" reserve, with the purpose of achieving an integer number of new shares; and b) the reduction of the Company's share capital by € 4,936 million through decrease in par value from € 99.00 per share to € 1.00 per share without altering the total number of common registered shares of the Company, and the formation of a special reserve under article 31 par. 2 of Law 4548/2018.

On 16 April 2021, the Company's Board of Directors approved, following authorization granted to it by virtue of the EGM resolution, the increase of the Company's share capital up to € 1,200 million with the issuance of up to 1,200 million new shares with an offering price within the defined price range, i.e. between a minimum of € 1.00 and a maximum of € 1.15, through payment in cash and the disapplication of the preemption rights of the existing shareholders of the Company and the listing of the new shares on the Main Market of the Athens Stock Exchange. Pursuant to the decision of the Board of Directors of the Company dated 23 April 2021, the offering price of the new shares was set at the highest level of the price range, i.e. at € 1.15 per new share. The share capital increase was completed on 29 April 2021. The net proceeds raised approximated € 1,301 million (i.e. gross proceeds of € 1,380 million less share capital expenses of approximately € 79 million). The trading of the new shares on the Main Market of the Athens Stock Exchange commenced on 7 May 2021. Following the above, HFSF's shareholding decreased from 61.3% to 27.0%.

The AGM approved a share capital decrease in kind of € 63 million by decreasing the nominal value of each ordinary registered share of the Company by € 0.05 and the payment of the amount of the decrease by distributing to its shareholders' shares issued by the Cypriot subsidiary "Phoenix Vega Mezz Ltd" and owned by the Company, of an equivalent value to the value of the decrease. The number of the distributed shares is 1,250,367,223 and the nominal value of each share is € 0.05. The distribution in kind was completed in August 2021.

Following the above decrease, the share capital of the Company as of 31 December 2021 amounted to € 1,188 million, divided into 1,250,367,223 common registered voting shares with a nominal value of € 0.95 each.

Pursuant to par. 1, art. 16C of Greek Law 3864/2010 the acquisition of treasury shares is not permitted, without the approval of HFSF, for as long as the HFSF is a shareholder of the Company. The purchases and sales of treasury shares during 2021, as well as the treasury shares owned as 31 December 2021, are related to transactions that are carried out by the Group's subsidiary Piraeus Securities S.A. through its activities, which are derived from its role as a market maker. As at 31 December 2021, Piraeus Securities held 1,256,654 of the Group's common shares, of total nominal value € 1,193,821.

Piraeus Financial Holdings shareholder structure presents great diversity. The total number of the Company's common shareholders was approximately 18,200 as at 31 December 2021. The HFSF held 27% of the outstanding common shares (1,250,367,223 of a nominal value €0.95 each) and the remaining 73% was held by the private sector and in particular 65% were legal entities and 8% individuals.

Going concern conclusion

Management has made an assessment on the Group's ability to continue as a going concern. Management's assessment considered the Group's principal business risks deriving mainly from the macroeconomic environment in combination with the Group's strategy and its liquidity and capital position. The following were taken into consideration:

a) the recovery of economic activity in 2021 and the prospects for a sustainable rate of growth of GDP afterwards, taking into account also the deployment of the RRF funds to the Greek economy that are estimated to enhance GDP growth and will allow the Greek economy to transition into a higher economic trajectory post the Covid-19 pandemic;

b) the continued recovery of the residential and commercial real estate prices during 2021 and the expected acceleration in 2022 onwards;

c) the Group's effective liquidity risk management leading to a robust liquidity position as evident by the Liquidity Coverage Ratio ("LCR") and the Loans to Deposits ratio ("LDR") as of 31 December 2021 as well as Management's assessment of the impact of stress test scenarios, within the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) framework, on the Company's and the Group's liquidity position and on mandatory liquidity ratios;

d) the actions taken by the Group for the reduction of NPEs, which have resulted in the NPE ratio dropping to 12.6% as at 31 December 2021 from 45.3% as at 31 December 2020 with the associated cost coming in line with initial estimates, and the further de-risking planned and under-way which targets for the Group to achieve a single-digit NPE ratio in 2022;

e) the capital adequacy of the Group, which exceeded the OCR and the MREL ratio of the Piraeus Bank Group as at 01 January 2022, which reached 16.4% and exceeded the binding Intermediate Target of 16.1%, along with the non-dilutive capital enhancement actions that are in progress and expected to be completed in 2022 (sale of merchant acquiring business unit and further synthetic securitizations of performing loans);

f) the successful completion of the 2021 SSM Stress Test Exercise conducted by the ECB, which demonstrated that the Group has sufficient capital and liquidity to withstand in the baseline, as well as the adverse scenarios;

g) the successful issuance of AT1 and Senior Preferred debt instruments in 2021 that attracted significant investor demand, indicating the Group's ability to execute the further planned debt issuances, in line with the Group's MREL strategy;

h) the geopolitical developments, specifically the Russia / Ukraine conflict in the beginning of 2022, and the Group's operations in Ukraine, which comprise a financial institution, namely JSC Piraeus Bank ICB, and investments in real estate assets which represent only approximately 0.2% of the total consolidated assets of Piraeus Financial Holdings as of 31 December 2021;

i) the potential impact on the Group's loan portfolio from the second-order effects of the Russia – Ukraine conflict, mainly through lower GDP growth and/ or higher inflation, which will affect specific sectors of the economy, namely energy, manufacturing and retail. The relief measures undertaken by the Greek government in March 2022 are expected to partly mitigate these risks.

Based on the analysis performed, Management has concluded that the Annual Financial Statements have been appropriately prepared on a going concern basis as at 31 December 2021, as the Group has adequate resources to continue its operations for a period of 12 months from the date that the financial statements were approved by the Board of Directors. For this reason the Group continues to adopt the going concern basis of accounting for preparing the financial statements.

The basis of preparation is presented in Note 2.1 of the Annual Financial Statements.

Non-Financial Information 2021 (Greek Law 4403/2016)

Group Human Resources ("HR")

The goals for our employees are aligned with the strategic goals and the corporate culture of the Organization. 2021 was a significant year where we put the employees' health and safety as a priority, while setting conditions for the work environment in the post-COVID era. For this purpose, a series of programs have been implemented that update employees' experience, invest in the constant development of their skills with an emphasis on digital skills, and ensure they are aware, sensitized, and mobilized concerning the corporate commitments.

Learning & Knowledge Sharing

In 2021, focus was given on continuous employees' learning and development through upskilling & reskilling programs, using modern digital channels and techniques and evolving the new digital learning experience.

Learning activity accounted for a total of 377,645 training hours and 70,826 participations, increased by 27% compared to the previous year. Banking & Business category accounted for 42.8% of total participations, focusing on new products training, upskilling and reskilling programs for Branch Network roles, financial analysis, training in new technologies and new tools. Risk & Controls category accounted for 33.8% of total participations, focusing on systems and procedures against money laundering, Banking Secrecy, Code of Ethics and Cybersecurity. Workplace Wellbeing programs accounted for 17.5% with emphasis on First Aid and Natural Resource Management.

In harmonization with Bank of Greece regulatory framework, 491 employees acquired a certification in investment services, significantly increased compared to 87 certifications in 2020. Bancassurance certifications also increased with 620 new certifications, compared to 175 in 2020. At the same time, 502 existing certifications in investment services and 4,548 existing certifications in Bancassurance were renewed.

A skills development/ training program was offered exclusively to employees participating in projects of ACT (Achieve change together), the Bank's Transformation Program, aiming to establish a common understanding in managing projects, leading teams and collaborating, with 1,114 participations and 6,744 training hours.

In Leadership category, the new program "Feedback with Honesty" was launched, aiming to reinforce Become & Achieve performance management and build a common feedback culture to all team leaders, with total 5,522 training hours.

As part of the integration of all the Group Subsidiaries in Become & Achieve, a training program was conducted to all team leaders, regarding the concept and principles of the new performance management system. 100 leaders were trained, in total 800 hours.

The average number of training hours per employee increased to 40.75 in 2021 compared to 30.56 in 2020, while 91% participated in at least one training initiative.

Performance Management

The "Become & Achieve" 2020 performance cycle was completed for 91% of employees and 107 calibration meetings. 58% of managers received peer/team feedback on how they expressed our corporate values in practice, which is an essential part of performance review. The stages of target setting, performance dialogues (check-ins) and peer/ team feedback of the performance cycle 2021, were carried out according to schedule.

In addition, the framework regarding employee objections on performance evaluation was approved and implemented.

Talent management

Talent Management is aiming to attract, identify and retain talents, today and in the future, in order to ensure business continuity and develop future leaders.

In this context, the assessment of potential that had been carried out as a pilot at the end of 2020, was validated by executives with a direct reporting line to the pillar heads of each business area in 2021. The process focuses on assessing the ability of the employee to undertake a bigger/more complex role (horizontally or vertically) in the short or mid-term and his/her readiness level. The dimensions that were taken into account to determine the potential of an employee were the following: adaptability & learning, positive influence and self-motivation.

Based on the Talent Management Policy that has been designed, we aim to introduce focused actions that will ensure the recognition, retention and continuous development of talent in the organization.

Succession Planning

Succession Planning is aiming at the creation of a framework to identify in a systematic way the potential successors of business critical positions in the organization, so that they are prepared and developed based on a clear plan, in order to be able to be assigned to these positions when need arises.

In this context, a Succession Planning Policy was developed for all the positions that are characterized as business critical in order to ensure business continuity, as well as the retention and the systematic development of the identified potential successors.

At the same time, the potential successors for the position of Chief Executive Officer (CEO) and all BoD members were identified – in collaboration with an external expert - as well as the executives with a direct reporting line to the CEO and their development actions were planned based on the Succession Development Plan. In the context of the implementation of the Policy, the identification of critical positions for the whole organization began in 2021 aiming at gradually implementing the policy to the whole organization for the business critical positions.

Meritocracy in selection and promotion of staff

Ensuring transparency, meritocracy and objectivity in selecting the right candidates for the available jobs as well as utilizing the right executives for positions of responsibility and critical roles, is our priority. In this context, two new policies were approved by the Executive Committee in December 2021, specifically:

The Staffing Policy aims to cover the available jobs or new job roles, as a matter of priority from the existing staff of the Bank and the Group's subsidiaries.

The Promotion Policy contributes to the growth and development of employees and to succession planning ensuring business continuity in the organization.

Management Trainee Program

The Management Trainee Program started in the summer of 2020 and offers the opportunity to new talents with working experience less than three years, to take their first professional steps and to develop their skills "on the job projects". During 2021, 65 candidates were evaluated and 10 trainees joined the program. The duration of the program is 12 months.

Internship Program

Piraeus Bank supports the new generation, offering internship programs in order to give the opportunity to undergraduate and postgraduate students, to put their knowledge into practice. In this context, several students are evaluated and employed every year through internships programs of recognized educational institutions, in areas related to their knowledge. During 2021, about 43 young people completed their internship program, some of them via university programs, while about 230 students completed their internship in the last 5 years.

Anti-bribery and corruption

Piraeus Financial Holdings Group is committed to high standards of ethical behavior and operates a zero-tolerance approach to bribery and corruption. In this context, the Group has adopted appropriate measures to protect its reputation in matters of ethical conduct, financial integrity and reliability of its operations. In this context, all employees receive training for the recognition and avoidance of involvement in bribery, and are encouraged for the awareness and prompt reporting of any case in which bribery is suspected within the administration of the Group.

The prevention, detection and reporting of bribery is the responsibility of all employees and management of the Group as detailed in the Whistle Blowing Policy. For the purposes of the foregoing, the Group has established appropriate communication channels for those reporting on cases of bribery, fraud and corruption or for any potential suspicion, with the utmost confidentiality so as to immediately inform the competent authority. Upon authorization of the Group Audit Committee, the Group Internal Audit has been charged with the management concerning the confidential reporting of staff on issues of bribery, corruption and fraud.

Health, Safety & Wellbeing

Being oriented to the protection of employees' health, safety and wellbeing, the Group contributed actively to the prevention of the spread of Covid-19, aiming to protect the health of all its stakeholders.

The following initiatives were designed and implemented:

- Close cooperation with authorities and implementation of all measures recommended for prevention and protection of its employees, as well as additional measures when this was feasible.
- During the period of restrictions, about 86% of employees worked from home to comply with the health and safety protocol and the business continuity plan.
- Aiming to actively contribute to the state's vaccination campaign, the Group offered 7,002 special leave days for vaccination in 4,635 employees.
- 24-hour medical guidance and support, through phone, to all employees in collaboration with the National Public Health Organization (EODY) and in cooperation with 11 health professionals.
- 24/7 Psychological Support Line for the employees and their families.
- Special Covid-19 Leave for 101 employees with serious health issues.
- Special leave granted to 1,897 employees with children according to the provisions of the Greek authorities.
- To comply with the hygiene protocol, cleaning schedule in premises was increased to 2,420 hours throughout the year and 277 emergency disinfections were carried out.

In addition, in order to support parenting role, 203 cumulative maternity leaves were given.

Ef zin | Actions for the employees' health and well-being

«Ef zin» is the Group's program dedicated to health and wellness, through three dimensions: the body, the mind and our links with society and the environment. Employees and their families have the opportunity to participate in activities such as volunteering, fitness programs, inspirational talks, workshops and interactive sessions. A total of 36 actions were carried out in which more than 7,600 employees expressed interest to participate.

An important dimension of "Ef zin" is the contribution to society and environment through volunteering initiatives. In this context, the voluntary program 'Walk for a good cause' (#PerpatameGiaKalo) was held twice, aiming to support the mission of selected non governmental organizations through donations from the Bank.

In addition, for 9th consecutive year we joined our forces with the Panhellenic Association of Women with Breast Cancer "Alma Zois" in the largest sporting event with a social purpose in Greece, the Virtual Greece Race for the Cure, in which approximately 600 employees participated throughout the country.

Together Employee Survey

In May 2021, an internal employee survey was conducted, called 'Together Employee Survey'. The survey aimed to receive employees' feedback on everyday work life. It addressed all employees with a participation rate of 74%.

The Organizational Health Index of the Group is 67%, with the global index in the general market being 66% and the banking sector's standing at 70%. The Organizational Health Index results from the analysis of three important dimensions: alignment, execution and renewal. The dimensions cover nine areas that are important in building a healthy work environment: Accountability, External orientation, Capabilities, Direction, Leadership, Work environment, Coordination & Control, Innovation & Learning, Motivation.

According to the results, the areas featured as the strongest are: Strategic Direction, Innovation & Learning, Coordination & Control, whereas the areas for improvement are: Leadership Style, Motivation and Work Environment. The survey results were communicated to leaders and then to all employees.

Following results' communication, together focus groups were held, in order to discuss directly with employees the three areas for improvement and to share proposals and ideas. During October, 20 digital meetings took place with the participation of 220 employees across the Group.

New Employee Portal

At the end of 2021, the design of a new internal site (employee portal) began, aiming to become a contemporary digital point of communication and information for employees, in the context of supporting new ways of working and collaborating. The new portal, which is expected to start in the first quarter of 2022, will utilize the new Cloud technologies in the logic anydevice, anyplace, anytime and will include content from all the Bank's units.

Voluntary Exit Schemes

The Group announced Voluntary Exit Schemes for its employees in June and November 2021. The scheme's terms and conditions were designed responsibly, in order to offer the best possible financial benefit to employees, taking into account social criteria, business needs of the organization and in alignment with its strategic plan.

Group Life and Health Program

The Bank, recognizing the importance of health, constantly aims to improve the benefits it offers through the Group Life and Health Insurance Policy, both to its employees and their families. In this direction, with the renewal of the contract, a broad category of diseases, known as 'congenital diseases', was included in the coverage, through the hospital category.

Institution for Occupational Retirement, Life and Medical Provision

In June 2021, the Board of Directors of the Institution for Occupational Retirement, Life and Medical Provision (IORP) approved the inclusion in Sector A (Pension), of the staff of the following subsidiaries: Piraeus Factoring Single Member S.A., Piraeus Direct Solutions Single Member S.A., Piraeus Securities S.A, Piraeus Leasing S.A., Piraeus Financial Leases S.A. and Piraeus Financial Leasing Single Member S.A. and Piraeus Agency Solutions S.A. With this integration, the staff of the above entities, is offered the opportunity to receive a supplementary lump sum, thereby improving their retirement conditions. Furthermore, actions were launched, initially for the Bank and Piraeus Financial Holdings S.A., in order to examine the inclusion in our professional fund of supplementary health care (group insurance NN) as Section B.

Ethical Workplace

The Group's objective is to ensure that business ethics define all its activities and its employees are fully aligned with its values and principles.

In this context, the Code of Conduct and Ethics is provided, which applies to all employees in the Group and focuses on the principles of responsibility, meritocracy and transparency, while encouraging actions and behaviors that enhance an ethics culture. At the same time, it is in line with the Banking Code of Conduct (issued by the Hellenic Banking Association) and the Compliance Policy.

The Code is available in the Company's internal website -the HR Portal platform- and in the Group's corporate site and is revised periodically based on the Group's strategic priorities and corporate needs. Every new employee, upon hiring, is informed about its content and signs a declaration of receipt and notification.

In order to safeguard internal control system and the compliance with the Code of Conduct and Ethics directions, the Whistleblowing procedure is applied. According to the procedure, incidents of irregularities, omissions, corruption and any kind of inappropriate/unethical behavior and/or harassment detected in the working environment, are reported using the relevant communication channels. A basic and firm principle of the procedure is the protection of the anonymity and the principle of confidentiality of the employees' data who submit or are included in the reports. At the same time, the organization opposes retaliation against any employee who reports or participates in the investigation of an existing or suspected violation of the Code of Ethics.

Additionally, initiatives of conduct and ethics culture are included in «Risk Culture» program. The initiatives are planned and implemented by the Group Human Resources in collaboration with the Group Risk Management. The aim is to create risk awareness and strengthen risk management culture, reinforcing the desired behaviors and practices. In this context, 3 digital newsletters were created and communicated in 2021, highlighting the importance of cybersecurity, the value of Whistleblowing and the risks of climate change. In addition, through two animated videos, the three lines of defense were presented in a simple and understandable way, as well as the dangers associated with cyber security and the ways employees can protect themselves. A Credit Pulse Survey was conducted by an external partner. A targeted questionnaire was delivered to the staff directly involved with the credit underwriting process, to understand the level of credit risk awareness and measure a possible gap across the first line of defense.

In addition, harmonizing with the new labor law and seeking to further strengthen the culture of respect and safeguarding of human rights, the Group's Human Rights Policy is under revision since September 2021 in order to be enriched with the principles governing the management and protection of violence and harassment in the workplace. The goal is for the Policy to be in force in the first quarter of 2022.

Principles for Responsible Banking

Piraeus Financial Holdings subsidiary, Piraeus Bank was the only Greek financial institution that participated in the development of the United Nations Principles for Responsible Banking in 2019, as part of a group of banks from around the world. The Principles aim to align banks' activities with the 17 UN Sustainable Development Goals and the Paris Climate Agreement. The CEO of the Group has the overall supervision for their implementation, through the Corporate Responsibility Committee, which he chairs.

In this context, the Group implemented a series of actions for the integration of the Principles in its internal operations and business decisions. Piraeus developed an ESG strategy and published its Sustainable Development Policy, in which the six Principles are embedded; established an internal governance system for sustainable development; and formulated targeted action plans for the development of products and services. Piraeus Bank participates in various UNEP FI working groups for measurement tools and evaluation criteria for ESG actions to be established, such as the portfolio impact assessment working group and the group working on the EU Taxonomy -in collaboration with the European Banking Federation.

More specifically, Piraeus Bank actively participated in the working groups of the “UNEP FI-Positive Impact Initiative”, which designed, developed, and presented two specialized and innovative tools for measuring the impact of banks on sustainable development: the “Corporate Impact Analysis Tool” and the “Portfolio Impact Analysis Tool for Banks”. Piraeus Bank applied the methodology of the Portfolio Impact Analysis Tool and conducted the analysis for the first time in 2021, using 2020 data from its retail, business, and corporate portfolio. The analysis confirms that the financing activities of Piraeus Bank result in possible positive impacts on the economy, society and the environment of Greece. The most significant positive impacts of Piraeus’ financing are on the economy, while positive contributions are also noted to the issues of housing, transport quality and justice and equality, which are crucial for the Greek economy.

In 2021, the Bank published its second progress report on its implementation of the Principles of Responsible Banking.[1]

Participation in International Sustainability Initiatives

Piraeus Financial Holdings is a member of the UN Global Compact and the United Nations Environment Programme Finance Initiative (UNEP FI). It also holds an elected seat on the UNEP FI Banking Board. The Group has signed the Collective Commitment to Climate Action (CCCA - UNEP FI), aiming to transition to economic activities that will limit global warming to 1.5 degrees Celsius and presented the corresponding actions undertaken in the report published by UNEP FI.

The CEO of the Group is one of the 19 leaders of banks and insurance companies from around the world who participate in the UNEP FI "Leadership Council", an international advisory body created in 2021, aiming to shape the strategy of the financial sector so that the goals of sustainable development are met. The Group has signed the UN Declaration "United in the Business of a Better World", for responsible and transparent global business partnerships and the Women Empowerment Principles of the UN Global Compact and UN Women. Piraeus Bank is the first bank in Greece to sign these Principles and is committed to strengthening and promoting gender equality in the workplace. In December 2021, the Group signed the UNEP FI Commitment for Financial Health and Inclusion. In addition, Piraeus Asset Management A.E.D.A.K. is a member of the Principles for Responsible Investment (PRI).

Regarding sustainability initiatives in Greece, Piraeus Group is a full member of CSR Hellas (Hellenic Corporate Social Responsibility Network) to promote corporate responsibility of Greek companies and is also a member of the Sustainable Development Committee of the Hellenic Banking Association, participating in working groups for sustainable banking.

Sustainability Ratings and Distinctions

The Group received a "Management B" rating (scale A to D) in the climate change assessment of the independent non-profit organization CDP, a rating at "BBB" level from the MSCI ESG (scale AAA to CCC) and a rating at level C- from the ISS-oekom, when industry leaders are rated C+. ISS Corporate Solutions gave the Bank a "1 - HIGHER DISCLOSURE" in the environmental and social pillars and 4 in the governance pillar (10 indicates a higher governance risk).

In 2021, the Group’s subsidiary Piraeus Bank received for the second time the highest distinction "Diamond" for its practices with a positive impact on society and the environment, in the assessment of the national Corporate Responsibility Index (CRI).

[1] Principles for Responsible Banking second progress report: http://www.piraeusbank.gr/en/idiwtes/~/media/A0E32C23692847F8BCF4649D576CA7EF.ashx

The Bank was also awarded the "Gold 2021 - EBRD Sustainability Award-Financial Intermediaries" by the European Bank for Reconstruction and Development (EBRD). The Bank ranked first among 100 international EBRD member banks for its sustainable banking activities, based on its annual environmental and social performance assessment. It is noted that Piraeus Bank is the first bank in Greece to create Sustainability Linked Loans, i.e., loans that incentivize the borrower's environmental performance according to predetermined objectives. In May 2021, the Financial Times included the Bank in its "Europe's Climate Leaders" list among the 300 companies that managed the largest reduction of greenhouse gas emissions in the period 2014-2019.

Finally, Piraeus Group is included in the "Ethibel EXCELLENCE Investment Register" since 2015 and since 2020, Piraeus is also included in the "Ethibel PIONEER" list.

Carbon footprint – Management of carbon dioxide emissions

The Group develops strategies for improving its environmental performance and its carbon footprint. Since 2011, the Bank is registered under the EMAS (EU Eco-Management and Audit Scheme) and its Environmental Management System (EMS) is certified in accordance with the international Standard ISO 14001:2015.

Under the Environmental Management System, direct (Scope 1), indirect (Scope 2) and other indirect emissions are calculated for the Group's operational (Scope 3- cat 1-14) and financing activities (Scope 3-cat. 15)[2]. Special emphasis is given to the calculation of Scope 3 emissions and especially category 15 (Investments), which includes the estimation of greenhouse gas emissions from the financed activities and the share of emissions that should be attributed to the Group based on loan or investment exposures. In the same context, the Group participates in the Science Based Targets (SBT) initiative since 2020, which suggests that individual methodologies described in the relevant standard of Partnership Carbon Accounting Financials (PCAF) are used per banking product category. In 2021 the methodologies were integrated in the calculation methodology already being applied by the Bank for the estimation of its Scope 3 emissions (cat. 15) but included more asset classes of the Bank's portfolio.

Environmental data and Key Performance Indicators are published on a yearly basis in the Sustainability and Business Report[3] and in the Environmental Statement;[4] are validated by a third-party assurance agency and are externally assured. In 2020, electricity consumption per sq. m. dropped by 8.0% and water consumption per employee was reduced by 23.0%. For 2020, the Group purchased Guarantees of Origin, certifying that 100% of the electricity consumed in the Group's premises was derived from Renewable Energy Sources, leading to zero Scope 2 emissions (market-based). Scope 1 emissions were reduced by 4.3% and Scope 2 emissions (location based) by approximately 14% compared to 2019. In 2020, Scope 3 emissions accounted for 93% of total greenhouse gas emissions and this is mainly due to the Bank's financing, i.e. mortgage lending and investments (category 15). It is worth noting that in the framework of the SBT initiative, the Group aims to achieve 50% reduction of Scope 1 emissions by 2030 and net-zero Scope 2 (market based) emissions from 2021, with the ultimate goal of reaching net-zero portfolio by 2050.

Selected Environmental Management targets for 2021 were 5% reduction in total electricity consumption per square meter for the Bank's buildings included in the integrated energy management programme (2-year target, base year 2020), 5%

[2] Scope 1 emissions are the direct emissions emitted from sources owned or controlled by the Group (e.g. heating oil consumption and fuel consumption by company cars). Scope 2 emissions derive from electricity consumption in buildings and Scope 3 is defined as all other indirect emissions that are not included in the Scope 2 category and are related to the Group's activities, including its financing.

[3] Sustainability and Business Report 2020: https://www.piraeusbankgroup.com/en/investors/financials/annual-reports

[4] Environmental Statement 2020: https://www.piraeusholdings.gr/el/sustainable-banking/environment-and-society/environment/environmental-fields-of-action/environmental-management

reduction in total paper consumption per employee (3-year target, base year 2020) and 10% reduction of water consumption per employee.

In 2020, the Environmental Impact Calculation Model (Ecotracker platform) was further upgraded to allow for automatic data entry and linking this software to existing infrastructure and tools. As such, the Bank's environmental footprint (Scope 1, 2 & 3- cat. 1-14 emissions) was calculated faster compared to previous years, using automatic processes. Through the Energy Office, the Group uses specialized software, unique in the Greek banking industry, which monitors online and in real-time the energy and water consumption in approximately 330 buildings, resulting to improved energy efficiency.

Protection of Biodiversity

Following the signing of the global "Finance for Biodiversity Pledge", in order to set goals by 2024 for strengthening the business activities that protect and enhance the natural environment, reversing the rate of biodiversity loss, the Group participated in 2021 in international initiatives for the protection of biodiversity.

The Group continued its participation in the EU Business @ Biodiversity Platform, a forum for ongoing strategic dialogue on the interconnection of business with biodiversity and natural capital, in the EU COP Finance @ Biodiversity working group, concerning mainly financial institutions, and in the UNEP FI working group "Target Setting - Biodiversity", to set goals for financial institutions on biodiversity.

Furthermore, in 2021 the Group took a pioneering role, with other thirty financial institutions, in the testing of the ENCORE tool (ENCORE biodiversity module), showcasing the interactions of economic activities with natural capital and the ways the Group's agricultural portfolio can be aligned with the protection of biodiversity. Finally, the Group joined the international initiative Partnership for Biodiversity Accounting Financials (PBAF) that aims for financial institutions to commit to measuring their biodiversity footprint and develop a shared methodology for measuring and reporting the impact of their loans and investments on biodiversity. In this framework, a methodological tool will be developed by end of 2022 for the assessment of the Bank's biodiversity impact through its loans and investments. It is noted that the guide published by ECB on climate-related and environmental risks makes explicit reference to risk that is related to biodiversity loss.

Tackling the Risks deriving from Climate Change

Assessing Climate Risk deriving from the Bank's business borrowers

The Group estimates on an annual basis the climate risk of its business borrowers, across significant economic sectors considered to be mostly affected by climate change. In 2020, the climate risk calculation was carried out, for the first time with the new methodology adopted by the Group based on the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) and the new methodological approaches that are being developed internationally. The recently adopted new methodology is based on the use of three (out of four) Representative Concentration Pathways (RCP) climate scenarios developed by the IPCC (the Intergovernmental Panel on Climate Change).

The RCPs are Greenhouse Gas concentration scenarios widely used in the international community for modeling and constitutes the basis for the IPCC Fifth Assessment Report forecasts. The extreme scenarios RCP2.6 and RCP8.5 are generally used in climate impact studies. The RCP2.6 is in line with the objectives of the Paris Agreement and the second (RCP8.5) is the pessimistic (worst case) climate scenario, while the RCP4.5 scenario corresponds to an average emission evolution.
For the estimation of the business borrower's climate risk in 2020, the medium scenario (RCP4.5) was chosen. This choice was

made due to the greater availability of climate data in high spatial and time resolution and because the RCP4.5 climate scenario better reflects the existing commitments of the EU countries regarding the implementation of climate policies.
For the year 2020, the total climate risk of the Bank's business borrowers was estimated at € 1,910 million on an annualized basis, which corresponds to 0.95% of their total turnover. The Physical Risk constitutes 41.9% and the Transition Risk 58.1% of the estimated total clients' climate risk.

Upgrading Climabiz (Climate Risk Management Model):
The upgrade of Climabiz is in progress and the integration of the new IPCC climate scenarios is expected to be completed within 2022. The further harmonization of the Climabiz Tool according to the TCFD recommendations and the requirements of the supervisory bodies is a constant pursuit of the Group.

Commitment of the Group towards the SBT Initiative:

The Group having committed to SBTI in 2020, proceeded in 2021 with the estimation of the business portfolio's indirect emissions (Scope 3 cat.15) for the base year (2019), with the aim to adopt emission reduction targets and to submit them for evaluation to the SBTI within 2022. The SBTi suggests methodological tools for measuring carbon emissions and setting targets for their reduction, regarding the Group's direct (operational) as well as indirect financed emissions (Scope 3 cat.15) to contribute to the achievement of the Paris climate objectives.

Participation in the Collective Commitment to Climate Action Initiative:

The Group participates in the UNEPF FI Collective Commitment to Climate Action (CCCA), since September 2019. The participants are committed to aligning their business strategy and their portfolios with the objectives of the Paris Agreement. The main objective of this commitment is to increase funding for sustainable development to reduce the increase of the global average temperature to well below 2^{o}C.

In December 2020, UNEP FI published a report summarizing the collective progress made by banks participating in the CCCA and provided an overview of the measures taken in the first twelve months to achieve their commitment to reduce direct and indirect CO2 emissions.

Integration of climate and environmental risks in the supervisory requirements

Following the publication of the European Central Bank's Guide of climate related and environmental Risks: Supervisory expectations relating to risk management and disclosures in November 2020, which is based on the TCFD recommendations, Piraeus Group proceeded with a self-assessment on its harmonization with the 13 ECB expectations. The self-assessment was submitted to the ECB in February 2021, while a roadmap was submitted in May 2021 with a plan for fully integrating the ECB expectations by end of 2023.

The roadmap has a dynamic approach and can be reviewed and adapted based on actual market developments and the respective supervisory expectations. The Group has proceeded with the implementation of the roadmap under the Project Proteus. The project is overseen by the Climate-Related & Environmental Risks Steering Committee (Project Proteus SteerCo). This Committee is responsible for implementing the strategy set out in the Roadmap and oversees the Project Management Office (PMO) which coordinates eight workstreams. Both Project Proteus SteerCo and the eight working groups are composed of executives representing all the functions of the Organization in all three lines of defense (3 LoD). The PMO consists of executives from the Group Risk Management, Regulatory & Resolution Affairs and Group Planning, IR & ESG. An integral part of Project Proteus is the preparation for the participation in the first Climate Stress Test in 2022, in accordance with the requirements of the ECB.

Based on the Group's long-term experience of managing environmental risk of business portfolio through the environmental and social management system and the estimation of the climate risk of its business borrowers through Climabiz, the Group aims to gradually integrate these risks into its overall risk management structures and processes, as well as in its business decisions.

TCFD Recommendations

TCFD Recommendations were presented in 2017 by the Financial Stability Board working group, to improve and increase reporting of climate-related financial information structured around four pillars: Governance - Strategy - Risk Management – Metrics and Targets.

The Group published in 2021 its second and most detailed TCFD report, following the guidelines issued by the UNEP FI "TCFD Playbook", aiming to inform its stakeholders holistically and transparently.[5] In the report, the Group references its climate governance led by the CEO, the climate risks and the business opportunities that has identified and their financial impact on the organization. It sets out in detail its strategy for climate change and climate risk management processes and disclosed the relevant key performance indicators that it monitors over time and systematically.

Disclosure obligation in accordance with article 8 of the EU Taxonomy Regulation

In 2020, the European Parliament adopted the Taxonomy Regulation, setting out an EU-wide framework -a classification system- that allows investors and undertakings to determine whether certain economic activities are environmentally sustainable. On 6 July 2021, the European Commission adopted the Commission Delegated Regulation (EU) 2021/2178 supplementing Article 8 of the Taxonomy Regulation (EU) 2020/8522 ("the Disclosures Delegated Act"), which specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities.

The main indicator of alignment is the Green Asset Ratio (GAR) which enterprises must disclose from 2024 onwards. For a credit institution, GAR is defined as the proportion of its assets invested in taxonomy-aligned economic activities over its total covered assets. The GAR should be calculated based on the on-balance sheet exposures (total covered assets) according to the prudential scope of consolidation for the types of assets and accounting portfolios specified in the Disclosures Delegated Act. Credit institutions should disclose the aggregate GAR for on-balance sheet covered assets, a breakdown for the environmental objective pursued by environmentally sustainable assets, the type of counterparty, and the subset of transitional and enabling activities.

The disclosure requirements for the financial years 2021 and 2022 are limited to Taxonomy eligibility and relevant ratios. Beyond this initiation phase, the sequential step in the disclosure process, relates to the specific Taxonomy alignment, which will apply for the year 2023. This graduated approach is deemed necessary due to the reliance on information that is publicly disclosed by counterparties.

For the years 2021 to 2023, the Group will be disclosing the following information on a consolidated level:

[5] Piraeus' second TCFD report: https://www.piraeusholdings.gr/~/media/Com/2021/Files/corporate-responsibility/environment/20211130_TCFD_Piraeus_Group_%CE%95%CE%9D_FINAL.pdf

(a) the proportion in the Group's total assets of exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities;

(b) the proportion in the Group's total assets of the exposures to central governments, central banks and supranational issuers and derivatives;

(c) the proportion in the Group's total assets of the exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU;

(d) the proportion of their trading portfolio and on demand inter-bank loans in their total assets; and

(e) qualitative information referred to in Annex XI of the Disclosures Delegated Act.

EU Taxonomy eligibility & non eligibility ratios as a proportion of Group's total assets (%)	**31/12/2021**
1. Exposures to Taxonomy-eligible activities	22%
2. Exposures to Taxonomy non-eligible activities	16%
3. Exposures to sovereigns, central banks and supranational issuers	17%
4. Exposures to derivatives as a proportion of total assets	1%
5. Exposures to corporates not subject to non financial reporting directive (NFRD)	12%
6. Trading book	1%
7. On-demand interbank exposures	19%
Group's total assets (in € billion)	**€79.8**

Regarding the contextual information in support of the quantitative indicators, for the calculation of the aforementioned ratios specific assumptions and proxies were considered on the respective numerators, while limitations were also existent. These proxies were considered in order to offer a best effort estimation of the eligibility ratio incorporating requirements of the Disclosures Delegated Act and taking into consideration the frequently asked questions that the European Commission published on 20 December 2021 and 2 February 2022 respectively with the intention to cover the Group's total assets and activities depicted by the aforementioned table.

With the aim to reflect the nature and objectives of the Taxonomy, the Group based the calculation of the eligibility ratio numerator on the NACE codes that currently meet the criteria of Climate Mitigation or Climate Adaptation as published by the European Commission. This information is available in the Group's business lending portfolio, however there was no sufficient and reliable data on respective eligible activities of counterparties at the time of the publication of this report. Financing activities that were not identified to the specific NACE Codes were only included in the ratio's numerator. This also applies for the investments portfolio as there was not available data regarding the activities/NACE codes of the counterparties.

For the estimation of the ratio [5], it was necessary to assume for the scope of this exercise, that all Non-Financial Corporates that comprised the Business Lending Portfolio and were SMEs were not subject to NFRD.

The Group is committed to continuously improve its processes and enhance the availability of data and its proxies in order to upgrade its reporting scope according to the EU Taxonomy.

Furthermore, the Group is taking steps further to enhance the eligible part of its portfolio. Namely new disbursements for Renewable Energy Sources (RES) projects exceeded € 300 milion in 2021. The total RES exposure amounted at € 2.0 billion related to 38,000 customers. This particular loan portfolio will certainly grow further as we have earmarked € 500 million stemming from Group' inaugural Green Bond that will be allocated to eligible Green Projects according to the Group's Green Bond Framework.

Moreover, Sustainability Linked Loans have been accepted by Greek Businesses, 10 new financing contracts were signed in 2021 with large and medium sized enterprises with the total balance exceeding € 200 million. Overall, since their inception in June 2020, we have built a portfolio comprising 16 contracts with large and medium sized companies, with a total amount exceeding € 345 million.

Piraeus AEDAK, the asset management arm of Piraeus Bank has been a member of the global initiative Principles for Responsible Investments for more than 3 years. It has incorporated in its strategy the application of the principles of responsible investments. It was the company that launched the first Mutual Fund in the Greek market, which invests in companies that adhere to the principles of ESG. The Group has placed in the market four ESG Mutual Funds all compliant with Sustainable Finance Disclosure Regulation (SFDR), totaling € 333 million, ranking top in the Greek ESG Asset Management market at the end of December 2021.

Lastly, in Retail Banking, the ESG agenda has unfolded both in the lending and investment products portfolio. Piraeus Bank has supported more than thirty thousand households in the program "Energy Saving at Home" by supporting the effort to upgrade Greece's aging real estate stock and improving the environmental performance of homes, cutting energy costs. In 2021, alone we have claimed a 32% market share in submitted applications and have approved 4.4 thousand applications with approximately € 27 million balances. We also provide a complete range of financing solutions to meet every "green" small business need, such as: financing the installation & upgrade of Photovoltaic Stations, net metering and the energy efficiency upgrade of businesses or the purchase of an electric or hybrid car etc. Today this portfolio exceeds 400 accounts with total loan balances hovering €60 million.

The Group's aim is to gradually align its objectives to be consistent with the EU Taxonomy. Its sustainable finance proposition will be to support our customers' transition and consider the standards and enhancements of the EU Taxonomy.

Group Cultural and Social Initiatives

The Cultural and Social Initiatives Unit was established in 2020, in the framework of the strategic corporate responsibility in which the Group operates and its goals include the implementation of actions and initiatives for Society and Culture.

Society - Alignment of the Group's actions with key social issues and strengthening of its relations with society.

Culture - Development of the creative economy, promotion of culture, support of historical knowledge and intellectual creation, preservation and promotion of the Greek cultural heritage.

In this context, the Unit designed and carried out the following actions and initiatives:

International Initiatives

- Women's Empowerment Principles - UN Global Compact - UN Women
Piraeus Bank is the only Greek bank whose CEO, Christos Megalou, signed the United Nations Women Empowerment Principles, committed to actions to support women in the work environment, the market and society.
- Bloomberg 2022 Gender Equality Index
The submission of gender equality data took place for the first time, along with the inclusion of Piraeus Financial Holdings in the Index in a total of 418 companies worldwide. The Gender Equality Index records the performance of companies that are

committed to the transparency of the data they provide and their policy on gender equality issues.

Corporate responsibility actions to promote Gender Equality in society

- Women Founders and Makers - The program is designed and aimed at women who maintain businesses or intend to establish new ones, in order to acquire the necessary skills for the growth and development of their businesses (empowerment workshops, business skills, digital skills).
- Women Back to Work - The program was designed to develop the necessary skills for women who are on a career break and want to enter the labor market (eg creating a resume, introductory note, interview preparation, analytical thinking, problem solving, etc.).
- Profession has no Gender - A program designed with the aim of students of public secondary schools, throughout Greece, to have constructive discussions with successful professionals. These discussions will aim to break down stereotypes about gender and occupation.

Actions in support of public school students in the fire-affected areas of North Evia

The Group supports the students of the public schools in the areas of North Evia, that were affected by the catastrophic fires in August 2021. In order to assist in the restoration of their daily life, it announced and implements the following actions:

- Donation of 25 interactive boards to all primary schools in the Municipalities of Istiaia-Edipsos and Mantoudi-Limni-Ag. Annas - N. Evia.
- Donation of 269 tablets of modern specifications for individual use by each student, in all secondary schools in the areas of Limni, Gouves and Ag. Anna - North Evia.
- Granting scholarships for tuition fees to 34 students in the areas of Gouves, Ag. Anna, Limni who succeeded in being admitted to universities in the Panhellenic Examinations of 2021.

Anniversary Action Program to celebrate the 200th anniversary of the 1821 Revolution

The Group, respecting its institutional role and the social responsibility that derives from it, participates in the celebration of the 200th Anniversary of the "national polygenesis" of 1821.

In this context, the Unit designed in 2019 and implemented in 2021 a Program of Anniversary Actions, which relate to scientific research, culture, arts, education and include:

- nine anniversary editions
- three cycles of workshops-talks
- nine podcasts
- five traveling exhibitions
- four artistic productions
- four interactive presentation systems of the National Anthem and the Greek Fighters of 1821

These activities were designed and implemented in collaboration with the National and Kapodistrian University of Athens, the National History Museum, the General State Archives, the Institute of Technology and Research, the National Opera, the Takis Sinopoulos Foundation – School of Modern Greek Poetry, the Tinian Culture Foundation, the Astronauts Theater Group, the StudioBauhaus and reputable scientists and academics.

As part of the national celebration of the Anniversary, Piraeus Bank signed a Memorandum of Understanding with the General Secretariat of Hellenes Abroad & Public Diplomacy of the Ministry of Foreign Affairs and all actions "reached" all centers of Hellenes Abroad around the world.

Museum Network of the Piraeus Financial Holdings Group Cultural Foundation - Pillar of development for the regions of Greece

The Group's Cultural Foundation has created and is operating a network of nine thematic museums in various regions of Greece, contributing to the economic growth and prosperity of the country through the growth dynamics of culture and the forging of relationships of trust at the local level.

The Museums of the Foundation are "museums without walls", harmoniously integrated into local communities, operating as living cells of cultural and economic development. A study carried out by the Foundation for Economic and Industrial Research in 2019 on the economic and social impact of the operation of PIOP Museums on local communities, calculated an increase in tourism expenditure in the respective regions of the country by € 11.8 million and an impact of museum activity on the country's GDP by € 23 million (conservative estimate). These figures are directly proportional to the number of visitors to the Museums.

The conditions created due to the Covid-19 pandemic in 2021 significantly affected the operation of the PIOP Museums. Following the instructions of the Ministry of Culture and Sports, the museums of the PIOP Network were closed to visitors for a period of almost five months in 2021. For this reason, PIOP reshaped its strategy by channeling a large part of its resources to the design and implementation of digital and online activities, while at the same time organizing a series of activities with physical presence, when this was allowed and always in accordance with the health protocols. In 2022, a gradual increase of activities with physical presence in the Museums is expected, laying the ground for a return to pre Covid-19 figures.

Related Party Transactions

With reference to the transactions of the Group with related parties, such as members of the Board of Directors and the management of the Group and its subsidiaries, these were not material in 2021, and a relevant detailed reference is included in the 2021 Annual Financial Statements.

Risk Management

Risk Management is an area of particular interest and focus of the Group, targeting to an effective and efficient identification, management and monitoring of risks. The prudent implementation and continuous development of the risk management framework constitutes a priority and is taken into account when designing the Group's strategy and business plan.

The purpose of Group Risk Management (GRM) is to safeguard the optimum usage of the Group's resources, its capital, its reputation and its people, at the best interest of the Group's stakeholders. The ultimate goal is to achieve the targeted return on equity by means of pursuing the Group's strategic plan, while at all times ensuring tactical processes/ initiatives remain respectful of the defined risk appetite.

In this context, the key driving principles of GRM are described below:

- Strategically manage capital and liquidity;
- Enhance risk management capabilities;
- Continuous enhancement of risk governance and control framework ;
- Shape a strong Risk Culture.

During 2021, Group Risk Management continued strengthening of the Group's risk management framework which interacts with the Group planning processes in alignment with the in force regulatory framework, the supervisory expectations and the strategic guidelines/ plan.

As reflected in the design and implementation of the strategic plan, it is of high priority for the Group to further develop sophisticated risk management practices and robust models and methodologies. More importantly, the Group aims to solidify the sound governance and risk culture and awareness across all levels of the organization.

Indicatively, 2021 key risk strategic and functional objectives include:

- Stress testing & balance sheet diagnostics infrastructure project;
- ECB roadmap on climate-related and environmental risks;
- Large exposures report automation;
- Guidance on loan origination and monitoring;
- BoD Executive Committee Act 175/29.07.2020;
- Credit risk models calibration based on the EBA New Definition of Default;
- Early warning system development for the efficient performing portfolio management;
- On-site-inspection (OSI) credit risk loan tape development;
- Value at Risk (VaR) methodologies enhancements;
- New EBA Reporting Framework 3.0 – Requirements analysis & implementation;
- Interest Rate Risk in the Banking Book (IRRBB) initiatives;
- Operational risk framework enhancement.

Risk | Function & Initiatives:

Risk is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to credit risk, collateral risk, market, liquidity and Asset and Liability Management ("ALM") related risks. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks.

Moreover, it is responsible for the design and implementation of the Group's ILAAP and leads the preparation and execution of regular enterprise-wide liquidity stress tests.

Further, Risk produces risk-related reporting to the Group Management and Management/BoD Committees as well as to the supervisory authorities.

During 2021, Risk has led/participated in a number of strategic and functional risk initiatives. Indicatively:

Credit Risk

Credit Risk developed and led a series of initiatives targeting to assess and effectively manage related risks in line with Group's Risk Appetite Framework (RAF). Such initiatives indicatively comprise:

- Active involvement in the synthetic securitization projects;
- Cascading of new Key Risk Indicators (KRI's) for RAF purposes;
- Update of Credit Risk Management's Framework.

Further, several tasks and projects were deployed by Credit Risk to facilitate and enhance risk management practices, as described below per responsible unit:

- **Credit Risk Monitoring**
  - Led Group's response to Supervisor's Covid 19 targeted reviews;
  - Coordinated Group's full transition to the new Definition of Default (DoD);
  - Ongoing sponsorship of credit risk related projects (e.g. 'EBA Guidance on Loans Origination and Monitoring', 'BoG Executive Committee Act 175/29.07.2020, 'New Large Exposures Framework', 'Unlikely to Pay (UTP) alignment with new Law 4738/20').
  - Enhancements in monitoring of new disbursements (Retail and Small Business infrastructure, Revised Car Loans Application Score Cut off, Retail Products Vintage Analysis).
  - Enhancements in reporting to further increase upper management insight on credit risk KRIs movements

- **Impairments**
  - Further optimized Individual Impairment process by minimizing cycle-time;
  - Re-assessed the impairment parameters, where necessary, in order to be appropriate for the current, affected by the Covid-19, environment;
  - Implemented new Probability of Default (PD) models for specialized lending portfolios within IFRS 9 infrastructure;
  - Implemented new Cure model for Small Business portfolio within IFRS 9 loss given default formula;

- **Credit Risk Models**
  - End to end execution of the credit risk module for the 2021 EBA Stress Testing exercise;
  - Sponsorship of the transition project to the new business models platform, "Credit Lens";
  - Developed three new PD models for forborne/ non-forborne mortgage loan portfolio;
  - Developed five new self-cure rate models for IFRS 9 purposes.
  - Design of an early warning mechanism to prevent credit quality deterioration
  - Enhancements with respect to cost of credit risk component of the Risk Based Pricing methodology
  - Project Initiation to introduce ESG risks in the Credit Risk parameters estimation

- **Market, Liquidity Risks and ALM**
  - Initiation of Risk- Pro upgrade Project for IRRRB and Liquidity measurement and Reporting;
  - Development of Credit VaR methodologies for quantifying migration risk in the Fixed Income Book;
  - Implementation of the regulatory requirements of the new framework Capital Requirements Regulation (CRR)2/CRD5 with respect to LCR, Net Stable Funding Ratio (NSFR), Additional Liquidity Monitoring Metrics (ALMM) and Asset Encumbrance;
  - Initiation of projects in ALM to enhance software capabilities with regards to Constant / Dynamic Balance Sheet functionalities, in automating, in the management of the behavioral models employed in IRRBB, and in MUREX –VaR project for Market Risk.

- **Own Assets and Collateral Risk**
  - Development of data infrastructure to unite real estate information from various databases.

Risk Strategy, Balance Sheet and Capital Planning | Function and Initiatives:

Risk Strategy, Balance Sheet and Capital Planning supports the development and implementation of the Group's Strategy, aiming at the effective management of risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy as well as RAF of the Group, in accordance with the Risk Committee and Board of Directors' directions and guidance.

Additionally, the establishment of dedicated unit aims to manage effectively risks related to ESG.

Moreover, it is responsible for the design and implementation of the Group's ICAAP and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group's Recovery Plan.

Finally, Balance Sheet and Capital Planning is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.

During 2021, Balance Sheet and Capital Planning has undertaken a number of strategic risk initiatives. Indicatively:

Risk Strategy

- Risk Identification Report 2021 submission;
- Risk and Capital Strategy: 2021 updates and submission;
- Risk Identification and RAFs update and submission;
- Preparation and Submission of the 'Strategic Processes Alignment' document;
- Co-management and Co-ordination of Project Proteus, that aims to fully incorporate Climate related and Environmental (C&E) risks into the Group's strategy, governance and risk management framework.
- Project co- lead / coordination for the submission of ECB self-assessment and the Group's plan on environmental and climate related risks.
- Preparation for the ECB Climate Stress Test

Capital Planning and Stress Testing

- Project lead / coordination for the 2021 EU Wide Stress Test;
- Implementation of the ICAAP 2020 exercise and successful submission to the SSM of the ICAAP 2020 reporting package;
- ICAAP Framework and Methodology update, implementing more advanced measurement methods in response to changes in the Group's risk profile, in tandem with the execution of its derisking strategy (i.e. securitizations) also addressing further internally identified needs and relevant supervisory findings.
- Stress Testing Framework update for internal and regulatory purposes
- Recovery Plan submission to the SSM
- Development of an integrated Stress Testing and Balance Sheet diagnostics platfotm

Capital Calculation and Reporting

- Enhancement of capital management analytical and reporting framework, to cover the fundamental review of the Trading Book reporting requirement introduced as of September 2021;
- process of ERMIS I & II synthetic securitisation transactions, in order to maximaze the relevant capital benefit;
- Incorporation of the updated Pillar III disclosure requirements into the Group's reporting framework and in the

semi-annual Pillar III disclosures document released.

Control | Function and Initiatives:

Control is responsible for the identification, monitoring and assessment of all types of risks (credit, market, operational, liquidity, etc.) arising from the Group's activities, through the development, implementation and evaluation of an adequate Internal Control System, in order to ensure the safe and efficient operations of the Group and the achievement of its business objectives. Also, the unit is collaborating with Segment Controllers to accomplish its mission.

During 2021, Control has led in a number of strategic and functional risk initiatives. Indicatively:

Operational Risk and Control

- Enhancement of Information and Communication Technology (ICT) risk management in second line of defense;
- Establishment of a "Management Accept Risk" (MAR) Process;
- Establishment of a Product Assessment and Approval Process;
- Implementation of platform for the management of internal control deficiencies across the Bank;
- Enhancement of operational risk loss collection and analysis, with focus on legal cases and credit related incidents;
- Enhancement of the risk and control assessment process and procedures.
- Launch of operational risk enhancement framework related to C&E risks

Credit Control

In the context of enhancing the Control Framework in accordance with the implementation of the three Line of Defense (LoD) model and its integration with the Internal Control System (ICS), Credit Control Performing & Troubled Assets adjusted their scope and responsibilities to reflect BoD decisions as follows:

- Regular Targeted in Depth Credit Reviews aiming to verify adherence to Credit Policy & Lending Procedures relating to the assumption and management of credit risk, with focus on EBA Status and UTP – Forbearance flagging. Given the Covid 19 pandemic crisis, Credit Control reviews placed emphasis on the effects of the pandemic in borrowers' ability to meet their obligations and their classification according to policy and regulatory guidelines;
- Introduced Control Process documentation (Specifications) as a detail document in which scope, sample criteria, data requirements and deliverables are described
- Design of new Credit Process Analytics in collaboration with Risk Analytics Data, which evolves data enrichment and a risk based reporting infrastructure designed to automate controls and the identification of material findings, to be utilized by both 1st and 2nd LoD functions.
- Design of new Risk Based Stratification Sampling method in collaboration with Risk Analytics Data Office
- Enhanced Credit Control Findings & Recommendations Process, Reporting and implementation progress monitoring in collaboration with ICS Segment Controllers;
- Introduced (new responsibility) Senior Credit Committees' Review, aiming to assess the adequacy of information received by committees, as well as outputs produced.

Model Validation

The enhancement of the Group's Internal Control Framework as a functional objective, led to the strategic development of model validation activities by further expanding the Model Validation scope to cover additional areas of the Group (e.g. capital management, real estate, etc.). Furthermore, existing Model Validation activities were enhanced by covering additional aspects, aiming to further mitigate model risk. Indicatively, actions performed by Model Validation Unit towards this direction were:

- Enhancement and maintenance of the Model Validation Framework to adequately assess all model types, other than credit risk models (market risk, interest rate risk, operational risk, etc)
- Development of a follow-up process of the model validation findings in cooperation with Unit and Segment Controllers, aiming to regularly monitor the remediation actions.
- Enhancements of the IFRS9 validation reports, regarding the assessment of the Macro and Lifetime PD models, as well as the retail portfolio PD models.
- Validation of the Group's relevant models used in EBA Stress Test 2021 and provision of detailed description on Model Validation activities and results for the above models, as part of the respective Q&A session.

Analytics | Function and Initiatives:

Analytics is responsible for undertaking end-to-end holistic analysis with a view to responding to challenges arising within the risk management framework. To that end, the unit employs accounting, financial engineering, product expertise, investigation, intelligence, technology, economics and deep industry skills, along with consistent proven global methodologies to help reduce unwarranted risk and commercial loss. Analytics also coordinates and monitors projects under the hospice of Group Risk Management and being responsible for risk management data and operations.

During 2021, Analytics has led in a number of strategic and functional risk initiatives. Indicatively:

Forensics / Solutions

- Continuous enhancements of ART - a risk based pricing tool – and its wider application in various portfolios:
  - Testing period for integration of ART started for Mortgages with fixed term, Consumer, and Small Business portfolios;
  - Integrating "Client Plan" in ART for Large Corporate, Project Finance and Shipping portfolios. With the new functionality, Relationship Managers will have a better view on the impact of a new loan on the profitability of the entire customer relationship aiming to evaluate the customer relationship as a whole.

Group Risk Project Management Office

- Coordinate the submission of the annual plan of projects and their prioritization throughout the year;
- Assessment of ad-hoc projects and re-prioritization of the overall unit's projects as an on-going process so as to be aligned both with strategic objectives of the Group and Unit's needs;
- Coordinate the annual Risk budget submission and monitor the actual risk performance during the year.

Risk Data Office and Operations

- Responsible for the risk systems' operations and configuration management; coordinates the risk data aggregation and reporting tasks (Finrep, Corep, Cost of Risk, regulatory data tapes, etc.);
- Risk Data quality incident management;
- Risk systems' operational incident management;
- Risk Data modelling and design; Risk Data analytics and reporting.

Segment Controller and Unit Controllers | Function:

The **Controllers** (Segment and Unit Controllers) work closely with the Operational Risk & Control unit and all Risk Units, with the guidance of the CRO and the Group Controller, aiming at the optimization of the Segment's ICS while performing the following activities on a continuous basis:

- Design and implement the annual Segment Controller (SC) Plan in line with the Operational Risk Management and ICS Framework.
- Lead and participate in the RCSA (Risk Control Self-Assessment) on-going risk identification and assessment processes, update process models, evaluate and test the effectiveness of controls while ensure the completeness of risk data.
- Provide deliverables and actively participate in operational risk control related processes such as Operational Risk & Assessment Process (ORAP), Fast Track Deficiencies (FTD) process, Business Continuity Plan (BCP), Extreme Scenario Analysis working team, Information Classification, Data Protection as well as other ad-hoc control related processes;
- Perform Gap analysis of the GRM framework, assess and monitor its adequacy as well as focus on control mechanisms and strong risk governance;
- Provide support during internal / external audits and periodic follow up processes by the auditors (i.e. provide requested info / data, attend meetings and be involved in the process of agreement on corrective actions)
- Collect information and maintain the Segment's inventories with regards to
  - the Group Risk Management framework (policies, methodologies, procedures) and
  - the internal control deficiencies (ICDs), such as: RCSA risks, Internal/External Audit findings, Model Validation findings, FTDs (ORAP) risks, MAR data.
- Monitor implementation status of the annual plan and more importantly of the agreed action plans in relation to identified weaknesses (e.g. RCSA, Audit Findings, Model Validation findings, FTDs etc.); escalate issues to the CRO and Risk Heads and/or requests approval by Operational Risk Committee for delays or non implementation of remedies (MAR).
- Sumbit periodic reports to the CRO, the Group Controller and Risk Heads on internal control deficiencies, the current framework and the progress of the Senior Controlling plan.

Key Committees with Risk participation

Risk Committee

Audit Committee

Provisioning Committee

Supervisory and NPE Management Council

Asset and Liability Management Committee (ALCO)

Operational Risk Committee

Senior Credit Committee, Recovery Credit Committee and other Credit Committees

Macro-economic affairs Commitees

Market Scenario Steering Committee

Group Planning Committee

Client Management Committee

Risk Models Oversight Committee

Real Estate Committees

Resolution Committee

Prospects and challenges of Piraeus Financial Holding Group's Operations in 2022

Following the deep recession of 9% in 2020, the year 2021 was characterized by a strong recovery of 8.3% GDP growth in the Greek economy, although the year continued to be affected by similar uncertainties as 2020 due to Covid-19.

With the support from the European authorities, the Greek administration has provided among the largest fiscal stimuli in the Euroarea, and along with the accommodative policies of the European Central Bank, has shielded the banking sector and supported the flow of funding to Greek households and businesses.

For Piraeus Financial Holdings Group, 2021 was a year of complete turnaround, through the execution of its strategic business plan, which aspires for Piraeus to reach a single-digit NPE ratio in 2022, while maintaining solid capital buffers via more than € 3 billion capital enhancement actions and enabling sustainable profitability drivers for the short and medium term.

The Group has achieved material progress on all pillars of its business plan during 2021. Four-large-scale HAPS NPE securitizations and other direct NPE portfolio sales have been executed, reducing Group NPEs by € 17.2 billion, to € 4.9 billion at end of December 2021, compared to € 22.5 billion as at end December 2020, driving the NPE ratio below 13% from 45%. Additional balance sheet de-risking actions are on track to be concluded in 2022, in order to achieve the single-digit NPE ratio aspiration. Capital buffers have been maintained through the successful completion of a share capital increase of € 1.4 billion at the end of April 2021, the issuance of € 0.6 billion of Additional Tier 1 capital in mid-June 2021, along with the non-dilutive capital enhancing actions already completed or under way amounting to more than € 1.0 billion.

The anticipated mobilization of private investments by the Next Generation EU funding, the implementation of the reforms included in the NRRP, the anticipated revision of the fiscal rules of the Stability and Growth Pact, the gradual resumption of tourism to pre-Covid crisis levels and favorable liquidity conditions are expected to drive the Greek economy to a solid and sustainable growth trajectory in 2022 and for a number of years ahead.

For the Group, 2022 is a year of accelerated effort to extract value from and optimize all its core operating lines, with the aim to replenish the lost interest income caused by the derisking of our balance sheet, through focused credit expansion in sectors of the economy with sustainable development goals and associated with RRF, targeting high risk-adjusted returns. Additionally, we intend to elevate our commercial offering and grow further capital-light businesses to achieve further revenue diversification. We will also continue digitalizing and simplifying our operating model to boost effectiveness and efficiency. Finally, we are stepping up our ESG agenda with an actionable plan, scaling our ESG commercial offering and expanding our ESG practices to workplace and society.

With regards to potential risks, the continuing impact of the coronavirus pandemic, the persistence of inflationary pressures, supply chain volatility and uncertainty, and the difficulties posed by the broader geopolitical conditions would enhance downside risks to all sectors of the economy, perpetuate debt problems and lead to additional NPE generation. Furthermore, any potential change in the regulatory stance could result in an increase of future provisions, burn capital buffers, lead to the classification of additional loans and exposures as non-performing and a significant decrease in our revenue, which could materially and adversely affect our financial position, capital adequacy and operating results.

The Russia-Ukraine crisis creates additional risks and uncertainty, affecting - among others - energy and agri prices, resulting in strengthening inflationary pressures both in intensity and duration above our initial estimates. Second round effects may exert a negative impact on consumption, tourism and business activity, however the headwinds arising from the geopolitical uncertainty are likely to be mitigated with coordinated support measures at the European level.

On inflation, and in an environment of price increases worldwide, central bank monetary policies are becoming less accomodative. Interest rate increases are usually beneficial to banks, as the positive impact from higher rates generally outweighs the negative effects stemming from inflation and a greater cost of credit. Therefore, in addition to maintaining the Group's balance sheet well positioned to benefit from interest rates increases, management is extremely mindful of the importance of credit risk and will focus on operational efficiency and cost control to navigate this environment and meet the 2022 Group targets.

On the current geopolitical situation and business impacts, the Group's operations in Ukraine comprise a financial institution, namely JSC Piraeus Bank ICB, and investments in real estate assets which represent only circa 0.2% of the total consolidated assets of the Group as of 31 December 2021. We are closely monitoring the developments in the country, in cooperation with regulatory authorities, and have contingency plans in place to protect our people on the ground and our clients.

The solid execution to date of our strategic business plan, and the pragmatic assumptions that it is based on, allow us to be optimistic for the successful completion of our business plan that will enable the Group to focus on its core strengths, to finance the Greek economy and provide attractive returns to its shareholders, while maintaining a strong corporate culture and continuing to contribute towards a cohesive and inclusive society.

Athens, 24 March 2022

On behalf of the Board of Directors

Non-Excecutive Chairman of BoD	Managing Director (CEO) Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement of Piraeus Financial Holdings S.A. forms part of the Board of Directors' Report and contains the information required by articles 152 and 153 of Greek Law 4548/2018 as at the reporting date of 31 December 2021 and the subsequent period up to the publication date of the Annual Financial Report.

In particular, Chapter I describes the institutional and regulatory framework that the Company applies in terms of corporate governance and operation as well as the elements of its Internal Corporate Governance and Operating Regulation ("the Internal Regulation")[6]. Chapter II includes the analysis of the composition and manner of operation of the Company's management, administrative and supervisory bodies and committees, including the Internal Control System (ICS), compliance and risk management system implemented by the Company.

2021 Overview

The Company's Board of Directors ensures that an appropriate governance model and checks and balances are in place so that the Company may deliver its ambitious strategic plans while the business is, at all times, resilient and sustainable in the face of a rapidly changing and challenging environment.

During 2021, the Company devoted time to review its internal procedures and practices following the Demerger and its status as a financial holding company but also in particular in light of the newly introduced legislative requirements on corporate governance. In this context, the Board of Directors has formalized and strengthened its commitment to best corporate governance principles by adopting the Hellenic Corporate Governance Code and respectively aligning the Company's Internal Regulation. It has also introduced the role of the Senior Independent Director, entrusting him, inter alia, to act as an intermediary between the Chairman and the other Directors.

In addition, the Annual General Meeting of Shareholders has approved, upon respective proposal of the Board of Directors upon respective recommendation of the Nomination Committee, the new Director Suitability Policy, setting out the fit and proper criteria of the Board of Directors and the relevant procedures.

With respect to remuneration, aiming to enhance the robust governance structure with clear and transparent processes and be aligned with relevant market practices in the Greek systemic banking sector, the Company has submitted for approval to the General Meeting of Shareholders the Severance Policy, which applies to the senior management of the Company and the executive members of the Board of Directors. Moreover, the Extraordinary Meeting of Shareholders dated 7 April 2021 granted authorization to the Board of Directors of the Company to establish a five (5) year stock option plan to executives and employees of the Company and its affiliated companies, in the form of stock option rights (stock options), by increasing the share capital with the issuance of new shares and to determine, without prejudice to the provisions of the Law 3864/2010, the terms of the stock options, at its discretion. The maximum nominal value of all shares that may be awarded through the plan which will be established by the Board of Directors will correspond to 1.5% of the paid-up share capital of the Company on the date of the establishment of the plan by the Board of Directors. As of the date of this report, the Board of Directors has not yet proceeded with the establishment of said Plan.

Finally, listening and reflecting the increasing importance of the ESG issues in the global but also the regulatory agenda, the Board of Directors has created a devoted Board Ethics and ESG Committee which aspires to deal with these issues in a Group context.

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[6] The Company's Regulation is available through its website.

Updated information regarding the organizational structure, the administrative bodies and the Policies of the Company are available on the Company's website.

I. APPLICATION OF INSTITUTIONAL FRAMEWORK AND CORPORATE GOVERNANCE STRUCTURE AND OPERATING REGULATIONS

The Company, in its capacity as a Société Anonyme listed on the Athens Stock Exchange, in parallel with the provisions of corporate law and its Articles of Association[7], applies the provisions set out in Greek Law 4706/2020 on corporate governance of sociétés anonymes.

In compliance with the provisions of art. 17 of said law, the Company has adopted by a Board resolution, the Hellenic Corporate Governance Code (the "Code")[8], issued in June 2021 by the Hellenic Corporate Governance Council.

Although the time between the publication of the Code (June 2021) and its entry into force (July 2021) was very limited, the Company already complied with the vast majority of the principles, special practices and recommendations prescribed by the Code. Taking into account the proper functioning of the Board of Directors, business continuity, labor legislation and the relevant regulatory and legislative provisions, the Company has already initiated actions to ensure full compliance with the special provision 2.2.15 of the Code stipulating that "*the company ensures that the diversity criteria concern, in addition to the members of the Board of Directors, the senior management with specific representation objectives by gender, as well as timetables for achieving them*".

The Company and its Group already work in a methodical way to that direction by engaging to foster diversity and inclusion through, inter alia, increasing female representation in governance bodies (in 2021 55% of promotions were covered by women, 21% in top management positions and 49% in management positions are women), safeguarding pay equity and integrating KPIs to track performance in supporting gender equality through policy development, representation and transparency. Piraeus Bank 2021-2024 ESG Strategy action plan includes establishing an integrated policy to promote gender equality and women's empowerment in the workplace, marketplace and society. Taking a further step in this direction, Piraeus Bank became signatory in April 2021 of the UN Women's Empowerment Principles, thus reflecting its commitment to contribute to the creation of an environment in which women live and work in a safe and equitable society, which treats them with dignity, respect and fairness.

It is noted that the Company, as a financial holding company, authorized as such and supervised by the European Central Bank, applies on a consolidated basis the special provisions of Greek Law 4261/2014 and of the respective framework.

Furthermore, the Company has drawn up and applies its Internal Regulation. The Internal Regulation, which was revised in 2021, incorporates the provisions and practices arising from the mandatory institutional framework (especially Greek Law 4706/2020 on corporate governance, Greek Law 4548/2018 on Sociétés Anonymes, Greek Law 4261/2014 Access to the activity of credit institutions and prudential supervision of credit institutions and investment firms (transposition of Directive 2013/36/EU),repeal of Law 3601/2007, and other provisions).

The main objectives of the Internal Regulation are to:

i) ensure transparency, integrity, functionality and efficiency of the existing system of the Company's corporate governance and ICS;

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7 The Company's Articles of Association is posted on the Company's website.

8 The Code is available through the Hellenic Corporate Governance Council's website (l https://www.esed.org.gr) and the Company's website (www.piraeusholdings.gr)

ii) enhance confidence in the Company for domestic and foreign investors, shareholders, employees and customers;

iii) ensure the Company's continued compliance with the Greek Laws and regulations governing its organization and operation and its activities;

iv) develop a self-regulating framework within the Company by establishing rules for its administration, management and staff, which complement the provisions of the existing regulatory framework and are being established with a view to enhancing the Company's sound and responsible management and operations.

The organisational structure of the Company complies with the current principles of the institutional framework governing the operation of listed companies and it is structured in such a way that it meets the needs of the key business sectors in which it operates. Ensuring an effective organizational structure with a clear definition of the competencies and areas of accountability of each administrative unit of the Company, constitutes the basis upon which the functions and operations of the Company are founded. Particular emphasis is given to the setting up of a clear organizational structure with distinct, transparent and consistent lines of responsibility, the establishment of efficient and detailed procedures for conducting the Company's operations and of adequate control mechanisms in respect of such procedures, as well as to the identification, management, monitoring and reporting risks which the Company assumes or may undertake within the framework of its activities.

The Company has developed and aims at continuously improving the ICS, both on a stand alone as well as on a Group level. The ICS consists of well-documented, detailed control mechanisms and procedures, incorporating best practices of corporate governance and covering on a continuous basis every activity and transaction of the Company, contributing to its efficient and safe operation.

The Internal Regulation of the Company refers in detail to the area of responsibilities and to the operation of the Board of Directors and key committees and functions of the Company, in particular the Audit Committee, the Risk Committee, the Remuneration Committee, the Board of Directors Nomination Committee, the Board Ethics and ESG Committee, the Group Executive Committee and also to the Group Internal Audit, the Risk Management and the Compliance Units.

Moreover, in the context of Greek Law 3864/2010, the provisions of the Tripartite Relationship Framework Agreement (“RFA”) dated 12 April 2021 entered among the Company, its subsidiary Piraeus Bank S.A. and the HFSF are applicable. The RFA regulates the relationship among the Company, its subsidiary Piraeus Bank S.A. and the HFSF on matters related to, amongst others the:

(a) corporate governance;

(b) rights and obligations of the HFSF’s Representative on the Board;

(c) obligatory approval of the HFSF on material matters; as well as

(d) monitoring of the Company’s risk profile as against the approved Risk and Capital Strategy.

II. MANAGEMENT, ADMINISTRATIVE AND SUPERVISORY BODIES AND COMMITTEES

1. General Meeting of Shareholders

Regarding the shareholders of the Company, as well as the convocation and meeting of shareholder's general meeting, according to the provisions of Greek Law 4548/2018 "*Reform of the law of sociétés anonymes*", the following are applicable:

1.1. Shareholder

The Shareholders exercise their rights through their participation at the general meeting. General meeting resolutions, adopted as prescribed by law, are also binding on absent or dissenting shareholders. The shareholder status is verified through the direct electronic linkup of the Company with the records of the DSS.

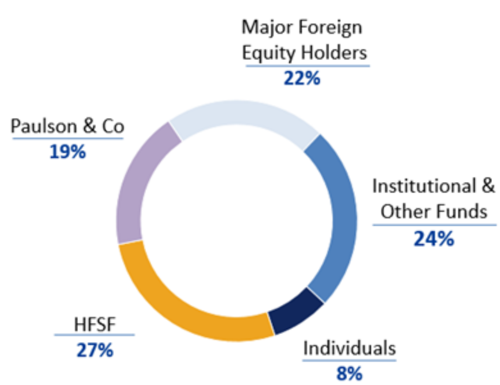
Law 4569/2018 introduced the structure of omnibus securities accounts at the register of ATHEXCSD, i.e., accounts held by intermediaries for the benefit of end-investors. In case of shares held in omnibus accounts, the capacity of the shareholder vis-à-vis the Company is evidenced through the registration of the shareholder in the books of the intermediary holding the omnibus account, in line with the legislative provisions (L.4548/2018, L. 4706/2020 and Regulation (EU) 2018/1212) as well as the Rulebook of the Hellenic Central Securities Depository.

1.2. Shareholder structure

The Company's shareholder structure presents great diversity. The total number of the Company's common shareholders was approximately 18,200 in December 2021. The HFSF held 27% of the outstanding common shares (1,250,367,223 of a nominal value €0.95 each). The remaining 73% is held by the private sector; circa 19% by Paulson & Co, circa 5% by Helikon Investments, circa 41% by legal entities and circa 8% individuals. Strong international presence is evidenced by the fact that significant part of free float is held by foreign institutional investors.

The shareholder structure of the Company (for descriptive, non-regulatory purposes) was as follows in December 2021:

Shareholder Structure- December 2021



1.3. Categories of general meetings

The general meeting mandatorily convenes at the Company's seat or in another municipality within the county of the seat or another neighboring municipality or in the municipality of the Athens Stock Exchange seat, at least once every financial year and within the time limit laid down by the provisions of the Law, as in force.

The Board of Directors may also call extraordinary sessions of the general meeting of shareholders, whenever so deemed advisable or necessary.

Moreover, the general meeting of shareholders is called, by requisition of minority shareholders pursuant to paragraph 1 of article 141 of law 4548/2018 (*for more information see section 1.10 below)*..

The Auditor of the Company has also the right to ask for the convocation of the general meeting upon request to the Chairman of the Board of Directors.

1.4. Competences of the general meeting

Sole the general meeting, according to article 117 of law 4548/2018, has authority to decide on:

a) Amendments to Company's articles of association, with share capital increases and reductions being understood as amendments thereto for the purposes hereof;

b) Election of members of the Board of Directors and Auditors;

c) Approval of the overall management activities according to article 108 of Law 4548/2018 and discharge of Auditors;

d) Approval of the annual and any consolidated financial statements;

e) Distribution of the annual profits;

f) Approval of remuneration paid and preliminary approval for remuneration, under article 109 of law 4548/2018;

g) Approval of the remuneration policy and the remuneration report under articles 110 and 112 of law 4548/2018;

h) Merger, split, conversion, revival, term extension or dissolution of the Company, according to law 4548/2018 and law 4601/2019, as in force;

i) Appointment of liquidators,

It is noted that not coming under the provisions of the preceding paragraph are the following:

a) Share capital increases or share capital readjustment acts explicitly vested in the Board of Directors under the law, as well as increases imposed under the provisions of other legislation;

b) The amendment or harmonization of provisions in the articles of association by the Board of Directors when so explicitly provided by law;

c) The election of directors in the place of directors who resigned, died or forfeited their office in any other manner, in accordance with the article 82 of law 4548/2018;

d) The option to distribute interim dividends pursuant to paragraphs 1 and 2 of art. 162 of Law 4548/2018;

e) The option to distribute (under para. 3 of art. 162 of law 4548/2018) profits or voluntary reserves within the current business year under a BoD resolution which is submitted to the publication formalities.

1.5. Invitation of general meeting

The invitation of the general meeting contains as a minimum the following information:

a) the building, with exact address details;

b) the date and time of the meeting;

c) the agenda items, clearly defined;

d) the shareholders entitled to participate;

e) precise instructions on the manner in which shareholders shall be able to participate at the meeting and exercise their rights in person or by proxy or even remotely;

f) the rights of shareholders under paragraphs 2,3,6,7 of article 141 of Law 4548/2018 as in force, with reference of the time period within which any such right may be exercised or, alternatively, the deadline by which such rights may be exercised. It is noted that more detailed information on the above minority rights are available on the chapter 2 below;

g) the procedure for the exercise of the voting right by proxy and in particular the forms used by the Company for this purpose as well as the means and methods provided under the articles of association, as per the paragraph 5 of the article 128 of law 4548/2018 in force in order for the Company to receive electronic notices for the appointment and recall of proxies;

h) the procedure for the exercise of the voting right by correspondence or by electronic means, if applicable pursuant to the provisions of articles 125 and 126 of law 4548/2018 in force;

i) the determination of the date of record, as provided for in paragraph 6 of article 124 of law 4548/2018;

j) the place where the complete text of the documents and draft resolutions, provided for in paragraph 4 of article 123 of law 4548/2018, shall be available as well as the manner that these may be obtained; and

k) the Company's website address, where the information under paragraphs 3 and 4 of article 123 of law 4548/2018, shall be available.

Except in the case of reiterative general meeting sessions, the notice to the general meeting shall be published twenty (20) clear days minimum prior to the date appointed for its session:

a) by means of its entry in the Company Record in the General Commercial Register (business registry); as well as

b) at the Company' s website

and shall also be communicated within the said time period in a manner ensuring fast and non-discriminatory access to it, by means of media which are reasonably reliable for the effective dissemination of the relevant information to investors, such as in particular printed and electronic media of national and pan-European reach.

Notwithstanding the above notice publication modalities, every shareholder has the right to receive, upon request, personal notification by e-mail about impending general meeting sessions ten (10) days minimum prior to the appointed day for the general meeting session.

1.6. Participation at the general meeting

Shareholders having the right to participate and vote in the general meeting (and the iterative) are those registered at the opening of the fifth day prior to the date of the general meeting (Record Date). The said date of record is also applicable in the case of an adjourned or iterative session, provided such adjourned or iterative session is not more than thirty (30) days from the date of record. If this is not the case, or if in the case of an iterative general meeting a new notice is published, persons having shareholder status as at the start of the third day prior to the day of the adjourned or reiterative general meeting session may participate at the general meeting.

Shareholder status is evidenced by any means provided by law and in all cases by means of information in this respect obtained by the Company from the central securities depository, if providing registry services, or through the registered intermediaries who are members of the central securities depository in all other cases.

The Board of Directors may resolve, in accordance with the articles of association that the general meeting will not convene at any place but will convene in full with the participation of the shareholders remotely by electronic means in accordance with the terms and conditions of the Law, as in force.

The Board of Directors may resolved, in accordance with the articles of association, that any shareholder may participate in voting on items on the agenda of the general meeting at a distance by e-mail or by electronic means, the vote held before the meeting in accordance with the provisions and under the conditions of the law, as in force.

At the general meeting, the members of the Board of Directors and the auditors of the Company are also entitled to attend. Under the responsibility of the Chairman of the general meeting the presence of other persons not having shareholder status or shareholders' representatives may be allowed by the latter. The presence of the abovementioned persons in the General meeting may also be held by electronic means, in accordance with the aforementioned in the previous two paragraphs.

In the event of a general meeting, in accordance with the above, the shareholders and other interested parties are specifically informed of the process through the invitation of the general meeting.

Shareholders may participate at the general meeting in person or by proxy. A shareholder may appoint a proxy for a single or multiple general meeting sessions and for a specified period. The proxy votes in accordance with the shareholder's instructions, if any. Any failure by the proxy to vote as directed shall not affect the validity of the general meeting resolutions even when the proxy's vote was instrumental in achieving majority.

A shareholder may appoint up to three (3) proxies; however, when a shareholder owns shares in the Company, which are shown in more than one securities account, this limitation does not preclude the shareholder from appointing different proxies for the shares shown in each account in respect of a specific general meeting session. The appointment of proxy may be freely revoked.

The appointment and recall or substitution of a proxy or representative shall be made in writing or by e-mail message or other electronic means and shall be submitted to the Company forty eight (48) hours minimum prior to the date appointed for the general meeting.

A shareholder's proxy is required to disclose to the Company, prior to the commencement of the general meeting, any specific fact which may be of use to shareholders in order for them to assess a possible risk that the proxy might serve interests other than the shareholder's interests.

A conflict of interest, according to law, may exist particularly when the proxy:

a) is a shareholder exercising control over the company or another legal person or entity controlled by such shareholder;

b) is a member of the Board of Directors or of the management of the company in general or of a shareholder exercising control over the company, or other legal person or entity controlled by a shareholder exercising control over the company;

c) is an employee or auditor of the company or of a shareholder exercising control over the company or another legal person or entity controlled by a shareholder exercising control over the company;

d) is a spouse or relative within the first degree of one of the individuals referred to under items (a) to (c) above.

1.7. Ordinary quorum and majority at the general meeting

The general meeting is in quorum and validly held on the agenda when at least one fifth (1/5) of the paid-in share capital is represented thereat.

If no such quorum is obtained, the general meeting shall be held anew within twenty (20) days as of the date of the adjourned meeting, upon notice of at least ten (10) clear days in advance; such reiterative session shall be in quorum and validly held on the original agenda whatever the part of the paid-in share capital represented thereat; a new notice is not required, if the original notice specified the place and time for repeat sessions in case no quorum is present at the original General Meeting session, provided the adjourned and the reiterative sessions are a minimum of five (5) clear days apart.

Subject to the paragraph 1.7 of the present document, general meeting resolutions are passed by absolute majority of the votes represented thereat.

1.8. Qualified quorum and majority at the general meeting

Exceptionally, the general meeting is in quorum and validly held on the agenda when shareholders representing one half (1/2) of the paid-in share capital are present or represented thereat, in the case of resolutions concerning a change of the nationality of the Company, a change of the business object of the Company, increase of shareholders' obligations, ordinary increase of share capital unless imposed under the law or effected by means of capitalization of reserves, share capital reduction except when it is in accordance with para. 5 of article 21 of law 4548/2018 or para. 6 of article 49 of law 4548/2018, a change in the manner of appropriation of profits, merger, split, conversion, revival, term extension or dissolution of the Company, the granting or renewal of power to the Board of Directors for share capital increase, pursuant to para. 1 of art. 24 of law 4548/2018, as well as in all other cases in which the law specifies that the general meeting shall adopt resolutions under a qualified quorum and majority.

If the quorum specified in the preceding paragraph is not obtained, the general meeting shall be held anew within twenty (20) days as of the date of the adjourned meeting and upon a prior notice of at least ten (10) clear days in advance; such reiterative session shall be in quorum and validly held on the original agenda when shareholders representing at least one fifth (1/5) of the paid-in share capital are present or represented thereat. A new notice is not required, if the original notice specified the place and time for repeat sessions, provided the adjourned and each reiterative meeting are at least five (5) days apart.

Resolutions under the paragraph 1.7 are passed by a majority of two-thirds (2/3) of the votes represented at the general meeting.

1.9. General meeting Agenda-Minutes

General meeting deliberations and resolutions are confined to the items included in the agenda.

The vote results is announced by the general meeting chairman as soon as it is established.

The vote results are posted on the Company website, within five (5) days maximum as of the general meeting date, indicating as a minimum for each resolution the number of shares for which valid votes were cast, the percentage of share capital such votes represent, the total number of valid votes as well as the number of votes cast in favor and against each resolution and the number of votes abstained.

A summary of the general meeting deliberations and resolutions is recorded in the minutes book, signed by the general meeting chairman and the secretary/ies. A list of the shareholders who attended or were represented at the general meeting is also recorded in the said book.

Copies and extracts of the minutes are certified by the chairman of the Board of Directors, his deputy or another BoD member appointed under a BoD resolution, and are submitted to the competent General Commercial Register (GEMI) unit within twenty (20) days as from the general meeting session.

At the request of a shareholder the chairman of the general meeting is required to record in the minutes a summary of such shareholder’s opinion; the general meeting chairman has the right to refuse to record such opinion if relating to matters clearly outside the scope of the agenda or if its content manifestly contravenes morality or the law.

1.10. Minority Rights

1. 10.1 Rights of shareholders representing at least one-twentieth (1/20) of the paid-in share capital of the Company

According to law 4548/2018, following a request from shareholders representing at least one-twentieth (1/20) of the paid-in share capital of the Company:

a) The Board of Directors is obliged to call an extraordinary general meeting session and set a date for it not being more than forty five (45) days from the date such requisition was submitted to the chairman of the Board of Directors. The requisition must specify the matters to be placed on the agenda;

b) The Board of Directors is obliged to include additional items in the agenda of the general meeting, already convened, if the relevant requisition reaches the Board of Directors fifteen (15) days minimum prior to the general meeting session. Such additional items must be published or communicated on the responsibility of the Board of Directors, pursuant to article 122, at least seven (7) days prior to the general meeting session. The requisition for the inclusion of additional items in the agenda is accompanied by justification or by a draft resolution for approval by the general meeting and the revised agenda is published the same way as the previous one thirteen (13) days prior to the day of the general meeting and at the same time it is made available to shareholders on the Company's website together with the justification or the draft resolution submitted by the shareholders pursuant to the provisions of paragraph 4 of article 123 of law 4548/2018;

c) The above shareholders have the right to submit draft resolutions on items included in the original or any revised agenda of the general meeting; the relevant requisition must reach the Board of Directors seven (7) days minimum prior to the date of the general meeting session, and the draft resolutions are made available to shareholders pursuant to the provisions of paragraph 3 of article 123 of law 4548/2018 at least six (6) days prior to the date of the general meeting.

In the cases under a, b and c above, the Board of Directors is not required to include items in the agenda or to cause the publication or communication of same along with the justification and/or draft resolutions submitted by the shareholders, if the content thereof is in obvious contravention of the law or good morals.

a) The Chairman of the general meeting is obliged to adjourn, but only once, the adoption of resolutions on all or some of the agenda items by the general meeting and fix a new session for deciding on such resolutions, on the date mentioned in the shareholders' requisition which may not, however, be later than twenty (20) days from the day of such adjournment. Such adjourned general meeting is a continuation of the previous one and the notice publication formalities need not be observed anew; this meeting may also be attended by new shareholders, subject to adherence to the relevant formalities for attendance, without prejudice to paragraph 6 of article 124 of law 4548/2018;

b) The Board of Directors is obliged to inform the Ordinary General Meeting of the amounts which were paid during the last two-year period by the Company to each member of the Board of Directors or to the managers of the Company as well as of any benefit provided by the Company to the above persons for any reason or contract existing between the Company and such persons. The Board of Directors may refuse to supply the requested information for sufficient and material reasons, which shall be entered in the minutes. In the cases of this paragraph, the Board of Directors may provide a single response to shareholders' requests of the same content;

c) The above shareholders have the right to demand an open vote at the general meeting on any agenda item or items;

d) The above shareholders have the right to request extraordinary judicial review by applying to the court, hearing the case in accordance with the ex parte jurisdiction procedure, if there is suspicion of any action which is contrary to the provisions of law or the articles of association of the Company or to resolutions adopted by the general meeting; in all cases, the petition for such review must be filed within three (3) years as of the date of approval of the financial statements of the business year within which the said acts were committed;

e) The above shareholders have the right to submit in writing to the Board of Directors a requisition about the exercise of Company claims pursuant to article 103 of law 4548/2018. The applicants will be required to prove that they had shareholder status six (6) months prior to the submission of the said requisition. In their requisition, the requesting shareholders set a reasonable time period within which the Board of Directors is required to assess the content of the requisition and determine whether the Company shall institute an action for the claims set out in the said requisition. The time period set may not be less than one (1) month as of the time the requisition was submitted to the Board of

Directors;

f) The above shareholders, when forming part of a minority of at least one tenth (1/10) of the share capital of the Company that opposed the adoption of the relevant resolution by the general meeting, have the right to apply to the competent court within two (2) months as of the general meeting approval, requesting a decrease of compensation or benefit paid or decided to be paid to a specific member of the Board of Directors, with the exception of emolument to BoD members for services rendered to the Company under a special relationship (such as, as an indication, under an employment, services or agency contract), when under the existing circumstances it is considered exorbitant as per sound judgment, having in particular regard to the powers and responsibilities of the director concerned, the efforts such director has undertaken, the level of the remuneration paid to directors in other similar companies as well as the position, performance and outlook of the Company.

1.10.2. Right of shareholders representing at least at least one tenth (1/10) of the paid-in share capital of the Company

According to law 4548/2018, shareholders representing at least one tenth (1/10) of the paid-in share capital may, by submitting a requisition to the Company five (5) clear days minimum prior to the general meeting session, demand that the Board of Directors provide to the general meeting information with regard to the progress of the corporate affairs and the status of the corporate property. The Board of Directors may refuse to provide such information, for sufficient and material reasons, which shall be entered in the minutes. Such a reason may be, under the circumstances, the fact that the requesting shareholders are represented in the Board of Directors, pursuant to articles 79 or 80 of law 4548/2018, provided the respective members of the Board of Directors have received the information requested in a sufficient manner.

1.10.3. Right of shareholders representing at least one fifth (1/5) of the paid-in share capital of the Company

Shareholders representing at least one fifth (1/5) of the paid-in share capital may request judicial review if from the whole course of the Company's affairs or in light of indications in this respect it may validly be assumed that the management of these affairs is not exercised as dictated by the principles of sound and prudent administration.

1.10.4. Right of any shareholder

On the requisition of any shareholder, submitted to the Company at least five (5) clear days prior to the general meeting session, the Board of Directors is required to provide to the general meeting the requested specific information regarding the affairs of the Company insofar as such information concerns the agenda items. No obligation to provide information is applicable when the relevant information is already available on the website of the Company, particularly in a question-and-answer format.

Those minority rights may also be exercised by associations of shareholders in their own name but on behalf of their members if their members have the number of shares required to exercise the rights. Minority rights are not the rights that can be exercised by each shareholder. The association must have communicated its valid establishment and its articles of association to the Company whose shareholders are its members one month before exercising the above rights. The document of exercise of the right must indicate the names of the shareholders on whose behalf the right is exercised.

1.11. Dispute Resolutions

Any dispute between the Company and the shareholders, arising from law 4548/2018 or the articles of association or other legitimate cause, is brought before the exclusive jurisdiction of the Single Member Court of First Instance of the Company's registered office, unless otherwise specified by law.

2. The Board of Directors

2.1. Composition

In accordance with article 8 of its Articles of Association, as in force today, the Company is managed by a Board of Directors consisting of nine (9) to fifteen (15) members. Pursuant to Greek Law 4706/2020, the Board consists of executive and non-executive members. The number of the non-executive members should not be less than one third (1/3) of the total number of members. Among the non-executive members, at least two (2) should be independent within the meaning of art.9 of the aforementioned Greek Law. Pursuant to Greek Law 3864/2010, a Representative of the HFSF participates as a Member to the BoD. His responsibilities are determined in Greek Law 3864/2010 and the RFA.

The composition and the members of the BoD must also satisfy the criteria set out in par. 7, 8 and 10 of article 10 of Greek Law 3864/2010 for the period the Company falls under the provisions of same.

In addition, the RFA provides, inter alia, for the following on the composition of the Board of Directors of the Company: a) the BoD must be composed of no fewer than seven (7) and no more than fifteen (15) members. Only an odd number of members is permitted, including the HFSF's Representative on the Board, according to Greek Law 3864/2010, b) the Chairman of the Board must be non-executive and should not serve as Chairman of either the Board's Risk or the Audit's Committee, c) the majority of the BoD must be comprised of non-executive members, 50% of which (rounded to the nearest integer) and no less than three (3) members (excluding the HFSF Representative) should be independent, satisfying the independence criteria of Greek Law 4706/2020 and the Recommendation 2005/162/EC, and d) the BoD must include at least two (2) executive members.

It is noted that according to the regulatory framework of the SSM of the ECB, each Member of the Board is subject to a fit-and-proper assessment by the SSM for the position held.

The BoD is elected by the General Meeting of the Shareholders of the Company, which also appoints the independent non-executive members. At the election of Board members, the General Meeting may elect as members persons who are not shareholders of the Company.

The HFSF's Representative is appointed by a respective written notice addressed to the Chairman of the Board, following which the Board proceeds to all necessary actions according to the Company's Articles of Association and corporate law for the completion of this appointment, including the required notification to the General Assembly.

The term of office for the members of the Company's Board of Directors is three (3) years, and is extended until the AGM which convenes following the expiry of their term. The current BoD was elected on the General Meeting held on 26 June 2020 and consequently its term of office expires on 26 June 2023, to be extended according to the aforementioned.

According to the Company's Articles of Association, if a Board member resigns, passes away or forfeits his/her office in any way, or whose office is declared forfeited by resolution of the Board of Directors due to unjustified absence from meetings for three (3) consecutive months, the Board may continue to manage and represent the Company without replacing the missing members if the remaining members are at least nine (9). Pursuant to Law 4706/2020, in case of unjustified absence of an independent member at least two (2) consecutive sessions of the Board of Directors, the Board member is deemed to have resigned. Further provisions on Board attendance requirements are also included in the Board Attendance Policy.

As at 31 December 2021, and on the date of publication of the 2021 Annual Financial Report, the Board of Directors has the following composition:

BOARD OF DIRECTORS		
George Handjinicolaou	Chairman of the Board, Non-Executive BoD Member	
	Year of birth: 1953	Nationality: Greek
	Member since: November 2016	Chairman since: November 2016
Karel De Boeck	Vice Chairman of the Board, Independent Non-Executive BoD Member, Senior Independent Director	
	Year of birth: 1949	Nationality: Belgian
	Member since: June 2016	Vice- Chairman since: February 2017
	Senior Independent Director since: June 2021	
Christos Megalou	CEO, Executive BoD Member	
	Year of birth: 1959	Nationality: Greek/ British
	Member since: March 2017	
Vassileios Koutentakis	Executive BoD Member	
	Year of birth: 1963	Nationality: Greek
	Member since: May 2020	
Venetia Kontogouris	Independent Non-Executive BoD Member	
	Year of birth: 1951	Nationality: Greek/ American
	Member since: June 2017	
Arne Berggren	Independent Non-Executive BoD Member	
	Year of birth: 1958	Nationality: Swedish
	Member since: June 2016	
Enrico Cucchiani	Independent Non-Executive BoD Member	
	Year of birth: 1950	Nationality: Italian
	Member since: November 2016	
David Hexter	Independent Non-Executive BoD Member	
	Year of birth: 1949	Nationality: British
	Member since: January 2016	

Solomon Berahas	Independent Non-Executive BoD Member Year of birth: 1953 Nationality: Greek Member since: November 2016	
Andrew Panzures	Independent Non- Executive BoD Member Year of birth: 1958 Nationality: British, Canadian, American Member since: June 2020	
Anne Weatherston	Independent Non-Executive BoD Member Year of birth: 1956 Nationality: British Member since: June 2020	
Alexander Blades	Non-Executive BoD Member Year of birth: 1970 Nationality: New Zealand Member since: January 2016	
Periklis Dontas	Non-Executive BoD Member, Representative of the Hellenic Financial Stability Fund to the Board of Directors pursuant to Greek Law 3864/2010 Year of birth: 1957 Nationality: Greek Member since: December 2019	
62% Independent Non-Executive	**23% Non-Executive**	**15% Executive**

During year 2021, there was no change in the composition of the BoD. On its meeting dated 24 June 2021, the Board of Directors has appointed the Vice Chairman of the Board, Mr. Karel De Boeck, as the Senior Independent Director.

Following the resignation of Ms. M. Zapanti, Ms. D. Pallikari was appointed on 26 August 2021 by the Board of Directors Corporate Secretary and Secretary of the Board of Directors. Mrs Dimitra Pallikari has been with the Group since 2003 and has held a number of positions mainly of a legal nature. Since June 2019 she has been assigned to the Chairman’s Office as a Senior Expert-Director. She has been serving as Legal Counsel dealing, among others, with a wide range of capital market activities, including fixed income and derivatives, repos, et.al. She actively participates in transactions and negotiations with the Official Sector regarding specialized matters e.g. MREL, CoCo’s, Law 3723, Greek Government Bonds, Hercules Scheme, as well as with funding agreements with interbank and supranational counterparties, product development, regulatory compliance, et.al. She advises on regulatory reporting towards competent Authorities (SSM, SRB, HFSF, ECB, BoG, et.al.). She is a member of various working groups of the Hellenic Bank Association. In the past she served as Legal Counsel and Secretary of the Board of ING Piraeus Asset Management Company (2003 – 2004). Mrs Pallikari holds a Degree in Law (1999) and a LLM in Administrative Law and Political Sciences (2003) from the Aristotle University of Thessaloniki. She also holds an MSc in Business from the ALBA Graduate Business School of Athens (2018).

According to the RFA, an Observer attends the Board of Directors meetings without voting rights.

The Board of Directors of the Company consists of members with international leadership expertise and knowhow and particularly in the areas of banking restructurings and the reduction of non-performing loans. Moreover, the members of the Board possess in depth knowledge and experience of the banking market, actively contribute to the improvement of the corporate governance framework and are driving the respective required amendments whilst participating in the creative debates and the quest for solutions to the challenges faced by the Company and the Group.

The members have the necessary collective skills and knowledge required by the existing regulatory framework for credit institutions. In this way, the systemic stability, the good relationship of the Company with the Regulatory Authorities and the avoidance of administrative gaps in the operation of the Company and its Group are promoted.

Curriculum Vitaes for the members of the Board of Directors is set out below and is also available on the Company's website.

 George P. Handjinicolaou, Chairman of the Board of Directors, Non-Executive Member	Mr. George Handjinicolaou is the Non-Executive Chairman of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chairman of the Board Ethics & ESG Committee. He is Chairman, Non-Executive Member of the Board of Directors of ATHEXGroup and Chairman of Piraeus Bank Group Cultural Foundation. He held the position of Deputy CEO and Member of the Board of Directors in International Swaps and Derivatives Association in London for the period 2011-2016. He also held the positions of Vice Chairman, Member of the Management Committee and the BoD of the Hellenic Capital Market Commission from 2009 to 2010. In addition, Mr. Handjinicolaou held the position of Managing Director, Global Head, Debt Emerging Markets and Member of Global Markets Management Group at Merrill Lynch, New York. Mr. Handjinicolaou holds a BSc in Economics from University of Athens, Law School, Department of Economics (1975), an MBA in Finance (1978) and a PhD in Finance & Economics (1983) from New York University, Graduate School of Business Administration.
 Karel G. De Boeck, Vice-Chairman, Independent Non-Executive Member, Senior Independent Director	Mr. Karel De Boeck is Vice Chairman, Independent Non–Executive Member and Senior Independent Director of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chairman of the Risk Committee, Member of the Audit Committee and Member of the Board Ethics & ESG Committee. He is also a Board Member of LAMIFIL and LESSIUS NV as well as a Board Member of Willemen Group, Belgium. He held the position of CEO at Dexia Group, at Dexia NV in Belgium and CEO at Dexia Credit Local S.A. in France, as well as at Fortis Group in Belgium. Mr. De Boeck holds a Master's Degree in Mechanical/Civil Electronic Engineering (magna cum laude) from KUL in Belgium (1972) and a Master's Degree in Economics from KUL in Belgium(1974).

 Christos I. Megalou, Chief Executive Officer, Executive Member	Mr. Christos Megalou is an Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), Chief Executive Officer (CEO) and Chairman of the Group Executive Committee. Mr. Megalou, is a Non-Executive BoD Member of the Hellenic Bank Association and held the position of Deputy Chairman between 2013 to 2015. Also, he was elected, for two consecutive runs, Chairman of the Hellenic Bankers Association in the UK (2010-2013). He is a distinguished fellow in Global Federation Competitiveness Councils in Washington, USA and a Non-Executive Board Member of Safe Bulkers Inc. Mr. Megalou graduated with a BSc of Economics from the Athens University of Economics in 1981 and holds an MBA in Finance from Aston University in Birmingham, UK (1982).
 Vasileios D. Koutentakis, Executive Member	Mr. Vasileios Koutentakis is an Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.). He is a Member of the Group Executive Committee, as well as an Executive General Manager, Chief Retail Banking in Piraeus Bank since 2017. He is a Member of the Executive Committee of the Hellenic Bank Association, as well as a Member and HBA Representative of Liquidity Council of Ministry of Finance and Chairman of INSEAD NAA in Greece. Also, he is a Member of the Board of Directors at Piraeus Bank Group Cultural Foundation. He was a Board Member of VISA Hellas from 2004 until 2012. Mr. Koutentakis holds a Diploma in Electrical Engineering from the National Technical University of Athens (1987) and an MBA from INSEAD in Fontainebleau, France (1990).

 Venetia G. Kontogouris, Independent Non-Executive Member	Mrs Venetia Kontogouris is an Independent Non-Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as a Member of the Nomination Committee and Member of the Board Ethics & ESG Committee. Also, she is a Member of the Board of Directors at Kaizen Private Equity, as well as Founder and Managing Director of Venkon Group, LLC. She was Co-Managing Director at Trident from 1995 to 2011. Mrs Kontogouris is a technology-focused venture capitalist, with over 20 years of experience. She was responsible for overseeing management and making key decisions in over 25 companies from the initial seed invest to the exit strategy. Mrs Kontogouris holds a BA from the Northeastern University (1974) and an MBA from the University of Chicago (1977).
 Arne S. Berggren, Independent Non-Executive Member	Mr. Arne Berggren is an Independent Non-Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chairman of the Remuneration Committee, Member of the Nomination Committee and Member of the Board Ethics & ESG Committee. In addition, Mr. Berggren is the owner of Eusticon AB, and a Non-Executive Board Member of Bank of Cyprus. He also holds the position of Non-Executive Chairman of the BoD of TBC Bank Group PLC, as well as of Non-Executive Chairman of the Supervisory Board of JSC TBC Bank. From 2012 to 2015, Mr. Berggren served as Senior Advisor to the IMF. Mr. Berggren graduated from the School of Business of New York University and the Swedish Institute of Management. He also graduated from the University of Geneva, University of Amsterdam and University of Uppsala.

 Enrico Tommaso C. Cucchiani, Independent Non-Executive Member	Mr. Enrico Tommaso Cucchiani is an Independent Non-Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Vice Chairman of the Nomination Committee, Member of the Remuneration Committee and Member the Board Ethics & ESG Committee. Mr Cucchiani holds the position of Non-Executive Vice Chairman of the Board of IllyCaffe, as well as the position of Non-Executive Member of the Board of TGI-Think Global Investments. He is also Member of the Board of Directors at Bocconi University, Jarotte Bocconi Foundation, Amici Normale Di Pisa University, Trilateral Commission and Weizmann Institute. He served as Member of the Board of RSA Insurance Group from 2014 to 2021, and held the position of Member of the Executive Board of Allianz Group being responsible for all business activities in most of Europe, Latin America and Africa. In addition, he served as Group CEO of Intesa Sanpaolo. Mr. Cucchiani was appointed Cavaliere del Lavoro, the highest honorary title by the President of Italy, as well as Bocconi Man of the Year in 2006. He holds an MBA (Fullbright Fellow) from Stanford Graduate School of Business, USA and a Dottore in Economia (PhD in Economics) from Bocconi University, Italy. He has completed his Research Activity on Multinational Corporations at Harvard Business School, UK.

 David R. Hexter, Independent Non-Executive Member	Mr. David Hexter is an Independent Non-Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chairman of the Nomination Committee, Member of the Audit Committee and Member of the Board Ethics & ESG Committee. He is an Independent Member of the Supervisory Board of Santander Bank Polska and Non-Executive Chairman of the Supervisory Board of PENM (Private Equity New Markets), Copenhagen. Mr. Hexter held the position of Deputy Vice President of the Banking Department, as well as Chairman of the Equity Investment Committee and Member of the Operations Committee at the European Bank of Reconstruction and Development (1996-2004). Mr. Hexter holds an MA in Philosophy, Politics and Economics from Oxford University (1970), an MBA from the Cranfield School of Management (1973), an MPhil from Birkbeck, University of London (2011) and a PhD from London University (2016).
 Solomon A. Berahas, Independent Non-Executive Member	Mr. Solomon Berahas is an Independent Non-Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Vice Chairman of the Risk Committee, Member of the Audit Committee, Member of the Remuneration Committee and Member of the Board Ethics & ESG Committee. Mr. Berahas is Chairman and Managing Director of the Board of Directors of Tiresias S.A. Bank Information Systems in Athens. He is also Vice Chairman of the Board of Directors at the Piraeus Bank Group Cultural Foundation, Member of the Board of Directors at ELEPAP and at Association of S.A. and LLC. Between 2006 to 2012, Mr. Berahas held the position of Vice Chairman of the BoD pf Eurobank Financial Planning Services. Mr. Berahas holds a BSc in Industrial Engineering (1976), an MSc in Industrial Engineering and Management Information Systems (1978) and a DSc in Operations Research from the Technion Israel Institute of Technology (1981).

 Andrew D. Panzures, Independent Non-Executive Member	Mr. Andrew Panzures is an Independent Non-Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Vice Chairman of the Audit Committee, Vice Chairman of the Remuneration Committee and Member of the Risk Committee. Mr Panzures is a Board Member of Interaudi Bank USA/Private Equity Investor and served as Principal-Senior Portfolio Manager at Graham Capital Management in the Global Multi Macro-Graham Capital Management LLC Sector (2011-2016). Between 2009 through 2011, Mr. Panzures was Co-CIO and a Managing Partner at Medley Macro Fund Management. From 2003 through to 2008, Mr. Panzures held the position of Managing Director and CIO of the Americas-New York at JPMorgan Chase. Mr. Panzures graduated from Ontario Scholar in 1977 and from York University's Schulich School of Business—BBA Finance in 1981.
 Anne J. Weatherston, Independent Non-Executive Member	Mrs Anne Weatherston is an Independent Non-Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Chairman of the Audit Committee and Member of the Risk Committee. Mrs Weatherston is also a Board Member of Archa Neo-Bank, ALBA Bank as well as a Board Member and Risk & Audit Chair of Mint Payments. She held the positions of CIO at Bank of Ireland, Group CIO of Australia and New Zealand Banking Group and Chief Transformation Officer & CIO at Energy Australia. Mrs Weatherston holds an MA on Archaeology from Glasgow University and an MBA from Strathclyde University Business School. She has also completed a 4-year Government scheme (UK program) in IT programming, is a graduate of the Australian Institute of Directors and Chair mentoring programme and has completed the Executive Leadership Training from Harvard & London Business School.

 Alexander Z. Blades, Non-Executive Member	Mr. Alexander Blades is a Non-Executive Member of the Board of Directors of Piraeus Financial Holdings (and Piraeus Bank S.A.), as well as Member of the Risk Committee, the Nomination Committee, the Remuneration Committee and the Board Ethics &ESG Committee. Mr. Blades is also a Partner at Paulson & Co. Inc., New York since 2009, as well as a Member of the New York State Bar Association and a barrister and solicitor of the High Court of New Zealand. Mr. Blades holds a BA (1993) and LLB (1994- Hons) from Victoria University of Wellington and an LLM from the University of Chicago (1997).
 Periklis N. Dontas, Non-Executive Member, HFSF Representative	Mr. Periklis Dontas is a Non-Executive Member of the Board of Directors (and Piraeus Bank S.A.) and the HFSF Representative under Law 3864/2010 of Piraeus Financial Holdings, as well as a Member of the Risk Committee, Audit Committee, Remuneration Committee, Nomination Committee and the Board Ethics &ESG Committee. He is also an Independent Non-Executive Board Member of FF Group. From 2008 to 2012, Mr. Dontas held the position of Deputy CEO and Executive Member of the Board of Directors of EFG Eurobank S.A. (Poland). From 2016 to 2018, he was Director of Risk Consulting and Business Development in KPMG Advisors S.A. Mr. Dontas has Bachelor of Arts in Economics from The American College of Greece (1979) and an MA in Economics from Essex University, UK (1981).

Below is a table with the number of shares of the Company held by members of the Board of Directors and members of the Group Executive Committee.

BOARD OF DIRECTORS	Number of shares	% of the share capital
George P. Handjinicolaou, Chairman of the Board of Directors, Non-Executive Member	12,743	0.00102
Karel G. De Boeck, Vice-Chairman, Independent Non-Executive Member, Senior Independent Director	-	-
Christos I. Megalou, Chief Executive Officer, Executive Member (and member of the Group Executive Committee)	150,446	0.01203
Vasileios D. Koutentakis, Executive Member (and member of the Group Executive Committee)	4,333	0.00035
Venetia G. Kontogouris, Independent Non-Executive Member	-	-
Solomon A. Berahas, Independent Non-Executive Member	-	-
Alexander Blades, Non- Executive Member	-	-
Arne Berggren, Independent Non- Executive Member	-	-
Enrico Tommaso Cucchiani, Independent Non-Executive Member	-	-
David Hexter, Independent Non-Executive Member	-	-
Andrew Panzures, Independent Non-Executive Member	-	-
Anne Weatherston, Independent Non-Executive Member	-	-
Periklis N. Dontas, Non-Executive Member, HFSF Representative	-	-
GROUP EXECUTIVE COMMITTEE		
Dimitrios Mavrogiannis	-	-
Stamoulis Ioannis	-	-
Arvanitis Athanasios	1	0.00000
Paschalis Konstantinos	-	-
Kormas Georgios	-	-
Bardis Emmanouil	-	-

Georgopoulos Georgios	16,460	0.00132
Gnardellis Theodoros	-	-
Total	**183,982**	**0.01472**

2.2. Director Suitability Policy

In compliance with article 3 of Law 4706/2020, the Company has adopted by means of a General Meeting resolution on 22 June 2021, following a Board of Directors proposal upon respective recommendation of the Board Nomination Committee, the Director Suitability Policy (the "Policy") which sets the framework and specifies the suitability requirements for election to the Board of Directors.

The Policy takes into consideration the applicable legislative and regulatory framework and aims to describe the general principles and the criteria for the nomination of BoD members.

For each new nomination, the Company's business strategy and the overall risk strategy, including the Company's risk culture, risk appetite and framework are taken into consideration. To this end, the Nomination Committee outlines the necessary profile/competencies for each Director having a clear view on the medium term objectives, challenges and risks and the Company's succession planning.

In order for a person to be considered as suitable candidate by the Board of Directors and the Nomination Committee, such person:

i) must meet the suitability criteria (fit and proper) defined in the Policy (reputation, honesty and integrity/ previous experience/ independence of mind);

ii) should not have any existing or foreseeable conflicts of interest with the Company;

iii) should be able to commit sufficient time to the BoD of the Company depending on the position for which they are recommended; pursuant to the provisions of the applicable regulatory provisions which are incorporated in the Policy, Directors may not hold more than one of the following combinations of directorships at the same time: (a) one executive directorship with two non-executive directorships; and b) four non-executive directorships;

iv) should possess one or more of the knowledge, skills and experience criteria detailed in the Policy. The desired Director Profile is outlined by a variety of factors, including indicatively skills such as leadership, strategic acumen, communication, customer and quality-orientation as well as academic qualifications and proven experience in large banking or financial firms, management of large balance-sheet companies, risk management, audit etc.

In addition, depending on the position sought to fill, additional criteria relating, inter alia, to independence, to eligibility under the HFSF Law and diversity may also apply.

The Company ensures individual and collective suitability at all times. Suitability is monitored on an on-going basis in order to identify, in the light of any relevant new incident, situations where suitability should be re-assessed (incl. if there is any event having material impact on the reputation of a Board member or of the Company or materially affecting the suitability of the individual Board member or the collective suitability, if there is a material change in the business model, risk appetite or risk strategy or structure of the Company, at individual and group level etc.)

The Policy is reviewed on a biannual basis, or ad-hoc in the event of changes in the legal and/or regulatory framework, in order to be updated as required. Non-material amendments of the Policy are approved by the Board of Directors. In preparing, amending or reviewing this Policy, the Nomination Committee and the Board of Directors shall take into account recommendations or findings of other Board Committees and competent departments, especially the internal control functions.

The Director Suitability Policy is available in the Company's website (Investor Relations | Piraeus Financial Holdings) (piraeusholdings.gr).

2.3. Succession Policy for the Board of Directors

The Succession Policy for the Board of Directors (hereinafter "the Policy") aims to provide a framework and lay out policies which ensure the stability, continuity and proper integration of the Company's Board of Directors through the identification and selection of potential candidates, in the event of permanent, planned or unforeseen departure of any of its members, particularly for Directors serving in leadership positions (chairmen of the Board and Committees).

The Board succession planning is a continuous forward-looking process. The aim is to make the Board a strategic asset for the Company and to ensure that the Board always has the talent and experience it needs. The Nomination Committee (NomCo) ensures that a roster of suitable and interested candidates with different profiles is built up over time and held current. To reduce future risks, a long-term ambition for the Company is to have a Board with an optimal mix of new Directors, those with medium tenures and those with long tenures.

The process of succession planning is summarised below.

Identification and evaluation of current and future needs: an internal evaluation of the Board and the principal Committees' future needs is carried annually by the NomCo. At least every second year, each member is interviewed by the Chairmen of the BoD and NomCo, in order to get their perspective on important issues relating to succession planning. Additional input from other stakeholders (e.g. major shareholders and management team) is collected. Additionally, an independent evaluation of the Board will be held at a minimum every three years from 2020 onwards by an appointed specialist third party.

Profile matrix: the result of the above exercise will be summarized and presented to NomCo in the form of a document in which required skills, competences and diversity needs are mapped against the Board' current composition. This document, in combination with the Directors' exit plans should form the basis for a long-term recruitment plan and research for new directors.

Search, selection and appointment: In identifying possible candidates, the NomCo should base its search on the criteria described in the Policy (which, inter alia, incorporate the fit and proper criteria of HFSF and ECB). The NomCo may use a variety of internal and external sources for identifying potential candidates. In case of a new appointment, the list of potential candidates is reviewed by the NomCo with the aim to narrow the search and produce a shortlist. When the shortlisting process has been finalized, the NomCo should meet with the candidates prior to the final recommendation to the Board. Following Board approval, meetings with the CEO and other Directors are organized prior to the candidate's formal appointment.

Diversity and inclusion: The NomCo reviews a broad spectrum of complementary skills, personalities and competencies, when searching for Non-Executive Directors, considering diversity as one of the factors when recommending for a new appointment. Board composition and succession planning is about inclusion in terms of skills, knowledge and viewpoints. Traditional dimensions of diversity, such as race, gender and tenure are important but the members of the Board should collectively possess a diverse range of skills, expertise, industry knowledge, business and other experience (inclusion) necessary for the effective oversight of the Company.

Succession planning process for the Chief Executive Officer

The Succession Planning process for the CEO is governed by a separate policy, namely the CEO Succession Planning Policy. Said process is based, amongst others, on the following principles:

Issues related to the CEO succession should be addressed proactively and therefore the succession plan is an ongoing activity with a long-term perspective.

Except where the CEO departs unexpectedly, the CEO is an active participant and it is on his/her responsibility to ensure that there is an internal process for developing talent for the top executive roles.

The succession planning includes inter alia, an annual review by NomCo during which the CEO and the Group Human Resources lay out the forward-looking leadership factors against which the talent should be evaluated as well as an external benchmarking.

The process is partially differentiated depending on whether the departure of the current CEO is planned or unplanned.

In case of anticipated succession, the process briefly includes the following phases:

Identification and evaluation of needs: The process begins with determining the Company's future strategy, which serves as a baseline for the type of skills, and experience that is needed from the new CEO in order to meet the Company's goals.

Selection criteria: The Nomination Committee, in collaboration with the CEO, distills the abovementioned considerations into a set of criteria that are the most critical for assessing and selecting suitable candidates.

Search and selection: The Nomination Committee should seek to sustain a pool of external and internal talent from which to identify potential candidates.

Nomination: The Nomination Committee reviews the list of potential candidates and produces a shortlist. Then, the Committee meets subsequently the potential candidates and assesses them, also examining incompatibilities and disqualifications of legal nature. Based on the results of the assessment, the Nomination Committee recommends the best candidate to the Board.

In case of an unanticipated succession, the whole process is handled by the Nomination Committee. The NomCo prepares a ready-to use list of potential candidates from which the Board could choose the individual who can run the Company as an interim CEO (in case there is no apparent successor identified and immediately available). Preferably, such an interim CEO should be selected from the pool of internal candidates. In case the Board believes there are no internal candidates there are ready for the position of the CEO, an external search for a permanent replacement follows.

2.4. Diversity of the BoD members

Upon suggestion of the Board Nomination Committee, the Board of Directors has adopted the Board of Directors Diversity Policy. The policy is applied in conjunction with the Director Suitability Policy, as mentioned above and is also considered in the implementation of the Board members and CEO succession planning.

The Company recognizes and embraces the importance and the benefits of diversity for safeguarding and improving its competitive advantage and innovation as well as for the achieving maximum team performance and effectiveness. In this context, when nominating new Board members or top management executives, a combination of elements is taken into consideration, including inter alia: skills, abilities, qualifications, knowledge, experience, educational background, professional training, professional experience, the gender, the age and other qualities, which may vary depending on the identified weaknesses and the business or strategy needs of the Company.

The election of the Board of Directors by the Annual General Meeting of 26 June 2020 was based (subject to the limitations set by the strict criteria of Greek Law 3864/2010), on the general principles and criteria set out in the Board of Directors Diversity Policy with particular focus on areas related to skills as well as educational and professional background. The BoD of the Company now constitutes of members with international recognized experience in areas of strategic importance such as banking, auditing, risk management, IT, non performing loans management and restructuring, Public Interest Organization (PIO) management and financial management etc. The current Board of Directors is consisted of eight (8) different nationalities (Greece, Britain, Italy, Sweden, New Zealand, USA, Belgium, Canada) with different professional and educational backgrounds participate in the Company's BoD.

Having a wide range of perspectives in the boardroom means that the status quo is constantly challenged and critically reassessed and that information is carefully evaluated. The achieved diversity of the Board members effectively contributes to the expression of different views, to the avoidance of "group thinking" and to the constructive dialogue between members, thus succeeding the final decisions to be taken on the basis that the non-executive members of the Board Members exercise appropriate oversight to the Management.

Due to certain restrictions and difficulties in identifying, attract and nominate women for Board positions, gender diversity to the Board of Directors does not currently fulfill the Company's aspirations, however the Company commits to make effort to gradually increase the under-represented gender (women) in the BoD to minimum 25%, percentage that is identical to that set by the new Law 4706/2020 on corporate governance, calculated on the total BoD size by the end of the year 2023.

2.5. Operation

The Board of Directors, immediately after its election by the General Meeting, forms into body and elects a Chairman and one or more Vice-Chairmen and Managing or Executive Directors from amongst its members. According to the current legal framework, the RFA and international best practices, the Chairman of the Company shall not at the same time serve as Managing/ Executive Director.

The Chairman is head of the Board and presides over its meetings. In the event of his absence or he is not in a position to perform his duties, he is substituted by one of the Vice-Chairmen of the Board; they, in turn, are substituted by another director, appointed by a resolution of the Board. Secretarial duties of the Board of Directors are performed by one of its members or any other third party appointed by the Board. The Board has assigned the support of its operations of the Board of Directors to a capable, specialized and experienced Corporate Secretary, who is appointed by it.

In 2021, the Company's Board of Directors has adopted the role of the Senior Independent Director. The Senior Independent Director shall have the following duties and responsibilities:

1. Lead the Non-Executive Directors and serve as a trusted intermediary for them, when required;
2. Support the Chairman and other Directors or shareholders, in exceptional circumstances, to resolve any significant issues, including any potential conflicts of interest between the Chairman of the Board and the Bank;
3. In exceptional circumstances, request for a special meeting of the Board of Directors and define its agenda.

In the exceptional circumstances under paragraph 2 above, the Senior Independent Director may:

- Organize meeting of Non-Executive Directors and reflect their concerns to the Chairman and the CEO;
- Act as intermediary and facilitator between the Non-Executive Directors and the Chairman, as necessary;
- Request that a Board meeting is convened as per paragraph 3 above.

The Board of Directors is convoked by its Chairman or his deputy and convenes at least once a month at the Company's seat or by teleconference, in accordance with the provisions of its Articles of Association and of corporate law, as in force. The Board of Directors may validly convene anywhere in Greece or abroad, where the Company pursues business activities.

Pursuant to the provisions of the RFA, the BoD informs the HFSF Representative and the HFSF Observer on the activities and decisions of the Board and notifies them for the dates of the Board meetings. Such notification should be sent by written notice at least three (3) business days prior to the Board meeting and shall include at least the following: (i) the agenda of the meeting and (ii) the relevant material, data or information and all supporting documents with respect to the items of the agenda. In case of non-compliance with the above deadline, the HFSF Representative is entitled to request in writing addressed to the Chairman of the Board, a postponement of the Board meeting which shall be resumed the earliest after three (3) business days, provided that the aforementioned documents are provided in time.

Subject to the provisions of art. 5 para.3 of Law 4706/2020 stipulating that sessions of the Board of Directors on the preparation of the financial statements or on items for the approval of which a decision by the general meeting by increased quorum and majority according to Law 4548/2018 is required, are quorate when at least two (2) independent non-executive members are present, the Board is in a quorum and convenes validly when at least half of its members plus one are present or represented. However, the number of members personally present may never be less than five (5). Fractions are omitted in determining whether a quorum is achieved. When the Board of Directors convenes by teleconference, the members participating are considered physically present.

Resolutions of the Board of Directors shall be taken by absolute majority of the present and represented members unless otherwise provided by Greek Law, the Articles of Association and the Regulation of the Company. Drawing up and signing of minutes by all Board members or their representatives equals a resolution of the Board of Directors, even if no meeting has been held.

Discussions and resolutions of the Board of Directors are recorded in summary in a special book that may also be kept by electronic means. Upon request of a Board member, the Chairman is obliged to record an exact summary of such member's opinion in the minutes. According to the provisions of the RFA, the minority opinion is also recorded to the minutes. A list of Board members present or represented at a meeting is also recorded in this book. The minutes of the Board of Directors are signed by all present Board members and by the Secretary of the Board.

Pursuant to the provisions of Greek Law 3864/2010, the HFSF's Representative in the Board of Directors has the following rights to:

(a) call a General Meeting of shareholders;

(b) veto key corporate decisions of the Company's Board of Directors;

i) Related to dividend distributions and the remuneration policy relating to the Chairman, the Managing Director and the other Board Members, General Managers and their Deputies

ii) Related to any other matter which may set at risk the rights of depositors or have a material adverse effect on the liquidity, solvency and/or, in general, on the prudent and orderly operation of the Company, including business strategy and asset/ liability management

iii) Related to corporate actions of art. 7A par.3 of Greek Law 3864/2010 which may significantly affect HFSF's shareholding in the Company

(c) request an adjournment of a Board Meeting for three (3) business days in order to receive instructions from the HFSF Executive Committee, such right may be exercised until the end of the Board Meeting;

(d) call a Board meeting;

(e) approve the appointment of the Chief Financial Officer.

In exercising his rights, the HFSF Representative shall respect the Company's business autonomy. Further to the above, by virtue of the RFA, the HFSF has, amongst others, the following rights related to the operation of administrative bodies of the Company. In specific, the HFSF/HFSF Representative to the BoD has the right to:

- participate in the Board of Directors Committees, e.g. the Audit Committee, the Risk Committee, the Remuneration Committee, the Board Nomination Committee, and the Board Ethics and ESG Committee. In addition, an Observer appointed by the HFSF is present without voting rights in the Board of Directors and the above Committees' meetings;
- include items in the agenda of the meetings of the committee in which he participates as a Member;
- include items in the agenda of the General Meeting of Shareholders convened by the Board of Directors.

The HFSF provides its prior written consent for a number of material matters, as such are designated in the RFA, including, inter alia, any material transactions and corporate transformations.

The HFSF reviews the annual self-assessment exercise of the Board of Directors. In addition, based on the assessment provided for in art. 10 of Greek Law 3864/2010 or the review of the annual self-assessment exercise, the HFSF may proceed to suggestions for improvements or possible changes to the Company's corporate governance framework.

The Board of Directors held twenty five (25) meetings during the year 2021.

The following table presents the percentage of the Board and Committees members' participation in the respective meetings for the reporting period.

	Board Of Directors		Risk Committte		Nomination Committee		Remuneration Committee		Audit Committee		Board Ethics & ESG Committee[1]	
	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings	Average Participation	Total Number of Meetings
	100%	25	97%	12	100%	7	97%	6	98%	16	n/a	n/a
Name	**Attendance Rate**	**Number of Meetings**	**Attendance Rate**	**Number of Meetings**	**Attendance Rate**	**Number of Meetings**	**Attendance Rate**	**Number of Meetings**	**Attendance Rate**	**Number of Meetings**	**Attendance Rate**	**Number of Meetings**
George Handjinicolaou	100%	25/25	-	-	-	-	-	-	-	-	n/a	n/a
Karel De Boeck	100%	25/25	100%	12/12	-	-	-	-	94%	16/16	n/a	n/a
Christos Megalou	100%	25/25	-	-	-	-	-	-	-	-	-	-
Vassileios Koutentakis	100%	25/25	-	-	-	-	-	-	-	-	-	-
Venetia Kontogouris[2]	100%	25/25	-	-	100%	7/7	100%	4/4	-	-	n/a	n/a
Arne Berggren[3]	100%	25/25			100%	7/7	100%	6/6			n/a	n/a
Enrico Cucchiani	100%	25/25	-	-	100%	7/7	83%	5/6	-	-	n/a	n/a
David Hexter[4]	100%	25/25	83%	5/6	100%	3/3	-	-	94%	15/16	n/a	n/a
Solomon Berahas[5]	100%	25/25	100%	12/12			100%	6/6*	100%	16/16	n/a	n/a
Anne Weatherston[6]	100%	25/25	100%	6/6	-	-	100%	4/4*	100%	16/16	-	-
Andrew Panzures[7]	100%	25/25	100%	12/12	100%	4/4	100%	2/2-	100%	16/16	-	-
Alexander Blades[8]	100%	25/25	100%	12/12	100%	7/7	100%	2/2	-	-	n/a	n/a
Periklis Dontas	100%	25/25	100%	12/12	100%	7/7	100%	6/6	100%	16/16	n/a	n/a

*1. **Board Ethics & ESG Committee** was established and started its operation at Group level as of 21 October 2021, by virtue of a Board decision*

*2**. V Kontogouris**: ceased to be a member of the Remuneration Committee on 24 June 2021*

*3. **A. Berggren**: ceased to be Chairman of the Nomination Committee on 24 June 2021*

*4. **D. Hexter**: was appointed Chairman of the Nomination Committee and ceased to be a member of the Risk Committee on 24 June 2021*

*5. **S. Berahas**: was appointed Vice-Chairman of the Risk Committee on 24 June 2021*

*6. **A. Weatherston**: was elected as Chair of the Audit Committee on 22 July 2021 and on 24 June 2021 member of the Risk Committee and ceased to be member of the Remuneration Committee*

*7. **A. Panzures**: was appointed Vice-Chairman of the Remuneration Committee and ceased to be a member of the Nomination Committee on 24 June 2021 and on 22 Jule 2021 was elected Vice-Chairman of the Audit Committee*

*8. **A. Blades**: elected as members of the Remuneration Committee on 24 June 2021*

2.6. Roles and Responsibilities

Pursuant to Article 15 of the Company's Articles of Association, the Board of Directors represents the Company and is authorized to resolve, without restriction, on any issue relating to the Company's management, administration of its property and the pursuit of its business objectives in general. The Board of Directors may not resolve on issues, which in accordance with the Greek Law and the Articles of Association, fall within the exclusive responsibility of the General Meeting.

Under Article 16 of the Company's Articles of Association, the Company is represented by its Board of Directors, which may delegate authority relating to the representation of the Company and also the exercise of all or some of its powers or responsibilities, except those requiring collective action, to one or more persons whether members of the Board of Directors or not, setting out the extent of the powers conferred upon them. Under the above provisions of the Articles, the Board determines the system for representing the Company and the limits within which the authorized representatives can act.

The Company's Internal Regulation states that the prime obligation and duty of the Board Members is the continuous pursuit of enhancing the Company's long-term economic value and the protection of the general corporate interests. The Board of Directors is responsible for drawing up and adopting a detailed Business Strategy extending for at least one year defining clear business objectives, both for the Company itself and for the Group. The Internal Regulation further outlines on the role and responsibilities of the Board of Directors as a whole as well as of executive, non-executive and independent non-executive members.

Principal activities and significant issues considered during 2021

In the performance of its duties for 2021, the Company's Board of Directors *inter alia*:

In relation to Corporate Governance issues

- prepared and convoked the Extraordinary General Meeting held on 7 April 2021 and the Annual General Meeting of Shareholders held on 22 June 2021 and approved the respective documentation;
- conducted the annual evaluation of the Board and the Board Committees;
- was updated on the results of the annual review of the independence of Board Members and confirmed that all Independent BoD members satisfy the independence requirements of the law;
- performed the annual CEO's evaluation for 2020 and the mid-year CEO's evaluation for 2021;
- was updated on the progress of the Board Succession Plan exercise;
- approved the Director's Suitability Policy, the updated Board Diversity Policy, the Severance Policy as well as amendments in the Director's Remuneration Policy;
- approved the updated Internal Corporate Governance Structure & Operating Regulation as per the provisions of L.4706/2020.

In relation to Audit and Compliance issues, the BoD approved the following:

- the revised Internal Audit Charter;
- the Compliance Policy of the Group;
- the Action Plan for 2021 of Group's Internal Audit and Compliance Units;

The BoD was also updated on the progress of the special audits of the Internal Audit Unit.

In relation to Risk Management issues, the BoD approved the following:

- the Capital and Liquidity Adequacy Statements (CAS/LAS) for 2020;
- the Risk Appetite Framework (RAF) for 2021;
- the Group Risk and Capital Strategy for 2021;
- the Internal Capital and Liquidity Adequacy Assessment Process (ICAAP and ILAAP 2020);
- the annual review of the Company's Recovery Plan.

In relation to corporate actions and granting authorizations the BoD approved the following:

- the non-preemptive share capital increase through payment in cash by €1,200,000,000 (nominal value) and the issuance of up to 1,200,000,000 and determined all related terms and conditions, by virtue of the authority given to it by the Extraordinary General Meeting held on 7 April 2021;

- the sale of exposures (Project Pivot);
- the issuance of Additional Tier 1 (AT1) notes by the Company and the subscription of the internal AT1 notes issued by Piraeus Bank S.A.;
- the conclusion of the securitization transaction Sunrise I and the inclusion in HERCULES Asset Protection Scheme for the granting of state guarantees for securitizations of financial institutions.

In relation to business monitoring, financial information, Company's policies and relevant updates the BoD approved the following:

- the 2020 annual financial statements and the 2021 interim financial statements;
- the Group annual budget for 2022;
- the new strategic business plan of the company, entitled ''Sunrise'';
- the NPE Plan 2021-2023 & the Group Business Plan.

The BoD was also updated on the following:

- the preliminary result of the SREP
- for 2021 and follow-up regarding the recommended SREP 2020 actions;
- the assignment of non-audit services to the Company's statutory auditors.

2.7. Induction and Training of Board members

The Company implements an induction procedure for newly elected/ appointed Board members aiming to facilitate the Board members' understanding of the Group and the Company's structure, business model, risk profile, governance arrangements and the role of the member(s) within them. In that context, the Company ensures that they are provided with all the information and training necessary to enable them to contribute appropriately to the operations of the Board and to the accomplishment of its mission.

Upon the election of a new member by the General Meeting of Shareholders or appointment by the Board of Directors, a letter of congratulations and welcome is addressed to her/him by the Company Secretary, accompanied by a detailed induction pack (a living document which provides them with a wide range of information about the Company and the Board, comprising of material such as the articles of association, the internal regulation, information on the obligations deriving from their membership, the Board meetings schedule for the year etc.).

Prior to attending their first Board meeting, members are welcomed by the Chairman of the Board and meet with the CEO and the top executive management of the Company, with the opportunity to ask questions with reference to the Company and its operations. New members are also briefed on issues the Board of Directors is dealing with at the moment, or will be looking at in the future. In case of multiple new memberships, induction day seminars are organized and attended by the new members.

Following the fit and proper suitability assessment the new members are submitted to, it is expected and recognized that they possess sufficient knowledge, experience and expertise to fulfill their role. Nevertheless, they are not necessarily experts in all disciplines, business areas or governance aspects. Therefore, training is a key driver of continued board effectiveness and an ongoing commitment of Board members and the Company.

The Company makes available the financial and human resources to implement proper induction and training programs and encourages initiatives aiming to improve the collective or individual skills, knowledge or competence of Board members on an ongoing or ad-hoc basis. The Corporate Secretary, in collaboration with the Group Human Resources Division, is responsible for producing the annual training schedule. The Nomination Committee sponsors and oversees the training schedule for the members of the Board, on an ongoing basis. In addition, regular presentations by management and staff to the Board and Committees are performed in order to educate or keep them informed on changes within the Company or on legal, regulatory, market and industry requirements and standards. In addition, once a year, Board members attend (one-day/two days) Strategy Seminars where top executive management presents the results, goals, challenges faced by the organization. Personalised educational programs may be designed and implemented, where needed.

During 2021, taken into consideration the market trends and needs as well as the previous Board self-assessment outcomes, the training initiatives for the BoD members were focused to “Cyber security" and “Cryptocurrencies”, and were conducted by expertised company executives from abroad.

2.8. Assessment of the Board of Directors

According to the Company’s “Self-Assessment Policy for the Board of Directors, Board members and Board Committees”, taking into consideration relevant provisions of the Suitability Policy and other related Policies of the Board, the applicable regulatory provisions and best practices on corporate governance, the Board of Directors, assisted by the Nomination Committee, conducts a self- assessment exercise on an annual basis in order to, inter alia, identify strengths, weaknesses and training needs, to promote accountability of the Board and its members in the performance of their duties and to improve effectiveness.

The scope and the criteria of the assessment are defined by the Nomination Committee and include, without limitation, the structure (composition, diversity, skillset, experience etc), dynamics and operation (meeting frequency and procedures, availability and adequacy of information etc), understanding and contribution to the Company’s operations, level of candor, impartiality, transparency and other behaviors within the Board. The specific parameters and criteria may vary each year depending on the aspects on which emphasis is placed each time.

The Nomination Committee deliberates on the format, content and methodology to be adopted for the assessment, including the engagement of external consultants to submit recommendation or to conduct the assessment in whole or in part, the use of questionnaires and/or interviews and/or alternative methodologies. The Chairman of the Board has a leading role, which entails the evaluation and processing of the outcome.

The conclusions of the self-assessment are summarized by the Nomination Committee in a report together with any recommendation or changes the Committee deems appropriate. The HFSF is also entitled to review the assessment. A brief summary of the results is also included in the annual Corporate Governance Statement.

In addition, according to the provisions of the RFA and Law 3864/2010, the HFSF is entitled to perform its own evaluation of corporate governance arrangements and of the Board and its Committees, through independent consultants of international reputation and established experience and expertise. This review shall be in line with prudent international practices by applying criteria that go beyond supervisory fit and proper requirements.

Board self-assessment for year 2021

The Nomination Committee has conducted a self-assessment of the Board of Directors for the year 2021 on the basis of a questionnaire, which involved all members of the BoD and the BoD Committees, and focused on a variety of topics concerning the composition and functioning of the Board of Directors and its Committees, with the aim of supporting Directors in identifying further areas in which to improve the Board of Directors' and the BoD Committees' performance. Board members were asked to answer the questions using a five-point scale, with the ratings ranging from 1 for "needs significant improvement" to 5 "exemplary".

Key components of the Board's effectiveness review included five parts, which are detailed below.

Part A: Board composition and structure, covering the size of the Board, the mix of skills, experience and diversity, independence, succession planning and nomination process, induction and training, and Committees of the Board.

Part B: Governance and Decision making covering meetings, time commitment and Board discussions, timeliness and quality of information, quality of decision-making, the Chairman of the Board and the Board Secretary.

Part C: Board Oversight, covering the Internal Control System and Compliance as well as risk appetite and risk management.

Part D: Board effectiveness, covering setting strategy, monitoring performance, relationship with executives and reporting.

Part E: Culture and Ethics, covering tone from the top and ESG.

The results of the self-assessment on 2021 activities define an overall positive picture of the functioning of the Board and its Committees, confirming the ability of these bodies to interact effectively and productively. An overview of the results is presented below.

The results of the self-assessment highlight the following strengths:

- There is a good interaction between non executive directors and executives and a good feedback loop with respect to activities and performance;
- The Chairman exhibits a leadership style and tone that promotes effective decision making, constructive debate and ensures that the Board works as a team;
- Board members exhibit independence of mind and constructively challenge management proposals;

- Board members devote a strong time commitment to the Board operations;
- The formal succession and nomination process for new directors to the Board is considered rigorous and transparent.

Among the issues outlined by Board members, the following are pointed out:

- The Board expects documentation for agenda items to be timely submitted and more succinct;
- Gender balance should be further improved;
- Optimal number of Board members and frequency of meetings of Board and Committees should be revisited;
- The Company should ensure a better risk / reward relation concerning its Executives.

2.9. Board Remuneration

Board members remuneration is approved by the Annual General Meeting of Shareholders, upon respective recommendation of the Board of Directors (non-executive members) following proposal by the Remuneration Committee. The proposal is formulated taking into consideration market practice, international best practice, the legal and regulatory framework applicable to the Company as well as the Directors' Remuneration Policy.

Moreover, in accordance with Article 9b of Directive (EU) 2017/828 of the European Parliament and Council, transposed into the Greek legal framework by means of article 112 of Law 4548/2018, listed companies are required, amongst other, to prepare (and publish) a Remuneration Report, providing a comprehensive overview of the Remuneration of individual directors, in accordance with the remuneration policy as per article 100 of Greek Law 4548/2018.

In compliance with the above, the Annual General Meeting of Shareholders held on 26 June 2021 approved the remuneration paid to members of the Board of Directors in respect of 2020 and gave preliminary approval for remuneration to be paid to Directors for the year 2021. In addition, AGM casted a positive vote for the Remuneration Report of year 2020, in accordance with the provisions of article 112 of Law 4548/2018.

Detailed information on the remuneration of the members of the Board of Directors are provided in the Remuneration Report and the Directors' Remuneration Policy, available in the Company's website.

2.10 Committees

Aiming to constantly improve the effectiveness of the management of the Company and the Group, responsibilities for certain areas requiring expert competence have been delegated to Board of Directors or Executive Committees.

2.11 Special provisions

Special provisions deriving from the RFA are also applicable for the Board Committees and are summarized as below:

- The HFSF Representative may request the inclusion of items to the daily agenda of the Committee's meeting by submitting them in writing to the Committee's Chairman, at least one (1) day prior to the Committee's meeting;

- The HFSF Representative may request that the Committee is convened within the next seven (7) calendar days from hir/her written request to the Chairman of the Committee. The relevant request shall include the proposed items of the agenda. If the Chairman of the Committee does not proceed to the convocation of the Committee within the above deadline or does not include the proposed ithem in the invitation, the HFSF Representative shall be entitled to convoke the Committee within five (5) days as of the expiry of the above seven (7) days. Such invitation shall be notified to all members of the Committee and to the HFSF observer;

- Agenda for the meetings along with the relevant supporting documentation shall be provided to each member, at least five (5) calendar days prior to the meeting;
- The views of the minority shall be recorded in the Committee's minutes in case of not unanimous decision;
- The decisions and minutes of the Committee are submitted to the HFSF Representative as soon as finalized but not later than ten (10) calendar days after the meeting.

A. Board of Directors Committees

1) Audit Committee

On 31 December 2021, and on the date of the publication of the 2021 Annual Financial Report, the composition of the Audit Committee is as follows:

AUDIT COMMITTEE	
Anne Weatherston	Chairman, Independent Non-Executive BoD Member
Andrew Panzures	Vice-Chairman, Independent Non-Executive BoD Member
Karel De Boeck	Member, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Independent Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative pursuant to Law 3864/2010
83% Independent Non-Executive	**17% Non-Executive**

The HFSF's observer attends the meetings of the Committee without voting rights.

During 2021, the following changes were made to the composition of the Committee: On 22 July 2021, Mrs. Anne Weatherston was appointed Chairman of the Committee, role which was previously held by Mr. Hexter. On the same day, Mr. Andrew Panzures was designated as Vice Chairman of the Committee.

Governance- Operation

The Audit Committee is comprised of Non-Executive members of the Board, the majority of which are independent within the meaning of the provisions of Greek Law 4706/2020. The HFSF Representative participates as a member in the Audit Committee, with full voting rights. The Audit Committee is supported by an Executive Secretary and its operation is governed by article 44 of Greek Law 4449/2017, as amended by Greek Law 4706/2020, the respective notices, explanations and recommendations of the Supervisory Authorities and additionally by its Terms of Reference.

It is noted that the Chairman of the Audit Committee Mrs. Anne Weatherston is an Independent Non-Executive member of the BoD who fulfils the criteria of the RFA and has, inter alia, extended experience in Internal Audit and Finance within the meaning of article 10 of Greek Law 3864/2010 and Greek Law 4449/2017. The Committee as a whole possesses appropriate competence and experience for the effective performance of its duties.

The Chief Financial Officer (CFO), Head of Internal Audit, Compliance and Risk Officer, Group Controller, Senior Advisor on Internal Control and Audit Issues and other Executives of Senior Management are invited to attend the Audit Committee meetings. The Group's statutory auditors are invited to attend all meetings.

Based on its Terms of Reference, the Audit Committee meets at least four (4) times a year, of each calendar quarter and extraordinarily, if the circumstances so require.

In 2021, the Audit Committee convened sixteen (16) times and all its decisions were taken unanimously based on the thorough examination of supporting material and further clarifications provided during these meetings by the competent managerial officers, statutory auditors and other experts. Members' attendance rates in the Committee meetings are depicted in the Members Participation in the Board of Directors and the respective Committees' table above.

Role and responsibilities

The main duties of the Audit Committee based on its Terms of Reference are:

- Supervising and evaluating of the drafting processes of the annual financial statements and interim financial information of the Group and the Company prior to their publication;
- Supervising of the audit and review of the Group and the Company's annual financial statements and mid-year interim financial information conducted by the statutory auditors and cooperation with the statutory auditors on a regular basis;
- Ensuring the independence of the statutory auditors in accordance with applicable Greek Laws; a procedure which includes reviewing, inter alia, the provision by them of Non-Audit services to the Group and the Company;
- Proposing to the Board the selection of statutory auditors. Whenever it deems appropriate, the Committee shall also make a proposal for their replacement or rotation; the Committee is responsible for the tender procedure for the appointment of the auditors in accordance with article 16 of Regulation (EU) no. 575/2014 in conjunction with article 44 of Greek Law 4449/2017 and article 13 of Greek Law 3864/2010;
- Identifying weaknesses, making recommendations and monitoring the implementation of measures decided by the Committee;
- Proposing measures for specific areas requiring further investigation by internal or statutory auditors;
- Monitoring and annual evaluation of the adequacy and effectiveness of the ICS of the Group and the Company, based on the data and information provided by the Internal Audit as well as by the statutory auditors and other supervisory bodies;

- Evaluating the work of the Internal Audit, focusing on issues related to the degree of its independence, the quality and scope of its audits, the priorities determined by changes in the economic environment, the systems and in the level of risks and the overall efficiency of its operation;

- Determining the scope and appointing the latest every three years, an external audit firm, other than the statutory auditors to assess the adequacy of the ICS as provided for by paragraph 3, article 14 of Law 4706/2020 and in accordance with the specific provisions of BoD Resolution no. 1/891/30.9.2020 of the Hellenic Capital Market Commission and the Internal Regulation of the Company;

- Monitoring and evaluating on an annual basis the work of the Compliance function;

- Updating the Board of Directors for the results of the special and regular audits and other significant matters arisen.

How the Committee discharged its responsibilities during 2021

Regarding Financial Statements and relevant notifications, the Audit Committee:

- Reviewed the Group and the Company's critical accounting estimates and judgments and their application to the Group and the Company's quarterly interim financial information and annual financial statements;

- Reviewed the quarterly interim financial information and annual financial statements prior to their publication, discussing and asking for clarifications on the accounting standards implemented and suggested to the Board their approval;

- Met regularly with Management and the statutory auditors to discuss any changes in accounting policies, critical accounting estimates, one-off items impacting the financial statements and any other significant issues. The Committee was also informed on how the Management and the statutory auditors responded to the risks related to Covid-19 pandemic;

- Was updated regularly and reviewed legal and tax matters which could significantly impact the judgmenets made my management when preparing the financial statements.

Regarding **External Audit,** the Audit Committee:

- Reviewed the statutory auditor's audit plan and methodology for the interim review and the annual audit, the extended independent auditor's report and audit findings. The Committee was also informed and discussed any changes to the statutory auditors' initial plan;

- Ensured tendering and appropriate rotation of the statutory auditors after five (5) consecutive years and pre approved the appointment of Deloitte as the Group's statutory auditor for the financial year 2021;

- Reviewed and proposed to the Board the fees for audit and permissible non-audit services to Deloitte for the year ended 31 December 2021, as disclosed in Note 47 of the Annual Financial Statements;

- Considered Deloitte independent; Deloitte, in accordance with professional ethical standards, provided the Audit Committee with written confirmation of its independence for the financial year 2021;

- Requested the presence of the statutory auditors in every Audit Committee meeting. The statutory auditors attended all

Audit Committee meetings in 2021. The Audit Committee Chairman maintained regular contact with the audit partner throughout the year;

- Assessed the effectiveness of Deloitte as the Group and the Company's statutory auditor as part of its self-assessment process using a questionnaire which focuses on the overall audit process, its effectiveness and the quality of audit services.

Regarding **Internal Control System,** the Audit Committee:

- Promoted the continuous strengthening of the ICS as a strategic priority for the Board of Directors and Management of the Group and the Company, as well as the procedure for the development and integration of the appropriate internal control mechanisms, with the objective of the further improvement of the operational risks that the Group face in its operations;

- Assessed the effectiveness of the ICS and any developments affecting it. In order to carry out its assessment the Audit Committee:

  – Discussed with Management the internal control deficiencies as well as the implementations of remediation actions, following recommendations of the internal and statutory auditors as well as the Supervisory Authorities;

  – Examined and discussed reports and information regarding the ICS pursuant to the quarterly reports prepared by the Internal Audit;

- Was updated on the Share Capital Increase Control Process;

- Was updated on the performance of Piraeus Financial Holdings' subsidiary, JSC Ukraine;

- Reviewed and pre-approved the updated Audit Committee Terms of Reference.

Regarding **Internal Audit Unit,** the Audit Committee:

- Monitored the implementation of the Internal Audit Annual Action Plan for year 2021 and concluded that the Internal Audit was effective;

- Was notified of the Internal Audit Annual Action Plan for year 2022, staff related issues and budget. Pre-approved its implementation and submitted it for further approval to the Board of Directors;

- Was notified on the significant audit findings (regular and special audits) and Management's responses in relation to the timing and activities of remediation plans;

- Reviewed and pre - approved the Internal Audit Charter;

- Ensured that Internal Audit has the appropriate skillset and capacity to audit and evaluate the effectiveness of the internal control framework.

Regarding **Compliance Function,** the Audit Committee:

- Monitored the implementation of the Compliance Annual Action Plan for year 2021 and concluded that Compliance function was effective;

- Was notified of the Compliance Annual Action Plan for year 2022, pre-approved its implementation and submitted it for approval to the Board of Directors;
- Reviewed and approved the Piraeus Financial Holdings Compliance Policy;
- Was regularly updated on the assessment and implementation of the requirements of the Law 4706/2020 and Law 4799/2021.

Self-Assessment

The Audit Committee carried out its self-assessment for the year 2021. The analysis of the feedback received, revealed that the Audit Committee performed its duties effectively. In particular, it was noted that with respect to its operation, the Audit Committee carried out its role and responsibilities in accordance with its approved Terms of Reference, which is in compliance with the applicable legal and regulatory framework as in force, and is approved by the Board of Directors. Moreover, the results of the self assessment showed that the level of knowledge, professional experience, as well as the availability and cooperativeness of the Audit Committee members ensured its independence and effectiveness of its performance.

Information on the current composition of the Audit Committee, its operation and responsibilities is available on the Company's website.

The Annual Audit Committee's Report pursuant to article 44 par. 1 (case i) of Law 4449/2017 will be published together with the Annual Financial Report (to which is incorporated by reference) and will be available in the Company's website.

2) Risk Committee

On 31 December 2021 and on the date of publication of the 2021 Annual Financial Report the composition of the Risk Committee is as follows:

RISK COMMITTEE	
Karel De Boeck	Chairman, Independent Non-Executive BoD Member
Solomon Berahas	Vice Chairman, Independent Non-Executive BoD Member
Andrew Panzures	Member, Independent Non-Executive BoD Member
Anne Weatherston	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
67% Independent Non Executive	**33% Non-Executive**

The HFSF's Observer attends the meetings of the Committee without voting rights.

During 2021, the following changes were made to the composition of the Committee: Mr David Hexter ceased to be a Member of the Committee on 24 June 2021. On the same day, Mr. Solomon Berahas was designated as Vice Chairman of the Committee and Ms. Anne Weatherston was elected as Member.

Governance - Operation

The Risk Committee consists of non-executive BoD members appointed by the Board of Directors. The number of Committee Members cannot be lower than three (3) and cannot exceed 40% (rounded to the nearest integer number) of the total number of the BoD members. The majority of the Members (rounded to the nearest integer number and excluding the HFSF Representative) should meet the criteria for the independence of Board Members, in accordance with the Greek Law 4706/2020 and the European Commission Recommendation 2005/162/EC. The Representative of the HFSF participates as a Member in the Risk Committee with full voting rights.

The Chairman of the Committee is appointed by the Board of Directors and must meet the criteria of art.10 par.8a) of the Greek Law 3864/2010 in terms of significant experience in commercial banking and, preferably, in risk and capital management, as well as familiarity with the local and international regulatory framework. The capacity of the BoD's Chairman is incompatible with the capacity of the Risk Committee's Chairman, while the Chairman of the Risk Committee cannot be the Chairman of Piraeus Financial Holdings' Audit Committee at the same time.

The Chairman of the Risk Committee, Mr. Karel De Boeck has, inter alia, extended experience in risk management and is considered an expert within the meaning of art.10 of Greek Law 3864/2010.

The Members of the Risk Committee should possess adequate knowledge and previous experience in the financial services and banking industry, with at least one member having solid risk and capital management experience, as well as familiarity with the local and international regulatory framework.

The Risk Committee is supported by an Executive Secretary and a Secretary. The Risk and Compliance Officer has been designated as the Executive Secretary by the Board of Directors. He/she is independent, reports directly to the Risk Committee and is subject to audit by the Internal Audit.

The term of office of the Risk Committee's members cannot exceed the term of office of the Board of Directors (three years), but the Board of Directors is entitled to cease or replace them at any time.

The presence, participation and voting of a Risk Committee Member during the discussion of an issue in which he/she has a conflict of interest is not permitted. Decisions pertaining to the establishment of policies, procedures, terms or criteria for risk management or other issues of general application do not come under the previous prohibition.

Minutes are kept for all Risk Committee meetings and are certified by the Chairman and the Executive Secretary of the Risk Committee.

The Committee convenes, upon its Chairman's invitation, on a monthly basis and exceptionally when this is deemed necessary. In order to fulfill its duties, the Risk Committee held eleven (11) meetings during 2021.

Members' attendance rates in the Risk Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table in section 2.5 above.

The mission of the Risk Committee is inter alia to ensure that:

a. Piraeus Financial Holdings and its Group has a well-defined Risk & Capital Strategy and Risk Appetite Framework in line with its business goals as well as with the available human and technical resources. The risk appetite of Piraeus Financial Holdings and Group is articulated and clearly communicated in a set of quantitative and qualitative statements, including specific limits for the material risks.

b. All risks connected to the activity of Piraeus Financial Holdings and the Group are effectively identified, assessed, measured, controlled, mitigated and monitored.

c. The risk management and control framework in place, including policies, methods and tools, complies with Risk & Capital Strategy and Risk Appetite as well as with regulatory and supervisory requirements.

Roles and Responsibilities

The Risk Committee is responsible to perform the duties set out in the internal Operating Regulation, in order to assist the Board of Directors in its duties with respect to risk management issues.

For the achievement of its goal, the Committee undertakes the following duties and responsibilities:

- Monitors, assesses and provides update to the BoD with respect to the compliance with supervisory requirements, the risk profile and the adherence to the approved risk appetite limits and early warning levels of Piraeus Financial Holdings and the Group;
- Evaluates the adequacy and effectiveness of the risk management & control framework to ensure that it remains comprehensive, adequate and proportionate to the nature, extent and complexity of the Piraeus Financial Holdings and its Group current activities;
- Oversees (jointly with the Audit Committee) and provides update to the BoD with respect to the implementation progress

of the major initiatives related to operational risk as well as internal control enhancements;

- Oversees (jointly with the Audit Committee) and provides update to the BoD with respect to the implementation progress of the Action Plans on Regulatory / Supervisory Assessments;
- Proceeds with any other advisable action for the effective pursuance of its mission.

How the Risk Committee discharged its responsibilities during 2021

- Evaluated and made recommendations to the Board of Directors in respect to major risk related to strategic/priority actions that required the approval of the latter, including, indicatively and not exhaustively, the:
  - 2021 Risk and Capital Strategy and Risk Appetite Framework;
  - NPE Plan 2021-2023;
  - Sunrise Plan Inorganic Transactions (including sales and securitizations).
- Assessed the adequacy and effectiveness of the operational risk and control framework and relevant policies;
- Obtained an overview and provided update to the Board of Directors on the 2021 Company's risk annual plan, including risk developments in the Company, operational risk losses, as well as the time plan execution and the evolution of the risk operations;
- Obtained an overview and provided update to the Board of Directors on Company's Risk reports regarding the evolution and profile of the key risks undertaken, the Operational Risk and Control Assessment and Effectiveness and the respective results at a Company level;
- Evaluated and provided recommendation to the Board of Directors in respect to the development, documentation, re-assessment and monitoring of the:
  - Implementation process of the 2020 ICAAP and Capital Adequacy Statement;
  - implementation process of the 2020 ILAAP and Liquidity Adequacy Statement;
  - 2021 Recovery Plan;
  - 2020 Pillar III Regulatory Capital Disclosures;
- Evaluated, and provided recommendation to the Board of Directors when required, in respect to risk related Policies, including indicatively, 2021 Risk Appetite and Capital Management Policies, 2020 ILAAP Framework & Contingency Funding Plan, Market Risk Policy, Pillar III Disclosures Policy, Significant Risk Transfer Policy and Operational Risk Policies.

Information on the current composition of the Committee, its operation and responsibilities is available on the Company's website.

3) Remuneration Committee

On 31 December 2021 and on the date of the publication of the 2021 Annual Financial Report, the composition of the

Remuneration Committee is as follows:

REMUNERATION COMMITTEE	
Arne Berggren	Chairman, Independent Non-Executive BoD Member
Andrew Panzures	Vice-Chairman, Independent Non-Executive BoD Member
Enrico Cucchiani	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
67% Independent Non-Executive	**33% Non- Executive**

The HFSF observer attends the meetings of the Committee without voting rights.

During 2021, the following changes were made to the composition of the Committee: On 24 June 2021 Mr. A. Panzures was appointed Vice-Chairman, Ms. V. Kontogouris and Ms. A. Weatherston ceased to be members of the Committee and Mr. A. Blades was elected member of the Committee.

Governance - Operation

According to its Terms of Reference, the Remuneration Committee is appointed by the Board of Directors of the Company and consists of at least three (3) members of the Board of Directors, while the total number of its members should not exceed 40% of the BoD Members including the HFSF Representative who participates with full voting rights. The majority of the members must be independent as per the definition of an Independent BoD Member of article 9 of L. 4706/2020. The Chairman of the Committee should be an Independent Non-Executive member meeting the criteria of ar. 10 par. 8 of Greek Law 3864/2010. The Committee, as a body, should have knowledge, expertise and professional experience in remuneration related issues, risk management and control activities. At least one (1) member of the Committee should also be a member of the Risk Committee to oversee alignment of the Remuneration Policy with the Company's Risk and Capital Strategy.

The Members of the Remuneration Committee are not permitted to hold parallel positions or offices or to conduct transactions, which might be deemed incompatible with the remit of the Remuneration Committee. Participation in the Remuneration Committee does not preclude the possibility of sitting on another Committee of the Board of Directors.

The Remuneration Committee shall meet at the invitation of the Chairman whenever he/she deems it necessary for the execution of its remit, but no less than four (4) times in each calendar year. Resolutions may only be adopted when a quorum of at least half of its members are present. Resolutions of the Committee are adopted by majority vote of the members present.

The Remuneration Committee is supported in its work by the Company's Units and is entitled to recruit external consultants and to define the terms of cooperation with them, their fees being charged to the Management's budget.

The Remuneration Committee held six (6) meetings during 2021. Members’ attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table above.

Roles and Responsibilities

The mission of the Remuneration Committee is to design, monitor the implementation and periodically review the Group’s remuneration policy, in accordance with Bank of Greece Governor’s Order 158/1/10.5.2019, taking also into consideration the provisions of Greek Laws 3864/2010 and 4261/2014, as currently in force and the alignment with the Company’s strategic goals. In the execution of its duties, the Remuneration Committee takes into account the Risk appetite framework of the Company, the long-term interests of shareholders, investors and other stakeholders. In the scope of Remuneration Committee is also included the monitoring of an implementation framework that objectively evaluates performance and is directly linked to the determination of the remuneration of employees, risk takers and non-risk takers, the implementation of the Company´s talent management and succession planning policies as well as the implementation of strategies with the purpose of building a Corporate Culture that will support the Company´s objectives and vision. Subsidiaries included in the consolidation fall under the scope of competences of the Committee.

The Remuneration Committee, inter alia:

- Reviews annually the Group's Remuneration Policy as well as the findings and recommendations made by the Group Internal Audit Unit regarding a potential revision of the Policy;
- Evaluates on a regular basis the remuneration of Executive and Non-Executive BoD Members as well as the senior executive management;
- Makes a recommendation to the Board of Directors, on an annual basis, regarding the remuneration of executive and non-executive BoD members for the coming period;
- Assesses the compliance of proposed variable remuneration schemes to current legislation and recommendations as well as their consistency with the Company´s risk appetite and strategies;
- Assesses whether the proposed remuneration packages for senior executives of the Company´s independent control functions are compliant with the Group´s remuneration policy for these positions (i.e. Risk Management, Internal Audit and Compliance);
- Periodically reviews the Company´s policy regarding staff loans and other benefits and monitor the credit exposure of the staff and executive management with a specific emphasis on potential NPEs;
- Regularly monitors pay equality and presence of discrimination based on gender, age or Bank of origin;
- Reviews and proposes to the Board the goals and objectives relevant to the CEO compensation and evaluate the CEO’s performance in light of these goals and objectives;
- Reviews and recommends for BoD approval policies related to remuneration and critical human resources (HR) issues that the Company is required to share with external parties and present in the Annual Meeting of Shareholders, such as the Directors’ Remuneration Policy and the Annual Remuneration Report for Directors;
- Reviews and provides required information to be submitted to the Annual General Meeting of Shareholders relevant to

its activities.

How the Remuneration Committee discharged its responsibilities during 2021

- Provided a statement that the Group Remuneration Policy is compliant with the provisions of the applicable legislative and regulatory framework in force;
- Reviewed and recommended to the Board of Directors for final approval the Remuneration Committee's Term of Reference of the Company;
- Recommended to the Board of Directors the submission of the proposal to the Extraordinary General Meeting held on 7 April 2021 to grant authorization to the Board of Directors to establish a stock option plan in accordance with the provisions of article 113 par.4 of law 4548/2018 to executives and employees of the Company and its affiliated companies;
- Reviewed and recommended to the Board of Directors variable remuneration proposals for various categories of staff (risk takers, non-risk takers etc.) related to incentives and business objectives;
- Reviewed and recommended for approval to the Board of Directors the identification process for categories of staff who have a material impact on the risk profile (Risk Takers) and the relevant list;
- Reviewed and approved the annual remuneration reporting disclosures to the supervisory authorities (Pillar III and the Bank of Greece);
- Assessed the compliance of proposed incentive schemes to current legislation and guidelines as well as their consistency with the Company's risk appetite and strategies;
- Reviewed and submitted to the Board of Directors for approval the Remuneration Report for 2020;
- Prepared the Board's proposal to the Annual General Meeting of shareholders in relation to the annual remuneration of the members of the BoD;
- Reviewed special amendments of the Remuneration Policy of Directors and submitted a respective recommendation to the Board of Directors;
- Reviewed and submitted for the BoD's approval the Severance Policy.

Information on the current composition of the Committee, its operation and responsibilities is available on the Company's website.

Remuneration Committee Statement

According to the Remuneration Committee's relevant obligation (RFA, Appendix I 2.3.3), the Committee declared on its meeting held on 24 February 2022 that the Company's Remuneration Policy is compliant with the provisions of the applicable legislative and regulatory framework in force.

4) Nomination Committee

On 31 December 2021 and on the date of the publication of the 2021 Annual Financial Report, the composition of the Board of Directors Members Nomination Committee (Nomination Committee) is as follows:

NOMINATION COMMITTEE	
David Hexter	Chairman, Independent Non-Executive BoD Member
Enrico Cucchiani	Vice-Chairman, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Arne Berggren	Member, Independent Non-Executive BoD Member
Karel De Boeck	Member, Independent Non-Executive BoD Member, Senior Independent Director
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
71% Independent Non-Executive	**29% Non- Executive**

The Observer of the HFSF attends the meetings of the Committee without voting rights.

During 2021, the following changes were made to the composition of the Committee: On 24 June 2021, Mr. D. Hexter was appointed Chairman of the Committee and Mr. E. Cucchiani Vice-Chairman. On the same day, Mr. A. Panzures ceased to be a member and Mr. A. Berggren was elected member of the Committee.

Governance - Operations

The Nomination Committee is comprised of at least three (3) Members of the Board of Directors. All members are non-executive with the majority being independent non-executive. An independent non-executive member, meeting the criteria of art.10 par.8a) of Greek Law 3864/2010 is appointed Chairman of the Committee. The HFSF Representative is a member of the Committee with full voting rights according to the provisions of Greek Law 3864/2010. The Senior Independent Director serves as an ex officio member of the Nomination Committee.

The Nomination Committee ensures that the BoD possesses, as a body, adequate knowledge and experience in at least the main activities of the Company in order to be able to exercise oversight over all its functions, either directly or indirectly through the various BoD Committees set up by statute or at the discretion of the Company.

The Committee convenes as required on a need-to-meet basis but at least twice every calendar year. The quorum necessary for holding a meeting is at least 2/3 of the total number of Committee members including the HFSF Representative. Decisions of the Committee are taken with the majority of the members present or represented at the meeting.

The Nomination Committee held seven (7) meetings during 2021. Members' attendance rates in the Committee meetings are depicted in the Board Members Participation in the BoD and the respective Committees table in section 2.5.

Roles and Responsibilities

The Nomination Committee is responsible for performing the duties set out in Greek Law and its Terms of Reference.

Nomination Committee is responsible to:

- identify and nominate suitable candidates to be proposed by the Board to the General Meeting for election or re-election upon the expiry of the tenure of the incumbent Board or as replacements for Board positions which become vacant during the Board's term;
- establish a candidate's "independence" in the context of Greek corporate law and relevant EBA guidelines; the Committee also examines the eligibility of any potential nominee with the HFSF requirements;
- review at least annually the structure, size and composition (including the aggregate skillset, knowledge, independence, experience and diversity) of the Board and of its Committees, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- design the succession planning for the Board and top executive management over the longer term, in order to ensure Board and Management continuity;
- adopt a Nomination Criteria Policy for Board members and review it at least once every two calendar years. The Nomination Criteria Policy will take into account the fit-and-proper criteria set by the EBA as well as the HFSF law (L.3864/2010) specific criteria for Board members in Greek systemic financial institutions;
- adopt a Diversity Policy for Board members and review it on a biannual basis;
- conduct an annual assessment of the effectiveness of the Board and its Committees; also ensure that an annual performance evaluation is conducted for the Chief Executive Officer and the other Board executives which will be reported to the Board;
- liaise with the HFSF in all matters pertaining to the Committee's mandate including coordinating the Board evaluation process carried out by the HFSF under the Tripartite RFA and any follow up thereon;
- evaluate the independence of the incumbent non-executive Board members once a year;
- adopt and monitor the application of an Induction and Training Policy for Board members; also the Committee will review the Induction and Training Policy at least once every three years and amend it, when it is deemed appropriate;
- oversee the induction and training programs for members of the Board, both on their initial appointment and on an on-going basis.

The Nomination Committee in carrying out its duties takes into account on an ongoing basis and to the extent feasible, the need to ensure that during its decision-making, the Board is not unduly affected by the will of one person or of a small group in a manner prejudicial to the interests of the Company as a whole.

The Nomination Committee may use any resources it deems appropriate, including external consultants, while it is provided with adequate funding in order to meet that objective.

How the Nomination Committee discharged its responsibilities during 2021

- Assigned the conduct of the self-evaluation process of the Board of Directors and its Committees for 2020 to a specialized consulting company, and reviewed its results;
- Reviewed and ensured that no conflicts of interest exist between the Company and the Board of Directors through the completion of a relevant questionnaire;
- Conducted and completed the CEO's Evaluation for 2020 and the CEO's Mid-Year Assessment for 2021;
- Reviewed the Succession Planning process of the Board Committees' composition and discussed in detail the succession planning of the Board Committees;
- In the context of the Board Succession policy and its Committees, submitted for approval to the Board of Directors amendments of the composition of the BoD Committees (namely changes of Chairmanship of certain Committees, appointment of Vice-Chairman in all Board Committees and members' changes in certain Committees);
- Proposed to the Company's Board of Directors for approval the adoption of the role of Senior Independent Director and proposed the appointment of this role by the Vice-Chairman of the Board;
- Reviewed extensively the Directors' Suitability Policy and Process framework;
- Recommended for approval by the Company's Board of Directors the Directors' Suitability Policy;
- Coordinated the initiatives on educational matters of the Board Members;
- In the context of the Board Succession Planning process, assigned to a specialized consulting firm the search for new candidates for independent non-executive Members of the Board of Directors in order to strengthen its skills and enhance its diversity;
- Assessed the independence criteria for Board Members, through the completion of a relevant questionnaire;

Information on the current composition of the Committee, its operation and responsibilities is available on the Company's website.

5) Board Ethics and ESG Committee

As at 31 December 2021 and on the date of publication of 2021 Annual Financial Report, the Committee's composition was the following:

BOARD ETHICS AND ESG COMMITTEE	
George Handjinicolaou	Chairman, Chairman of the Board, Non-Executive BoD Member
Karel De Boeck	Member, Independent Non-Executive BoD Member
Enrico Cucchiani	Member, Independent Non-Executive BoD Member
David Hexter	Member, Independent Non-Executive BoD Member
Venetia Kontogouris	Member, Independent Non-Executive BoD Member
Arne Berggren	Member, Independent Non-Executive BoD Member
Solomon Berahas	Member, Independent Non-Executive BoD Member
Alexander Blades	Member, Non-Executive BoD Member
Periklis Dontas	Member, Non-Executive BoD Member, HFSF Representative
67% Independent Non-Executive	**33% Non- Executive**

The Observer of the HFSF also attends the meetings of the Committee without voting rights.

Following relevant proposal by the Chairman, the Board of Directors decided, in its session held on 21 October 2021, the establishment and operation of the Board Ethics and ESG Committee. It is noted that until then a respective Committee was operating in Piraeus Bank S.A., subsidiary of the Company. Following the aforementioned resolution and a respective resolution of Piraeus Bank Board of Directors, the Committee will be conducting its operations at Group level.

Governance – Operation

The Committee consists of Non-Executive Board Members and Independent Non-Executive Board Members. Group General Counsel is present in the meetings. The HFSF Representative is a member of the Committee with full voting rights in accordance with the provisions of Law 3864/2010. Depending on the items of the agenda and, if deemed necessary, other Group Executives may be present.

The Committee convenes following the Chairman's invitation, as many times as required necessary for the fulfillment of its mission and at least quarterly.

The Committee meets with a quorum of at least half of its members (any decimal number is rounded to the next integer) and decides by a majority of 2/3 of the present members.

Due to its establishment in late 2021, the Committee did not convene during 2021. The respective Committee of Piraeus Bank S.A. convened once during the reporting year due to other prioritized issues of the organization as a result of the pandemic Covid-19 and other extraordinary corporate events. In that meeting, the Committee was updated on the new ESG structure and ESG ambition of the Organization.

Roles and Responsibilities

The main objective of the Committee is to support the Board and Board Committees by proactively setting, monitoring, supporting and overseeing policies and strategies applied by Management, aiming at generating right values and culture, so that the Company operates with moral integrity.

The Board Ethics and ESG Committee has the following responsibilities, as defined in its Terms of Reference, with major responsibility, the supervision, monitoring and providing direction to Management:

With regard to Ethics related policies:

- makes recommendations to the Board with respect to any revisions to the Company's Code of Conduct, at least every three years, through the relevant review procedure;
- is informed by the Compliance Unit, of significant revisions to the Conflict of Interest Policy;
- is informed by the Compliance Unit on matters of policies regarding:
  - the fair treatment of customers (products and services design and suitability, sales processes, transparency of fees);
  - compliance with laws and regulations;
  - Politically Exposed Persons;
  - Related Party transactions.

With regard to Sound Governance related topics:

- reviews cases of alleged misconduct, relating to Board and ExCo members;
- reviews Senior Ethics Advisory Committee (SEAC) proposals and makes recommendations to the Board for decisions, when Executive Committee members are involved;
- provides advice and makes recommendations to the BoD and Management on ethical matters;
- provides advice to the Nomination Committee on cases of conflicts of interest involving BoD members;
- is informed by Group Internal Audit on matters regarding the Whistleblowing framework, including changes of policies, proper operation of the established procedures, channels offered and progress of the investigations;
- is updated periodically on the Complaints and Grievances procedures, so as to encourage the fair treatment of customers and the proper conduct of business;
- is informed by Internal Audit, Legal Unit, Compliance Unit or HR, as applicable, on the progress of forensic investigations, litigation cases, regulatory proceedings, or incidents with significant reputational risk, for matters falling within the Committee's competencies;
- is informed by the Chairman of SEAC on cases under examination.

With regard to Corporate Social Responsibility, community, environmental related topics:

- makes recommendations to the Board and/or relevant Board Committees with respect to the Strategy and policies for the above matters;
- is updated on the action plans and their progress by the pertinent Management Committee;
- supports the Nomination Committee, if requested, in the evaluation of the knowledge, competence and experience of the Board Members in the area of ESG risks, in its assessment of the collective suitability of such members and to further arrange the education of the Board Members in relation to all the above;
- oversees the process for the preparation of the Annual Sustainability and Business Report and makes recommendations to the Board regarding the approval of the final report;
- promotes best practices and ethical behavior considering interests of customers, personnel and society.

Group Executive Committee

On the date of the publication of the 2021 Annual Financial Report, the composition of the Group Executive Committee is as follows:

GROUP EXECUTIVE COMMITTEE	
Christos Megalou	Chairman, Managing Director, CEO
Athanasios Arvanitis	Member, Executive General Manager, Group Chief Treasurer- Piraeus Bank
Georgios Georgopoulos	Member, Executive General Manager, Group Chief Human Resources Officer – Piraeus Bank
Theodoros Gnardellis	Member, Executive General Manager, Group Chief Financial Officer – Piraeus Bank
George Kormas	Member, Executive General Manager, Group Chief Real Estate – Piraeus Bank
Vassilios Koutentakis	Member, Executive General Manager, Chief Retail Banking – Piraeus Bank
Dimitris Mavrogiannis	Member, Executive General Manager, Group Chief Operating Officer – Piraeus Bank
Emmanouil Bardis	Member, Executive General Manager, Group Chief Credit Officer – Piraeus Bank
Konstantinos Paschalis	Member, General Manager, Chief Financial Officer – Piraeus Bank
Ioannis Stamoulis	Member, Executive General Manager, Group Chief Risk Officer – Piraeus Bank
Notes: Ms Eleni Vrettou, (former) Executive General Manager, Chief Corporate and Investment Banking, Piraeus Bank was a member of the Group Executive Committee throughout the reporting period. She ceased to be a member on 17 February 2022 following the completion of her cooperation with the Group.	

Governance- Operation[9]

The Group Executive Committee consists of senior executives of the Group and is chaired by the CEO, Executive Member of the BoD.

The Committee meets every second Monday upon the invitation of its Chairman, and extraordinarily whenever convened by its Chairman. The invitation sets the agenda, the time and place of the meeting of the Group Executive Committee.

In order for the Group Executive Committee to reach a decision, a quorum of at least 50% of its members present in person either at the meeting location or at another location via teleconferencing is required.

Group Executive Committee decisions are taken with a 2/3 majority of the members present and represented. The presence, participation and voting of a Committee member during the discussion of an issue in which he has a conflict of interest is not permitted. Decisions that concern the establishment of policy, procedures, terms or criteria for risk management or other issues of general application do not fall under the previous prohibition.

[9] Subject to revision.

The Group Executive Committee has the right to invite any employees, executives or advisors it deems expedient or useful to its meetings.

Minutes are kept for all Group Executive Committee meetings and are certified by the Chairman, the Executive Secretary and the Secretary.

The responsibilities of the Group Executive Committee relate to both the Company and its consolidated subsidiaries.

Roles and Responsibilities[10]

Authorised by the Board of Directors, the Group Executive Committee has the following responsibilities, which it may delegate or assign to administrative Committees, Committee Members or Company executives:

- monitors the implementation of both the Business Plan of the Company and of the Group and makes the necessary decisions for achieving the Plans' goals;
- establishes the directions of the Budget and proposes the Annual Budget to the Board of Directors;
- establishes administrative committees and determines their composition and competencies;
- approves, complements or amends the Group's Accounting Policies, following a recommendation by the Group's Financial Management;
- determines the interest rate policy and the pricing of the products and services offered by the Company;
- approves the introduction of new and significant changes to existing products and services of the Company, as well as restructuring products, and defines their pricing policy before they are made available to clients;
- approves the marketing strategy and monitors its implementation and effectiveness;
- approves the Group's technological infrastructure strategy;
- approves proposed partnerships in sectors or fields of the economy, following a recommendation by the Heads of the competent business units or support units;
- approves the principles and rules of Credit Policy, as well as the regulations, manuals, policies and procedures of Credit Policy, which enter into force for the implementation of these principles, as well as any of their amendments, following the agreement with the Group Chief Risk Officer, except for the amendments of Risk Appetite, which are approved by the Risk Committee;
- monitors and supervises the observance of Corporate Governance rules and programs and decides on taking regulatory compliance measures following the recommendation of competent Units or Committees;
- approves human resources programs (voluntary departure, fees, insurance and other contributions), always within the framework of the approved Group Remuneration Policy, having been assigned the related competency of Article 3(2) of Greek Law 3016/2002 by the Board of Directors;

[10] As above

- approves the Executive's promotions to a grade higher than the one of Director;
- sets, within the range of its own approval limits, the approval limits of the Bank's Management Committees and executives on issues not related to credit approvals;
- informs the Board via its Chairman at least once every quarter that the operation of the Group Executive Committee is in line with the Company's operational strategy and risk strategy.

Information on the current composition of the Group Executive Committee and short Curriculum Vitaes of its members (excluding those of Mr. Megalou and Mr. Koutentakis which are mentioned in a previous section of this statement) are set out below and also available on the Company's website.

 Athanasios Arvanitis, Executive General Manager	Head of the Piraeus Financial Markets Division of Piraeus Bank S.A., which includes the activities of Treasury, Global Markets, Securities Services, Asset Management, and Economic Research & Investment Strategy. He has been working for Piraeus Bank since 1999. He started his career in Banking in 1992 at National Westminster Bank of Athens and the final position he held was that of the Deputy Treasurer & Head of Sales. He is a graduate of the Athens University of Economics & Business Studies (ΑΣΟΕΕ) where he received a degree in Business Administration. He holds an MBA from the Manchester Business School and attended the international MBA exchange program at the Stern School of Business, NYU. Born in 1965, married with two children.
 George Georgopoulos, Executive General Manager, Group Chief Human Resources Officer	Mr. George Georgopoulos (born 1968) joined Piraeus Bank in 1999. He is Executive General Manager, Group Chief Human Resources Officer. He has also served as Deputy General Manager, Deposits, Bancassurance & Affluent Banking (2015-2018), Assistant General Manager, Head of Branch Network Northern Greece (2012-2015), Deputy Treasurer, Head of Sales (2007-2012) and Head of Treasury Sales (1999-2007). In the past, he served as Head of Treasury Sales Desk (1997-1999) and Assistant Manager, Corporate Sales Trader (1994-1997) in the National Westminster Bank in Greece. He holds a BA Economics & BSc Marketing Management (2nd major) from the American College of Greece (1990) and an MBA from the Alliance Manchester Business School (1992), while he participated in an International MBA Exchange Programme at the University of Miami (1991).

 Theodoros Gnardellis, Executive General Manager	Mr. Theodore Gnardellis (born 1975) joined Piraeus Bank in 2018. He is Executive General Manager - Group CFO. He has also served as Deputy General Manager, PLU Strategy (2018-2019). In the past, he served as Chief Strategy and Transformation Officer at NN Group, Greece (2017-2018), Head of Strategy & Transformation at Emirates Islamic Bank, Un. Arab Emirates (2013-2017), Chief of Staff, First Deputy Group Chief Executive Officer at Bank of Cyprus, Greece (2010-2013), Associate Partner (2009-2010), Engagement Manager (2007-2009) and Associate (2005-2007) at McKinsey & Company, Greece, Aquatics Results Manager, Olympic Games, Athens 2004 at ATOS Origin, Greece, (2002-2004), Senior Associate Consultant, Mars & Co Consulting at MARS & Co, Gr. Britain (2001-2002) and IT Engineer at the Ministry of Development. He holds a MEng in Computer Engineering & Informatics from the University of Patras, Greece (1998) and an MBA from the Imperial College, UK (2001).
 George Kormas, Executive General Manager	Mr. George Kormas (born 1972) joined Piraeus Bank in 2017. He is Executive General Manager – Group Chief Real Estate, responsible for the transformation of all Real Estate assets' management on Piraeus Bank Group's balance sheet through the re-design, advice, and execution of the Bank's strategy relative to the full life cycle of a real estate asset. In the past, he served as Advisor to the Governor and the Executive Board of Bank of Greece (2011-2017) and Directorate Internal Finance (Finance Expert) in European Central Bank, Frankfurt (1999-2011). Since 2018 he has been Member of the Arab Hellenic Chamber of Commerce and Development, the Real Estate & Development Committee of the American Hellenic Chamber of Commerce, the German Hellenic Chamber of Industry and Commerce, the British Hellenic Chamber of Commerce and the Hellenic-Swedish Chamber of Commerce. Since 2018 he has been Chartered Member of RICS (Royal Institution of Chartered Surveyors). He has also been Bank of Greece Representative at the High Level Group (HLG) on European Banking Supervision, Member of the SSM National Steering Committee and Member of the Real Estate Development Committee (2011-2017). He holds a Diploma (MS) in Business Administration, Banking and Finance, Justus-Liebig-Universität Gießen (JLU), Germany (1997) and a Vordiplom (BS) in Economics and Management Sciences, Justus-Liebig-Universität Gießen (JLU), Germany (1994).

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Dimitrios Mavroyiannis, Executive General Manager</td>
<td>Mr. Dimitrios Mavroyiannis (born 1971) joined Piraeus Bank in 2019. He is Executive General Manager - Group Chief Operating Officer overseeing Group Support/Operations.

In the past, he served as Chief Information Officer at Commercial Bank of Dubai (CBD) (2015- 2018), Chief Technology Officer at Commercial Bank of Qatar (CBQ) (2012-2014), Group CIO – General Manager (2009-2012), CIO Greece – Deputy General Manager (2007-2009) and Retail Banking, Head of Retail IT Strategy – Assistant General Manager (2005-2007) at Eurobank EFG, CEO (2002-2005) and Director- Electronic Financial Services (2001-2002) at EFG e-Solutions, Retail Banking, Manager e-Banking at Eurobank EFG (1999-2001) and Banking Finance & Securities, Senior Consultant – SEMEA lead at IBM UK Ltd., Global Services (1996-1999). He has also been the Founder and President of the CIO Greece forum (2009 – 2012), Member of Gartner’s GCC Advisory Board and Founding Member of EMC’s Council for Information Advantage.

Mr. Mavroyiannis holds an MBA, Strategic Management, from the University of London, Imperial College, an M.Sc. in Computer Science from the University of London (UCL), a B.Eng., Control Systems from the University of Sussex and has worked towards a Ph.D. titled “An ID Locator in the GSM Network” from the University of London, UCL.</td>
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<td>
Emmanouil Bardis, Executive General Manager</td>
<td>Mr. Emmanouil Bardis (born 1967) joined Piraeus Bank in 2017. He is Executive General Manager - Group Chief Credit Officer.

In the past, he served as Senior Credit Officer, Wholesale Credit Division (2015-2017), Senior Manager, International Wholesale Banking Division (2014-2015) and Senior Project Manager, Structured Finance Division, Head of Energy Desk (2006-2014) at Alpha Bank, Manager, Structured Finance Division at Emporiki Bank (Group Credit Agricole) (2001-2006), Senior Relationship Manager, Greek Desk at The Bank of Tokyo-Mitsubishi, London, (2000-2001), Associate, Project Finance and Private Equity, Energy and Telecoms at GE Capital – Structured Finance Group, London (1996-2000), Assistant Project Manager, R&D at Motor Oil Hellas – Oil Refineries (1989-1991), while he completed the Financial Management Program (FMP) Traineeship at General Electric Company (USA) (1995-1996). He has also been a Board Member (appointed by Alpha Bank) of OKTA – Oil Refinery, Skopje, FYROM, and Vardax S.A., Thessaloniki-Skopje Crude Oil Pipeline (2013-2017).

Mr. Bardis holds a Master of Business Administration, Erasmus University from the Rotterdam School of Management, Rotterdam, The Netherlands (1994) and a MSc. Mechanical Engineering – major in Design Engineering from the National Technical University of Athens, Greece (1989). He also participated in an MBA Exchange Student program in The University of Michigan, School of Business Administration, Michigan, USA (1993).</td>
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<td>
Constantinos Paschalis, General Manager</td>
<td>Mr. Constantinos Paschalis (born in 1956) joined Piraeus Bank in 2010. He holds the position of General Manager - Chief Financial Officer (CFO) of the Bank.

In the past, he served as Deputy CFO (2007-2010), Finance Director (2005) and Head of CFO Office (2004) at Emporiki Bank SA, Finance Director at NovaBank SA (Millennium Bank Greece) (1999-2004), and occupied various positions and roles from 1985 to 2004 at Ionian Bank SA, where he was promoted to Assistant Manager of the Accounting Function. He also served as Board Director of several Greek and foreign subsidiaries of Emporiki Bank and Piraeus Bank.

Mr. Paschalis holds a BSc in Economics from the Aristotle University of Thessaloniki and a Diploma in Greek taxation from the Greek Centre of Productivity (ELKEPA). He speaks English and German, holds an A' Class Accountant & Tax Technician license and is a member of the Greek Economic Chamber.</td>
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Ioannis Stamoulis, Executive General Manager

Mr. Ioannis Stamoulis (born 1975) joined Piraeus Bank in 2007. He is Executive General Manager - Group Chief Risk Officer. He has also served as Deputy Chief Risk Officer (2017-2020), Senior Director, Group Credit Risk Division (2011-2017) and Senior Manager, Retail Credit Risk Division (2007-2011).

In the past, he served as Senior Officer of Collections Division at National Bank of Greece (2006-2007), Head of Greece Office at Statistical Decisions Ltd (2003-2006) and he also provided Consulting Services at Quantos Ltd (2002-2003).

Mr. Stamoulis holds a Diploma in "Transition to General Management Program" from INSEAD, France (2017), a M.Sc. in Statistics from Athens University of Economics & Business and Catholic University of Leuven (1999) and a BSc in Mathematics from the Aristotle University of Thessaloniki (1996).

3. Internal Control System

The Company establishes and implements a sound ICS which is a set of detailed, documented control mechanisms embedded in policies and procedures covering continuously every activity and transaction and contributing to the Company's and its Group effective and efficient operations.

Management is responsible for establishing and maintaining an adequate and effective internal control system within the Group as well as relevant procedures and practices. Management also monitors systematically the adequacy and effectiveness of the existing ICS and implements promptly any actions required for a sustainable response to and mitigation of Inherent risk, while at the same time takes care of the development and enhancement of the ICS on a Group and a Company level. Moreover, with appropriate early warning systems, Management monitors the consistent application of the ICS in the Units, as well as the full compliance of all concerned parties with the principles and objectives of the ICS.

The Management of the Company has adopted the COSO Internal Control Integrated Framework for an effective and sound ICS which incorporates five key components:

- Control Environment;
- Risk Assessment;
- Control Activities;
- Information and Communication;
- Monitoring.

Other standards such as PCAOB (Public Company Accounting Oversight Board) and COBIT (Control Objectives for Information and Related Technologies), are used as guidance in implementing an efficient and effective internal control system.

The establishment of the ICS aims in particular to:

- the consistent implementation of the business strategy of the Company and its Group with effective use of existing resources;
- the identification and management of risk exposures and potential risks;
- ensure the completeness and reliability of the data, which are necessary for the preparation of reliable financial statements in accordance with IFRS and generally for the accurate and timely determination of the financial position of the Company and its Group;
- the compliance with legislative and regulatory framework governing the operations of the Company and its Group;
- conduct periodic and/or occasional audits by the relevant Units of the Group Internal Audit to establish consistent application of prescribed rules and procedures by all business Units of the Company and its Group.

Under the current institutional framework, the ICS is supported by an integrated communications and Management Information System (MIS), also by inter-complementary mechanisms, forming an integrated system for controlling and auditing the Company and its Group organizational structure and operations.

The Audit Committee of the Company monitors and evaluates on a yearly basis the adequacy and effectiveness of the ICS at a Company and at Group level, based on the relevant data and information of the Group Internal Audit Unit, Compliance and the findings and observations of the statutory auditors and supervisory authorities.

Periodically and at least every three years, upon recommendation of the Audit Committee, an independent chartered public auditor, other than the Group and the Bank's external statutory auditor, is appointed to assess the adequacy of the ICS. The relevant evaluation report is communicated to the supervisory authorities within the first half of the year following the expiration of the three years.

The Audit Committee of the Company has an enhanced role as to the financial reporting. For more information, please refer to the relevant section of this Statement.

IT security risks: the Group and the Company face significant IT security risks (including cyber security) from the growing dependence on information and integrated information systems. The growing systems interfaces with clients and third parties, the ongoing organizational and technological changes imposed by business needs, the daily appearance of new technological and other internal and external factors, create a critical threat environment.

Information and telecommunication Systems are critical components for the achievement of the Group's and the Company's business objectives and strategies and decisively contribute to the implementation and management of its business functions. The use of networks and systems creates several risks, especially in regards to security of the data being routed. In order to protect confidentiality and ensure availability and integrity of data and systems, the Bank has designed and implemented a strict and comprehensive Information Security Framework aiming to govern its IT assets. The Information Security Framework, which is applied to the whole Group wherever applicable, also ensures that the appropriate compliance and regulatory requirements are implemented and their efficiency and effectiveness is closely monitored.

In order to minimize the aforementioned risks and protect its IT assets, management has designed and implemented strong IT Security controls in order to create peripheral protection in a multi-layer architecture. These controls include but are not limited to the following areas:

- Design, develop, implementation and monitoring of an Information Security Framework;
- IT Security Strategy and Policy;
- Regular awareness and training campaigns (including e-learning programs) on cyber security issues to all personnel;
- Developing and testing of a Security Incident Response Mechanism;
- Performance of periodic Risk Assessment and Data Classification on Information Assets;
- Performance of a large number of penetration tests and vulnerability assessments;
- Continuous review and monitoring of the effectiveness of security controls;
- Strict User Access Management policies and procedures over applications, operating systems and databases;
- Implementation of a Centralized User Access Management Provisioning System (IdM);
- Implementation of special security mechanisms in order to manage, log and monitor, privileged access rights;
- Periodic user access reviews;
- Change Management processes governing changes to applications and systems;
- Use of a sophisticated Security Operations Centre (SOC) which is monitoring system logs on a 24/7 basis;
- Anti DDoS protection system;
- Internal and external Firewalls;
- IDS and IPS systems;
- Network Segmentation;
- Web Applications Firewalls;
- AntiVirus and AntiSpam systems;
- Web filtering and internet access control systems;
- Maintenance of international security standards and certifications (such as PCI DSS and ISO 27001).

In addition to the above, the Company has an effective Disaster Recovery Plan activated in case of catastrophic events as well as an Alternative Computer Center that can support, if required, the full operation of the Company. The Disaster Recovery Plan is tested on a regular basis.

Group Internal Audit (GIA) Division

Internal Audit function is carried out within Group exclusively by the Group Internal Audit Unit of the Company ("GIAU") with the support of Group Internal Audit of Piraeus Bank. ("GIA-PB"). The Internal Audit Units / Officers (IAUs) which operate in the Group's subsidiaries in Greece and abroad as well as the GIA-PB have their own Charters, which are in alignment with the Group's Charter and adapted to the respective legal and regulatory requirements.

The main mission of GIAU is to provide reasonable, objective and independent assurance regarding the adequacy and the effectiveness of the Group's ICS. Moreover, it contributes to the protection and enhancement of the economic value of the organization as well as the accomplishment of its objectives by bringing a systematic and professional approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

GIAU conducts audits to all units and activities of the Company in order to form a reasonable, objective, independent and documented opinion on the adequacy and effectiveness of the Group's ICS.

GIAU exercises high supervision of GIA-PB's activity, while is overall responsible for the entire Internal Audit function of the Company and the rest of its subsidiaries. In this respect, GIAU and GIA-PB are responsible for supervising and coordinating the activity of the Internal Audit Units / Officers of their Group's subsidiaries respectively.

GIAU activity is adherenced to the mandatory elements of 'The Institute of Internal Auditors' International Professional Practices Framework (IPPFs) and more specifically:

- the Definition of Internal Auditing;
- the Core Principles for the Professional Practice of Internal Auditing;
- the International Standards for the Professional Practice of Internal Auditing;
- the Code of Ethics.

The Head of GIAU (Chief Audit Officer) reports periodically to the Senior Management and the Audit Committee the conformance of the Unit with the Code of Ethics and the Standards. Chief Audit Officer (CAO) reports functionally to the Board of Directors through the Audit Committee and administratively to the Chief Executive Officer (CEO).

GIAU:

- Is administratively independent from other Group units and abstains from any executive and operational responsibilities;
- Occupies full-time and exclusive staff, which does not subordinate to any other Group unit.

GIAU assesses, inter alia, whether:

- The risks related to the achievement of the strategic objectives are appropriately identified and managed;
- The staff actions comply with the established policies, procedures as well as the applicable laws, regulations and

governance standards;

- Controls are operating effectively;
- Operations are carried out effectively and efficiently;
- Financial or non-financial information and the means used to identify, measure, analyze, classify, and report it are reliable, accurate and complete;
- Resources and assets are used effectively, efficiently and safely.

GIAU also provides recommendation on the prevention and detection of fraud.

The audit results and especially the recommendations for improving the effectiveness of governance, risk management and control processes are appropriately communicated to the Senior Management.

In addition, the CAO submits reports at least every three (3) months to the Audit Committee which include the significant findings and the remedial actions within its duties and the Audit Committee presents to the Board of Directors along with its comments.

The **Audit Committee**, the Board of Directors and the Senior Management ought to safeguard:

- the independence of the Internal Audit and the resolution of any issue related to its independence; and
- the provision of adequate and prompt updated information to the Internal Audit through relevant procedures and mechanisms, especially in case of significant problems and emergencies.

The **Internal Auditors:**

- have unimpeded access to all activities, units and sites, as well as to any data and information (documents, records, business emails, accounts, portfolios, systems, applications etc.) of the Group;
- may communicate unimpededly with any executive, body and staff of the Group using all available means (e.g. meeting, email, conference call, video conference);
- may request and receive from any source (e.g. staff, systems, physical archives etc.) all information and explanations required for carrying out their audit mission using all available means. In the case of highly confidential or sensitive information, only the CAO is notified.

The Board of Directors, the Audit Committees and the Senior Management of the Group’s subsidiaries ensure that the required information is provided immediately to the Internal Auditors by the individual units.

Upon invitation by the Management, the Internal Auditors may participate during various individual stages in the development of procedures and activities, IT systems or network systems, and may in general provide their consultation on the ongoing improvement and establishment of a sufficient ICS. The results after their participation in any similar projects shall not be considered as auditing.

The planning of internal audit projects is based on a risk assessment process and mainly focuses on high risk areas. The Audit Cycle is determined based on the risk assessment and must cover at least high and moderate risk areas. Also, the Audit Cycle is approved and amended only by decision of the BoD of the Company following the recommendation of the Audit Committee.

Based on the Audit Cycle, the GIAU drafts an Annual Action Plan, giving priority to high and moderate risk areas, which shall be approved by the BoD of Company following the recommendation of the Audit Committee.

The Annual Action Plan shall include the annual audit objectives, the scheduled audits regarding the Company's activities and the material activities providers, any human resources requirements, the relevant travel costs, any training programs and relevant expenses, as well as an assessment concerning the Group activities coverage. The Annual Action Plan shall take into consideration any possible unforeseen internal audit projects and the requirements of the Management.

The Company expects from GIAU staff to demonstrate good faith, sound judgment and due diligence while exercising their duties.

Internal Auditors ought to comply with the Company's Code of Conduct and the International Standards for Internal Auditors. The strict adherence to the operational framework contributes to the achievement of Internal Audit function's consistency, cohesion, stability and reliability.

Internal Auditors are expected to apply and uphold the following principles:

- Integrity
- Objectivity
- Confidentiality
- Competency

Risk and Compliance at the Company

Risk Management

The Company places particular emphasis on the effective monitoring and management of risk, at Company and Group level with a view to maintain stability and continuity in its operations. In this context, the competent bodies of the Group regularly monitor and assess the Group Business Strategy by defining, monitoring and managing risk and distinguish transactions and customers by level of risk. The Group competent bodies determine the appropriate maximum acceptable limits of risk-taking overall by each type of risk, refining each of these limits; set limits for discontinuing loss-making activities and take other corrective actions.

The Company also assures the establishment and implementation of reliable, effective and comprehensive policies and procedures in order to assess and maintain on an ongoing basis the amount, composition and distribution of its equity, that the Group management each time deems adequate for the cover of the level and nature of risk it undertakes or might undertake. The Company's Risk Management internally reviews these policies and procedures on a regular basis to ensure that they remain comprehensive, adequate and proportionate to the nature, extent and complexity of the Group's current activities.

The Company's **Risk Officer** is independent with direct reporting to the Risk Committee of the Company to which provides unbiased risk oversight and update on the level and the management of risks, the compliance with the adopted risk policies, the risk assessment results, the functioning of the risk management and response processes to the identified risks and the results of the risk monitoring process. The Company's Risk Officer is designated by the BoD as the Executive Secretary of the Risk Committee.

Compliance

The **Company's Compliance** follows the international best practices to ensure that the Group complies with the applicable legal and regulatory framework. The Company's **Compliance Officer** is independent with direct reporting to the Board of Directors and Audit Committee of the Company to which provides unbiased compliance oversight, update on the latest changes of the regulatory framework, the level and the management of the compliance risk, the adopted internal policies implementation status, the level of the Compliance Annual Plan and Policy implementation. He/she is selected by the Senior Management, possesses sufficient knowledge and experience and has unrestricted access to all data and information necessary to carry out his/her duties.

The **Company's Compliance** is mainly responsible for:

- The establishment and the implementation of the appropriate procedures and policies, the preparation of the Annual Compliance Plan and the regular monitoring of the level of its implementation in order to achieve the timely and continued compliance of the Company with the current regulatory framework provisions and the provisions of the Compliance Policy.

- The assurance that the Company and its subsidiaries comply with the applicable legal and regulatory framework that governs the preventing of the use of the financial system for money laundering and terrorist financing. To this end, the Company confirms that its subsidiaries comply with the obligations under said framework and with the adopted Compliance Policy and creates an environment appropriate for the early detection, prevention, investigation and reporting of such transactions.

Regarding its insurance intermediary activity, the Company has undertaken the responsibility to fulfill all the obligations that derive from the regulatory framework for the prevention and suppression of money laundering and terrorist financing and to comply with that. For this purpose, it has assigned to its subsidiary Piraeus Bank to take all necessary actions to achieve the compliance. Moreover, the Company is aware of the relative processes of Piraeus Bank that cover the current regulatory framework requirements.

- The provision of information and update to the Audit Committee and Board of Directors on compliance issues through its annual and ad hoc reports; in particular, the update on any significant violation observed in the applicable regulatory framework or any major deficiencies in meeting the obligations it imposes.

- The provision of updates to the relevant instructions for adjusting internal procedures and the internal regulatory framework to the Company's Divisions and subsidiaries in case of changes and amendments to the relevant current regulatory framework.

- The establishment of the relevant procedures to ensure meeting the deadlines of the obligations arising from the existing regulatory framework and for this purpose the provision of written assurance to the Board of Directors through its annual reports.

- The assurance that the Company's staff is continuously informed on developments related to the regulatory framework and the policies related to their duties, by establishing appropriate procedures, updates and training programs in collaboration with the Group Human Resources.

- The monitoring, identification and effective management of compliance risk and the assessment of non-compliance risk.

Information provided pursuant to Directive 2004/25/EU of the European Parliament and Council

The information of Directive 2004/25/EU of the European Parliament and Council, required pursuant to par.1 d) of art. 152 of Greek Law 4548/2018 are included in the Explanatory Report to the Annual General Meeting of the Shareholders, which is a special section of the Board of Director's Report.

Athens, 24 March 2022

Non-Executive	Managing Director (CEO)
Chairman of BoD	Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou

EXPLANATORY REPORT

This explanatory report of the Board of Directors (BoD) of Piraeus Financial Holdings S.A. (hereinafter "the Company") is addressed to the Ordinary General Meeting of its Shareholders and contains detailed information on the matters of paragraph 7 of article 4 of Greek Law 3556/2007 with reference date the 31 December 2021.

1. Structure of the share capital of the Company

On 31 December 2021 the Company's share capital amounted to one billion one hundred eighty-seven million eight hundred forty-eight thousand eight hundred sixty-one euros and eighty-five cents of euro, (€ 1,187,848,861.85) divided into one billion two hundred fifty million three hundred sixty-seven thousand two hundred twenty-three (1,250,367,223) ordinary registered voting shares with a nominal value of ninety-five cents of euro (€ 0.95) each. The ordinary shares of the Company are dematerialized and listed on the Athens Stock Exchange.

Subject to the provisions of Greek Law 3864/2010 setting forth special rights and restrictions for the ordinary shares held by the HFSF (see details below under 4 and 5), each ordinary share of the Company incorporates all the rights and obligations stipulated by Greek Law and its Articles of Association, and especially:

- The right to participate and vote in the General Meeting of shareholders;
- The right to receive dividend from the Company's annual profits, which amounts to 35% of the distributable profits, following deduction of the amount required for the formation of the statutory reserve and of the remaining credit balances of the statement of income not constituting realized profits. The General Meeting decides at its discretion on the distribution of the remaining amount. Shareholders entitled to a dividend, are those whose names appear in the Company's Shareholders' Register on the date the dividend beneficiaries are determined. Dividend of each share is paid within two (2) months of the date of the Ordinary General Meeting of Shareholders that approved the annual financial statements. The dividend payment method and place are announced as prescribed by the applicable framework. The right to receive payment of the dividend is time-barred and the respective unclaimed amount is devolved to the Greek State upon the lapse of five (5) years from the end of the year, during which the General Meeting approved the distribution of the said dividend;

  It is noted that for as long as the Company is subject to the provisions of Greek Law 3864/2010, the total dividend distribution cannot exceed the minimum dividend as described above. Moreover, with the ECB Recommendation of 15 December 2020 (ECB/2020/62) on dividend distributions during the Covid-19 pandemic and repealing Recommendation ECB/2020/35, ECB extended until 30 September 2021 the recommendation to exercise extreme prudence when deciding on or paying dividends or performing share buy-backs aimed at remunerating shareholders. More details on dividend distribution restrictions during the reporting period are provided in the corresponding section of the Annual Financial Report.
- The right to receive a pro rata share of the Company's net liquidation proceeds or all or part of the nominal value of any shares in the event of a total or partial redemption of the Company's share capital pursuant to a relevant resolution of the General Meeting of the Company's shareholders. The General Meeting of the shareholders retains all of its rights during the liquidation procedure;
- A pre-emptive right in each increase of the Company's share capital in cash and issuance of new shares unless the General Meeting resolves otherwise;
- The right to receive prior to the Ordinary General Meeting copies of the Annual Financial Report, incorporating, inter alia, the auditors' and Board of Directors' reports and the respective consolidated and separate financial statements.

2. Restrictions on the transfer of shares of the Company

Transfer of the Company's ordinary shares is carried out as prescribed by Greek Law. The Company's Articles of Association do not impose any restrictions in respect thereof.

The disposal of the shares held by the HFSF is subject to the provisions of art. 8 of Greek Law 3864/2010, as in force. It is noted that with the Ministerial Decision no. 121476 EX 2020, it was decided to extend the deadline of par. 1 of article. 8 of Law 3864/2010 regarding the disposal of the shares of HFSF for two further years, and until 1 November 2022.

3. Significant direct and indirect shareholdings within the meaning of Greek Law 3556/2007

On 31 December 2021 the HFSF directly held a total of 337,599,150 ordinary shares of the Company representing 27% of the total voting rights of the Company, of which 123,761 are subject to the restrictions of article 7A para.2 of L. 3864/2010 with respect to the exercise of the voting rights attached thereto.

Furthermore, on 31 December 2021:

- Mr. John A. Paulson held indirectly through Paulson & Co. Inc., a company controlled by him, 232,758,919 common registered shares with equal voting rights, corresponding to 18.62% of the Company's total common shares. Paulson & Co. Inc. is the investment manager of the funds that hold directly the shares in Piraeus Financial Holdings S.A. and as manager it exercises the voting rights on behalf of the funds.
- Helikon Investments Limited holds indirectly (through Helikon Long Short Equity Fund Master ICAV) 65,217,391 shares with equal voting rights, namely 5.216% of the Company's total common shares.

Pursuant to the records kept by the Company, as at 31 December 2021 no other shareholder (individual or legal person) holds on an individual basis (directly or indirectly) more than 5% of the total number of ordinary shares of the Company.

4. Shares granting special control rights

With the exception of the ordinary shares held by the HFSF, which carry the rights arising from the provisions of Greek Law 3864/2010 and the Relationship Framework Agreement ("RFA") dated 27 November 2015 entered into by the Company and the HFSF, there are no shares of the Company granting special control rights to their holders.

The ordinary shares held by the HFSF in the share capital of the Company carry the special rights of Article 10 of Greek Law 3864/2010, as amended and in force, including, inter alia:

- the right of the HFSF to be represented with one member on the Board of Directors. The Representative of the HFSF has the right:

  a) to request the convocation of the General Meeting of shareholders;

  b) to veto any decision of the Company's Board of Directors:

     i) in respect of the distribution of dividends and the remunerations and bonuses policy for the Chairman, the Managing Director and the other members of the Board of Directors, as well as those persons having the position of or exercising the competencies of general managers as well as their deputies;

     ii) provided that the matter at hand may materially affect the liquidity or the solvency or in general the prudent and orderly operation of the Company (such as the business strategy, and asset management);

iii) in respect of corporate actions of par. 3 art. 7A of Greek Law 3864/2010 which may significantly affect the participation of the HFSF's in the share capital of the Company;

c) to request an adjournment of a Board meeting for three (3) business days in order to receive instructions from the HFSF Executive Committee. This right may be exercised until the adjournment of the meeting of the Board of Directors of the Company;

d) to convene the Board of Directors of the Company;

e) to approve the appointment of the Chief Financial Officer.

- the right to access the books and records of the Company through executives and consultants of its choice;
- the right to monitor and evaluate the corporate governance framework of the Company, the members of the Board of Directors and of its Committees on the basis of specific criteria in accordance with international best practice and, in the event of non-satisfaction of such criteria, the right to proceed, under specific conditions, to the convocation of the General Meeting of Shareholders and/or the publication of the results of its evaluation.

Further to the aforementioned, pursuant to the provisions of the RFA, the HFSF, for the period during which it holds shares of the Company, has the additional rights set out in the RFA, amongst which, the following:

- the HFSF Representative on the Board of Directors of the Company participates in the Committees of the Board of Directors, namely the Audit Committee, the Risk Committee, the Remuneration Committee the Board Nomination Committee and the Board Ethics and Environmental, Social and Governance (ESG) Committee. In addition, thereto, the Observer appointed by the HFSF participates without voting right in the meetings of the Board of Directors and the BoD Committees;
- the HFSF Representative on the Board of Directors may request the inclusion of items on the agenda of the meetings of the Board and of the Committees on which he/she participates;
- the HFSF Representative may request the inclusion of items on the agenda of the General Meeting of Shareholders convened by the Board of Directors;
- the HFSF provides its prior consent for a number of items characterized in the Relationship Framework Agreement (RFA) as material, including inter alia any material transactions and corporate reorganizations;
- the HFSF reviews the annual self-assessment exercise of the Board of Directors. Based on this assessment and/or following the assessment performed by the HFSF under art. 10 of Greek Law 3864/2010, the HFSF may propose specific suggestions for improvements or potential amendments to the Company's corporate governance framework.

According to the RFA, the HFSF ensures that, in exercising their rights, the HFSF, the HFSF Representative and the HFSF Observer shall respect the Company's business autonomy and independence in the decision making of the Company and act according to the terms of the Greek Law and the RFA.

5. Restrictions on Voting Rights

The Company's Articles of Association do not impose restrictions on the voting rights or the exercise periods of voting rights attached to its ordinary shares.

According to article 7A par. 2 case a) and par. 3 of Greek Law 3864/2010, the HFSF exercises the voting rights attached to the shares acquired during share capital increase of 2013 only in respect of decisions amending the Articles of Association, including the increase or reduction of capital or the provision of a respective authorization to the Board of Directors of the Company, merger, division (demerger), transformation, revival, extension of duration or dissolution, transfer of assets, including the sale of subsidiaries, or on any other issue requiring increased majority pursuant to Greek Law 4548/2018. For the purposes of calculating the quorum and majority at the General Meeting, the aforementioned shares of the HFSF are not taken into account when deciding on matters other than the aforementioned.

The abovementioned restrictions do not apply to the voting rights attached to the shares acquired by the HFSF in the context of the capital support provided for the recapitalization of the Company in December 2015 under the revised Greek Law 3864/2010.

6. Shareholders' Agreements

The Company has not been made aware of any agreements between its shareholders regarding restrictions in the transfer of the Company's ordinary shares or the exercise of the voting rights attaching to such shares.

7. Rules regarding the appointment and replacement of Board members and amendments to the Articles of Association

Pursuant to the Company's Articles of Association, in the event that a Board member resigns, is deceased or forfeits his office for any reason whatsoever, or is deemed forfeited by a resolution of the Board of Directors due to his unjustifiable absence from meetings for three (3) consecutive months, the Board of Directors may continue the management and representation of the Company without replacing the departed member(s) provided that the remaining members are at least nine (9). This election resolution must be published according to the provisions of corporate law, as in force, and is announced by the Board of Directors in the upcoming General Meeting of Shareholders, which may replace the elected directors even if there is no respective item on the agenda. In every event, the actions of a member of the Board of Directors elected in such manner are deemed valid, even if such member is subsequently replaced by the General Meeting.

The rules set out in the Company's Articles of Association regarding members' appointment and replacement, as well as amendment of the provisions of the Articles of Association, do not deviate from the corresponding provisions of Greek Law 4548/2018.

Pursuant to art. 10 para. 2 of Greek Law 3864/2010, the HFSF is represented with one member on the Board of Directors of the Company with the aforementioned rights.

The appointment or replacement of the members of the Board of Directors or the renewal of their term of office was subject to their suitability assessment by the SSM pursuant to Law 4261/2014 and article 93 of the ECB Regulation (EU) No.468/2014.

In addition, for as long as the HFSF holds ordinary shares of the Company, the members of the Board of Directors must satisfy the criteria set out in Greek Law 3864/2010 and are subject to the assessment provided for in said Greek Law and in the RFA.

Provisions related to the appointment and replacement of members of the Board of Directors are also contained in the Internal Corporate Governance and Operating Regulation of the Company as well as the related Policies of the Board of Directors (see relevant sections of the Corporate Governance Statement).

8. Authority of the Board of Directors to issue new or to acquire own shares

Pursuant to the provisions of Greek Law 4548/2018 art. 24 para.1, the Board of Directors of the Company is entitled, following a respective decision of the General Meeting, to increase the Company's share capital through the issue of new shares by means of a resolution passed by at least two-thirds of the total number of its members. In that case, the Company's share capital may increase by an amount not exceeding three times the share capital as at the date the said powers are granted to the Board of Directors (extraordinary increase). The said authorization may be renewed by the General Meeting, each time for a period of up to five years for each renewal.

On 7 April 2021, the Extraordinary General Meeting of the Shareholders of the Company authorized, according to article 24 par. 1 of Law 4548/2018, the Board of Directors to resolve, with the quorum and majority required by law, the increase of the share capital of the Company by an amount that cannot exceed three times the paid up capital on the date of delegation of these powers to the Board of Directors, namely up to € 14,959,064,952, with the issuance of new common registered voting shares, and to determine the specific terms and time plan of the increase in accordance with the applicable provisions of Law 4548/2018. The Board of Directors may exercise the above power once or partially in several transactions. The above authorisations are valid for three (3) years.

In addition, the abovementioned Extraordinary General Meeting granted authorization to the Board of Directors of the Company to establish a five (5) year stock option plan in accordance with the provisions of article 113 par.4 of Law 4548/2018 to executives and employees of the Company and its affiliated companies, within the meaning of article 32 of law 4308/2014, in the form of stock option rights (stock options), by increasing the share capital with the issuance of new shares and to determine, without prejudice to the provisions of the Law 3864/2010, the terms of the stock options, at its discretion, in accordance with the provisions of article 113 of Law 4548/2018. The authorization is valid for five (5) years from the resolution of the General Meeting. The maximum nominal value of all shares that may be awarded through the plan which may be established by the Board of Directors will correspond to 1.5% of the paid-up share capital of the Company on the date of the establishment of the plan by the Board of Directors of the Company. As at the date of the publication of the present Report, there is no active Stock option plan.

According to paragraph 1 of article 16C of Greek Law 3864/2010, during the period of participation of the HFSF in the share capital of the Company, the Company is not permitted to acquire own shares without the approval of the HFSF.

9. Significant agreements which enter in force, are amended or terminated in the event of change of control following a public takeover bid

There are no significant agreements of the Company, which come into force, are amended or terminated upon a change of control of the Company following a public takeover bid.

10. Agreements between the Company and members of its Board of Directors or its staff providing for compensation in the event of resignation or dismissal without good reason or termination of their term of office or employment due to a public offer

Contracts with BoD members, reviewed on a case by case basis, may enclose explicit clauses for the provision of specific severance payments approved by the General Meeting of Shareholders. Moreover, contracts with BoD members may be terminated for good reason, without any severance payment due and with no minimum prior notice. In all cases, severance payments should be in compliance with regulatory restrictions.

It is noted that the 2020 Annual General Meeting of Shareholders approved the Company's Severance Policy, which applies to the senior management of the Company, and to the executive members of the Board of Directors and provides for severance payments related to the early termination of an employment contract in good terms, based on their tenure in the Group.

There are no agreements between the Company and the members of its Board of Directors or its staff which provide for their compensation in the event of their departure as a result of a public takeover bid.

Athens, 24 March 2022

Non-Executive	Managing Director (CEO)
Chairman of BoD	Executive BoD Member
George P. Handjinicolaou	Christos I. Megalou

ESMA´s ALTERNATIVE PERFORMANCE MEASURES (APMs) AT GROUP LEVEL

A. APMs

No	APM	APM Definition – Calculation	FY 2021	FY 2020[1]
1	Financial Assets	The sum of: financial assets at fair value through profit or loss (FVTPL), financial assets mandatorily at FVTPL, loans and advances to customers measured manadatorily at FVTPL, financial assets at fair value through other comprehensive income (FVTOCI), debt securities at amortised cost	12,754	8,412
2	Loans to Deposits Ratio (LDR) – (Seasonally Adjusted)	Seasonally Adjusted Net Loans over (/) Deposits	63.2%	76.8%
3	Non-Performing Exposures (NPEs)	On balance sheet credit exposures before ECL allowance for impairment on loans and advances to customers at amortised cost that are: (a) past dues over 90 days; (b) impaired or those which the debtor is deemed as UTP its obligations in full without liquidating collateral, regardless of the existence of any past due amount or the number of past due days; (c) forborne and still within the probation period under EBA rules; (d) subject to contagion from (a) under EBA rules and other UTP criteria	4,860	22,448
4	NPE Ratio	NPEs over(/) gross loans before impairments & adjustments	12.6%	45.3%
5	NPE (Cash) Coverage Ratio	ECL allowance for impairments on loans and advances to customers at amortised cost over (/) NPEs	40.5%	44.1%
6	New loan disbursements		6,481	6,295
7	Other Assets	Balancing Item: equals (=) Total Assets minus (-) Net Loans minus (-) Financial Assets	30,514	23,524
8	Other Income	Balancing item: equals (=) Total net Income minus (-) Net Interest Income minus (-) Net Fee and Commission Income	722	90
9	Other Liabilities	Balancing Item: equals (=) Total Liabilities minus (-) Due to Banks minus (-) Customer Deposits	3,679	3,351
10	Recurring Operating Expenses	Operating expenses minus (-) One-off expenses	(902)	(936)
11	Total Regulatory Capital (Phased in) on a Pro forma basis	Total capital, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact, subtracting (-) from the denominator the RWA of the Dory shipping NPE portfolio, classified as Held for sale (HFS) as at 31 December 2021	15.85%	15.82%
12	CET1 Capital Ratio (Phased in) on a Pro forma basis	CET1 capital, as defined by Regulation (EU) No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact, subtracting (-) from the denominator the RWA of the Dory shipping NPE portfolio, classified as HFS as at 31 December 2021	11.19%	13.75%

B. APMs Components

Balance Sheet

No	APM Component	APM Definition – Calculation	31/12/2021	31/12/2020[1]
1	Deposits or Customer Deposits	Due to Customers	55,442	49,636
2	Due to Banks	Amounts owed to Banks	14,865	11,376
3	Expected Credit Loss (ECL) Allowance grossed up with PPA adjustment	ECL allowance for impairment losses on loans and advances to customers at amortised cost	(1,971)	(9,904)
4	Gross Loans grossed up with PPA adjustment	Loans and advances to customers at amortised cost before ECL allowances for impairment on loans and advances to customers	38,492	49,528
5	Net Loans	Loans and advances to customers at amortised cost	36,521	39,624
6	Seasonally Adjusted Net Loans	Net loans and advances to customers at amortised cost minus (-) OPEKEPE seasonal funding facility of €1,474 million as at 31 December 2021 and €1,516 million as at 31 December 2020	35,047	38,108

Income Statement

No	APM Component	APM Definition – Calculation	FY 2021	FY 2020[1]
1	Impairment Charges	ECL Impairment Losses on loans and advances to customers at amortised costs plus (+) other credit-risk related charges on loans and advances to customers at amortised cost	(4,245)	(1,104)
2	Net Fee & Commission Income (NFI)	Fee Income minus (-) Fee Expense	394	317
3	Net Interest Income (NII)	Interest Income minus (-) Interest Expense	1,410	1,486
4	Net Results - Net Profit	Profit / (loss) for the period from continuing operations attributable to shareholders of the Parent	(3,007)	(655)
5	Net Revenues	Net interest income plus (+) Net fee and commission income plus (+) Dividend Income plus (+) Net gain/(losses) from financial instruments measured at FVTPL plus (+) Net gain/(losses) from financial instruments measured FVTOCI plus (+)Net gain/(loss) from derecognition of financial instruments measured at amortised cost plus (+) Gain/(loss) from disposal of subsidiaries and associates plus (+) Net other income/ (expenses)	2,526	1,893
6	Non Recurring (one-off) Expenses	Non recurring items for the year 2020 include VES staff costs amounted to € 152 million, whereas for the year 2021 include costs related with VES of € 25 million and General and Administrative costs of € 7 million related with transformation projects in the Q1.2021	31	152
7	Non Recurring (one-off) Other Income	In FY.2021 extraordinary other income related with (i) gains from GGBs exchange amounting to € 228 million, (ii) gains	579	-

No	APM Component	APM Definition – Calculation	FY 2021	FY 2020[1]
		from interest rate derivatives of € 82 million, (iii) gains from the sale of sovereign bonds from the debt securities portfolio classified at amortised cost amounting to € 85 million, (iv) gain from the partnership for the management of non-core equity participations amounting to € 184 million		
8	No Recurring (one-off) Impairments	In 2021, € 3,874 million impairment charges related with the losses of the Phoenix, Vega and Sunrise I & II securitizations and other NPE sales, were classified as one-off. In 2020, € 695 million impairment charges related with Covid-19 impact and other impairments in the context of the new NPE reduction plan were classified as one-off	3,874	695
9	Operating Expenses (Opex)	Total operating expenses before provisions	(933)	(1,088)
10	Pre Provision Income (PPI)	Profits before provisions, impairment and income tax	1,592	805
11	Pre Tax Results - Pre Tax Profits (PBT)	Profit / (loss) before income tax	(2,691)	(534)

[1] Certain comparative APMs and APM components have been restated to reflect the adoption of the IFRIC decision of IAS 19 "Employee Benefits".

The Board of Directors' Report contains financial information and measures as derived from the Group and the Company's Annual Financial Statements for the year ended 31 December 2021 and 31 December 2020, which have been prepared in accordance with IFRSs, as endorsed by the EU. Additionally, it contains financial data which is compiled as a normal part of our Financial Statement Closing Process and management information systems. For instance, financial items are categorized as foreign or domestic on the basis of the jurisdiction of organization of the individual Group entity whose separate financial statements record such items.

Moreover, it contains references to certain measures which are not defined under the IFRSs. These measures are non-IFRS financial measures. A non-IFRS financial measure is a measure that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. Management believes that the non-IFRS financial measures used, presents a more meaningful analysis of the Group's financial condition and results of operations. However, the non-IFRS financial measures presented are not a substitute for IFRS measures.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "Piraeus Financial Holdings S.A."

Report on the Audit of the Separate and the Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Piraeus Financial Holdings S.A. (the Company and the Group), which comprise the separate and consolidated statement of financial position as at 31 December 2021, and the separate and consolidated Income statements, total comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of Piraeus Financial Holdings S.A and its subsidiaries (the Group) as at 31 December 2021 and their separate and consolidated financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as they have been incorporated into the Greek legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report. We have been independent of the Company and the Group during the whole period of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek legislation and the ethical requirements in Greece, relevant to the audit of the separate and consolidated financial statements. We have fulfilled our ethical requirements in accordance with the applicable legislation and the abovementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current year. These matters and the related risks of material misstatements were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the Key audit matters
Expected credit loss on loans and advances to customers at amortised cost	
Loans and advances to customers at amortised cost of the Group, other than the Phoenix Vega I,II,III , Sunrise I and Sunrise II senior notes, amounted to € 30,285 million as at 31 December 2021 (€ 39,624 million as at 31 December 2020) and their impairment losses (charge for the period) amounted to € 4,232 million for the year ended 31 December 2021 (€ 1,104 million for the year ended 31 December 2020). The Group recognises an expected credit loss (ECL) impairment on loans and advances to customers at amortised cost when it is estimated that it will not be in a position to receive all payments due and this estimate is performed on both an individual and a collective basis. The estimation of ECL on loans and advances to customers at amortised cost involves critical Management judgment and accounting estimates with high level of subjectivity and complexity. Such subjectivity and complexity have also been affected by the uncertainty associated with Covid-19 pandemic and its implications in the economy. Therefore, ECL estimate on loans and advances to customers at amortised cost has been considered as a key audit matter. The most significant Management's judgments and accounting estimates relate to: • The criteria used for the timely staging assessment of loans and advances to customers (Significant Increase in Credit Risk- SICR and Unlikely to Pay- UTP), considering the impact of Covid-19. • The determination of credit risk parameters, such as Loss Given Default (LGD), Probability of Default (PD) and the Exposure at Default (EAD) as well as the data used to build and run the credit risk models that calculate ECL. • The identification and evaluation of model adjustment to include any impact, such as Covid-19, not captured by the credit risk models. • The measurement of individually assessed loans, including assessment approach, valuation of collaterals and estimation of expected future cash flows, particularly considering the uncertainty due to Covid-19 around the expected cash flows of the most severely impacted industries and the time to liquidate the collaterals. • The forecasts for each key macroeconomic variable (growth rates, unemployment rates and real estate indexes) used by Management in the ECL models and the probability weights of multiple economic scenarios.	Based on our risk assessment and following a risk-based approach, we have evaluated the impairment methodologies applied and assumptions made by Management in relation to this key audit matter, and we performed, inter alia, the following audit procedures: We assessed the design and implementation of relevant controls over the ECL estimate, including controls around the appropriateness of credit risk models, the determination of staging criteria, significant credit risk parameters and macroeconomic variables used in these models, as well as the controls over the accuracy and completeness of data inputs in the calculation engine and the preparation of relevant disclosures. In this assessment, we also considered the governance processes around the review and approval of changes and adjustments in the ECL estimate driven by Covid-19 pandemic. Where deemed necessary, we also involved our financial risk modelling specialists. We assessed the design and tested the operating effectiveness of relevant controls over the ECL measurement of individually assessed loans, including controls around the determination of the appropriate approach, the valuation of collaterals and the estimation of the expected future cash flows. We further performed the following audit procedures: • With the support of our financial risk modelling specialists, we tested the appropriateness of the criteria (SICR and UTP) used for staging assessment of loans and advances to customers at amortised cost. On a sample basis, we tested whether the criteria used for the timely identification of exposures with significant increase in credit risk and timely identification of credit-impaired exposures have been appropriately applied, including debtors benefited from moratoria. Furthermore, we re-performed the staging allocation of loans, based on the predetermined SICR and UTP criteria. • With the support of our financial risk modelling specialists, we assessed the appropriateness of the credit risk models be reviewing the program codes for the default definition of the Group's loan exposures, re-performing calculations on a sample basis and by challenging relevant Management's significant assumptions. As part of our substantive procedures, we tested accuracy and completeness of critical data used in ECL calculation. • With the support of our financial risk modelling specialists we assessed the model adjustments made around time to liquidate the collaterals, additional criteria for SICR, haircuts applied to the expected future cash flows of debtor's business plans and auxiliary macro models used for the ECL estimate.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the Key audit matters</th></tr>
<tr><td colspan="2">Expected credit loss on loans and advances to customers at amortised cost (continued)</td></tr>
<tr><td>Management has provided further information about principles and accounting policies for determining the allowance for impairment on loans and advances to customers at amortised cost, the management of credit risk and the review of impairment in notes 2.4.18, 3, 4.1, 4.2, 4.3, 4.4, 4.7 and 21 to the financial statements.</td><td>On a sample basis, we assessed whether the approach used for the individually assessed loans is appropriate and we tested the reasonableness of significant assumptions used, including valuation of collaterals (where we also made use of our real estate specialists), time to liquidate collaterals and estimation of expected future cash flows.
With the support of our financial risk modelling specialists, we challenged the key macroeconomic variables used by Management in the ECL models and assessed whether they are reasonable and appropriate, comparing with macro variables and relevant information from other external market sources. We further assessed how Management considered the baseline and alternative economic scenarios and sale scenario and evaluated the probability weights.
Given the complexity and granularity of the related disclosures, including the disclosure related to the impact of NPE reduction plan and Covid-19 to the ECL of loans and advances to customers at amortised costs, we assessed the completeness and accuracy of disclosures in accordance with the provisions of the relevant accounting standards.</td></tr>
<tr><td colspan="2">Recoverability of Deferred Tax Asset (DTA)</td></tr>
<tr><td>The Group has recognized a deferred tax asset of € 6,070 million as at 31 December 2021 (€ 6,322 million as at 31 December 2020).

Recognition and measurement of deferred tax asset is considered a key audit matter as it involves the use of significant Management estimates and high degree of judgment. In specific, in the context of the Group’s Strategy and acceleration of the Non Performing Exposures (NPEs) reduction, Management used, for the preparation of the DTA recoverability exercise and the determination of the expected level of accounting and taxable profits, significant assumptions as included in the annual budget and the 4-year business plan as well as projections for the years to follow.

Management has provided further information about deferred tax assets in notes 2.4.32, 3.1, 4.17, 14 and 37 to the financial statements.</td><td>Based on our risk assessment, we have examined the method used to determine the amount of deferred tax asset recognized and assessed the significant assumptions based on which Management prepared the tax planning strategy.
Our examination included, inter alia, the following audit procedures:
We assessed the design and implementation of the controls relevant to the audit, around the preparation and review of the tax planning exercise, annual budget and 4-year business plan, including the controls over the significant Management’s assumptions, critical judgements, data, calculations and methodologies used for this purpose.
We assessed Management’s ability to make reasonable projections by comparing prior years’ forecasts with actual results.
We assessed whether significant assumptions and forecasts used by Management in the DTA exercise to estimate the future accounting and taxable profits are reasonable and consistent with the annual budget, the 4-year business plan, the long- term economic outlook, the tax legal framework currently in force and the current market conditions.</td></tr>
</table>

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Key audit matters	How our audit addressed the Key audit matters
Basis of accounting of loss of control of non-core subsidiaries in the context of Mayfair Transaction	
In 2021, the significant component of the Group, namely Piraeus Bank S.A. (the "Bank"), lost control over certain non-core subsidiaries resulting from entering into a long-term partnership with affiliates of Blantyre Capital Limited for the management of these subsidiaries (the "Mayfair Transaction"). The portfolio under management (the "Portfolio"), with an initial perimeter of €195 million, comprises certain equity interests that are unrelated to the financial sector in general and specifically to the Bank's principal activity. The Portfolio was contributed in kind to the newly established company Strix Holdings LP in exchange for minority interests. Upon loss of control of the transferred Portfolio, the Bank removed from its consolidated accounts the net assets contributed by the Portfolio's subsidiaries and recognised its investments in the newly established Strix Holdings LP and Strix Asset Management Ltd at their fair value, resulting in a gain of € 184 million, recognized in the income statement of the Group. The loss of control resulting from the said Transaction is considered a key audit matter since the Transaction is complex and involves critical Management judgment in respect of whether the derecognition criteria of IFRS 10 are met based on the terms of the relevant agreements. Furthermore, the measurement of the fair value of the Bank's participations also involves accounting estimates with high degree of subjectivity. Management has provided further information about this Transaction in notes 3, 24 and 46 to the financial statements.	Based on our risk assessment, we have assessed the accounting treatment applied by Management for this Transaction, considering the commercial and economic substance of this partnership and we performed, inter alia, the following audit procedures: • We assessed the design and implementation of the relevant controls around this Transaction, including the review of the accounting treatment and the related accounting entries performed. • Based on the signed agreements with the involved parties we assessed whether, in the context of this Transaction, the Bank lost control over certain non-core subsidiaries in accordance with the provisions of IFRS 10 and in particular. • With the support of our financial advisory specialists, we further assessed the reasonableness of the methodology and the significant assumptions used in the calculations performed by Management in order to measure the fair value of the Bank's participations as of the year end. Given the complexity and the impact of this Transaction, we evaluated the completeness and accuracy of the disclosure notes included in the financial statements.
Derecognition of the loans included in the securitized portfolios in the context of the sale	
During the year ended 31 December 2021, in the context of NPE reduction plan and the securitization of certain portfolios under HAPS, the Group completed the sale of a significant portion of the mezzanine and junior notes and proceeded to the derecognition of the following securitised portfolios: i) Phoenix and Vega I, II, III portfolios, with a gross carrying amount of € 6,667 million, ii) Sunrise I portfolio, with a gross carrying amount of € 6,997 million and iii) Sunrise II portfolio, with a gross carrying amount of € 2,555 million. As a result of the sale and derecognition of the above mentioned securitized portfolios, the Group recognised a loss of € 3,613 million in the income statement in the current year. Considering that, derecognition of these loans' portfolios is complex and requires the exercise of Management judgment as to whether, based on the facts and circumstances, the derecognition criteria of IFRS 9 are being met, we considered it as a key audit matter. Management has provided further information about derecognition of securitised portfolios in notes 3, 4.3.1, 4.3.2 and 28 to the financial statements.	Based on our risk assessment, we have assessed the accounting policy as well as the accounting treatment applied for the derecognition of these securitised portfolios, considering the commercial and economic substance of the sale and we performed, inter alia, the following audit procedures: • We assessed the design and implementation of the controls relevant to the audit around the review of the accounting policies and the accounting treatment applied for derecognition as well as the accounting entries performed in the context of derecognition. • Based on the terms included in the signed agreements with the third parties for the sale of a significant portion of the mezzanine and junior notes, we assessed whether the derecognition criteria vis a vis the provisions of IFRS 9 are met. • For each securitized portfolio we assessed the variability test performed by Management and we further tested the accuracy and completeness of critical data included in this test and reperformed the calculations.

Key audit matters	How our audit addressed the Key audit matters
Impairment assessment of the Company's investment in Piraeus Bank S.A. (applies to Company only)	
In 2021, the Company assessed whether any impairment indication exists with regard to its investment in Piraeus Bank S.A. and recognized an impairment loss of € 1,597 million in the Company's financial statements. The consolidated financial statements of the Group were not affected by the said write down. The Impairment assessment of the Company's investment in Piraeus Bank S.A. is considered a key audit matter as it involves critical Management judgment and accounting estimates with high level of subjectivity in determining the appropriate method applied and the significant assumptions used in the impairment test. Management has provided further information about the impairment assessment of the Company's equity shareholding in Piraeus Bank in notes 2.4.8, 3 and 24 to the financial statements.	Based on our risk assessment, we have evaluated the impairment methodology applied and assumptions made by Management in relation to this key audit matter and we performed, inter alia, the following audit procedures: • We assessed the design and implementation of the relevant controls around the identification of indication of impairment in subsidiaries as well as around the determination and review of the models and assumptions used by Management for the purpose of impairment test. • We assessed whether the methodology for the purpose of the impairment test performed by Management for the Company's investment in Piraeus Bank S.A. (value in use) is appropriate under the circumstances and assessed the reasonableness of the significant assumptions used, including discount rate and long-term growth comparing also to other information obtained throughout the audit. • We tested the mathematical accuracy of the model and the data used in the calculations made in the impairment test.
Information Technology General Controls and controls over financial reporting	
The Company's and the Group's financial reporting processes are highly dependent on Information Technology (IT) systems supporting automated accounting reconciliation procedures and calculations, thus leading to a complex IT environment, pervasive in its nature and in which a significant number of transactions are processed daily, across numerous locations. This is a key audit matter since it is important that controls over access security, cyber risks, system change, datacentre and network operations are designed and operate effectively to ensure complete and accurate financial records/information. Management has provided further information about Information Technology General Controls under the header "Internal Control System" in Section II of the "Corporate Governance Statement" included in the "Board of Directors' Annual Report".	Based on our risk assessment, we have tested the design and operating effectiveness of Information Technology General Computer Controls (ITGCs) relevant for financial reporting. Our assessment included the evaluation of user access security and change management over applications, operating systems and databases, as well as the evaluation of datacenter and network IT operations. Our IT audit procedures included, among others, testing of: • User access provisioning and de-provisioning process. • Privileged access to applications, operating systems and databases. • Periodic review of user access rights. • Change management process over applications, operating systems and databases (user request, user acceptance testing and final approval for promotion to production). • Data center and network operations.

Other information

Management is responsible for the other information. The other information, included in the Annual Financial Report prepared in accordance with Greek Law 3556/2007, comprises the Board of Directors' Report, referred to in the section "Report on Other Legal and Regulatory Requirements", the Statement by the Members of the Board of Directors, the Explanatory Report of the Board of Directors and the Corporate Governance Statement. Other information does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs, as endorsed by the European Union, and for such internal control as Management determines is necessary to enable the preparation of the separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and the Group'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 Management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (article 44 of Greek Law 4449/2017) of the Company and the Group is responsible for overseeing the Company's and Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated 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, as they have been incorporated into Greek legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs as they have been incorporated into the Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

Auditor's responsibilities for the audit of the separate and consolidated financial statements – *continued*

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current year and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1) Board of Directors Report

Taking into consideration that Management is responsible for the preparation of the Board of Director's Report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B) we note the following:

a) The Board of Director's Report includes the Corporate Governance Statement, which provides the information required by article 152 of Greek Law 4548/2018.

b) In our opinion, the Board of Director's Report has been prepared in accordance with the applicable legal requirements of articles 150, 151, 153 and 154 and paragraph 1 (cases c and d) of article 152 of Greek Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31 December 2021.

c) Based on the knowledge we obtained during our audit of the Company and the Group and its environment, we have not identified any material inconsistencies in the Board of Director's Report.

2) Additional Report to the Audit Committee

Our audit opinion on the separate and consolidated financial statements is consistent with the additional report provided to the Audit Committee of the Company and the Group referred to in article 11 of the European Union (EU) Regulation 537/2014.

3) Non Audit Services

We have not provided to the Company and the Group any prohibited non-audit services referred to in article 5 of the EU Regulation No 537/2014. The allowable non-audit services we have provided to the Company and the Group during the year ended 31 December 2021 are disclosed in Note 47 to the separate and consolidated financial statements.

4) Appointment

We were first appointed as statutory auditors by the General Assembly of the Shareholders of the Company (former Piraeus Bank S.A.) on 28 June 2017. The year ended 31 December 2021 is the fifth year we have been appointed as statutory auditors by the Annual General Assembly of the Shareholders of the Company.

5) Internal Regulation

The Company retains an Internal Regulation according to the provisions of article 14 of Law 4706/2020.

6) Assurance Report on European Single Electronic Format reporting

We have examined the digital files of the Company and the Group of Piraeus Financial Holdings S.A., prepared in accordance with the European Single Electronic Format (ESEF), defined by the Commission Delegated EU Regulation 2019/815 as amended by EU Regulation 2020/1989 ("ESEF Regulation"), which include the separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2021 in XHTML format (Piraeus Financial Holdings Group 31.12.2021.html) as well as the XBRL file (M6AD1Y1KW32H8THQ6F76-2021-12-31-en.zip) with the appropriate tagging on these consolidated financial statements.

Regulatory Framework

The ESEF digital files are prepared in accordance with the ESEF Regulation, and the Interpretation Announcement 2020/C 379/01 of the European Commission dated 10 November 2020, as provided by L.3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (the "ESEF Regulatory Framework". In summary this Regulatory Framework includes, inter alia, the following requirements:

- Annual financial statements shall be prepared in XHTML format
- Financial information included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards and in specific in the consolidated statement of financial position, Income statement, total comprehensive income, changes in equity and cash flows, shall be tagged with XBRL mark-up ("XBRL tags") in accordance with ESEF Taxonomy, as currently in force. The technical specifications of ESEF, including the related taxonomy, are included in ESEF Regulatory Technical Standards.

Regulatory requirements included in ESEF Regulatory Framework as in force, consist an appropriate basis for the purpose of expressing a conclusion that provides reasonable assurance.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2021, in accordance with the requirements set by the ESEF Regulatory Framework and for such internal controls as Management determine are necessary to enable the preparation of the digital files that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to design and perform this assurance procedures in accordance with the decision 214/4/11-02-2022 of the board of Hellenic Accounting and Auditing Oversight Board (HAASOB) and the "Guidelines in connection with the procedures and the assurance report of the certified auditors on the ESEF report of Issuers with securities listed on a regulated market in Greece" dated 14/02/2022 as issued by the Institute of Certified Public Accountants (the "ESEF Guidelines") in order to obtain reasonable assurance about whether the separate and consolidated financial statements of the Company and the Group, prepared by Management in accordance with ESEF, comply in all material respects with the ESEF Regulatory Framework, as currently in force.

In conducting this work, we have complied with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek legislation and the independence rules, in accordance with Law 4449/2017 and EU Regulation No 537/2014.

The assurance work performed, is limited to the items included in the ESEF Guidelines and has been performed in accordance with the International Standard on Assurance Engagements 3000 "Assurance engagements other than audits or review of historical financial information". Reasonable assurance is a high level of assurance but is not a guarantee that this work will always detect a material misstatement when it exists relating to the compliance with the requirements of ESEF Regulatory Framework.

Conclusion

Based on the procedures performed and the evidence obtained, we conclude that the separate and the consolidated financial statements of the Company and the Group for the year ended 31 December 2021 prepared in XHTML format (Piraeus Financial Holdings Group 31.12.2021.html) as well as the XBRL file (M6AD1Y1KW32H8THQ6F76-2021-12-31-en.zip) with the appropriate tagging on the abovementioned consolidated financial statements are prepared in all material respects in accordance with the requirements of ESEF Regulatory Framework.

Athens, 24 March 2022

The Certified Public Accountant

Dimitris Koutsos - Koutsopoulos
Reg. No. SOEL: 26751
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou Str.,
151 25 Maroussi
Reg. No. SOEL: E 120

Income Statement

€ Million	Note	Group Year ended 31/12/2021	Group Year ended 31/12/2020 As restated	Company Year ended 31/12/2021	Company Year ended 31/12/2020 As restated
CONTINUING OPERATIONS					
Interest and similar income	6	1,785	1,825	160	1,813
Interest expense and similar charges	6	(375)	(339)	(78)	(339)
NET INTEREST INCOME		**1,410**	**1,486**	**82**	**1,475**
Fee and commission income	7	498	408	43	358
Fee and commission expense	7	(104)	(91)	(36)	(80)
NET FEE AND COMMISSION INCOME		**394**	**317**	**7**	**278**
Dividend income		3	3	26	16
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	8	85	36	(1)	38
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")		87	2	-	2
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	9	326	9	-	9
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	24	184	(3)	-	(2)
Net other income/ (expenses)	10	37	43	(3)	56
TOTAL NET INCOME		**2,526**	**1,893**	**111**	**1,871**
Staff costs	11	(405)	(574)	(3)	(547)
Administrative expenses	12	(418)	(407)	(21)	(381)
Depreciation and amortisation	25, 26	(110)	(115)	-	(110)
Net gain/ (losses) from sale of property and equipment and intangible assets		-	8	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(933)**	**(1,088)**	**(24)**	**(1,038)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**1,592**	**805**	**87**	**832**
ECL impairment losses on loans and advances to customers at amortised cost	4	(4,232)	(1,104)	(1,523)	(1,123)
Other credit-risk related charges on loans and advances to customers at amortised cost		(13)	-	-	-
Impairment (losses)/releases on other assets	29	2	(189)	(10)	(172)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	42	(11)	(6)	-	(6)
Impairment on subsidiaries and associates	24	(23)	(6)	(1,597)	(44)
Impairment of property and equipment and intangible assets	25, 26	(13)	(4)	-	(4)
Impairment on debt securities at amortised cost		(19)	(12)	(4)	(37)
Other provision charges/ (releases)	35	8	-	-	-
Share of profit/ (loss) of associates and joint ventures	24	18	(16)	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX		**(2,691)**	**(534)**	**(3,046)**	**(553)**
Income tax benefit/ (expense)	14	(316)	(127)	-	(176)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(3,007)**	**(660)**	**(3,046)**	**(729)**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	13	(7)	(10)	-	-
PROFIT/ (LOSS) FOR THE PERIOD		**(3,014)**	**(670)**	**(3,046)**	**(729)**
From continuing operations					
Profit/ (loss) attributable to the equity holders of the parent		(3,007)	(655)	-	-
Non controlling interest		(1)	(6)	-	-
From discontinued operations					
Profit/ (loss) attributable to the equity holders of the parent		(7)	(10)	-	-
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):					
From continuing operations					
- Basic & Diluted	15	(3.50)	(24.74)	-	-
From discontinued operations					
- Basic & Diluted	15	(0.01)	(0.38)	-	-
Total					
- Basic & Diluted	15	(3.51)	(25.12)	-	-

The notes on pages 142 to 378 form an integral part of the Financial Statements

Statement of Comprehensive Income

€ Million	Note	Group Year ended 31/12/2021	Group Year ended 31/12/2020 As restated	Company Year ended 31/12/2021	Company Year ended 31/12/2020 As restated
CONTINUING OPERATIONS					
Loss for the year (A)		**(3,007)**	**(660)**	**(3,046)**	**(729)**
Other comprehensive income/ (expense), net of tax:					
Items that may be reclassified subsequently to profit or loss					
Change in reserve from debt securities measured at FVTOCI	16	(105)	74	-	74
Change in currency translation reserve	16	5	(5)	-	-
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	16	(32)	(12)	-	(12)
Change in reserve of actuarial gains/ (losses)	16	-	(3)	-	(2)
Other comprehensive income/ (expense), net of tax (B)	16	**(132)**	**54**	**-**	**59**
Total comprehensive expense, net of tax (A)+(B)		**(3,140)**	**(607)**	**(3,046)**	**(670)**
- Attributable to the equity holders of the parent		(3,139)	(601)	-	-
- Non controlling interest		(1)	(6)	-	-
DISCONTINUED OPERATIONS					
Loss for the year		**(7)**	**(10)**	**-**	**-**
Total comprehensive expense, net of tax		**(7)**	**(10)**	**-**	**-**
- Attributable to the equity holders of the parent		(7)	(10)	-	-
- Non controlling interest		-	-	-	-

Statement of Financial Position

€ Million	Note	Group		Company	
		31/12/2021	31/12/2020 As restated	31/12/2021	31/12/2020 As restated
ASSETS					
Cash and balances with Central Banks	17	15,519	8,903	-	-
Due from banks	18	1,344	1,258	50	462
Financial assets at FVTPL	20	906	353	-	-
Financial assets mandatorily measured at FVTPL	20	205	146	9	10
Derivative financial instruments	19	591	507	-	-
Reverse repos with customers		-	8	-	-
Loans and advances to customers at amortised cost	21	36,521	39,624	-	3,826
Loans and advances to customers mandatorily measured at FVTPL		77	50	26	-
Financial assets measured at FVTOCI	22	2,366	2,898	-	-
Debt securities at amortised cost	23	9,200	4,964	757	696
Assets held for sale	28	435	181	-	-
Investment property	27	1,041	1,119	-	-
Investments in subsidiaries	24	-	-	5,539	4,881
Investments in associated undertakings and joint ventures	24	630	269	-	-
Property and equipment	26	890	995	-	-
Intangible assets	25	267	280	-	-
Current tax assets	36	160	176	20	22
Deferred tax assets	37	6,070	6,322	-	-
Other assets	29	3,453	3,395	26	138
Assets from discontinued operations	13	114	111	-	-
TOTAL ASSETS		**79,789**	**71,560**	**6,428**	**10,036**
LIABILITIES					
Due to banks	30	14,865	11,376	-	-
Due to customers	31	55,442	49,636	-	-
Derivative financial instruments	19	393	460	-	-
Debt securities in issue	32	971	471	-	2,383
Other borrowed funds	33	935	933	934	931
Current income tax liabilities		5	3	-	-
Deferred tax liabilities	37	10	31	1	1
Retirement and termination benefit obligations	38	75	88	-	-
Provisions	35	136	202	-	-
Liabilities held for sale		3	-	-	-
Other liabilities	34	1,124	1,136	54	12
Liabilities from discontinued operations	13	28	27	-	-
TOTAL LIABILITIES		**73,987**	**64,363**	**989**	**3,328**
EQUITY					
Share capital	41	1,188	2,620	1,188	2,620
Share premium	41	18,112	13,075	18,112	13,075
Contingent convertible bonds	41	-	2,040	-	2,040
Other equity instruments	41.2	600	-	600	-
Less: Treasury shares	41	(2)	(1)	-	-
Other reserves and retained earnings	42	(14,110)	(10,643)	(14,460)	(11,026)
Capital and reserves attributable to equity holders of the parent		**5,788**	**7,091**	**5,439**	**6,708**
Non controlling interest		15	106	-	-
TOTAL EQUITY		**5,803**	**7,197**	**5,439**	**6,708**
TOTAL LIABILITIES AND EQUITY		**79,789**	**71,560**	**6,428**	**10,036**

Statement of Changes in Equity

Group € Million	Note	Share Capital	Share Premium	Contingent Convertible Bonds	Other equity instruments	Treasury shares	Currency Translation Reserve	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total	Non controlling interest	Total
		Attributable to equity shareholders of the parent entity											
Opening balance as at 1/1/2020		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(54)**	**236**	**118**	**(10,375)**	**7,659**	**115**	**7,773**
Restatement effect following the adoption of IFRIC decision of IAS 19, net of tax		-	-	-	-	-	-	-	-	43	43	-	43
Restated Opening balance as at 1/1/2020		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(54)**	**236**	**118**	**(10,333)**	**7,701**	**115**	**7,816**
Other comprehensive income/ (expense), net of tax (as restated)	16	-	-	-	-	-	(5)	61	-	(2)	54	-	54
Loss after tax for the year (as restated)		-	-	-	-	-	-	-	-	(665)	(665)	(6)	(670)
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**-**	**-**	**(5)**	**61**	**-**	**(667)**	**(611)**	**(6)**	**(617)**
Transfer between reserves and retained earnings		-	-	-	-	-	-	(16)	1	15	-	-	-
Disposals and movements in participating interests		-	-	-	-	-	-	-	(4)	4	-	(3)	(2)
Balance as at 31/12/2020		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**115**	**(10,980)**	**7,091**	**106**	**7,197**
Opening balance as at 1/1/2021		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**115**	**(10,980)**	**7,091**	**106**	**7,197**
Other comprehensive income/(expense), net of tax	16	-	-	-	-	-	5	(137)	-	-	(132)	-	(132)
Loss after tax for the year		-	-	-	-	-	-	-	-	(3,014)	(3,014)	(1)	(3,014)
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**-**	**-**	**5**	**(137)**	**-**	**(3,014)**	**(3,146)**	**(1)**	**(3,147)**
Conversion of CoCos into ordinary shares	41	2,366	-	(2,040)	-	-	-	-	-	(353)	(27)	-	(27)
Share capital increase, net of issue costs	41	1,200	101	-	-	-	-	-	-	-	1,301	-	1,301
Reduction of par value per share	41	(4,936)	4,936	-	-	-	-	-	-	-	-	-	-
Share capital decrease in kind	41	(63)	-	-	-	-	-	-	-	-	(63)	-	(63)
AT1 capital instrument, net of issue costs	41	-	-	-	600	-	-	-	-	(8)	592	-	592
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
(Purchases)/ sales of treasury shares	41	-	-	-	-	(1)	-	-	-	-	(1)	-	(1)
Transfer between reserves and retained earnings		-	-	-	-	-	-	-	1	(1)	-	-	-
Transfer of the accumulated reserve from equity securities measured at FVTOCI to retained earnings upon disposal		-	-	-	-	-	-	-	-	62	62	-	62
Disposals and movements in participating interests		-	-	-	-	-	-	-	2	3	5	(90)	(86)
Balance as at 31/12/2021		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**118**	**(14,318)**	**5,787**	**15**	**5,803**

The notes on pages 142 to 378 form an integral part of the Financial Statements

Company € Million	Note	Share Capital	Share Premium	Contingent Convertible Bonds	Other equity instruments	Reserve from financial assets at FVTOCI	Other reserves	Retained earnings	Total
Opening balance as at 1/1/2020		**2,620**	**13,075**	**2,040**	**-**	**236**	**96**	**(10,514)**	**7,553**
Restatement effect following the adoption of IFRIC decision of IAS 19, net of tax		-	-	-	-	-	-	37	37
Restated Opening balance as at 1/1/2020		**2,620**	**13,075**	**2,040**	**-**	**236**	**96**	**(10,477)**	**7,590**
Other comprehensive income/ (expense), net of tax (as restated)	16	-	-	-	-	61	-	(2)	59
Loss after tax for the year (as restated)		-	-	-	-	-	-	(729)	(729)
Total comprehensive income/ (expense) for the year		**-**	**-**	**-**	**-**	**61**	**-**	**(731)**	**(670)**
Transfer between reserves and retained earnings		-	-	-	-	(16)	-	16	-
Absorption of subsidiaries		-	-	-	-	-	-	65	65
Contribution to the new credit institution		-	-	-	-	(281)	-	4	(277)
Balance as at 31/12/2020		**2,620**	**13,075**	**2,040**	**-**	**-**	**96**	**(11,123)**	**6,708**
Opening balance as at 1/1/2021		**2,620**	**13,075**	**2,040**	**-**	**-**	**96**	**(11,123)**	**6,708**
Loss after tax for the year		-	-	-	-	-	-	(3,046)	(3,046)
Total comprehensive expense for the year		**-**	**-**	**-**	**-**	**-**	**-**	**(3,046)**	**(3,046)**
Conversion of CoCos into ordinary shares	41	2,366	-	(2,040)	-	-	-	(353)	(27)
Share capital increase, net of issue costs	41	1,200	101	-	-	-	-	-	1,301
Reduction of par value per share	41	(4,936)	4,936	-	-	-	-	-	-
Share capital decrease in kind	41	(63)	-	-	-	-	-	-	(63)
AT1 capital instrument, net of issue costs	41	-	-	-	600	-	-	(8)	592
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	(26)	(26)
Balance as at 31/12/2021		**1,188**	**18,112**	**-**	**600**	**-**	**96**	**(14,557)**	**5,439**

Cash Flow Statement

€ Million	Note	Group Year ended 31/12/2021	Group Year ended 31/12/2020 As restated	Company Year ended 31/12/2021	Company Year ended 31/12/2020 As restated
Cash flows from operating activities					
Loss before income tax		(2,697)	(544)	(3,046)	(553)
Adjustments to loss before income tax:					
Add: provisions and impairment		4,303	1,323	3,134	1,386
Add: depreciation and amortisation charge		114	118	-	110
Add: retirement benefits and cost of voluntary exit scheme	11	29	156	1	153
Net (gain)/ losses from valuation of financial instruments measured at FVTPL		(15)	15	1	16
Net (gain)/ losses from financial instruments measured at FVTOCI		(87)	(2)	-	(2)
(Gains)/ losses from investing activities		(210)	14	(26)	(22)
Accrued interest from investing and financing activities		35	26	77	28
Cash flows from operating activities before changes in operating assets and liabilities		1,473	1,107	141	1,115
Changes in operating assets and liabilities:					
Net (increase)/ decrease in cash and balances with Central Banks		(1)	-	-	-
Net (increase)/ decrease in financial instruments measured at FVTPL		(353)	244	-	246
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL		(38)	(18)	(4)	(17)
Net (increase)/ decrease in debt securities at amortised cost		(4,443)	(3,855)	(65)	(3,855)
Net (increase)/ decrease in amounts due from banks		(171)	22	-	18
Net (increase)/ decrease in loans and advances to customers		(1,362)	(1,361)	(164)	(1,329)
Net (increase)/ decrease in reverse repos with customers		8	31	-	31
Net (increase)/ decrease in other assets		(159)	(78)	131	(44)
Net increase/ (decrease) in amounts due to banks		3,495	8,080	-	8,063
Net increase/ (decrease) in amounts due to customers		5,484	2,285	-	2,321
Net increase/ (decrease) in other liabilities		(183)	(163)	47	(219)
Net cash flow from operating activities before income tax payment		3,750	6,294	85	6,329
Income tax paid		(3)	(8)	-	(5)
Net cash inflow from operating activities		**3,747**	**6,286**	**85**	**6,324**
Cash flows from investing activities					
Purchases of property and equipment		(79)	(58)	-	(48)
Proceeds from disposal of property and equipment and intangible assets		11	43	-	5
Purchases of intangible assets	25	(48)	(24)	-	(23)
Proceeds from disposal of assets held for sale		254	54	-	54
Purchases of financial assets at FVTOCI		(4,471)	(1,960)	-	(1,938)
Proceeds from disposal of financial assets at FVTOCI		4,862	848	-	840
Acquisition of subsidiaries, net of cash and cash equivalents, and participation in share capital increases/ decreases		2	-	(1,717)	-
Subscription of AT 1 capital instrument		-	-	(595)	-
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed		26	-	-	-
Acquisition, establishment and participation in share capital (increases)/ decreases of associates and joint ventures		(2)	(28)	-	(28)
Dividends received		18	8	26	13
Net cash inflow/ (outflow) from investing activities		**573**	**(1,116)**	**(2,286)**	**(1,125)**
Cash flows from financing activities					
Expenses directly attributable to the conversion of CoCos into ordinary shares	41	(27)	-	(27)	-
Net proceeds from the issue of ordinary shares	41	1,301	-	1,301	-
Net proceeds from the issue/ (repayment) of AT 1 capital instrument		566	-	566	-
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		426	437	(50)	437
Purchases/ sales of treasury shares and preemption rights		(1)	-	-	-
Principal and interest portion of lease liability		(33)	(35)	-	(26)
Net cash inflow from financing activities		**2,232**	**402**	**1,790**	**411**
Effect of exchange rate changes on cash and cash equivalents		13	(11)	-	(13)
Net increase/ (decrease) in cash and cash equivalents (A)		**6,565**	**5,561**	**(412)**	**5,598**
Cash and cash equivalents contributed to the new credit institution (B)		**-**	**-**	**-**	**(8,775)**
Cash and cash equivalents at the beginning of the year (C)		**9,303**	**3,742**	**462**	**3,640**
Cash and cash equivalents at the end of the year (A) + (B) + (C)	44	**15,868**	**9,303**	**50**	**462**

1 General information

On 30 December 2020, the core banking operations of the former Piraeus Bank registered under General Commercial Registry ("GEMI") number 225501000 (the "Demerged Entity") were demerged, by way of hive-down and were contributed into a newly-formed credit institution incorporated under the same corporate name, i.e. Piraeus Bank S.A. (the "Demerger").

As a result of the Demerger:

- Piraeus Bank S.A. (the "Beneficiary" or the "Bank") substituted the Demerged Entity, by way of universal succession under Greek law, to all the transferred assets and liabilities of the core banking operations of the Demerged Entity;

- the Demerged Entity ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities, and changed its corporate name to "Piraeus Financial Holdings S.A." (the "Company") while its shares remained listed on the Athens Stock Exchange; and

- the Company holds 100% of the Beneficiary's ordinary shares and has become the direct or indirect ultimate parent holding company for all other companies that, prior to the Demerger, comprised the Group.

The Company was established in 1916 and its shares are registered and have been listed on the Main Market of the Athens Stock Exchange since 1918.

The Company operates in the form of a Société Anonyme, in accordance with the provisions of Greek Law 4548/2018, as currently in force, as well as the applicable regulatory framework on the operation of listed companies. In addition, as a financial holding company, it is subject to the relevant provisions of Law 4261/2014 as amended and in force and it is directly supervised by the ECB.

According to its codified articles of association, the Company's business scope includes, inter alia, activities related to directly and indirectly participating in domestic and/or foreign legal entities and other entities, undertakings and companies established or to be established, of any form and purpose, undertaking or carrying on insurance intermediation and insurance distribution activities on a retainer, pursuant to the provisions of Greek Law 4583/2018, as in force from time to time, for and on behalf of one or several insurance undertakings (insurance agent), providing insurance advisory services to third parties and to the subsidiaries of the Group, as well as researching, studying and analysing insurance related issues. The Company also provides financial advisory services including planning, development, research, reorganization or resolution, assessment, business strategy, acquisitions, sales, mergers and restructuring of companies, as well as advisory services on private insurance issues.

The Company is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis str., 105 64 Athens, GEMI number 225501000. The duration of the Company lapses on 6 July 2099. The Group provides services in Southeastern and Western Europe. As of 31 December 2021, the headcount of the Company and its subsidiaries (hereinafter the "Group"), is 10.425 full time employees (FTEs), of which 932 FTEs refer to discontinued operations (IMITHEA Single Member S.A.) and 223 FTEs refer to held for sale operations. The Company's headcount as of that date is 29 FTEs.

Apart from the ATHEX General Index, Piraeus Financial Holdings S.A. is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (Emerging Markets, Med 100), MSCI (Emerging Markets, Greece), Stoxx (All Europe TMI, Emerging Markets, Balkan), S&P (Global, Greece BMI), Bloomberg Gender Equality and CDP Carbon Disclosure Project.

The Board of Directors of Piraeus Financial Holdings S.A ("BoD"), on the approval date of the consolidated financial statements of the Group and the separate financial statements of the Company as at and for the year ended 31 December 2021 (the "Annual Financial Statements"), consists of the following members:

George P. Handjinicolaou	Chairman of the BoD, Non-Executive Member
Karel G. De Boeck	Vice-Chairman of the BoD, Independent Non-Executive Member
Christos I. Megalou	Managing Director & Chief Executive Officer (CEO), Executive BoD Member
Vasileios D. Koutentakis	Executive BoD Member
Venetia G. Kontogouris	Independent Non-Executive BoD Member
Arne S. Berggren	Independent Non-Executive BoD Member
Enrico Tommaso C. Cucchiani	Independent Non-Executive BoD Member
David R. Hexter	Independent Non-Executive BoD Member
Solomon A. Berahas	Independent Non-Executive BoD Member
Andrew D. Panzures	Independent Non-Executive BoD Member
Anne J. Weatherston	Independent Non-Executive BoD Member
Alexander Z. Blades	Non-Executive BoD Member
Periklis N. Dontas	Non-Executive BoD Member, Hellenic Financial Stability Fund (HFSF) Representative under Law 3864/2010.

According to the Company's articles of association and the current regulatory framework, the members of the Company's Board of Directors are elected by the General Meeting of its Shareholders and may be re-elected. The term of the members of the Board of Directors may not exceed three (3) years and may be extended until the first Ordinary General Meeting convened after such term has elapsed. Pursuant to Greek Law 3864/2010, a representative of the HFSF participates in the Board of Directors. If a member of the Board of Directors is replaced, then according to the Law, the respective replacement applies solely to the remaining term of the member being replaced. Pursuant to the Annual General Shareholders' Meeting Resolution on 26 June 2020, the term of the current Board of Directors expires on 26 June 2023.

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as endorsed by the EU at the time of preparing these financial statements. The figures of the Company's income statement and statement of comprehensive income on a standalone basis for the year 2021 are not comparable to the figures of the previous year due to the Demerger. The amounts are stated in Euro, rounded to the nearest million (unless otherwise stated) for ease of presentation. Any differences between the amounts presented in the primary financial statements and the relevant amounts presented in the accompanying notes, are due to rounding. Where necessary, the comparative figures have been restated to conform to changes in current period's presentation.

The Annual Financial Statements have been prepared under the historical cost convention, except for financial assets and financial liabilities held at FVTPL or at FVTOCI, derivative financial instruments and investment property, which have been measured at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of critical accounting estimates and judgements that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The areas where critical judgements and estimates are significant to the Annual Financial Statements, are disclosed in Note 3.

2.2 Going concern

Conclusion

Management has made an assessment on the Group's ability to continue as a going concern. Management's assessment considered the Group's principal business risks deriving mainly from the macroeconomic environment in combination with the Group's strategy and its liquidity and capital position. The following were taken into consideration:

a) the recovery of economic activity in 2021 and the prospects for a sustainable rate of growth of GDP afterwards, taking into account also the deployment of the RRF funds to the Greek economy that are estimated to enhance GDP growth and will allow the Greek economy to transition into a higher economic trajectory post the Covid-19 pandemic;

b) the continued recovery of the residential and commercial real estate prices during 2021 and the expected acceleration in 2022 onwards;

c) the Group's effective liquidity risk management leading to a robust liquidity position as evident by the LCR and the LDR as of 31 December 2021 (refer to the Liquidity section below) as well as Management's assessment of the impact of stress test scenarios, within the ICAAP and ILAAP framework, on the Company's and the Group's liquidity position and on mandatory liquidity ratios;

d) the actions taken by the Group for the reduction of NPEs, which have resulted in the NPE ratio dropping to 12.6% as at 31 December 2021 from 45.3% as at 31 December 2020 with the associated cost coming in line with initial estimates, and the further de-risking planned and under-way which targets for the Group to achieve a single-digit NPE ratio in 2022;

e) the capital adequacy of the Group, which exceeded the OCR (refer to the Capital Adequacy section below) and the MREL ratio of the Piraeus Bank Group as at 1 January 2022, which reached 16.4% and exceeded the binding Intermediate Target of 16.1%, along with the non-dilutive capital enhancement actions that are in progress and expected to be completed in 2022 (completion of the sale of merchant acquiring business unit in March 2022 and further synthetic securitizations of performing loans);

f) the successful completion of the 2021 SSM Stress Test Exercise conducted by the ECB, which demonstrated that the Group has sufficient capital and liquidity to withstand in the baseline, as well as the adverse scenarios;

g) the successful issuance of AT1 and Senior Preferred debt instruments in 2021 that attracted significant investor demand, indicating the Group's ability to execute the further planned debt issuances, in line with the Group's MREL strategy;

h) the geopolitical developments, specifically the Russia / Ukraine conflict in the beginning of 2022, and the Group's operations in Ukraine, which comprise a financial institution, namely JSC Piraeus Bank ICB, and investments in real estate assets which represent approximately 0.2% of the total consolidated assets of Piraeus Financial Holdings as of 31 December 2021.

i) the potential impact on the Group's loan portfolio from the second-order effects of the Russia – Ukraine conflict, mainly through lower GDP growth and/ or higher inflation, which will affect specific sectors of the economy, namely energy, manufacturing and retail. The relief measures undertaken by the Greek government in March 2022 are expected to partly mitigate these risks.

Based on the analysis performed, Management has concluded that the Annual Financial Statements have been appropriately prepared on a going concern basis as at 31 December 2021, as the Group has adequate resources to continue its operations for a period of 12 months from the reporting date. For this reason the Group continues to adopt the going concern basis of accounting for preparing the financial statements.

Macroeconomic environment

In 2021, the Greek economy has entered in a course of robust economic recovery, following the deep recession of 9.0% in 2020. In 2021 real GDP increased by 8.3% on an annual basis. The robust recovery in private consumption, the further increase in investments and the sharp increase in exports contributed positively to the strong recovery on an annual basis. Based on European Commission's forecasts (Winter Economic forecast, 10 February 2022), real GDP is expected to expand by 4.9% in 2022. The improvement of the economic climate, the good course in industry, trade and construction activity and the improvement in the labor market, despite the intense inflationary pressures, seem to support a solid recovery of the Greek economy.

In 2021, the Economic Sentiment Indicator increased to 105.1 points and returned close to the levels of 2019 (105.4 points). However, rising inflation and energy prices, as well as uncertainty about the evolution and effects of the pandemic, will continue to be a determinant of expectations in the coming months. The relaxation of the restrictions to deal with the health crisis and the restart of the tourist season, seem to have contributed to the acceleration of job creation. The unemployment rate in 2021 decreased to 14.8% (12-month average seasonally adjusted rate) compared to 16.4% in 2020 and employment increased by 1.2% (2020: -0.8%). However, the labor market has been affected by the implementation of specific operating constrains to companies and the adoption of measures to protect public health. In 2021, inflation stood at 1.2%. Consumer price growth accelerated in the second semester of 2021, after several months of decline, mainly reflecting rising cost of energy and food prices. In the first two months of 2022, inflation stood at 6.7%.

The continuing implementation of fiscal measures for the pandemic led to a state budget deficit, on a modified cash basis, of € 14.9 billion for the period January – December 2021 against a deficit of € 22.8 billion in the corresponding period of 2020. The State Budget Primary Balance amounted to a deficit of € 10.3 billion, against a primary deficit of € 18.2 billion performed at the same period of the previous year. The support measures taken to address the economic impact of the pandemic in the two years 2020-2021 amount to € 40 billion (€ 23.1 billion for actions implemented in 2020, and € 16.9 billion in 2021). At the same time, based on the Explanatory Budget Report for 2022, an additional € 3.3 billion of interventions for 2022 are estimated. Based on the Report, the general government deficit as a percentage of GDP is expected to drop at 9.6% in 2021 and 4.0% in

2022, from 10.1% in 2020 as per ESA (European System of Accounts). The general government primary deficit from 7.1% in 2020, is expected to reach 7.0% of GDP in 2021 and 1.4% of GDP in 2022.

In 2021, the current account deficit decreased by €356.6 million year-on-year and stood at € 10.6 billion. A rise in the deficit of the balance of goods is due to the fact that imports increased more than exports. A rise in the services surplus is almost exclusively attributable to an improvement in the travel services balance; however, this was partly offset by a decline in the surplus of the transport balance. In terms of tourism, receipts in 2021 increased by 146.7% compared to 2020 and stood at € 10.65 billion.

The current health crisis finds the Greek real estate market in a critical period, showing significant recovery signs in the past three years. Residential property prices (the apartment price index as illustrated by Bank of Greece “BoG”) increased by 7.9% in the third quarter of 2021, on an annual basis. According to revised data, the year-on-year increase in the first and second quarters of 2021 was 4.3% and 6.2% respectively. In 2020 the apartment price index increased by 4.5% on an annual basis. The office price index was increased by 1.3% in the first half of 2021 on an annual basis, following an increase by 1.2% in 2020.

In 2021, Greece continued its access to the international debt markets with seven successful GGB issuances. The Greek state raised a total of € 15.8 billion on the open market in 2021, while for 2022 it has planned transactions amounting to € 12 billion. Despite funding needs remaining high in 2021, the liquidity raising from the international markets resulted in the maintenance of cash reserves at € 31.6 billion as of the end of the year. The favorable financing conditions continue to be supported also by ECB’s accommodative monetary policy stance, including purchases of Greek securities under the PEPP. According to the decision of the Governing Council of the ECB at December 2021 meeting, which it reaffirmed at the February meeting (3/2/2022), the Governing Council will discontinue net asset purchases under the PEPP at the end of March 2022 and intends to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024. Moreover, based on the above decision, in the event of renewed market fragmentation related to the pandemic, PEPP reinvestments can be adjusted flexibly across time, asset classes and jurisdictions at any time. This could include purchasing bonds issued by the Hellenic Republic over and above rollovers of redemptions in order to avoid an interruption of purchases in that jurisdiction, which could impair the transmission of monetary policy to the Greek economy while it is still recovering from the fallout from the pandemic. Net purchases under the PEPP could also be resumed, if necessary, to counter negative shocks related to the pandemic.

In addition, the process of the second early repayment of part of the existing loans that Greece has received from the International Monetary Fund (“IMF”), amounting to € 3.3 billion, was completed in March 2021, thus reducing the funding cost of sovereign debt. The State is planning to early repay the last part of IMF loans (€ 1.8 billion) and a part of bilateral Eurozone countries loans (€ 5.3 billion) in the near future.

The 13th assessment of the Greek economy was successfully completed in February 2022, under the enhanced supervision regime, in which the country entered in the summer of 2018, after joining the economic and fiscal policy coordination cycle of the European Semester. The favorable prospects of the economy are reflected in the recent Greek sovereign rating upgrades. In April 2021, S&P upgraded the rating of Greece to “BB” (Positive Outlook), from “BB-”. In September 2021, DBRS Morningstar and Scope ratings upgraded the Greek sovereign rating by one notch to BB (Positive Outlook) from BB low and to BB+ (Stable Outlook) from BB, respectively. On 14 January 2022, Fitch upgraded the outlook of the Greek economy from positive to stable, keeping sovereign rating unchanged at BB.

Moreover, on 13 July 2021 the Economic and Financial Affairs Council (ECOFIN) approved the NRRP “Greece 2.0”, following the positive assessment from the European Commission. The “Greece 2.0” plan is structured into four pillars: (1) Green transition; (2) Digital transformation; (3) Employment, skills and social cohesion (health, education, and social protection); and (4) Private investment and transformation of the economy. "Greece 2.0" plan includes 106 investments and 68 reforms, utilizing € 30.5 billion European funds (€ 17.8 billion in grants and € 12.7 billion in loans), while it is expected to mobilize € 60 billion of total investments in the country during the next five years.

The European Commission on 28 February 2022, has endorsed a positive preliminary assessment of Greece's payment request on 29 December 2021, following completion of all relative landmarks and goals, for €3.6 billion, of which €1.7 billion in grants and €1.9 billion in loans, under the Recovery and Resilience Facility (RRF). Greece has already received a total of € 3.96 billion in pre-financing funds since the beginning of August (€ 2.31 billion for subsidies and € 1.65 billion for loans). In addition, by the beginning of January 2022, 103 projects have been included in the RRF, with a total budget of more than € 6 billion.

The prospects of the Greek economy are particularly positive, as in the following years it will benefit from the utilization of European resources, the implementation of the reforms included in the National Recovery and Resilience Plan, the revision of the fiscal rules of the Stability and Growth Pact, favorable liquidity conditions, and the recovery of the European economy. According to the latest simulations by the Commission, the GDP level is expected to increase by 2.1-3.3% by 2026, from the combined effect of the grants and loans component of RRF. According to European Commission's Enhanced Surveillance Report (September 2021), such simulations do not include the possible positive impact from the structural reforms envisaged under the plan. Growth will also be supported by the new EU funding cycle.

The recovery of 2022 depends on the utilization of funds under the RRF, the de-escalation of inflationary pressures, the geopolitical developments, the improvement of the epidemic status and the degree of tourist activity restoration. The velocity of the recovery, as well as the effective utilization of the EU recovery and resilience funds, will be decisive factors in determining the developments in the Greek economy, the banking sector and the Group in particular.

The primary risk factors affecting the developments in Greek economy, the domestic banking sector in general and the Group in particular, are the global and domestic macroeconomic and financial market conditions, the persistence of inflationary pressures, supply chain volatility and uncertainty, the continuing impact due to the coronavirus pandemic and the difficulties posed by the broader geopolitical conditions. In particular, the Russia-Ukraine crisis creates additional risks and uncertainty, affecting - among others - energy prices, resulting in maintaining inflationary pressures in intensity and time horizon, greater than the initial estimate. It may also have an impact on consumption, tourism and entrepreneurship, with an emphasis on international trade. Specifically for the Russia-Ukraine crisis, the Bank has developed and implemented, in accordance with the Group's Compliance Policy provisions, all the necessary measures in order to address the restrictive measures imposed by specific organizations / authorities [i.e. EU, US Treasury (OFAC), United Nations (UN), French Ministry for the Economy and Finance (MINEFI)]. Also, the possible upsurge of migration flows as a result of geopolitical developments is an additional source of uncertainty. Therefore, a potential slow and weak economic recovery, along with persistently high unemployment and inflation, could potentially have a negative effect on the quality of the Group's loan portfolio, and subsequently to its profitability and capital adequacy. Management closely monitors the developments and assesses periodically the impact that these might have on the Group's operations and financial performance. The Group invests in business and technical controls to help prevent, detect and mitigate cyber threats. The Group's ability to detect and respond to attacks through round-the-clock security operations centre capabilities help to reduce the impact of attacks.

<u>2021 Covid-19 impact</u>

The year ended 31 December 2021 was characterized by an accelerating recovery in the global economy and in Greece particularly, although the year continued to be affected by the same uncertainties as 2020 due to Covid-19. The outbreak of Covid-19 pandemic has had, and continues to have, a material impact on business and the economic environment in which the

Group operates. The business sectors mostly affected are trade, handicraft, manufacturing, transport and supply chain, hotels and food and beverage sectors. Our customers operating in these sectors may be significantly affected and thus may need to be offered with targeted liquidity solutions.

With regards to potential risks, while the vaccination program is progressing at a satisfactory pace, a more prolonged pandemic would enhance downside risks to all sectors of the economy, perpetuate debt problems and lead to additional NPE formation. Furthermore, any change in the regulatory stance could potentially result to increased provisioning levels, higher exposures classified as "non-performing" and decreased revenues, which ultimately could adversely affect the Group's and the Company's financial position, capital adequacy and operating results.

The Group, in order to address the remaining uncertainty over the path of the Covid-19 pandemic relating to the ECL measurement of loans and advances to customers at amortised cost, did not relax any of the thresholds or assumptions of the model-based staging outcome compared to the year ended 31 December 2020 and also applied the additional Significant increase in credit risk (SICR) criteria introduced in 2020. Additionally, the Group has applied scenario weights similar to those applied for the year ended 31 December 2020. Refer to Note 3.2 and Note 4.2.

Following the Covid-19 outbreak, the Group developed a series of initiatives targeting to assess and effectively manage the credit impact, due to the pandemic, in the Group's loan portfolio. Refer to Note 4.1.

For the year ended 31 December 2021, the Group has carried out the real estate valuations on the basis of "material valuation uncertainty" as per the International Valuation Standards (IVS) taking into account the unknown future impact that Covid-19 might have in the real estate market and the difficulty in differentiating between short term impacts and long term structural changes, has carried out the real estate valuations on the basis of "material valuation uncertainty" as per the IVS for the year 2021. Refer to Note 3.2.

<u>Climate Related Matters</u>

The Group recognizes that climate change could have an impact on the economy, the society and the environment. Therefore, the Group has developed and incorporated a climate change strategy based on four pillars:

1. Gradual reduction of Piraeus Group's carbon footprint: reduction of carbon footprint deriving from the Group's operational activities, through energy efficiency improvement, reduction of business trips and procurement of low energy electric appliances.
2. Climate change risk assessment for Greek companies: climate change regulatory and physical risk management. Development of specialized tools for the assessment of risks deriving from climate change and the investment costs required for adaptation (e.g. changing business strategy, upgrading equipment, new investments). Assessment of economic opportunities deriving from climate change and permanent posting of such information to investors and stakeholders. Finally, support of private individuals and enterprises as well as triggering the market to better adapt to climate change.
3. Support of investments in renewable energy and energy saving projects: promotion of green banking products, provided under favorable terms and conditions, aiming to support businesses and individuals that invest in renewable energy sectors, such as photovoltaic systems, wind farms, small hydroelectric stations, solar thermal systems, geothermal energy and biomass.
4. Provision of solutions to businesses in order to adapt to the new climatic conditions.

The Group demonstrates a commitment to sustainability with a focus on key climate environmental and social areas, including sustainable operations, the financing of sustainable activities such as renewable energy, green buildings and green transportation, and contributing to the sustainable development of local communities. The Group's sustainability strategy is underpinned by four pillars: (i) ESG literacy, (ii) operational footprint, (iii) products and services, and (iv) performance monitoring.

Since 2021, the Group participates in an ECB supervisory dialogue with the aim of incorporating the specific actions that will enable the better understanding of sound, effective and comprehensive management, as well as disclosure of climate-related and environmental risks under the current prudential framework. The Group aims to enhance its awareness of and preparedness for managing climate-related and environmental risks.

The Group has already performed a self-assessment/gap analysis against the ECB's expectations that were published in November 2020 and has commenced the implementation plans (roadmap) to enhance the coverage of any identified gaps. The roadmap outlines an action plan until the end of 2023 and covers long-term aspirations. The roadmap is dynamic and the Group will revisit and adjust it based on latest market developments and regulatory expectations.

In late summer 2021, the Group established the necessary internal governance framework that facilitates effective and timely decision-making related to C&E risks, permits the holistic monitoring and implementation of the project which has been named "Proteus".

The Group will be also participating in 2022 supervisory Climate Risk Stress Test that will assess how prepared European banks are for dealing with financial and economic shocks stemming from climate risk. The said Stress Test will be conducted in the first half of 2022 by the ECB Banking Supervision.

This test is a learning exercise for banks and supervisors alike. It aims to identify shortcomings, best practices and challenges banks face when managing climate-related risk. Importantly, this is not a pass or fail exercise, nor does it have direct implications for banks' capital levels.

Assessing Climate Risk deriving from the Bank's business borrowers

The Group is exposed to climate-related and environmental risks through its financial activities and its operations. Thus, it recognizes that both rapidly changing regulation, as well as stakeholder demands, may materially affect its business, operations and strategic plans. In this context, the Group assesses its exposure to material C&E risks through its borrowers, customers, and counterparties. C&E risks can affect several important aspects of the Group's financial position, both in the short-term but more likely in the medium and long-term and can also pose new challenges for the Group's Risk Management.

The Group has developed a propriety Climate Risk Management Model (CRMM) named Climabiz which is used for the annual assessment of the business borrower's climate risk.

The CRMM estimates, in euro monetary terms, the risks and opportunities deriving from climate change, for economic sectors and businesses in which the Bank is exposed and are deemed vulnerable to climate change.

The CRMM uses climate scenarios, which simulate both the historical (period 1961-2020) and the future (period 2021-2050) climate across the country. The observed changes in a number of climatic parameters (temperature, rainfall, sunshine, etc.), are entered in specialized computational models, which in turn provide estimations of the impact of these climatic changes on production activities.

The Climabiz tool uses three climate scenarios of RCPs through which they will be simulated for different regions of the country, both for the historical (period 1971-2020) and for the future (period 2021-2050) climate. These climate scenarios include the adoption of ambitious RCP2.6 emission reduction policies, the climate scenario representing the evolution of climate change without the implementation of additional policies for the emissions reduction RCP8.5 and the intermediate scenario RCP4.5.

For the estimation of the business borrower's climate risk in 2020, the medium scenario (RCP4.5) was chosen. This choice was made due to the greater availability of climate data in high spatial and time resolution and because the RCP4.5 climate scenario better reflects the existing commitments of the EU countries regarding the implementation of climate policies.

The CRMM is able to estimate for each economic sector and business borrower the physical risk (acute and chronic) and transition risk. The assessment of the business borrowers' climate risk is based on its turnover, as well as other parameters related to the specific sector or sub-sector of the economic activity. Indicatively:

- for the Agriculture Sector: the type and method of cultivation, geographical region
- for Services: the climate zone and for Hotels in particular the season duration, year of construction, type of energy utilized
- For Manufacturing: the type of manufacturing is involved in (steel industry, oil refinery, aluminum production etc.)
- For Electricity Production: the fuel and the technology utilized as well as the installed capacity and annual electricity production.

Additionally, the business borrowers are categorized according to whether they participate in the EU Emissions Trading System (EU – ETS), a factor, which is taken into account due to transition risk.

Based on the most recent information available for counterparties, which is for the year 2020, the total climate risk of circa 80% of the Bank's business borrowers was estimated at € 1.9 billion on an annualized basis, which corresponds to 0.9% of their total turnover. The physical risk constitutes 41.9% while the Transition Risk 58.1% of the estimated total clients' climate risk.

The further harmonization of the Climabiz Tool according to the TCFD recommendations and the requirements of the supervisory bodies is a constant pursuit of the Group.

Finally, work is currently in progress to enhance the Group's understanding of the climate related impact and how will this feed into the credit risk materiality and overall credit risk management. In accordance to the ECB Guide (Nov.2020) which describes how institutions are expected to consider C&E risks in their business, the Group's main focus points in 2022 along with planned initiatives that address the 13 ECB expectations also include the following:

- the creation of C&E Risks Framework (principles, process, governance, policy);
- the further integration C&E risks into the Risk Management Framework (Risk Identification, Risk Appetite, ICAAP); and
- the enhancement of the current Environmental Social Management System – ESMS with the gradual integration of Climate related risks for the loan origination process and its incorporation into the Credit Policy.

Liquidity

As at 31 December 2021, Group deposits increased by 11.7% compared to 31 December 2020, to € 55.4 billion, mainly due to the significant increase of private sector deposits.

In 2020, as a response to Covid-19 pandemic's effects on the European economy, the ECB announced easing off the conditions for targeted longer-term refinancing operations – TLTRO, in order to leverage its use by credit institutions. The Group raised a total of € 14.5 billion as of 31 December 2021 (€ 11.0 billion as of 31 December 2020) under TLTRO auctions and retains sufficient cash buffers. This is facilitated through ECB's decision in April 2020 to waive the eligibility criteria and accept Greek sovereign debt instruments as collateral in Eurosystem credit operations. Funding from the interbank market increased mildly to € 0.3 billion as at 31 December 2021, compared to € 0.1 billion as at 31 December 2020.

The Group's balance sheet deleveraging, coupled with the medium-term customer deposits restoration trend, the restored markets access and the Tier 2 issuances in 2019 and early 2020, as well as the issuance of AT1 Capital instrument and Green Senior Preferred Bond in 2021, improved the Group's funding mix and increased its high quality liquid assets ("HQLA") buffer. As at 31 December 2021, the Group's LCR stood at 204.4% (thus, double than the regulatory requirement of 100%) and the net LDR excluding the OPEKEPE seasonal agri-loan at 63.3%.

Furthermore, the ECB decisions for the PEPP (described in the "Macroeconomic environment" section above) that resulted in lowering the Greek 10 year sovereign yield to historically low levels, combined with: a) the lifting of the 2015 imposed cap on the holdings of Greek Government securities for Greek Banks, effective from 6 March 2020; and b) the waiver to accept Greek sovereign debt instruments as collateral in Eurosystem credit operations on 7 April 2020, has created more favorable conditions for Greek Banks to utilize ECB funding and enhance their liquidity position at competitive cost.

Capital adequacy

The Group's Basel III Common Equity Tier 1 ("CET1") ratio as at 31 December 2021 stood at 11.12% while the total regulatory capital ratio stood at 15.75% as at the same date. The OCR ratio stands at 14.25% in 2021, as set by the SSM through the SREP. However, the measures that the ECB Banking Supervision announced on 12 March 2020, allow Banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance ("P2G") and the CCB, which corresponds to 6.33% CET1 capital requirement for the Group, until 31 December 2022. In addition, Banks are also allowed to partially use capital instruments that do not qualify as CET1 capital, for example AT 1 or Tier 2 debt instruments, to meet the Pillar 2 Requirements ("P2R").

Following the conclusion of the SREP (Supervisory Review and Evaluation Process), the ECB informed Piraeus Financial Holdings Group of its OCR, valid for 2022 (not taking into account Covid-19 mitigating measures). According to the decision, the Group would have to maintain an OCR of 14.25%, which includes: (a) the minimum Pillar I total capital requirements of 8.00% as per article 92(1) of Regulation 575/2013/EU; (b) the additional Pillar II capital requirement of 3.00% as per article 16(2) of Regulation 1024/2013/EU; (c) the fully loaded capital conservation buffer of 2.50% as per Regulation 575/2013/EU, and (d) the fully loaded Other Systemically Important Institutions ("O-SII") capital buffer of 0.75% under Greek Law 4261/2014.

In March 2020, the EBA recommended to European Banks on making full use of the flexibility embedded in the regulatory framework in terms of loans classification as non-performing and loss provision expectations for NPEs that are covered by state guaranteed schemes and payment moratoria. By utilising this flexibility, European Banks' capital adequacy ratios are expected to be burdened in subsequent quarters by a smaller degree compared to a scenario under which this flexibility would not be utilised, thus enabling the maintenance of capital buffers.

Refer to Note 4.16 for further details on the Group's capital adequacy.

2.3 Adoption of International Financial Reporting Standards ("IFRSs")

The following amendments to existing IFRSs, have been issued by the International Accounting Standards Board ("IASB"), have been endorsed by the EU as of the date the Annual Financial Statements were issued and are effective from 1 January 2021.

Amendments to Accounting Standards

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendment) "Interest Rate Benchmark Reform – Phase 2". This is the second part of the two-phase project on Interest Rate Benchmark Reform. The amendment aims at reflecting the effects of transitioning from benchmark interest rates, such as interbank offer rates (IBORs) to alternative benchmark interest rates without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The Group and the Company have adopted the aforementioned amendment and they have set up an IBOR transition program to implement the transition to alternative interest rates that focuses on key areas of impact on customers' contracts, systems and processes, financial reporting, valuation, capital and liquidity planning and communication. Refer to Note 4.18 for details on the transition program.

IFRIC Agenda Decision: IAS 19 "Employee benefits" - Attributing benefit to periods of service

In May 2021, the International Financial Reporting Interpretations Committee (IFRIC) finalized an agenda decision that includes material explaining how the applicable principles and requirements in IFRS Standards apply on attributing benefits to periods of service on a specific fact pattern of a defined benefit plan. According to the specific fact pattern, for those employees that are entitled to a lump sum benefit payment only upon retirement and that the retirement benefit depends on the length of employee service prior to retirement (capped to sixteen years of consecutive years of service), the retirement benefit is attributed to each of the last sixteen years of service prior to the retirement age.

The Group and the Company have adopted the aforementioned decision retrospectively as a change in accounting policy. The retrospective application of the said accounting policy does not have a material effect on the information on the statement of financial position as at 1 January 2020. Refer also to Note 2.4.31 for the Group's and the Company's accounting policy.

According to IAS 8, the opening balance of each affected component of equity as at 1 January 2020 and the other comparative amounts for each prior period presented, have been adjusted as if the new accounting policy had always been applied. Specifically, the actuarial liability as at the beginning and end of the year 2020 was revised and the disclosures for the year 2020 were restated. In order to revise the actuarial liability under the new methodology as at 1 January 2020, an actuarial valuation was carried out as at 31 December 2019. The impact (net of tax) in the Group's equity as at 1 January 2020 was an increase of € 43 million. In addition, the revised actuarial valuation carried as at 31 December 2020 under the new methodology resulted in an incremental charge in the income statement for year 2020 of € 4 million and a defined benefit liability of € 88 million. Refer to Note 48 for the restatement of the comparative amounts.

Amendments to standards that have been issued by the International Accounting Standards Board and have been endorsed by the E.U., but they are not effective in 2021 nor have they been early adopted by the Group and the Company:

IFRS 3 (Amendment) "Business Combinations". The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

IAS 16 (Amendment) "Property, Plant and Equipment". The amendment prohibits the deduction from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, such sales proceeds and related cost are recognised in profit or loss.

IAS 37 (Amendment) "Provisions, Contingent Liabilities and Contingent Assets". The amendment specifies which costs a company includes when assessing whether a contract is loss making.

Annual Improvements 2018-2020

IAS 1 (Annual Improvement) "Presentation of Financial Statements". The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 (Annual Improvement) "Financial Instruments". The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability.

IFRS 16 (Annual Improvement) "Leases". The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor.

The Group and the Company have not early adopted the above amendments, however it is not expected any material impact on the Group and the Company's financial statements.

Amendments to standards that have been issued by the International Accounting Standards Board but they have not yet been endorsed by the E.U., and therefore they have not been adopted by the Group and the Company:

IAS 1 (Amendment) "Classification of Liabilities as Current or Non-current". The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

IAS 1 (Amendment) "Presentation of Financial Statements" and IFRS Practice Statement 2: Disclosure of Accounting Policies. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

IAS 8 (Amendment) "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendment introduces the definition of accounting estimates and includes other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

IAS 12 (Amendment) "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction". The amendment is applied to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred tax for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

2.4 Significant accounting policies

2.4.1 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (including structured entities), which are entities controlled by the Company. Control is achieved, if and only if, the Company has a) power over the subsidiaries b) exposure, or rights to variable returns from its involvement with the subsidiaries and c) the ability to use its power over the subsidiaries to affect Company's returns.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income, respectively, from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit/ (loss) for the period and total comprehensive income/ (expense) of subsidiaries are attributed to the owners of the Company and to the non-controlling interests, even if these results in the non-controlling interests are of a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those adobted by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.4.2 Intragroup distributions in kind by the distributing entity

Distribution of non-cash financial assets to entities within the Group, which are scoped out from IFRIC 17, is recognised directly in equity, at the book value of the assets being distributed. Specifically, in cases where the distribution refers to a previously unrecognised asset (e.g. because the derecognition requirements of IFRS 9 were not met prior to the distribution), the amount to be accounted for directly in equity is determined based on the carrying amount of the on balance sheet assets derecognised and the value of the rights and obligations created as a result of the distribution, in accordance with the recognition and measurement requirements of the applicable standards.

2.4.3 Non-controlling interests

Non-controlling interests are measured on the date of acquisition either at their proportionate interest of the recognized amounts of the acquirer's net assets or at fair value. The choice of measurement is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income/ (expense) is attributed to non- controlling interests even if this results in the non-controlling interests having a deficit balance.

2.4.4 Loss of control over a subsidiary or a business

When the Group loses its control over a subsidiary or a business, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary or business disposed of, and non-controlling interests, if any. For assets of the subsidiary or business carried at fair value with the related cumulative gain or loss recognised in other comprehensive income, the amounts previously recognised in other comprehensive income are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to the income statement or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.4.5 Associates

Associates are all entities over which the Group has significant influence, but not a controlling interest. Significant influence is generally presumed when the Group holds, directly or indirectly, more than 20% of the voting rights, unless it can be clearly demonstrated that this not the case. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group has significant influence.

Investments in associates are accounted for by applying the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost. Goodwill arising on the acquisition of an associate is included in the carrying amount of the investment (net of any accumulated impairment loss). The carrying amount of the investment is increased or decreased by the proportionate share of the associate's post-acquisition profits or losses (recognised in the Group's consolidated income statement) and movements in reserves (recognised in reserves). Dividends received from the associate during the year reduce the carrying value of the investment. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Where necessary, the associate's financial statements used in applying the equity method are adjusted to ensure consistency with the accounting policies adopted by the Group.

2.4.6 Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method (refer to Note 2.4.5).

2.4.7 Investments in subsidiaries, associates and joint ventures in the separate financial statements

In the separate financial statements, investments in subsidiaries, associates and joint ventures are initially and subsequently measured at cost less impairment.

2.4.8 Impairment of investments in subsidiaries, associates and joint ventures

The Group and the Company assess whether there is any indication that an investment in a subsidiary, associate or joint venture may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment. Where the carrying amount of an investment is higher than its estimated recoverable amount, it is written down to its recoverable amount.

The Group and the Company, in the context of the impairment assessment of the carrying amount of its investments in subsidiaries, associates or joint ventures, have defined both quantitative and qualitative triggers. The qualitative triggers are related to companies' financial changes, forward-looking developments in the countries and / or economy sectors in which they operate, changes in management etc.

An impairment loss recognised in prior years can be reversed only if there has been a change in the assumptions used to determine the recoverable amount of the investment since the last time an impairment loss was recognized. In this case, the carrying amount of the investment is increased to its recoverable amount and this increase is the reversal of the impairment loss.

2.4.9 Foreign Currency translations

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The Financial Statements are presented in millions of Euro (€), which is the functional currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets are a component of the change in their fair value and are recognised in the income statement for equity securities held for trading, or in other comprehensive income for equity securities classified as FVTOCI. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Group companies

When preparing the consolidated financial statements, assets and liabilities of foreign entities are translated at the exchange rates prevailing at the reporting date, while income and expense items are translated at average rates for the reporting period.

Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity's opening net asset balance at closing rate are recognised directly in foreign currency translation reserve within other comprehensive income. When a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the separate financial statements of both companies are reclassified to other comprehensive income upon consolidation.

2.4.10 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised in "interest and similar income" and "interest expense and similar charges" in the income statement using the effective interest rate method. The effective interest rate discounts any estimated future payment or proceeds throughout the life of a financial instrument or until the next date of interest reset, in order for the present value of all future cash flows to be equal to the carrying amount of the financial instrument, including any fees or transaction costs incurred. Fees and direct costs relating to financial instruments measured at amortised cost are deferred and amortised to interest income or expense over the life of the instrument using the effective interest rate method.

In particular, the following apply for financial assets:

- For those financial assets classified within Stage 1 or Stage 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

- For those financial assets classified within Stage 3, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the financial asset cures, then it is transferred to Stage 2.

- For purchased or originated credit impaired ("POCI") financial assets interest income is calculated similar to the Stage 3 loans and by applying the credit adjusted effective interest rate of the financial asset. The credit adjusted effective interest rate is the rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the purchased or originated credit impaired financial asset.

2.4.11 Fees and commission income and expense

The Group applies the following five step model to all contracts with customers, except for lease arrangements and financial instruments:

- Identification of the contract(s) with the customer;

- Identification of the performance obligations in the contract;

- Determination of the transaction price;

- Allocation of the transaction price to the performance obligations; and

- Recognition of revenue when the performance obligation is satisfied.

As such, the Group recognises revenue when a performance obligation is satisfied, that is when control of the services or goods is transferred to the customer.

Fees and commission income/expense are recognised over time when the relevant services are provided. For instance, fee income on asset management services and on real estate management services is recognised as the service is being rendered to the customer.

Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part on the loan package for itself or retains part at the same effective interest rate with the other participants. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised at a point in time when the transaction is completed. Fees on the execution of transactions (e.g. sales and brokerage commissions) are recognised upon completion of the transaction.

2.4.12 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.4.13 Financial assets at FVTPL or mandatorily at FVTPL and loans and advances to customers mandatorily at FVTPL

Financial assets at FVTPL

Financial assets measured at FVTPL are all financial assets that do not meet the criteria of being measured at either amortised cost or FVTOCI. The changes in fair value of such financial assets are recognised in the income statement, in line “net gains/(losses) from financial instruments measured at FVTPL”.

Financial assets mandatorily at FVTPL

Equity instruments are measured mandatorily at FVTPL unless the Group and the Company irrevocably elect to measure at FVTOCI.

Debt securities measured mandatorily at FVTPL are exposures for which the contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI Fail).

Loans and advances to customers mandatorily at FVTPL

Loans and advances to customers mandatorily at FVTPL are credit exposures for which the contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI Fail).

2.4.14 Sale and repurchase agreements and securities lending

Securities sold subject to repurchase agreements (repos) are reclassified in the financial statements as pledged assets when the transferee has the right by contract to sell or repledge the collateral; the counterparty liability is included in amounts “Due to banks” or “Due to customers”, as appropriate.

Securities purchased under agreements to resell (reverse repos) are recorded as "Reverse repos with customers". "Reverse repos with customers" are carried at amortised cost using the effective interest rate method.

The difference between sale and purchase price of the aforementioned securities is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities transferred to counterparties by the Group are presented in the statement of financial position as assets, in the case that the Group retains substantially all the risks and rewards of ownership of these securities.

Securities transferred to the Group by counterparties are not recognized in the statement of financial position, except in the case of counterparty's bankruptcy. If the securities are sold to a third party, the Group recognises the consideration received as well as the corresponding obligation to return the securities, at fair value in the statement of financial position.

2.4.15 Investment Securities measured at FVTOCI

Debt securities

A financial asset is measured at FVTOCI if both of the following conditions are met:

- The asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling assets (Hold to Collect and Sell) and

- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A Hold to Collect and Sell ("HTC&S") business model applies when the Group has made a decision that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. In order to determine whether this is so, Management considers:

- If the business model will typically involve greater frequency and value of sales than a Hold to Collect ("HTC") model,

- If there are various objectives that may be consistent with this type of business model, such as to:

    - manage everyday liquidity needs;

    - maintain a particular interest yield profile; or

    - match the duration of the financial assets to the duration of the financial liabilities that those assets are funding.

The financial assets, after initial recognition, are measured at FVTOCI with any unrealised gains/losses recorded directly in other comprehensive income, until these financial assets are derecognised. On the date of derecognition (upon the sale or collection of the asset) or reclassification (when and only when there is a change in the business model) to the FVTPL category, the cumulative fair value gains/losses of debt securities are reclassified from equity to the profit or loss as a reclassification adjustment. In the income statement, the Group recognizes interest income using the effective interest rate method, the impairment losses, the foreign exchange gains and losses and any modification gains or losses.

Equity instruments

At initial recognition, the Group and the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is not held for trading. This election is made on a "one to one" basis.

Furthermore, equity instruments that are measured at FVTOCI are not subject to any impairment and any accumulated gains and losses recognised in other comprehensive income are not subsequently reclassified to the income statement, but may be reclassified within equity (to the retained earnings).

Only dividend income on such equity instruments is recognised in the income statement, unless the dividend clearly represents a recovery of part of the cost of the investment. Dividends are recognized in profit or loss only when:

a) the Group's and the Company's right to receive payment of the dividend is established;

b) it is probable that the economic benefits associated with the dividend will flow to the Group and the Company; and

c) the amount of the dividend can be measured reliably.

All other gains and losses (including those relating to foreign exchange) are recognised in other comprehensive income.

2.4.16 Derivative financial instruments

Derivative financial instruments mainly include currency and interest rate swaps, forward rate agreements, futures and options (both written and purchased). Derivatives are initially recognised in the statement of financial position at fair value on the date when the Group engages into the contract (i.e. trade date) and subsequently remeasured at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Where the Group enters into derivative instruments used for trading purposes, realised and unrealised gains and losses are recognised in the income statement. Changes in the fair values of derivative financial instruments are included in line item "net gains/ (losses) from financial instruments measured at FVTPL". A derivative may be embedded in another financial instrument, known as "host contract". If the host is any contract other than a financial asset, the embedded derivative is bifurcated from its host and treated as a separate derivative, provided that its risks and economic characteristics are not closely related to those of the host contract, the embedded derivative actually meets the accounting definition of a derivative and the host contract is not carried at fair value with unrealised gains and losses reported in the income statement. If the host contract is a financial asset, the entire hybrid instrument is measured either at amortised cost or fair value.

2.4.17 Hedge accounting

The Group has elected to continue applying hedge accounting under IAS 39, as permitted by IFRS 9. A hedge accounting relationship is established by the Group, only if all of the following criteria are met:

- at inception of the hedge, there is formal designation and documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship;

- the hedge is expected to be highly effective in offsetting the risk in the hedged item throughout the hedging period. A hedge is considered to be highly effective when the Group achieves offsetting changes in fair value between 80 percent and 125 percent for the risk being hedged; and

- the hedge is highly effective on an ongoing basis.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to profit or loss over the period to maturity. The amortization is based on the recalculated effective interest rate at the date the amortisation commences. The unamortised adjustment to the carrying amount of a non-interest bearing hedged item is recognized immediately in the income statement.

2.4.18 Loans and advances to customers at amortised cost

Loans and advances to customers include financial assets measured at amortised cost for which both of the following conditions are met:

i. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
ii. 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 (SPPI pass).

Loans and advances to customers at amortised cost drawn down by the Group and the Company are initially recognised at fair value (plus any transaction costs) and measured subsequently at amortised cost using the effective interest rate method. Interest on loans and advances to customers is included in the income statement and is reported within line item “Interest and similar income”.

A debt asset under the legal form of a collateralized loan obligation (“CLO”), that meets both conditions for amortised cost measurement, is presented within loans and advances to customers if no active market exists for that asset at the time of purchase.

Senior notes held by the Group, which are issued under securitization of loans, are presented within loans and advances to customers provided that both conditions for amortised cost measurement are met.

The Group and the Company recognise an expected credit loss impairment on loans and advances to customers at amortised cost when it is estimated that it will not be in a position to receive all payments due, as defined by the contract of the loan. The amount of the ECL allowance for impairment on loans and advances to customers at amortised cost is the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate of the loan (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

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

a. that there is a significant increase in credit risk since their initial recognition (allocated to Stage 2);
b. that are credit impaired (allocated to Stage 3); and
c. that are purchased or originated credit impaired “POCI”,

an impairment loss equal to lifetime expected credit losses is recognized.

Protection fees payable by the Group to protection sellers in the context of synthetic securitizations are presented within line item “other credit-risk related charges on loans and advances to customers at amortised cost”.

Default Definition

The Group and the Company apply the EBA NPE definition. In accordance with the Group’s and the Company’s Impairment Policy, a financial asset is considered as credit impaired and is classified into Stage 3 when it is classified as NPE.

The definition of default is assessed:

- On a contract level for retail portfolio.
- On an obligor level for non-retail portfolios.

The determination of a significant increase in credit risk takes into account many different factors and varies per portfolio type. The main criteria considered in making this determination are the following:

- Primary criteria
  - significant increase in the probability of default (“PD”) of the financial instrument at the reporting date, compared to the one calculated at the initial recognition date, based on certain absolute (6.5%) or relative (200%) thresholds. The previous year the aforementioned thresholds were absolute 3%-6.5% and /or relative 200%. The change was implemented in the context of the regular reassesment of PD sicr thresholds.
- Secondary criteria
  - existence of forbearance;
  - behavioral flags (i.e. monitoring the maximum delinquency bucket for the last 12 months);
  - existence of default event over the last 12 months;
  - Watch list.
- Backstop
  - the Group and the Company apply the IFRS 9 presumption that a SICR has occurred when the financial asset is more than 30 days-past-due and all such exposures are classified in Stage 2.
- Additional criteria due to Covid-19 pandemic
  - The Group and and the Company apply the additional SICR criteria introduced in year 2020, without relaxing any of the existing thresholds, in order to effectively allocate exposures which received Covid-19 moratoria. These criteria consider probabilities of default, industry characteristics and pre-pandemic performance. Refer to Note 4.

Key Impairment Modeling Concepts

ECL is a function of the PD, Exposure at Default (“EAD”) and Loss Given Default (“LGD”) and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement to reflect factors not captured in models.

The Group considers as individually significant, facilities to Corporate and Individual customers that satisfy all of the following criteria:

- The aggregate exposure at debtor level at the period end reporting date exceeds the amount of € 1 million or the equivalent in foreign currency.
- The exposures are classified as NPE.

The result of the individual assessment is further adjusted by incorporating the effect of macroeconomic scenarios determined on the basis of the estimates of the collective projection models.

The collective impairment assessment is carried out on all loans classified in Stages 1 and 2 as well as Stage 3 provided that they have not been individually assessed. Loans and advances to customers at amortised cost are grouped on the basis of similar credit risk characteristics (i.e. arrears bucket, industry sector, business/product segment, and other relevant factors). These characteristics are indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement of the debtor's credit rating), the previously recognised impairment loss is reduced and the gain is recognised in the income statement.

Forborne loans are defined as exposures arising from loan agreements that have been subject to forbearance measures. The measures are considered as a concession of the Group and the Company to a borrower who is facing or is about to face financial difficulties in fulfilling its financial obligations. Forbearance may involve modification of contractual terms and conditions and / or refinancing of debts.

Forborne loans are tested for impairment in accordance with the IFRS 9 Impairment policy for loans and advances to customers at amortised cost as described above.

2.4.19 Modification of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Group and the Company recalculate the gross carrying amount of the financial asset and recognize a "modification gain or loss" in the profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

2.4.20 Derecognition of financial assets

A financial asset is derecognized when:

- the contractual rights to the cash flows from the asset expire; or
- the Group and the Company transfer the financial asset and the transfer qualifies for derecognition.

The term "financial asset" is used to refer to either the whole, or a part, of a financial asset (or the whole or a part of a group of similar financial assets).

The contractual rights to the cash flows from that asset have expired when for example:

- a loan receivable is repaid;
- a purchased option expires unexercised.

The Group and the Company transfer a financial asset if, and only if, it either:

- transfers the contractual rights to receive the cash flows of the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows on to one or more recipients.

If substantially all the risks and rewards of ownership of the financial asset are transferred, the financial asset must be derecognized and any rights and obligations created or retained in the transfer must be recognized separately as assets or liabilities.

It is a business practice, to proceed with restructuring of debt instruments particularly but not always when debtors are in financial difficulties. When the restructuring results in a substantial modification to the terms of a loan due to financial distress of the debtor or the restructuring takes place solely on the basis of a commercial renegotiation, the loan is derecognized. For financial distress restructurings, the Group has defined derecognition criteria such as: change of debtor, change of currency denomination, introduction of a conversion to equity option to the modified contract and consolidation of different types of contracts.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount of the asset as at the date of the derecognition; and
- the consideration received (i.e. any new asset originated/received less any new liability assumed)

is recognised in the income statement as a "Derecognition gain or loss".

2.4.21 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or substantial modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.4.22 Intangible assets

Software

Costs associated with the acquisition of software programs, which will probably generate economic benefits to the Group for more than one year, are recognised as intangible assets. Expenditure that enhances or extends the performance of computer software programmes beyond their original specifications or software upgrade expenses are added to the original cost of the software, as long as they can be measured reliably.

Subsequent to initial recognition, software is measured at cost less accumulated amortisation and accumulated impairment loss. Software is amortised on a straight line basis and based on its useful life, which is from 2 to 11 years.

At the end of each reporting period, the Group reviews the carrying amounts of computer software to determine whether there is any indication of impairment, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the recoverable amount is less than the carrying amount, software is impaired to its recoverable amount.

Costs associated with maintaining the performance of the computer software programmes are recognised as an expense in the profit or loss as incurred.

Software is derecognised when:

(a) it is disposed; or

(b) when no future economic benefits are expected from use or disposal of the software.

The gain/loss on the disposal of software is defined as the difference between the net proceeds of the sale, if any, and the net book value of the software.

Other intangible assets

Other intangible assets are initially recognised at cost when it is expected that future economic benefits will be realised from their use. The cost of the intangible asset also includes every directly attributable cost which is required for the full implementation, production and asset's proper operation. Some examples of directly attributable costs are:

- The staff cost which is directly identified and attributed to the development of a particular intangible asset,
- Payments to outside vendors and collaborators, which are attributed to the intangible asset.

Subsequent to initial recognition, other intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss. These assets are amortised in a period of 5-10 years, depending on the useful life of each asset, on a straight line basis. The useful life of other intangible assets is reviewed by the Group annually.

At the end of each reporting period, the Group reviews the carrying amounts of other intangible assets to determine whether there is any indication of impairment i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the recoverable amount is less than their carrying amount, other intangible assets are impaired to their recoverable amount.

Other intangible assets are derecognised when:

(a) they are disposed; or

(b) when no future economic benefits are expected from their use or disposal.

The gain/loss on disposal of the intangible asset is defined as the difference between the net proceeds of the sale, if any, and the net book value of the intangible asset.

2.4.23 Property and equipment

The Group holds property and equipment for use in the supply of services or for administrative purposes. Property and equipment includes: land, own-use buildings, leasehold improvements, furniture and other equipment, right of use assets and transportation means.

Property and equipment are initially measured at cost, which includes all costs necessary to bring an asset into operating condition.

Property and equipment are subsequently measured at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. At the end of each reporting period, the Group reviews the carrying amounts of property and equipment to determine whether there is any indication of impairment, i.e. whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they incur.

Depreciation on property and equipment is calculated using the straight-line method based on the estimated useful lives and taking into account their residual values. The Group conducts an assessment of the estimate for the useful lives and the residual values of the property and equipment on an annual basis.

Depreciation of property and equipment begins when it is available for use and ceases when it is derecognised. In the case where the asset is idle or retired from active use, it continues to be depreciated until it has been fully depreciated. The useful lives per fixed asset category is as follows:

Computer hardware	3-5 years
Leasehold improvements	the shorter of useful life and lease term
Furniture and other equipment	5-10 years
Means of transportation	6-9 years
Own-use buildings	25-40 years
Land	is not depreciated

Right of use assets are depreciated according to the asset category in which they belong.

An own-occupied property is derecognised and its carrying amount is written-off, according to the provisions of IAS 16, upon disposal or when no future economic benefits are expected to flow to the Group. Property may be disposed through sale or lease agreement (as lessor) or donation. The gain or loss on disposal of own-occupied property is defined as the difference between the sale price (less cost to sell) and the carrying value of the property as at the date of the disposal. Such gain or loss is recognised in the income statement.

2.4.24 Investment property

Property that is held for long-term rental yields or for capital appreciation is recognised as investment property in the Group's statement of financial position. Investment property includes freehold land, freehold buildings or parts of buildings, land and buildings held under leases.

A property interest that is held by the Group as a lessee is classified and accounted for as investment property if and only if the definition of investment property is met according to IFRS 16 "Leases".

Investment property is initially recognised at cost including related transaction costs.

After initial recognition, investment property is carried at fair value, as this is assessed by independent valuers. Fair value is based on active market prices or is adjusted, if necessary, for any difference in the nature, location and condition of the specific asset. Additionally, fair value measurement takes into account the Group's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The following valuation methods are used:

i. Comparative Method. According to this method, the valuation is based on the conclusions drawn from research and collection of information about other comparable properties.

ii. Income Approach. This method calculates the fair value of each property based on the capitalized value of the present lease.

iii. Cost Approach. This method calculates the fair value of each property based on the cost of replacement of each property or its exploitation.

iv. Residual Method. This method is based on the highest price a willing buyer would pay for a plot of land, in order to use it and then operate it.

The above mentioned valuation methods are used by independent valuers in the context of the fair valuation of investment property. The fair value of investment property that is not estimated by valuers, is determined using a methodology based on valuations that have been carried out.

Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Fair values of investment properties reflect current lease income, as well as assumptions for future leases, taking into account current market conditions.

Pursuant to the provisions of IAS 40 "Investment Property", subsequent expenses are recognized in the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and its cost can be measured reliably. Improvement and maintenance costs are recognised in the Income Statement during the year in which they incur.

Changes in fair value are recognized in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its new deemed cost.

Property that is being constructed or developed for future use as investment property is classified as property and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

An investment property is derecognised from the statement of financial position upon disposal. An investment property may be disposed of through a sale or lease agreement. Gains or losses arising from investment property withdrawal or disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the investment property on the date of the disposal. Such difference is recognised in the income statement.

2.4.25 Non-current assets held for sale ("HFS") and Discontinued operations

The Group classifies a non current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the following conditions must be met:

a) the non-current asset must be available for immediate sale at its present condition;

b) its sale is highly probable;

c) the appropriate level of management is committed to a plan to sell;

d) an active programme to locate a buyer and complete the plan has been initiated;

e) the non-current asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and

f) the sale of the non-current asset must qualify as a completed sale within 12 months from the date of classification in the HFS category.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale are not depreciated. Gains/ losses from sale of these assets are recognised in the income statement.

A discontinued operation of the Group, refers to a clearly distinguished business operation of the Group that either has been disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Assets and liabilities from discontinued operations are presented in a separate line in the statement of financial position and are not offset. Similarly, profit or loss after tax from discontinued operations is also presented in separate line in the income statement.

2.4.26 Inventory property

Inventory property includes land and buildings acquired by the Group through auctions for the full or partial recovery of their receivables. These properties are included in "Other Assets" in the statement of financial position.

Inventory property includes land and buildings acquired that do not meet the requirements of IAS 40, as well as property owned by the Group's subsidiaries that are sold in the context of their normal course of business. Inventory property is accounted for according to IAS 2 "Inventories" and are measured at the lower of cost and net realisable value. The cost of the inventory property is determined using the weighted average cost method. The net realisable value is the estimated selling price, less any expenses necessary to conclude the sale.

Inventory property are derecognised from the statement of financial position at their disposal. The gain/loss resulting from the disposal of the inventories property is determined as the difference between the net realisable value less cost to sell and the carrying amount of the property. This difference is recognized in the income statement.

2.4.27 Leases

A. The Group is the Lessee

The Group and the Company following the provisions of IFRS 16 at the inception of a contract, assess whether the contract is or contains a lease based on whether the Group and the Company have the right to control the use of an identified asset for a period of time in exchange for a consideration and obtain substantially all the economic benefits from the use of the asset.

At the commencement of the lease, the Group and the Company recognize a right-of-use asset ("RoU") representing their right to use the underlying asset and a lease liability representing their obligation to make lease payments.

Under IFRS 16, the Group and the Company recognize right of use assets and lease liabilities for all their lease contracts that fulfil the definition of a lease.

The Group and the Company applying IFRS 16 for all leases:

a) recognize lease liabilities in the statement of financial position;

b) recognize right-of-use assets in the statement of financial position;

c) recognize depreciation of right-of-use assets and impairment based on IAS 36 "Impairment of Assets" in the income statement;

d) recognize finance cost on lease liabilities; and

e) separate the total amount of cash paid into a principal portion (presented within financing activities) and finance cost (presented within operating activities) in the cash flow statement.

The initial measurement at cost of the RoU assets comprises of:

a) the amount of the initial measurement of the lease liability;

b) any lease payments made less any lease incentives received;

c) any initial direct costs; and

d) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Regarding the subsequent measurement and derecognition, the Group follows the accounting policies and accounting treatment applied for the other assets accounted for in the same asset category as the RoU.

The lease liabilities are initially measured at the present value of the future lease payments using the incremental borrowing rate. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications (which does not constitute a different lease contract). The Group and the Company derecognize the lease liability from the statement of financial position when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (below € 5,000), the Group and the Company recognize a lease expense on a straight-line basis over the lease term as permitted by IFRS 16.

B. The Group is the Lessor

Operating leases

In case that the Group is the lessor under an operating lease (with a third party), the leased assets are stated and carried in the statement of financial position like the other –non leased assets- of similar nature. Lease income of the Group is recognised over the term of the lease by using the straight line method or other systemic method considered as appropriate.

Finance leases

In case that the Group is the lessor under a finance lease (with a third party), the present value of the lease payments is recognized as a receivable in the statement of financial position. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Rental receipts are separated and reduce the balance of the lease receivable.

2.4.28 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition such as: cash, unrestricted cash and balances with Central Banks, trading securities and due from banks. Mandatory reserves with the Central Bank are not available for everyday use by the Group and therefore, these are not included in balances with less than three months maturity.

2.4.29 Provisions

A provision is recognised when:

a) the Group has a present legal or constructive obligation as a result of past events;

b) it is probable, that an outflow of resources will be required to settle the obligation; and

c) the amount of the obligation can be reliably estimated.

If any of the aforementioned conditions are not met, no provision is recognised.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as expense in the income statement.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation as of the balance sheet date. The amount of the provisions raised is reassessed at each reporting date.

2.4.30 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss that incurs because a specified debtor failed to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are issued by banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group’s liabilities under such guarantees are measured at the higher of: a) the initial measurement, less amortisation calculated to recognise in the income statement the accrued fee income earned on a straight line basis over the life of the guarantee and b) the amount of the provision determined through the expected credit loss calculation.

Any change in the liability relating to guarantees is recognized in the income statement, in the period in which it arises.

Any costs or fees paid by the Group or the Company, which are incremental and directly attributable transaction costs to obtain a freestanding financial guarantee or a debt asset with embedded financial guarantee features that is not measured at FVTPL, are capitalized and amortised over the life of the instrument with the effective interest method.

2.4.31 Employee benefits

A. Funded post-employment benefit plans

The funded pension schemes operated by the Group and the Company are financed through payments to grouped insurance contracts or social security funds. The Group’s and the Company’s pension obligations relate both to defined contribution plans as well as defined benefit plans.

The Group and the Company pay fixed contributions to Social Security Funds (state owned administered pension funds), grouped insurance contracts, and has no legal or constructive obligation to pay additional contributions, if the Funds or the insurance companies do not hold sufficient assets to pay all employees the related benefits. Thus, these schemes are classified as Defined Contribution plans. The regular employee’s contributions constitute net periodic costs for the year in which they are due and as such, they are recognised in the income statement under “Staff costs”.

Defined benefit plans are pension plans that define the level of benefits to be provided, usually as a function of one or more factors such as years of service, age and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the obligation at the balance sheet date less the fair value of the plan assets. The Group’s and the Company’s benefit policy for the indemnities aligns with the 2021 IFRIC decision of IAS 19 fact pattern concerning the method of attributing benefits to periods of service. According to the Greek Association of Chartered Certified Accountants instructions, the change in the attribution methodology constitutes a change in accounting policy. Refer to Note 2.3 for the impact from the change in the accounting policy.

The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method.

Actuarial gains and losses

Actuarial gains and losses are recognised directly to the equity of the Group and the Company, when they arise. These actuarial gains and losses are not recycled to the income statement.

Past service costs

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. This cost is recognised directly to the income statement, when the plan amendment or curtailment occurs.

B. Non-funded post-employment benefit plans

The Group and the Company provide non-funded defined benefit plans to its employees on retirement. The requirements for full vesting of benefit entitlements usually include the fulfilment of the conditions for normal retirement or the completion of a minimum service period.

The expected costs of these benefits are accounted for using a methodology similar to that for funded defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

2.4.32 Income tax

Income tax

Income tax benefit/ (expense) represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/(loss) before tax" as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit, to the extent that is probable that taxable profits in the foreseeable future will be available against which such temporarily differences can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all of part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.4.33 Debt securities in issue, hybrid capital and other borrowed funds

The liabilities from the issuance of the debt securities, hybrid capital and other borrowed funds are recognised initially at fair value, net of incurred issuance costs.

After initial recognition, the debt securities and hybrid capital are subsequently accounted at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the securities using the effective interest rate method.

If the Group and the Company purchases its own debt securities issued, these are removed from the statement of financial position, and the difference between the carrying amount of the liability and the consideration paid is included in the income statement.

2.4.34 Other financial liabilities measured at amortised cost

Other financial liabilities such as deposits from banks and from customers are measured at fair value upon initial recognition and subsequently are measured at amortised cost.

2.4.35 Securitisation

The Group securitises financial assets. These assets are purchased by special purpose entities which in turn issue bonds to investors. The Group consolidates special purpose entities when it controls these entities or holds main part of their risks. In such case, the bonds issued under the securitisation of financial assets are presented in the statement of financial position at their amortised cost, unless the securities issued are own-occupied.

2.4.36 Share capital

Incremental costs directly attributable to the issue of share capital decrease equity.

Dividends on ordinary shares are recognized as a liability during the period in which they are approved by the Annual General Meeting of the Company's Shareholders. Interim dividends are recognised as a deduction in the Company's equity when approved by the Board of Directors.

The cost of acquisition of treasury shares (including any attributable incremental transaction costs) is presented as a reduction in equity, until the treasury shares are cancelled or disposed of. The gains or losses from the sale of treasury shares are included directly in equity.

The number of treasury shares held by the Group does not reduce the number of shares issued. Treasury shares held by the Company are not eligible to receive cash dividends. The relevant provisions according to which purchase of treasury shares is not allowed are referred in Note 41.

2.4.37 Related party transactions

Related parties of the Group and the Company include:

a) Members of the Company Board of Directors and the Executive Committee, the Group Chief Internal Auditor, the Group Chief Compliance Officer and the CEOs of the significant subsidiaries, collectively “key management personnel” of the Company;

b) close family members of key management personnel;

c) entities having transactions with the Company, that are controlled or jointly controlled by the key management personnel and their close family members;

d) the Company’s subsidiaries;

e) the Company’s associates;

f) the Company’s joint ventures; and

g) the HFSF which holds ordinary shares in the share capital of the Company and benefits from the special rights stated in article 10 of Law 3864/2010, as amended and in force.

The terms of the transactions with related parties are conducted on an arm's length basis.

2.4.38 Fiduciary activities

The Group provide custody services to third parties for a wide range of financial instruments. These services include safekeeping of securities, clearing and settlement of securities transactions in the Greek market and abroad, execution of corporate actions, income collection, etc., on behalf of individuals, companies and institutional investors. The Group receives fee income for providing these services. Trust assets are not assets of the Group and are not recognized in the financial statements. The aforementioned services give rise only to operational risk, as the Group does not guarantee these investments and therefore does not bear any credit risk.

2.4.39 Segment reporting

The CEO, supported by the members of the Group Executive Committee, is considered the Chief Operating Decision Maker for the purposes of identifying the Group’s reportable segments. All inter-company transactions between business segments are undertaken on an arm’s length basis and inter-segment transactions and balances are eliminated within each relevant segment.

2.4.40 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amount 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 relevant and are reviewed on an ongoing basis. Actual results may differ from these estimates.

The Group believes that the judgements, estimates and assumptions used in the preparation of the Annual Financial Statements are appropriate.

3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are referred separately below), that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Annual Financial Statements.

Significant increase in credit risk ("SICR"): The Group assesses whether a SICR has occurred since initial recognition of a financial asset subject to ECL allowance, based on qualitative and quantitative criteria that include significant Management judgement. Refer to Notes 3.2 and 4.2 for further information on the criteria applied.

Segmentation of financial assets with similar credit risk characteristics: The Group segments exposures on the basis of similar credit risk characteristics for the purposes of assessing both SICR and measuring ECL allowance on a collective basis. Exposures are grouped based on their type and credit risk rating or score. The different segments aim to capture differences in PDs as well as recovery rates in the event of default. The grouping of exposures is reviewed on a quarterly basis in order to ensure that the groups remain homogeneous in terms of their response to the identified similar credit risk characteristics. As far as it concerns SICR, the Group considers the date of initial recognition as well as remaining maturity for each individual exposure.

Selection and calibration of the ECL models: The Group uses various models in estimating the ECL allowance. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models. The complexity of the models, as well as dependency to other model-based inputs, are high therefore any changes in inputs and data (e.g. internal credit ratings, behavioral scores etc.), as well as new or revised models, may materially affect the ECL allowance.

Recognition of deferred tax asset (DTA): Management evaluates the recoverability of the Group's and the Company's DTA at each reporting period. The recognition of a DTA relies on Management's assessment of the probability and sufficiency of future taxable profits to absorb tax losses, future settlement of existing taxable temporary differences and ongoing tax planning strategy. In the absence of a history of taxable profits, the most significant judgements relate to expected future profitability and to the applicability of tax planning strategy. The aforementioned assessment is performed by applying:

a) the prevailing tax legislation related to offsetting of tax losses carried forward with taxable profits generated in future periods (e.g. five years). Following the addition of par.3A to article 27 of Greek Law 4172/2013 (Greek Income Tax Code – "ITC") under Greek Law 4831/2021, the tax amortization of crystallized tax losses from write-offs and disposals of loans that have occurred after 1 January 2016, from 1 January 2021 and onwards can be carried forward for offsetting over a period of 20 years. Refer to Note 14 for further information; or

b) article 27A of the ITC, as currently in force, which allows credit institutions, under certain conditions, and from 2017 onwards to convert DTAs arising from (a) private sector involvement ("PSI") losses, (b) accumulated provisions for credit losses recognized as at 30 June 2015, (c) losses from final write off or the disposal of loans and (d) accounting write offs, which will ultimately lead to final write offs and losses from disposals, to a receivable (Tax Credit) from the Greek State. Refer to Note 14 for further information.

Valuation of investment and inventory properties: The carrying amount of investment property and the net realizable value of inventory property are measured at fair value. Fair value is estimated on an annual basis, by independent professional appraisers for the entirety of individually significant and a sample of non-individually significant properties. The Bank defines a property as individually significant, if its carrying amount exceeds € 5 million. The total carrying amount of the individually significant properties as of 31 December 2021 was € 0.5 billion. The fair value of properties not assessed by independent appraisers, is determined using extrapolation techniques. The total carrying amount of investment and inventory properties not individually valued by independent appraisers for the Group as of 31 December 2021 is € 0.6 billion and € 1.0 billion respectively. Had a different threshold been applied for defining individually significant properties, or a different extrapolation technique on non-individually significant properties, the carrying amount of the said properties may have been significantly different.

Impairment assessment of the Company's equity shareholdings in Group companies: The Company assesses for impairment its investments in subsidiaries, associates and joint ventures in its separate financial statements, as described in Note 2.4.8. The Company performs its assessment based on specific indicators (e.g. market capitalization, multiples etc.) and thresholds, which Management believes are reasonable and supportable in the existing market environment. However, had other criteria or thresholds been applied, the impairment assessment conclusion and measurement may have been different.

Assessment of control over investees: Management exercises judgement to assess if the Group controls another entity including structured entities. The assessment of control or loss of control is carried out according to the Group's accounting policies and the applicable accounting framework. Management's assessment of control takes into account the structure of the transaction, the contractual arrangements and whether the Group directs the substantive decisions that affect the returns.

3.2 Key sources of estimation uncertainty

The following are key estimations that Management has used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the Annual Financial Statements.

Significant increase in credit risk criteria: The Group did not relax any of the thresholds or assumptions of the model-based staging outcome compared to the year ended 31 December 2020. The Group's stage allocation model is based on a complete set of quantitative and qualitative criteria and incorporates lifetime expectations on macro-environment and probabilities of default. The aforementioned model structure effectively captures expected changes in credit quality. Furthermore, in 2020 the Group considered additional SICR criteria in order to capture the remaining uncertainty derived from the Covid-19 pandemic. Refer also to Note 2.2. The additional criteria, based on probabilities of default, industry characteristics and pre-pandemic performance were also applied in 2021 to effectively allocate exposures opted into Covid-19 moratoria across the three stages. The aforementioned approach increased the population scoped under lifetime ECL calculation by € 0.9 billion. Changes in the assumptions used with regards to those variables would have an effect on the ECL.

Determination of scenarios, scenario weights and macroeconomic factors: To achieve the objective of measuring ECL, the Group evaluates a range of possible outcomes in line with the requirements of IFRS 9, through the application of three macroeconomic scenarios i.e. base, pessimistic and optimistic, in a way that reflects an unbiased and probability weighted outcome. Each of the aforementioned scenarios, is based on the Group's dedicated macro-forecasting model and Management's assumptions for future economic conditions in the form of macroeconomic, market and other factors.

For the year ended 31 December 2021, the Group has applied scenario weights similar to those applied as of 31 December 2020, in order to address the remaining uncertainty over the path of the Covid-19 pandemic, the range and duration of its economic impact. Changes in scenarios and weights, as well as the corresponding set of macroeconomic variables and assumptions made around those variables would have an effect on ECL.

Despite a broad recovery in economic conditions during 2021, ECL estimates continued to be subject to a high degree of uncertainty. This is reflected in both the selection of economic scenarios and their weightings. The Group's standard approach is based on the development of a fan-chart for the annual GDP growth forecast. Fan-chart approach can be used to determine the probability of a GDP growth rate higher or lower than the baseline path in terms of standard deviation and time. The shape of the fan-chart indicates the central projection, the degree of uncertainty and the degree of asymmetry. In light of ongoing risks, related primarily to the Covid-19, management deviated from the pre-pandemic standard probability weighting approach (31 December 2019: base scenario 60%, optimistc 20%, pessimistic 20%). The Group's forecasts are aligned with consensus average in 2022-2025. Given the level of the shock and expected recovery, the revised weighting scheme employed (considered in 31 December 2020 and 31 December 2021: base scenario 90%, optimistc 5%, pessimistic 5%) is deemed appropriate for the unbiased estimation of ECL under the current economic environment and to best reflect Management's current sentiment regarding the boundaries of economic outcomes.

The table below presents the annual expected 4-year 2021-2024 averages forecasts for each key economic variable and scenario utilized in the ECL calculation of the collectively assessed loans and advances to customers at amortised cost as at 31 December 2021.As shown in the table, the expected 4-year average real GDP growth rate as of 31 December 2021 is higher than the respective projection as of 31 December 2020.

ECL Key drivers Scenario	31/12/2021 %	31/12/2020 %
Real GDP growth		
Optimistic	7.3	3.5
Base	5.6	2.0
Pessimistic	4.0	0.5
Unemployment rates		
Optimistic	11.3	13.1
Base	12.9	14.2
Pessimistic	14.3	16.0
Price index (Residential)		
Optimistic	7.2	6.9
Base	6.1	5.9
Pessimistic	4.9	4.6
Price index (Non residential)		
Optimistic	5.4	5.7
Base	4.1	4.6
Pessimistic	2.7	3.4

Following the recession of the Greek economy in 2020 attributable to the Covid-19 pandemic, economic activity recovered in 2021 and is expected to recover further in 2022-2025. The unemployment rate is expected to be lower in the coming years, despite the impact of the Covid-19 pandemic, reflecting the fact that the labor market is progressively improving in recent years and employment is following a steady growth path. Both residential and non-residential (offices) price indices are continuing to follow a highly positive path for the next four years.

As far as it concerns the assumptions and effect of alternative scenarios on ECL allowance, the assignment of a probability weight of 100% on the pessimistic scenario would increase ECL allowance by € 120 million compared to the probability weighed outcome.

As at 31 December 2021, the Group's forecasts of the aforementioned economic variables across each scenario for 2022 and 2023 are the following:

	2022			2023		
ECL Key drivers Scenario	Optimistic	Base	Pessimistic	Optimistic	Base	Pessimistic
Real GDP growth	7.4	5.4	3.4	5.6	3.6	1.6
Unemployment rates	11.5	13.1	14.1	9.8	12.0	13.8
Price index (Non residential)	5.6	4.4	3.1	6.4	4.6	2.8
Price index (Residential)	7.3	6.4	5.5	7.4	6.0	4.5

Estimation of credit risk parameters on collective ECL assessment: The ECL calculations are based on input parameters, i.e. EAD, PDs, LGDs, and CCFs etc. incorporating Management's view about the future. The Group also determines a) the links between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and b) the effect on risk parameters. Forecasting of the risk parameters incorporates a number of explanatory variables, such as GDP, unemployment rate etc., which are used as independent variables for optimum predictive accuracy. Refer to Note 4.2 for more details, including an analysis of the sensitivity of the reported ECL to changes in estimated forward looking information.

Assessment of ECL on an individual basis: For loans that are assessed for impairment on an individual basis, the Group takes into account all available evidence on a case-by-case basis and the ECL measurement is determined by using a discounted cash flow methodology. The expected cash flows are based on Management's estimates as at the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries, based on a variety of factors, such as business plans and available cash flows, liquidation of collateral in cases it is likely that the recovery of the outstanding amount will include liquidation of the collateral, the fair value of the collateral at the time of expected liquidation, the costs of obtaining and selling the collateral etc. The ECL allowance is very sensitive to the assumptions used in the estimate. There could be a wider range of possible inputs on any individually assessed lending exposure. As a result, it is not practicable to meaningfully quantify ranges of potential outcomes for this type of ECL allowance, because of the diverse nature and circumstances related to these inputs and the wide range of uncertainties involved.

Fair valuation of real estate properties: The fair value of real estate property is determined by reference to current market prices for similar properties, adjusted as necessary for condition and location, or by reference to recent transactions updated to reflect current economic conditions. Discounted cash flow techniques may be employed to calculate fair value where there have been no recent transactions, using current external market inputs such as market rents and interest rates. The fair value measurements are carried out by appropriately qualified independent professional appraisers who consider information from various sources, such as: (a) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences, (b) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and (c) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The fair valuation of real estate properties has a high degree of uncertainty involved, with a wide range of possible outcomes on all properties based on their grouping for valuation purposes, hence it is not practicable to meaningfully quantify ranges of potential outcomes to changes in the various inputs utilized in the measurement.

For the years ended 31 December 2021 and 2020, the Group carried out the real estate valuations on the basis of "material valuation uncertainty" as per the International Valuation Standards (IVS) taking into account the unknown future impact that Covid-19 might have in the real estate market and the difficulty in differentiating between short term impacts and long term structural changes.

As described in Note 2.2, the velocity of the recovery, as well as the effective utilization of the EU recovery and resilience funds, will be decisive factors in determining the impact of the Covid-19 pandemic to the Greek economy, the banking sector and the Group in particular. Further, geopolitical developments and specifically the Russia / Ukraine conflict in the beginning of 2022 and a potential resurgence of migration flows and the impact in the world economy remain an additional source of uncertainty. Management closely monitors the developments and assesses periodically the impact that these might have on the Group's operations and financial performance.

Determination of scenario weights and held-for sale classification

Sunrise III portfolio: The perimeter of the portfolio is currently being set. Based on the most recent assessment, it comprises NPEs of total gross book value € 0.6 billion (the "Sunrise III Portfolio"), however, this is a preliminary estimate and may change in the future. As at 31 December 2021, no substantive actions related to the securitization of the Sunrise III Portfolio had commenced, therefore, the IFRS 5 criteria for held for sale classification were not met as of that date. Taking into account the successful completion of the carve-out and subsequent sale of the Bank's merchant acquiring business (project Thalis) to Euronet Worldwide, the Group incorporated into the ECL measurement of the Sunrise III Portfolio a sale scenario weighted at 50%, increasing the corresponding ECL allowance by € 45 million. The basis for the probability weight assigned mainly relies on the uncertainties affecting the Group's ability to execute its intent which are not within its control, namely the outcome of the regulatory approval process. Had the Group assigned a 100% probability on the sale scenario of the Sunrise III Portfolio, as currently defined, the estimated additional loss before tax would have been approximately € 45 million.

Impairment measurement of the Company's investment in Piraeus Bank

As of 30 June 2021, the Company's investment in Piraeus Bank was assessed as impaired. The recoverable amount of the investment was determined based on value-in-use calculations, which require the use of estimates, and amounted to € 5,410 million. Refer to Note 24 for further information on the impairment charge of €1.6 billion recognised in the year ended 31 December 2021, including the key assumptions used. While Management believes that the assumptions applied were appropriate, a combination of reasonably possible changes in such assumptions could have resulted to additional impairment losses. A 0.5% increase in the discount rate or a 0.5% decrease in long-term growth rate would increase the impairment charge by € 329 million and € 213 million, respectively.

4 Financial Risk Management

4.1 Risk Management Framework

Effective risk management is a key factor of the Group's Risk Management Framework ("RMF") in order to deliver sustainable returns to its shareholders. Management allocates substantial resources to improving its policies, processes, methods and infrastructure to ensure compliance with best international practices and the guidelines of the Basel Committee for Banking Supervision. The identification and management of risks arising from the Group's activities is a priority in the development of its business strategy. In this regard, a framework for prudent risk management has been established.

Management has adopted practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee on Banking Supervision, the EBA, the ECB, the Bank of Greece ("BoG") and the Hellenic Capital Markets commission ("HCMC"), including any decision of the competent authorities supervising the Group's subsidiaries.

The responsibility for the development and oversight of the risk management framework lies with the BoD. The BoD ensures the development of an appropriate risk management framework, including strategy and policies, by setting acceptable risk limits, while shaping an appropriate internal environment, so that every employee of the Group, is aware of the nature of the risks associated with its duties. In particular, the BoD has established the Risk-Committee whose primary role is to oversee risk management across the Group.

Risk Committee

The Risk Committee is responsible for exercising the duties specified in its charter, in order to assist the BoD in its duties concerning the:

- existence of an appropriate strategy for the risks undertaken and the definition of the risk appetite statements and limits, as well as the supervision of their implementation,
- establishment of principles and rules that will govern risk management with regards to the identification, assessment, measurement, monitoring, control and mitigation of risks,

- development of the risk management framework RMF and the incorporation of appropriate risk management policies and controls during the business decision-making process

- Group compliance through strict and reliable procedures with respect to the regulatory framework for risk management functions,

The Risk Committee was established by a BoD decision in accordance with the requirements of Bank of Greece Governors' Act No. 2577/9.3.2006. The Risk Committee comprises non-executive members of the BoD, who possess the appropriate knowledge, skills and specialization, in order to comprehend and monitor the risk management strategy of the Group. The Chairman of the Risk Committee is appointed by the BoD and must possess significant experience in commercial banking and preferably in risk and capital management, as well as familiarity with the local and international regulatory framework.

The representative of the HFSF participates in the Risk Committee, with full voting rights.

The Risk Committee's mission is to ensure that:

- the Group has a well defined Group Risk & Capital Strategy and Risk Appetite Framework in line with its business goals as well as with the available human and technical resources. The risk appetite of the Group is articulated and clearly communicated in a set of quantitative and qualitative statements, and specific limits, for the material risks;

- all risks connected to the activity of the Group are effectively identified, assessed, measured, controlled, mitigated and monitored; and

- the risk management and control framework in place, including policies, methods and tools, complies with Risk & Capital Strategy and Risk Appetite as well as regulatory and supervisory requirements.

The Risk Committee convenes, upon its Chairman's invitation, as many times as considered necessary in order to accomplish its mission, but not less than once a month. Each member of the Risk Committee is entitled to request the convocation of the Risk Committee in writing for the discussion of specific issues.

Group Risk Management

Group Risk Management is an independent unit in relation to other units of the Group and the Bank, which have revenue generating activities and/or are accountable for transactions. The unit carries out Risk Management and Credit Risk Control responsibilities, in accordance with the BoG Governor's Act 2577/9.3.2006 and Greek Law 4261/2014.

Group Risk Management is responsible for the design, development and implementation of the Group's policies on risk management and capital adequacy in accordance with the directions of the Board of Directors, which covers the full range of Group and Bank's activities for all types of risk. Group Risk Management is subject to review by Group Internal Audit as to the adequacy and effectiveness of the risk management framework (policies, methodologies and procedures).

The Group's Chief Risk Officer ("CRO") is the Head of Group Risk Management, and is appointed by the BoD upon recommendation and endorsement of the Risk Committee. CRO's appointment or replacement is communicated to BoG and SSM. The CRO participates in all major Executive Committees, including the Group Executive Committee, and has a dual reporting line to the Risk Committee and the Group's CEO, with direct access to the Chairman of the Risk Committee, whenever deemed necessary.

In 2019, the modernized and transformed organisational structure of Group Risk Management was fully implemented, aiming at a more organized approach to risk management in a consistent, balanced and integrated manner. In addition, the revised structure was better aligned with the Group's strategic targets, including the profitable and sustainable business model, optimization of capital allocation, strengthening of risk monitoring and controls and adoption of superior governance standards as well as meeting the regulatory demands and oversight.

Taking into consideration the overall mission and objectives of Group Risk Management, a 4-pillar structure was established, with clear and discrete functional areas and responsibilities, and comprised by:

- Risk
- Balance sheet and capital planning
- Control
- Analytics

Furthermore, in alignment with the Bank-wide implementation of the Internal Control System Enhancement initiative, the Segment Controller role was established with a discrete reporting line to CRO (segment Head).

The key responsibilities of Group Risk Management are as follows:

- develop, evaluate, and recommend to the CRO, amendments with respect to the risk management framework for the Group's activities, according to international best practices as well as legal, regulatory and supervisory requirements. Ensure that the framework is reviewed at least annually or ad hoc in case there are (a) changes in Group's strategy or business model, or (b) changes in the regulatory framework, business environment or/and in the macroeconomic conditions. In particular, Group Risk Management develops the strategy, policies and procedures in relation to the:

- identification, assessment, measurement, management/control, monitoring and reporting of potential and actual risk exposures,

- establishment, allocation and monitoring of appropriate risk limits (e.g., credit, market, liquidity and operational risks) in cooperation with the relevant committees and units of the Group,

- capital management objectives,

- monitor the implementation of the risk management framework, including the risk and capital strategy, along with the regulatory requirements and the guidelines of Management,

- monitor the adherence to the approved risk appetite framework on an ongoing basis,

- oversee the alignment of the Risk and Capital Strategy with the Business Plan, Restructuring Plan, Funding Plan, Budget, ICAAP, ILAAP and Recovery Plan,

- develop, conduct, monitor and report the Group's Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP"),

- produce and report the capital adequacy requirements under Pillar I (e.g. credit, market and operational risks),

- document and report the capital adequacy and risk management regulatory disclosures under Pillar III,

- supervise the development and harmonization of the subsidiaries' risk management frameworks with the Group's risk management framework and practices,
- develop awareness about risk exposure, promote risk management culture and support in risk matters all units across the Group,
- participate in the development of the Group and the Bank's Credit Policy, which is approved with the consent of Group Risk Management
- lead and coordinate the design and execution of Group-wide solvency stress tests. Exercise periodic and/or temporary stress tests with base and adverse scenarios tailored to the nature and scope of the operations of the Group for all types of risk,
- establish and validate loan impairment models (compliant with the IFRS 9 framework),
- develop risk-based pricing models.
- assess new products and activities or significant changes to existing ones prior to their introduction.
- Monitor the new production profile and communicate the results to the Bank's Business Units.

Group Risk Management comprises the following Units:

Risk

Risk is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to credit risk, collateral risk, market, liquidity and asset and liability management ("ALM") related risks. To that end, the unit deploys proper methods, including models, that allow the identification, measurement and monitoring of the aforementioned risks. Furthermore, Risk produces risk-related information (reporting) to Management, corresponding Committees as well as to the supervisory authorities. Following the Covid-19 outbreak, Risk developed and led a series of initiatives targeting to assess and effectively manage the credit impact, attributable to the pandemic, in the Group's loan portfolio. Such initiatives indicatively comprise:

- Development of Covid-19 related reporting infrastructure to timely monitor and assess evolution;
- Analysis to assess financial resilience per economic sector;
- Engagement in the development of policies, processes and supportive products accommodating EBA related guidance;
- Design along with key stakeholders the lending and underwriting strategy for 2021.

Balance Sheet and Capital Planning

Balance Sheet and Capital Planning supports the development and implementation of the Group's Strategy, aiming at the effective management of risks and balance sheet optimization. To this end, the unit is responsible for the development and maintenance of the Risk and Capital Strategy, as well as Risk Appetite Framework of the Group, in accordance with the Risk

Committee and BoD’s directions and guidance.

Moreover, it is responsible for the design and implementation of the Group’s ICAAP and leads the preparation and execution of regular enterprise-wide stress tests. Further, it is responsible for the coordination and overall maintenance of the Group’s Recovery Plan.

Finally, Balance Sheet and Capital Planning is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.

Analytics

Analytics is responsible for undertaking end-to-end holistic analysis with a view to responding to challenges arising within the risk management framework. To that end, the unit employs accounting, financial engineering, product expertise, investigation, intelligence, technology, economics and deep industry skills, along with consistent proven global methodologies to help reduce unwarranted risk and commercial loss. Analytics also coordinates and monitors projects managed by Group Risk Management and is responsible for risk management data and operations.

Control

Control is responsible for the identification, monitoring and assessment of all types of risks (credit, market, operational, liquidity, etc.) arising from the Bank’s activities, through the development, implementation and evaluation of an adequate internal control system, in order to ensure the efficiency and the soundness of the Bank’s operations and the achievement of its business objectives. Furthermore, the unit is collaborating with Segment Controllers to accomplish its mission.

In addition, Control is responsible for the development and implementation of an effective operational risk management framework (policies, methodologies and procedures) based on the Group's Risk and Capital Strategy and regulatory requirements.

Moreover, the Unit is responsible for the development and implementation of the credit risk review and assessment of the Group's loan portfolio. More specifically, it systematically reviews and assesses credit exposures, limits and undertaken risks at borrower (or Group of borrowers) level as well as adherence to the Group’s Credit Policy. Moreover, it reviews and monitors the credit process through sampling. In order to accomplish a targeted and effective review focusing on high risk borrowers, Credit Control is further broken down in two (2) sub-units, namely Performing Assets, and Troubled Assets.

Following the Covid-19 pandemic crisis, all Units responsible for the Performing and Troubled Assets adjusted their review plans in order to accommodate specialized review projects addressing various aspects (e.g. eligibility criteria, unlikeliness to pay –“UtP”, forbearance) of Covid-19 related activities to ensure that granting of payment moratoria and classification of exposures are in-line with agreed policy and regulatory guidelines. Indicatively:

- Initiation of an ad hoc review for the Covid-19 affected borrowers
- Enhancement of data monitoring review on soft triggers / declassification of UtP cases

Finally, Control, via the Model Validation Unit, is responsible to conduct independent assessments of the Bank’s models in order to validate their robustness, accuracy and effectiveness. The scope of validation includes credit risk, operational risk, market risk, liquidity and interest rate risk models as well as other models used by the Bank. The assessments are prioritized in the context of the Annual Model Validation Plan, which is approved by the Risk Model Oversight Committee. The Model

Validation Unit submits the results of its validation activities, including respective findings and recommendations to the Risk Model Oversight Committee for approval.

Segment Controller

The Segment Controller is responsible to embed a culture of operational risk management and ensure the design and implementation of an effective internal control system within the segment of his/her responsibility, aiming at the achievement of operational excellence and remediation of control deficiencies in the segment. Furthermore, the Segment Controller reviews, supplements and comments on unit Controllers' operational risk assessment.

In addition, the Segment Controller provides regular and ad hoc reporting to the CRO (segment Head) concerning operational risk profile of the segment and remediation actions to address underlined risk and control issues.

CRO Office

The CRO Office manages operational aspects of Group Risk Management. In addition, the unit serves as the Risk Committee's Secretariat and facilitates in discharging its responsibilities.

Risk Culture

A formal Risk Culture Program has been launched under the supervision of the CRO, channeling the Group's commitment to enhance risk awareness and fine tune the balance between risk taking and required returns. The Risk Culture Program is sponsored by the CEO and a cross-functional Steering Committee comprised of senior Management members, who monitorits implementation.

The scope of the Risk Culture Program is to exemplify the desired behaviors and routines that reinforce solid judgement about risk taking and encourage ethical conduct towards all stakeholder groups. The Group has taken a number of actions to safeguard that any risk-taking activities beyond its risk appetite are identified, assessed, escalated, and addressed in an effective and timely manner. Efforts so far focused on redefining processes, systems, and frameworks linked to an augmented governance and enhancement of risk awareness. The next phase is to anchor the desired behaviors and routines to establish a strong risk culture where sound risk taking is promoted, emerging risks are addressed, and all employees conduct business in a legal and ethical manner.

Committees

Market Scenarios Steering Committee: The Market Scenarios Steering Committee reviews and approves scenario variables and probability weights proposed by the Bank's Economics and Investments Strategy Unit. In addition, it reviews and approves temporary adjustments on the credit risk parameters.

Provisioning Committee: The Provisioning Committee is responsible for the approval of the quarterly ECL allowance estimates on loans and advances to customers at amortised cost of the Bank and the Group, where required. The ECL measurement is estimated based on the relevant policies and procedures for exposures assessed on either an individual or collective basis..

The Provisioning Committee is, also, mandated to periodically, and at least annually, review the policies and methodologies (parameters, scenarios, weighting of scenarios etc.) applied to all Piraeus Bank Group entities according to the Impairment Policy in estimating ECL.

Finally, the Provisioning Committee is responsible for:

a) Monitoring the appropriate regulatory classification of exposures (i.e. PE/ FPE/ NPE/ FNPE), in accordance with the Group's policies and procedures,

b) Assessing and approving any exemption requests related to classification, submitted by the Business Units,

c) Approving requests for accounting write-offs, provided they meet specific criteria, as defined in the Debt Forgiveness and Accounting Write-Off Policy.

Risk Models Oversight Committee: The Risk Models Oversight Committee ("RMOC") is chaired by the CRO and is mainly responsible for the appropriate implementation of the Model Management and Governance Framework, as well as the review and approval of relevant issues.

In particular, RMOC reviews and approves the Model Development Framework, the initiation of new models development, as well as the use and potential removal/replacement of existing ones.

It also reviews and approves the Model Validation Framework, the Annual Model Validation Plan and the model validation assessments submitted by the Model Validation Unit and monitors adherence to the agreed timetable for implementation of remediating actions.

4.2 Credit Risk

Credit risk is defined as the potential risk that a debtor or counterparty of the Group will fail to meet its obligations in accordance with agreed terms and conditions.

Credit risk is the most significant risk for the Group and therefore its effective monitoring and persistent management is a top priority for senior management. The continuous development of infrastructure, systems and methodologies aiming at quantification and evaluation of credit risk is a prerequisite for timely and efficiently supporting Management and the business units in relation to the decision-making, the policy formulation and the fulfillment of supervisory requirements. The Group's exposure to credit risk mainly arises from corporate and retail credit, various investments, over the counter ("OTC") transactions, derivatives, as well as from transactions' settlement. The amount of risk associated with such credit exposures depends on various factors, including general economic conditions, market developments, debtor's financial condition, amount/type/duration of exposure and the existence of collaterals and guarantees.

The implementation of the credit policy, that describes the principles of the Group's credit risk management, ensures effective and uniform credit risk monitoring and control. Management applies a uniform policy and practice with respect to the credit assessment, approval, renewal and monitoring procedures. All credit limits are reviewed and / or renewed, at least annually, and the responsible approval authorities are determined, based on the size and the category of the total credit risk exposure undertaken by the Group for each borrower or group of connected borrower (one obligor principle).

Management has established a credit quality review process to provide early identification of potential changes in the creditworthiness of counterparties, including regular collateral revaluations. Counterparty limits are established by the use of a credit risk classification system, which assigns a risk rating to each counterparty. Risk ratings are subject to regular revision. The credit quality review aims to allow Management assessing the potential loss as a result of the risks to which it is exposed and consequently to take timely corrective actions.

Analysis of Concentration Risk

Concentration risk may arise from various types of portfolio incomplete diversification, such as the concentration risk on large borrowers, economic sectors, geographical areas and types of collateral, and is being monitored on a regular basis.

In addition to monitoring of supervisory limits, the Group has set internal limits within the Risk Appetite Framework, which are reassessed annually.

Country Risk

Country risk reflects the risk arising from macro-economic instability, social events or political uncertainty in a country, including nationalization, expropriation of assets and debt restructuring, affecting the Group and the Company's earnings and/or capital. It includes sovereign, transfer and political risks.

Management has established internal country limits within the Risk Appetite Framework, which are revised annually.

Counterparty Credit Risk

Counterparty credit risk ("CCR") is defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. It refers to derivative instruments, repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions.

For the effective management of CCR, Management has in place procedures and guidelines for defining, reviewing and monitoring credit limits as well as concentration limits set on a counterparty rating basis. Limits are set either in nominal amounts or risk units (credit equivalent), depending on the transaction and they are revised at least annually. The monitoring of counterparty credit limits' utilization is monitored on a daily basis.

As far as credit risk mitigation techniques are concerned, Management has in place comprehensive and enforceable legal contracts with its counterparties such as International Swap Derivatives Association Agreement (ISDA), Credit Support Annex (CSA) and Global Master Repurchase Agreement (GMRA) enabling also the effectiveness of CCR management. A GMRA permits the netting of both rights and obligations that arise from derivative transactions that have been performed under such a master agreement upon the counterparty's default, resulting in a single net claim. Moreover, in order to mitigate settlement risk and under specific transactions and conditions covered within master agreements, payment netting is performed. In order to monitor settlement exposures, Management has set Daily Settlement Limits per counterparty.

Derivative Financial Instruments

Credit risk arising from derivatives is, at any time, limited to those with positive fair values, as recorded on the Statement of Financial Position. In the case of credit derivatives, the Group is also exposed to, or protected from, the risk of default of the underlying entity referenced by the derivative. However, to reflect potential losses, the Group applies portfolio-based adjustments for credit risk.

With gross-settled derivatives, the Group is also exposed to settlement risk, being the risk that the Group fulfils its obligation, but the counterparty fails to deliver the counter value.

Definition of Credit Impaired Exposures / Default

From 1 January 2021 and onwards the Group applies the new Definition of Default (hereinafter "DoD") regulatory requirements issued by EBA (EBA/GL/2016/07) aiming at the convergence of the default definitions for accounting and regulatory purposes (IFRS 9, EBA and CRR guidelines). The requirements for the new DoD are stipulated in Article 178 ("Default of an obligor") of the Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR), as well as in the Guidelines and Regulatory Technical Standards issued by the EBA on the application of the definition of default. The Group has aligned the definition of default for financial reporting purposes with the definition of NPE used for regulatory reporting. Thus, in accordance with the Group and the Bank's Impairment Policy a financial asset is considered as credit impaired and is classified into Stage 3 when it is classified as NPE. Under the new definition of default, the terms NPE, Defaulted and Impaired are aligned.

This change is a change in accounting estimate as per IAS 8.

The new DoD applies to all the entities of the Group, considering local regulations and specific characteristics of each jurisdiction. It is applied at the contract level for the retail portfolio and at the obligor level for the non-retail portfolio.

In order to comply with the new regulatory requirements, the Group has:

a) Changed the materiality thresholds and the counting of the days past due. These thresholds, which consist of an absolute and a relative component, are applied on a contract level for retail exposures and on an obligor level for non-retail exposures. The absolute threshold refers to the total amount past due and is set at € 100 for retail exposures and € 500 for non-retail exposures. The relative threshold refers to the ratio of the total amount past due to the total on-balance amount and is set at 1% both for retail and non-retail exposures. In order to classify the past due amount as material, both the absolute and the relative components should be breached, while the counting of days past due continues as long as both materiality thresholds are breached. When any of the materiality thresholds is not breached, days past due are set to zero.

b) Updated the criteria of UTP for related to forbearances in order to align the definitions of default and non-performing exposures, including application of a threshold for distressed restructuring resulting in diminished financial obligation. A diminished financial obligation is deemed to occur when the difference of the net present value of the cash flows before and after the restructuring of an exposure over the net present value of the cash flows before restructuring exceeds 1%.

c) Revised the minimum conditions for reclassification to a non-defaulted status. In the case of defaulted exposures with no forbearance measures applied, a minimum probation period of three months for self-cures is introduced, starting when the exposure presents zero days past due or no unlikely to pay triggers apply. In case of forbearance the return to a non-default status is aligned with the criteria of exit from FNPE to FPE.

Therefore, as of the date of first application of the new DoD, the Group's stock of NPEs was considered defaulted and additional UTP criteria were introduced to apply this alignment going forward.

The impact from the application of the new DoD for the Group and the Bank at the date of the transition was immaterial.

Credit Rating Models (PDs)

Reliable credit risk measurement is a top priority within the Group and the Bank's Risk Management Framework. The continuous development of infrastructure, systems and methodologies aimed at quantifying and evaluating credit risk is an essential precondition in order to timely and efficiently support Management and the business units in relation to decision-making, policy formulation and the fulfillment of supervisory requirements.

The Group and the Bank operate their internal rating models. More specifically, it runs separate models for its corporate portfolios in which its customers are rated from 1 to 19 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilize supplemental external information that could affect the borrower's behavior. For the Retail Portfolio the Bank runs Credit Rating (Scoring) Models that incorporate demographic/behavioral/credit bureau information. These information sources are first used to determine the PDs within the existing regulatory default definition framework. For ECL calculation the PDs are adjusted to incorporate forward-looking information and classification of the exposures, by staging. This is repeated for each economic scenario as appropriate.

A) Lending Portfolio

For credit risk measurement and monitoring purposes related to the Group and the Bank’s loans and advances to customers at amortised cost, the following are performed at a counterparty level:

- The customer’s creditworthiness and the probability of default on its contractual obligations is systematically assessed,

- The Group and the Bank’s probability of potential recovery, in the event of the debtor defaulting on its obligations is estimated, based on existing collateral, guarantees provided and curing levels.

Management assesses the creditworthiness of its borrowers and estimates the probability of default on their obligations by applying credit rating models appropriate to their special characteristics and features taking into account various historical, current and forward looking information.

Corporate Lending

All Corporate lending customers are assigned to credit rating grades, which correspond to different levels of credit risk and relate to different default probabilities. Each rating grade is associated with specific customer relationship policy/guidelines.

Each category of the credit rating scale corresponds either to a specific guideline or policy of the Bank as far as the relationship with the business borrowers is concerned and is presented in the relevant chapter of the Credit Policy Manual. The rating scale for business borrowers consists of 19 rating grades that correspond to borrowers that have not defaulted on their contractual obligations. The below table presents, the Group and the Bank’s policy mapped to each rating scale:

RATING	CREDITWORTHINESS		GUIDELINE OR POLICY RULE
1-6	Very Strong	Develop relationship	GUIDELINES
7-10	Strong	Develop relationship	
11-12	Good	Develop relationship	
13-14	Satisfactory	Careful development of the relationship with adequate collaterals or maintain relationship	
15-16	Weak	Careful development of the relationship or maintain relationship with unsecured risk less than 30%	POLICY RULES
17-19	Poor	Probable classification as watch list / Limit relationship or Terminate relationship	

The Group uses distinct credit rating models, according to the type of operations and the size.

More specifically:

Credit Category	Rating System	Rating Scale
Business Lending	RA for Corporate customers that keep "C" category accounting books and have a turnover more than € 2.5 million	19-grade
	RA for Corporate customers that keep "C" category accounting books and have a turnover up to € 2.5 million	19-grade
	Small Business Lending Scorecard (small business or personal companies)	Score
	Agricultural Lending Scorecard for agricultures (small business or personal companies)	Score
Specialised Lending	Project Finance PD Scorecard	19-grade
	Object Finance (Shipping) Scorecard	19-grade
	Manual Rating	19-grade

Manual Rating is applied for customers that no other available rating system can be applied: these are customers with no financial data (i.e. newly established companies, Special Purpose Vehicles - SPVs) or brokerages and insurance companies. In exceptional cases, manual rating is used as a rating override, when based on Relationship Officers' view, the rating does not represent the creditworthiness of the borrower.

Business Rating Models incorporate the following information in order to quantify the client risk:

- Historical financial information that includes realized results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance.
- Any publicly available information on the clients from external parties. This includes credit bureau information.
- Any other objective data on the quality and management capabilities of the Bank-financed company, related to its performance

The complexity and granularity of the rating techniques varies based on the exposure of the Group and the Bank and the complexity and size of the customer. For the small business loans, as well as the agricultural loans, Behavioural Scorecards are being used. The Behavioral Scorecards are based exclusively on historical data of client behavior regarding the Bank's products and are the result of the implementation of statistical analysis. They are tailored specifically to the Bank's clients and are customized on a product and delinquency bucket basis.

These models combine financial and statistical analysis together with the expert judgement of responsible officers. Whenever possible, these models are tested by benchmarking against externally available information.

Borrowers are rated when their credit limit is initially determined and thereafter re-rated on at least an annual basis. The ratings are also updated in cases when there is available information that may have a significant impact on the level of credit risk.

Retail Lending

Regarding the retail credit portfolio, there are scorecards of client credit assessment in the Retail Banking portfolio covering different stages of the credit cycle, as follows:

1. **Application Scorecards**

The Application Scorecards are exclusively based on historical data of applications and behavior and are the result of the implementation of statistical analysis. They are tailored specifically to the Group and the Bank's clients and are customized on a product and purpose basis. Thus, we have five products - based application scorecards and three purpose - based application scorecards in mortgage/ housing loans.

2. **Behavioral Scorecards**

The Behavioral Scorecards are exclusively based on historical data of client behavior regarding the Bank's products and are the result of the implementation of statistical analysis. They are tailored specifically to the Bank's clients and are customized on a product and days past due basis. In total, we have 8 behavioral scorecards.

3. **Internal Bureau Scorecard**

There is also one scorecard regarding the Group and the Bank's clients' behavior in the market at the moment of the application. This scorecard is exclusively based on historical data and is also the result of the implementation of statistical analysis. It is tailored specifically to the Group and the Bank's clients and is not customized on a product basis.

4. **Overall Application Scorecards**

These are scorecards which are part of the origination process and combine in essence the above three scorecards. Thus, when a client submits an application, his application score, his behavior score, his bureau score and his Teiresias bureau score are taken into account. These are five scorecards which are customized on a product - category basis, are based on historical data of applications and behavior and are the result of the implementation of statistical analysis.

The aforementioned internal models comprise the basic factors which are used as inputs in PD models for the total retail Banking portfolio and for the business Banking portfolio as well.

5. **Credit Bureau Scoring**

In addition, the Group and the Bank have used the credit bureau scoring model of Teiresias S.A., which takes into account the total exposure of borrowers in the Greek market. The usage of this particular model has improved the performance of the existing models.

The policy that is taken into account in the approval process and determine the willingness as well as the ability of the applicant to fulfill his obligations is also based on a range of credit criteria (apart from the aforementioned credit scoring models), such as:

- Age/Citizenship/Profession
- Minimum Income Level
- Monthly Disposable Income (MDI)
- Loan to Income Ratio (LTI)
- Credit history of the customer
- Maximum Unsecured Exposure
- Maximum levels of loan-to-value (LTV) (for collateralized loans) combined with the purpose of the loan
- Collaterals and Guarantees provided
- Maximum limits per Product

Management regularly validates and tests the predictive ability of the creditworthiness evaluation of rating models (Wholesale and Retail), thus ensuring its potential of accurately depicting credit risk and allowing for the timely implementation of measures addressing potential problems.

Recovery based on existing collateral, security and guarantees

Along with the assessment of the counterparties' creditworthiness, rating evaluation and during the process of setting and reviewing credit limits, Management estimates the recovery rate related to the exposure in the event the debtors default on their contractual obligations. The estimation of the recovery rate is based on the type of credit as well as the quality of any collateral/ security. According to standard practice, the lower the rating of a borrower, the greater the collateral/ security required, so that the recovery rate is as high as possible in case of borrowers default on their contractual obligations to the Group and the Bank.

Exposure at Default

EAD is equal to the on-balance sheet exposure of the defaulted account on the date of default. Thus, it is equal to the sum of the on-balance sheet exposure of the account on the observation date and any additional amounts that are drawn until the date of default. A transformation commonly used is the CCF which is equal to the ratio of "Balance at default" minus "Balance at observation point" over the undrawn amount at observation point (Limit at observation – Balance at observation).

Loss Given Default

LGD is defined as the ratio of economic loss during the recovery period to the exposure at default. LGD is cash flow oriented and for its computation all costs are included and properly discounted with the Effective Interest Rate from the recovery date until the date of default.

For the calculation of LGD, self cure rate models[11] are used.

[11] For Non-retail portfolios the cure rate models include both self-cure rate and via modification probability estimates.

Recoveries are also taken into account and they can be of different types:

- Cash recoveries could be considered cash flows from customer, from guarantor, from cured facilities, from security (eligible collateral/guarantee), from debt sale.
- Non-cash recoveries could be considered repossessions.

For the complete LGD estimation additional inputs are used:

- Cures via Modification: Cure Rate level of accounts that have changed to non-defaulted status via the implementation of a Modification.
- Loss given non-cure: Incurred loss from cases that the Group and the Bank have not managed to cure.
- Loss given modification: Incurred losses due to the type of modification that was offered to the client.

Lending Portfolio Quality

The Lending Portfolio according to its quality is segmented on the following categories for both retail and corporate portfolio:

- Strong
  - Retail: Stage 1 Loans and advances to customers at amortised cost that are in Bucket 0
  - Corporate: Stage 1 Loans and advances to customers at amortised cost that have rating less or equal to 14
- Recommended
  - Retail: Stage 1 Loans and advances to customers at amortised cost that are in Bucket 1
  - Corporate: Stage 1 Loans and advances to customers at amortised cost that have rating more than 14
- Substandard
  - Retail: Stage 2 Loans and advances to customers at amortised cost
  - Corporate: Stage 2 Loans and advances to customers at amortised cost
- Default
  - Retail: Stage 3 Loans and advances to customers at amortised cost
  - Corporate: Stage 3 Loans and advances to customers at amortised cost

Unrated corporate loans that belong to Stage 1 are segmented according to their bucket.

The segmentation presented above is highly correlated with the PD levels of each portfolio (among the categories the PD levels differ).

Significant Increase in Credit Risk

The assessment of SICR is key element in establishing the point of switching between the requirement to measure an allowance based on 12-month or life time expected credit losses. If, following this assessment, a significant increase in credit risk occurs, the Group and the Bank recognize a loss allowance amount equal to the ECL over the lifetime of that financial asset.

To perform this assessment, the Group and the Bank compare the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

The Group and the Bank's objective is to capture this SICR prior to the financial asset being treated as credit impaired.

The allocation between stages is based on the criteria presented below:

- If at the reporting date, the loan is in NPE status, it is allocated to "Stage 3" and lifetime ECL is calculated.
- If at the reporting date a SICR was monitored against the credit risk at the initial recognition date, the loan is allocated to "Stage 2" and lifetime ECL is calculated.
- The remainder of the loans are allocated to "Stage 1" and ECL is calculated for the next 12 months.

The quantitative and qualitative criteria based on which the Group and the Bank assesses whether there is a significant increase in credit risk for an exposure are outlined below.

Corporate and Retail Lending Portfolio

- Primary criteria
  - significant increase in the PD of the financial asset at the reporting date compared to the one calculated at the initial recognition date, based on certain absolute (6.5%) or relative (200%) thresholds. The previous year the aforementioned thresholds were absolute 3%-6.5% and /or relative 200%. The change was implemented in the context of the regular reassesment of PD sicr thresholds.
- Secondary criteria
  - existence of forbearance
  - behavioral flags (monitoring the maximum delinquency bucket for the last 12 months)
  - existence of default event over the last 12 months based on the Defaulted exposures as the identification of the latter is based on the EBA NPE Default Definition
  - watch list
- Backstop
  - 30 days past due or more
- Additional criteria due to Covid-19 pandemic
  - The Group introduced additional SICR criteria, without relaxing any of the existing thresholds, in order to effectively allocate exposures which received Covid-19 moratoria. The additional criteria consider probabilities of default, industry characteristics and pre-pandemic performance (Refer to Note 3.2).

Criteria for assessing ECL allowance of loans and advances to customers at amortised cost on an individual or collective basis

Individually Assessed

In order to better assess the expected risk, the Group and the Bank prepare a list of accounts for which an individual assessment will be performed. Assessment at individual level is performed for loans and advances to customers at amortised cost identified as individually significant, which satisfy all of the following criteria:

- They are extended to borrowers whose total loan exposure at the period end reporting date exceeded the amount of € 1 million or the equivalent in foreign currency for the Bank. Lower thresholds have been established for the subsidiaries.

- The exposures are classified as NPE as per the Group's Credit Policy.

Apart from individually significant loans, additional exposures may be individually assessed, irrespectively of their level of exposure, at the discretion of the Bank's Provisioning Committee.

Description of the ECL Calculation (Individual)

ECL is defined as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows expected to be received (i.e., all cash shortfalls), discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets). All contractual cash flows of the loan and cash flows resulting from the sale of collateral or other credit enhancements are considered.

According to IFRS 9, probability weighted scenarios are taken into account over the expected life of the financial instrument in the estimation of the ECL allowance.

The individual assessment consists of an evaluation of the amount and timing of the cash flows for each particular exposure.

Calculation of ECL under the individual assessment is defined as below:

$$ECL = \sum_i (IFRS\ Outstanding\ Balance - Present\ Value\ of\ the\ Recoverable\ Amount) \cdot P_i$$

Where:

- ***IFRS Outstanding Balance:*** Contractual cash flows, attributable to an entity are considered.

- ***Present Value of the Recoverable Amount:*** Quantification of the recoverable amount, based upon the present value of the expected future cash flows, related either to cash recoveries from the obligor or to cash proceeds from the liquidation of loans' collaterals, discounted to their present value at the loans's original effective interest rate (EIR).

- P_i: the probability-weight of each scenario, under which the ECL amount is calculated

Collectively Assessed

The Collective Assessment is applied to all other facilities i.e. those allocated in Stages 1 and 2, as well as to those in Stage 3 which have not been subject to an individual assessment. For the segmentation of the exposures refer to Note 3.1.

Description of the ECL Allowance Calculation (Collective)

For the calculation of the ECL allowance on a collective basis, statistical methods are used, based on credit risk parameters. The equation used for the measurement of Lifetime ECL, for all portfolios, is depicted below:

$$LECL = \sum_{i}\left(\sum_{t}^{T} PD_t^i \times LGD_t^i \times EAD_t \times DF_t\right)P_i$$

Where:

- **Time to Maturity (T)**: Remaining time until the maturity of the loan.
- **Probability of Default (PD)**: This parameter expresses the probability of default of a financial instrument. Loans and receivables classified as Stage 1 are calculated using the 12-month PD, while those classified in Stage 2 are calculated based on PDs over the life of the facility. For Stage 3, PD=1.
- **Loss Given Default (LGD)**: This parameter defines the "expected" credit loss that arises in the event of default of a financial instrument. It is expressed as a percentage of the exposure, which if multiplied by the exposure, gives the amount of the Group and the Bank's loss at the time of the default.
- **Exposure at Default (EAD)**: This parameter defines the exposure value in the event of a default of a financial instrument. The EAD is based on the following formula:

$$EAD_t{=}(On - Balance\ Sheet\ Exposure)_t{+}(Off - Balance\ Sheet\ Exposure)_t{\cdot}CCF_t$$

- **Credit Conversion Factor (CCF)**: This parameter converts off-balance sheet items, such as undrawn exposures, to equivalent On-Balance Sheet credit exposures.
- **Discount Factor in t (DFt)**: Factors used to discount an expected loss to a present value at the reporting date. (Effective Interest Rate – EIR)
- **Probability weighted outcome (Pi)**: the probability-weight of each scenario, under which the ECL amount is calculated.

The Group and the Bank measures ECL of a financial asset, taking into account multiple possible outcomes. Under the collective assessment, the Group and the Bank applies three alternative scenarios, with their impact being incorporated in the risk parameters of the ECL model. Subsequently, the relevant probability weights are applied in the ECL allowance under each scenario, leading to the probability-weighted ECL allowance.

The Economics and Investments Strategy Unit is responsible for the calculation of alternative macroeconomic scenarios (forecasts of future economic conditions that confirm the forward-looking concept of the process), including the projections of relevant macroeconomic variables and the corresponding probability weights, used in the impairment calculation.

Calculation of expected future cash flows for Corporate lending portfolio

For the assessment of future cash flows of Corporate lending portfolio, the following debtors' specific element are considered:

- **Ongoing operating cash flows**: The operating cash flows of the obligor or guarantor, which are ongoing and eligible to use for the debt repayment.

- **Existing collateral and guarantees**: The current value of the obligor's existing collaterals and guarantees as well as their eligibility to liquidate are assessed under a forced liquidation scenario or under a scenario of voluntary surrender or sale.

- **Binding Repayment or Settlement Agreements**: Any additional debt restructuring or settlement agreements made between the Group and the Bank and the Obligor are also taken into consideration.

- **Additional Information received by the Account Officer**: Any additional and reliable information available to the Account Officer regarding the borrower's ability to meet contractual obligation regarding its debt to the Group and the Bank is taken account of.

- **Personal Guarantees of the obligor:** In exceptional cases, those mainly denoting exposures of prominent customers, the value of personal guarantees in favor of the obligor may be taken into consideration. Usage of such personal guarantees in the individual assessment is subject to the assessment of the Bank's review levels during the impairment assessment process.

- **Special Administration or Reconciliation Process via Art.106, Greek law 3588/2007:** Any proceeds anticipated through the Special Administration or Reconciliation Process via Art.106

The calculation of the expected future cash flows is carried out in accordance with the following two approaches, which are defined in following sub-sections: The Going Concern Approach and Gone Concern Approach.

Going Concern Approach

Under a "going concern" scenario, the operating cash flows of the debtor, or the guarantor, continue and can be used to repay the financial debt to all creditors. The Group and the Bank are considering different approaches depending on the specific borrower when applying the going-concern assumption in determining the cash flows to be received from the operations of the borrower, as well as from the realization of Non-Core collaterals in cases where this is applicable, in the following cases:

- The estimated future cash flows based on the updated financial statements of the debtor / guarantor.

- In restructuring cases, the restructuring plans and the resulting changes to the structure of the entity

- Estimations consider potential investments that are necessary to maintain future cash flows (CAPEX)

- When cash flows are based on the realisation of some assets of the debtor, the Group and the Bank estimate the expected selling price in order to reflect the future expected cash flows derived from the sale of assets less the estimated costs associated with the realization. Collateral may be exercised to the extent it does not influence operating cash flows. In addition, where a "two-step" approach is used (i.e. period by period analysis followed by an estimation of the terminal value), a "gone concern" approach can also be assumed for the second step, involving the liquidation of collaterals.

Based on the previous information, the ECL allowance will be measured as the difference between the asset's carrying amount and the estimated future cash flows discounted at the financial asset's original effective interest rate.

Additionally, the Group, in alignment with the ECB guide on how institutions are expected to consider C&E risks has planned initiatives that are presented in Note 2.2.

Gone Concern Approach

When deciding to measure the ECL allowance on a "gone concern" basis, Management determines that the operating cash flows of the debtor cease and collateral is exercised, including any other collections that Management determines as recoverable.

This could be the case when one or a combination of the below takes place:

- Future operating cash flows of the debtor are estimated to be low or negative, or / and
- Exposure is significantly collateralized, and this asset is central to cash flow generation, or / and
- There is a very significant degree of uncertainty surrounding the estimation of the future cash flows, or / and
- Insufficient information is available to perform a going concern analysis.

The sale proceeds from collateral execution are adjusted for liquidation costs and market discounts where applicable. Consideration of market valuations, expectation on collateral liquidation strategy (consensual vs. non-consensual forced) and underlying legal framework is taken in order to determine market price discount that may need to be applied as well as time to sell assumptions.

Write-offs

The Group and the Bank write-off debt against the ECL allowance in cases of:

- irrecoverable claims, meaning the claims for which i) all required legal actions, foreclosure procedures and recovery collection efforts against the borrower, co-borrowers or guarantors have been exhausted; ii) it is considered that the continuation of in court or out-of-court legal actions are not expected to lead to a positive outcome for the Bank; iii) the recovery cost is economically less favorable compared to the benefit,
- uncollectable claims, meaning the claims resulting from the difference between the IFRS claim and the sum of the operating cash flows, expected to be received and the cash flows resulting from the liquidation of the collateral/security as well as of any other unencumbered assets of all involved parties.

The Group and the Bank proceed to forbearance - resolution and closure treatments with debt forgiveness when it is proven the optimum treatment against other alternative forbearance - resolution and closure treatments, within the framework of managing borrowers with financial difficulties.

The–Provisioning Committee approves accounting write-offs while the BoD or other authorized bodies approve debt forgiveness requests.

The outstanding contractual amount of loans that were written off during 2021 and are still subject to enforcement activity is € 475 million as at 31 December 2021.

B) Debt securities and other short term Treasury products

The Group and the Bank recognizes impairment allowances on debt securities and other short-term Treasury products that are measured at amortised cost or at FVTOCI.

The amount of ECL recognized as an impairment loss allowance depends on the extent of credit deterioration since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The approach of recognizing impairment is based on the following allocation to Stages:

- Stage 1: Contains instruments that have not deteriorated significantly in credit quality since initial recognition or have low credit risk at the reporting date.

  The Group and the Bank follow the 'low risk simplification', according to which, if a financial instrument has low credit risk, it is assumed that no significant increases in credit risk have occurred. The Group and the Bank consider that all investment grade instruments are low risk instruments; hence, they are allocated to Stage 1.

  At stage 1, 12-month ECL is recognized. For instruments with a residual maturity of less than 12 months, ECL is calculated for the remaining period until maturity.

- Stage 2: Contains instruments that have deteriorated significantly in credit quality since initial recognition. At Stage 2, lifetime ECL is recognized.

- Stage 3: Contains instruments that have incurred an actual default (impaired). At Stage 3, lifetime ECL is recognized.

For the assessment of significant credit risk deterioration of non-investment grade instruments and the allocation from Stage 1 to Stage 2 (and vice versa), the Group and the Bank rely on the following two independent conditions: a) external credit rating downgrade (upgrade) since the acquisition date or b) increase (decrease) in the 12-month PD since the acquisition date. In case where an external credit rating is not available, the Group and the Bank use the internal rating evaluation.

As a parallel staging process, the Group and the Bank also monitor the bond market credit spreads evolution. Any increase in credit spreads above an indicative spread threshold since initial recognition, triggers an internal review process of the affected instruments' current staging in order to assess if the observed change of the credit spread reflects an actual change in credit risk expectations.

Default Definition

A debt security or other short-term Treasury product is considered as defaulted and consequently allocated to Stage 3, when it has been assigned a 'Default' rating by an external credit rating agency. Furthermore, if the issuer or counterparty has additional obligations with the Bank and is in default in one of these obligations, then based on the cross-contamination rule, the instrument will be assigned to Stage 3.

Expected Credit Loss Estimation

The Group and the Bank use the following key elements to measure ECL for debt securities:

- **PD**: Can be classified in the following two categories:
  - 12-month PD, which corresponds to the estimated PD occurring within the horizon of the next 12 months and is used to compute 12-month ECL for stage 1 allocation
  - Lifetime PD, which expresses the estimated PD occurring over the remaining life of the financial asset and is used to calculate the lifetime ECL for Stage 2 allocation. For stage 3 allocation, PD = 100% is used.
- **LGD:** Defined as the fraction of the total exposure that the Bank estimates not to be able to recover in the case of default. The LGD assumption depends on the type of the issuer, level of seniority and the presence of collateral.
- **EIR:** The yield to maturity of the instrument at the time of acquisition.
- **EAD:** Defined as the total loss that the Bank may incur, from a potential default of the issuer of the financial instrument. The Bank follows a forward amortizing cost approach to calculate EAD. The EAD is estimated assuming that cash flows occurring in all future time periods will not be received and in return, the Bank will receive a recovery amount. EAD is the sum of the discounted cash flows as of the reporting date, using the EIR of the transaction.

The Group and the Bank do not utilize any internal models for estimating the PDs, LGDs or any of the staging criteria used for the ECL calculation of debt securities and other short-term Treasury products. As primary methodology for the staging and ECL calculation, the Bank relies on the assessment of external rating agencies and the published rating-mapped PDs. This approach assumes a single “average” economic state scenario, which represents the average of all possible outcomes under different scenarios of macroeconomic conditions.

The assessment of SICR for debt securities is performed through an automated process. Any other assessment relating to SICR and which leads to different outcome in terms of stage allocation as defined above, will need to be approved by the Provisioning Committee at each reporting date.

Purchased or Originated Credit Impaired

Purchased or originated credit impaired financial assets (“POCI assets”) are financial assets that are credit-impaired on initial recognition. In contrast to credit-impaired financial assets, the corresponding assessment for POCI-assets is performed at initial recognition instead of subsequent periods.

If the loan is a POCI asset, lifetime expected credit losses are calculated, either in its recognition or at a later stage. POCI assets remain in POCI category for their entire lifetime, and are not assessed for stage allocation or any stage transfers.

Analysis of inputs to the ECL model under multiple economic scenarios

The Economics and Investments Strategy Unit of the Group and the Company produces forecasts for the possible evolution of macroeconomic variables, such as GDP, unemployment rate, inflation rate, House Price Index and Commercial real estate index that affect the level of expected credit losses of loan portfolios under multiple economic scenarios. When estimating the ECLs, the Management considers three scenarios and each of these are associated with different PDs and LGDs (Optimistic – Base – Pessimistic). Management has assigned the following weights in each scenario: 90% base scenario, 5% optimistic and 5%

pessimistic. When relevant, the assessment of multiple economic scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure. Further information is presented in Note 3.2.

Differentiation in the models for the ECL calculation due to Covid-19

The Group and the Company did not change structurally any of the existed models which are used in the ECL calculation. All the model inputs, as this is a normal process, have been reassessed during the year in order to capture any recent changes, including any changes that might have needed due to Covid-19 effect. In addition to the drastic changes in macro-economic variables, time to liquidation was increased for real estate collaterals in order to effectively reflect delays in the auction related processes due to Covid-19.

Multiple scenarios on the allowance

Management assesses and considers the sensitivity of the Group's ECL allowance on loans and advances to customers at amortised cost, against reasonably possible changes in real GDP growth, compared to the forward-looking scenarios utilised in the ECL measurement as of 31 December 2021. The sensitivity analysis was performed assuming a "favorable" and an "adverse" shift in the three forward-looking scenarios for GDP by 1 percentage point, thus affecting the full GDP growth trajectory. A complete re-estimation of all modelled macroeconomic variables was performed conditioned on the aforementioned "favorable" and "adverse" variations of the original forward-looking scenarios, since GDP plays a pivotal role in the modelling of all other macroeconomic variables.

The following tables include the ECL impact of the Group and the Company as of 31 December 2021 and 2020, for each of the alternative scenarios assumed. The impact should be read in the context of the sensitivity analysis as a whole, in conjunction with the narrative disclosures provided above.

Alternative scenario assumed as at 31/12/2021 (Group)	ECL impact			
	Stage 1	Stage 2	Stage 3	Total
Higher GDP (+1%)	(4)	(10)	(14)	**(28)**
Lower GDP (-1%)	4	11	14	**28**

The Company has no loans and advances to customers at amortised cost as at 31 December 2021.

Alternative scenario assumed as at 31/12/2020 (Group)	ECL impact			
	Stage 1	Stage 2	Stage 3	Total
Higher GDP (+1%)	(4)	(14)	(110)	**(128)**
Lower GDP (-1%)	4	21	131	**156**

Alternative scenario assumed as at 31/12/2020 (Company)	ECL impact			
	Stage 1	Stage 2	Stage 3	Total
Higher GDP (+1%)	-	(1)	(40)	**(41)**
Lower GDP (-1%)	-	1	48	**50**

4.3 Credit Risk Management

Maximum exposure to credit risk before collateral held or other credit enhancements

The following table represents the maximum credit risk exposure of the Group and the Company as at 31 December 2021 and

2020, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out below are based on net carrying amounts as reported in the Statement of Financial Position.

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Due from banks (Note 18)	1,344	1,258	50	462
Derivative financial instruments (Note 19)	591	507	-	-
Financial assets at fair value through profit or loss (Note 20)	886	341	-	-
Loans and advances to customers at amortised cost (Note 21)	36,521	39,624	-	3,826
Debt securities at FVTOCI (Note 22)	2,299	2,717	-	-
Debt securities at amortised cost (Note 23)	9,200	4,964	757	696
Assets held for sale	428	181	-	-
Other assets (Note 29)	2,198	2,116	26	138
Credit commitments (Note 40)	4,856	4,082	-	7
Total	**58,323**	**55,790**	**833**	**5,130**

The below tables show the gross amounts of the Group and the Company's credit exposures, per staging, for financial instruments at amortised cost or at FVTOCI and other financial assets, as well as the off-balance credit exposures.

Group	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2021			Collective	Individual	Collective	Individual	
Due from banks	1,344	-	-	-	-	-	1,344
Loans and advances to customers at amortised cost	28,007	5,126	1,055	3,287	714	302	38,492
Retail Lending	**5,806**	**2,271**	**608**	**68**	**431**	**6**	**9,189**
Mortgages	4,647	1,803	366	38	336	6	7,195
Consumer, Personal and Other	837	352	191	30	92	-	1,502
Credit Cards	322	115	50	-	4	-	491
Corporate and Public Sector Lending	**22,202**	**2,855**	**447**	**3,219**	**283**	**297**	**29,303**
Large Corporate	15,304	1,171	15	1,415	63	50	18,018
SMEs	5,353	1,684	432	1,799	217	247	9,732
Public Sector	1,545	-	1	5	2	-	1,553
Debt securities measured at FVTOCI	2,277	22	-	-	-	-	2,299
Debt securities at amortised cost	9,219	-	-	-	-	-	9,219
Other assets - Financial assets	893	41	2	212	-	-	1,149
Total on balance sheet credit exposures	**41,740**	**5,190**	**1,057**	**3,499**	**714**	**302**	**52,503**
Financial guarantees	3,444	96	224	-	-	-	3,764
Letters of credit	41	1	-	-	-	-	42
Irrevocable undrawn credit commitments	936	107	-	-	7	-	1,050
Total off balance sheet credit exposures	**4,421**	**204**	**224**	**-**	**7**	**-**	**4,856**

Group	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2020			Collective	Individual	Collective	Individual	
Due from banks	1,258	-	-	-	-	-	**1,258**
Loans and advances to customers at amortised cost	21,066	5,409	7,125	9,212	5,036	1,680	**49,528**
Retail Lending	**6,505**	**2,656**	**4,457**	**411**	**3,341**	**112**	**17,483**
Mortgages	5,264	2,110	3,245	336	2,411	79	**13,445**
Consumer, Personal and Other	891	435	1,032	74	841	33	**3,307**
Credit Cards	351	110	179	1	90	1	**731**
Corporate and Public Sector Lending	**14,561**	**2,754**	**2,668**	**8,800**	**1,695**	**1,568**	**32,045**
Large Corporate	7,841	1,151	74	3,317	64	304	**12,749**
SMEs	5,010	1,603	2,594	5,473	1,628	1,264	**17,572**
Public Sector	1,710	-	-	11	3	-	**1,724**
Debt securities measured at FVTOCI	2,698	19	-	-	-	-	**2,717**
Debt securities at amortised cost	4,976	-	-	-	-	-	**4,976**
Reverse repos with customers	8	-	-	-	-	-	**8**
Other assets - Financial assets	711	70	2	472	-	-	**1,256**
Total on balance sheet credit exposures	**30,717**	**5,499**	**7,127**	**9,684**	**5,036**	**1,680**	**59,743**
Financial guarantees	2,846	147	321	-	-	-	**3,314**
Letters of credit	37	1	2	-	-	-	**40**
Irrevocable undrawn credit commitments	657	53	6	1	11	1	**728**
Total off balance sheet credit exposures	**3,540**	**202**	**328**	**1**	**11**	**1**	**4,082**

Company	Stage 1	Stage 2	Stage 3		POCI		Total
31/12/2021			Collective	Individual	Collective	Individual	
Due from banks	50	-	-	-	-	-	**50**
Loans and advances to customers at amortised cost	-	-	-	-	-	-	-
Retail Lending	**-**	**-**	**-**	**-**	**-**	**-**	-
Mortgages	-	-	-	-	-	-	-
Consumer, Personal and Other	-	-	-	-	-	-	-
Credit Cards	-	-	-	-	-	-	-
Corporate and Public Sector Lending	**-**	**-**	**-**	**-**	**-**	**-**	-
Large Corporate	-	-	-	-	-	-	-
SMEs	-	-	-	-	-	-	-
Public Sector	-	-	-	-	-	-	-
Debt securities measured at FVTOCI	-	-	-	-	-	-	-
Debt securities at amortised cost	786	-	-	-	-	-	**786**
Reverse repos with customers	-	-	-	-	-	-	-
Other assets - Financial assets	11	-	-	-	-	-	**11**
Total on balance sheet credit exposures	**848**	**-**	**-**	**-**	**-**	**-**	**848**
Financial guarantees	-	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-	-
Irrevocable undrawn credit commitments	-	-	-	-	-	-	-
Total off balance sheet credit exposures	**-**	**-**	**-**	**-**	**-**	**-**	-

Company 31/12/2020	Stage 1	Stage 2	Stage 3 Collective	 Individual	POCI Collective	 Individual	Total
Due from banks	462	-	-	-	-	-	**462**
Loans and advances to customers at amortised cost	26	365	2,695	1,575	1,577	442	**6,680**
Retail Lending	**21**	**349**	**1,728**	**161**	**983**	**44**	**3,287**
Mortgages	17	324	1,503	147	838	38	**2,867**
Consumer, Personal and Other	4	25	194	14	130	6	**373**
Credit Cards	-	-	31	-	16	-	**47**
Corporate and Public Sector Lending	**5**	**16**	**967**	**1,414**	**594**	**397**	**3,393**
Large Corporate	1	1	13	201	8	67	**291**
SMEs	4	15	954	1,206	586	330	**3,097**
Public Sector	-	-	-	6	-	-	**6**
Debt securities measured at FVTOCI	-	-	-	-	-	-	**-**
Debt securities at amortised cost	721	-	-	-	-	-	**721**
Reverse repos with customers	-	-	-	-	-	-	**-**
Other assets - Financial assets	106	-	-	-	-	-	**106**
Total on balance sheet credit exposures	**1,316**	**365**	**2,695**	**1,575**	**1,577**	**442**	**7,970**
Financial guarantees	-	-	-	-	-	-	**-**
Letters of credit	-	-	-	-	-	-	**-**
Irrevocable undrawn credit commitments	-	4	-	1	-	1	**7**
Total off balance sheet credit exposures	**-**	**4**	**-**	**1**	**-**	**1**	**7**

4.3.1 Loans and advances to customers at amortised cost

For credit risk management purposes, the Group monitors its credit risk exposure on all acquired loans and advances to customers at amortised cost on a gross basis, i.e. the exposure at default is grossed up with the unamortised purchase price allocation adjustment as of the reporting date (the “PPA adjustment”).

For the purposes of this disclosure, gross carrying amount is defined as the amortised cost, before adjusting for any loss allowance, grossed up with the PPA adjustment. Similarly, the ECL allowance for impairment losses presented in the following tables includes the PPA adjustment. As such, the gross carrying amount and ECL allowance for impairment losses presented below does not reconcile to Note 21.

Loans and advances to customers at amortised cost for the Group as at 31 December 2021 and 2020 and the Company as at 31 December 2020 are summarised as follows:

Group 31/12/2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	4,647	1,803	404	341	**7,195**
Less: ECL Allowance for impairment losses	(3)	(21)	(36)	(12)	**(72)**
Total Mortgages	**4,643**	**1,782**	**368**	**329**	**7,123**
Consumer, Personal and Other loans					
Gross carrying amount	837	352	222	92	**1,503**
Less: ECL Allowance for impairment losses	(17)	(35)	(101)	(22)	**(174)**
Total Consumer, Personal and Other loans	**820**	**317**	**120**	**70**	**1,328**
Credit Cards					
Gross carrying amount	322	115	50	4	**491**
Less: ECL Allowance for impairment losses	(1)	(5)	(40)	(3)	**(48)**
Total Credit Cards	**321**	**111**	**10**	**1**	**443**
Retail Lending					
Gross carrying amount	5,806	2,271	676	436	**9,189**
Less: ECL Allowance for impairment losses	(21)	(60)	(177)	(36)	**(295)**
Total Retail Lending	**5,785**	**2,210**	**498**	**400**	**8,893**
Loans to Large Corporate					
Gross carrying amount	15,304	1,171	1,430	113	**18,017**
Less: ECL Allowance for impairment losses	(38)	(22)	(460)	(13)	**(533)**
Total Loans to Large Corporate	**15,266**	**1,148**	**970**	**100**	**17,484**
Loans to SMEs					
Gross carrying amount	5,353	1,684	2,231	465	**9,733**
Less: ECL Allowance for impairment losses	(31)	(93)	(870)	(147)	**(1,141)**
Total Loans to SMEs	**5,322**	**1,592**	**1,361**	**317**	**8,593**
Loans to Public Sector					
Gross carrying amount	1,545	-	5	2	**1,553**
Less: ECL Allowance for impairment losses	(1)	-	-	-	**(2)**
Total Loans to Public Sector	**1,544**	**-**	**5**	**2**	**1,551**
Corporate and Public Sector Lending					
Gross carrying amount	22,202	2,855	3,666	580	**29,303**
Less: ECL Allowance for impairment losses	(69)	(115)	(1,330)	(160)	**(1,675)**
Total Corporate and Public Sector Lending	**22,132**	**2,740**	**2,336**	**420**	**27,628**
Loans and advances to customers at amortised cost					
Gross carrying amount	28,007	5,126	4,342	1,016	**38,492**
Less: ECL Allowance for impairment losses	(91)	(175)	(1,508)	(197)	**(1,971)**
Total Loans and advances to customers at amortised cost	**27,917**	**4,950**	**2,834**	**820**	**36,521**

Group 31/12/2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	5,264	2,110	3,581	2,490	**13,445**
Less: ECL Allowance for impairment losses	(2)	(31)	(970)	(729)	**(1,732)**
Total Mortgages	**5,262**	**2,079**	**2,611**	**1,761**	**11,713**
Consumer, Personal and Other loans					
Gross carrying amount	891	435	1,106	874	**3,307**
Less: ECL Allowance for impairment losses	(21)	(44)	(707)	(550)	**(1,322)**
Total Consumer, Personal and Other loans	**870**	**392**	**400**	**323**	**1,985**
Credit Cards					
Gross carrying amount	351	110	180	91	**731**
Less: ECL Allowance for impairment losses	(2)	(8)	(155)	(81)	**(246)**
Total Credit Cards	**349**	**102**	**25**	**10**	**485**
Retail Lending					
Gross carrying amount	6,505	2,656	4,868	3,454	**17,483**
Less: ECL Allowance for impairment losses	(25)	(83)	(1,832)	(1,361)	**(3,300)**
Total Retail Lending	**6,481**	**2,573**	**3,036**	**2,093**	**14,183**
Loans to Large Corporate					
Gross carrying amount	7,841	1,151	3,390	368	**12,749**
Less: ECL Allowance for impairment losses	(53)	(64)	(1,216)	(169)	**(1,502)**
Total Loans to Large Corporate	**7,788**	**1,087**	**2,174**	**199**	**11,247**
Loans to SMEs					
Gross carrying amount	5,010	1,603	8,067	2,892	**17,572**
Less: ECL Allowance for impairment losses	(28)	(110)	(3,431)	(1,528)	**(5,097)**
Total Loans to SMEs	**4,981**	**1,493**	**4,636**	**1,365**	**12,475**
Loans to Public Sector					
Gross carrying amount	1,710	-	11	3	**1,724**
Less: ECL Allowance for impairment losses	(1)	-	(4)	-	**(6)**
Total Loans to Public Sector	**1,709**	**-**	**7**	**2**	**1,718**
Corporate and Public Sector Lending					
Gross carrying amount	14,561	2,754	11,468	3,262	**32,045**
Less: ECL Allowance for impairment losses	(83)	(174)	(4,651)	(1,697)	**(6,605)**
Total Corporate and Public Sector Lending	**14,478**	**2,579**	**6,818**	**1,565**	**25,441**
Loans and advances to customers at amortised cost					
Gross carrying amount	21,066	5,409	16,336	6,716	**49,528**
Less: ECL Allowance for impairment losses	(107)	(257)	(6,482)	(3,058)	**(9,904)**
Total Loans and advances to customers at amortised cost	**20,959**	**5,152**	**9,854**	**3,659**	**39,624**

As at 31 December 2021, the gross carrying amount of the Group's loans and advances to customers at amortised cost amounted to € 38,492 million, compared to € 49,528 million as at 31 December 2020, representing a decrease of € 11,036 million, mainly affected by the following: i) the derecognition of the Phoenix and Vega portfolios, with a gross carrying amount of € 6,667 million; ii) the derecognition of the Sunrise I portfolio, with a gross carrying amount of € 6,997 million; iii) the derecognition of the Sunrise II portfolio, with a gross carrying amount of € 2,555 million; and iv) the classification of the Sunshine portfolio as held for sale, with a gross carrying amount of € 488 million (refer to Notes 3 and 28). For the related decrease of ECL allowance for impairment losses please refer to Note 4.3.2 and Note 28 regarding the held for sale classifications.

As of 31 December 2021 the Company had no loans and advances to customers at amortised cost, though for the period ended 31 December 2020 the respective analysis is presented in the following table.

Company 31/12/2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit impaired Lifetime ECL	POCI Credit impaired Lifetime ECL	Total
Mortgages					
Gross carrying amount	17	324	1,651	876	**2,868**
Less: ECL Allowance for impairment losses	-	(4)	(473)	(313)	**(790)**
Total Mortgages	**17**	**320**	**1,177**	**564**	**2,078**
Consumer, Personal and Other loans					
Gross carrying amount	4	25	207	136	**372**
Less: ECL Allowance for impairment losses	-	(3)	(107)	(94)	**(204)**
Total Consumer, Personal and Other loans	**3**	**22**	**100**	**42**	**168**
Credit Cards					
Gross carrying amount	-	-	31	16	**47**
Less: ECL Allowance for impairment losses	-	-	(26)	(14)	**(41)**
Total Credit Cards	**-**	**-**	**4**	**2**	**6**
Retail Lending					
Gross carrying amount	21	349	1,889	1,028	**3,286**
Less: ECL Allowance for impairment losses	-	(7)	(607)	(420)	**(1,035)**
Total Retail Lending	**21**	**342**	**1,282**	**607**	**2,252**
Loans to Large Corporate					
Gross carrying amount	1	1	214	74	**291**
Less: ECL Allowance for impairment losses	-	-	(146)	(52)	**(197)**
Total Loans to Large Corporate	**1**	**1**	**68**	**23**	**93**
Loans to SMEs					
Gross carrying amount	4	15	2,160	917	**3,097**
Less: ECL Allowance for impairment losses	-	(1)	(1,094)	(523)	**(1,618)**
Total Loans to SMEs	**4**	**14**	**1,066**	**394**	**1,479**
Loans to Public Sector					
Gross carrying amount	-	-	6	-	**6**
Less: ECL Allowance for impairment losses	-	-	(4)	-	**(4)**
Total Loans to Public Sector	**-**	**-**	**2**	**-**	**2**
Corporate and Public Sector Lending					
Gross carrying amount	5	16	2,381	991	**3,393**
Less: ECL Allowance for impairment losses	-	(1)	(1,244)	(574)	**(1,819)**
Total Corporate and Public Sector Lending	**5**	**15**	**1,137**	**417**	**1,574**
Loans and advances to customers at amortised cost					
Gross carrying amount	26	365	4,270	2,019	**6,680**
Less: ECL Allowance for impairment losses	-	(8)	(1,851)	(995)	**(2,853)**
Total Loans and advances to customers at amortised cost	**26**	**357**	**2,419**	**1,024**	**3,826**

4.3.2 Credit quality per loan portfolio and industry

The tables below present the credit quality per loan portfolio and industry, inclusive of the value of collateral for the Group's and the Company's gross carrying amount of loan and advances to customers at amortised cost as at 31 December 2021 and 2020.

31/12/2021	Group					Company				
	Strong	Recommended	Substandard	Default	Value of collateral	Strong	Recommended	Substandard	Default	Value of collateral
Retail Lending	**5,725**	**80**	**2,589**	**794**	**7,397**	**-**	**-**	**-**	**-**	**-**
Mortgages	4,601	46	2,055	493	6,774	-	-	-	-	-
Consumer, Personal and Other	810	27	419	247	622	-	-	-	-	-
Credit Cards	314	7	116	53	1	-	-	-	-	-
Corporate Lending	**19,322**	**1,381**	**3,000**	**4,047**	**11,799**	**-**	**-**	**-**	**-**	**-**
Large Corporate	14,694	610	1,253	1,460	6,120	-	-	-	-	-
SMEs	4,629	771	1,747	2,587	5,680	-	-	-	-	-
Public Sector	**1,537**	**8**	**2**	**5**	**1,484**	**-**	**-**	**-**	**-**	**-**
Greece	1,537	8	2	5	1,484	-	-	-	-	-
Total	**26,585**	**1,469**	**5,592**	**4,846**	**20,680**	**-**	**-**	**-**	**-**	**-**

31/12/2020	Group					Company				
	Strong	Recommended	Substandard	Default	Value of collateral	Strong	Recommended	Substandard	Default	Value of collateral
Retail Lending	**6,000**	**505**	**3,081**	**7,896**	**12,703**	**18**	**3**	**387**	**2,878**	**2,459**
Mortgages	4,820	443	2,439	5,742	11,614	15	2	359	2,492	2,313
Consumer, Personal and Other	832	59	532	1,883	1,076	3	1	28	340	142
Credit Cards	348	3	110	270	12	-	-	-	47	4
Corporate Lending	**10,918**	**2,075**	**2,831**	**14,497**	**15,436**	**5**	**-**	**18**	**3,364**	**1,515**
Large Corporate	6,602	1,298	1,168	3,682	6,042	1	-	1	288	58
SMEs	4,315	777	1,663	10,816	9,393	4	-	16	3,076	1,457
Public Sector	**1,699**	**11**	**3**	**11**	**1,634**	**-**	**-**	**-**	**6**	**-**
Greece	1,699	11	3	11	1,634	-	-	-	6	-
Total	**18,618**	**2,590**	**5,915**	**22,405**	**29,773**	**23**	**3**	**405**	**6,249**	**3,974**

The tables below show the Group's and the Company's ageing analysis of past dues and the classification of gross exposures per loan category, into stages, inclusive of the corresponding value of collateral:

Group	Gross loans and advances to customers at amortised cost												
31/12/2021	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**8,497**	**210**	**67**	**61**	**96**	**128**	**130**	**9,189**	**5,806**	**2,271**	**676**	**436**	**9,189**
Mortgages	6,829	130	40	40	61	41	54	**7,195**	4,647	1,803	404	341	**7,195**
Consumer, Personal and Other	1,248	62	22	18	30	63	60	**1,503**	837	352	222	92	**1,503**
Credit Cards	420	18	5	4	4	24	16	**491**	322	115	50	4	**491**
Corporate Lending	**23,351**	**1,323**	**217**	**83**	**285**	**934**	**1,558**	**27,751**	**20,657**	**2,855**	**3,661**	**578**	**27,751**
Large Corporate	16,688	616	59	5	140	382	128	**18,017**	15,304	1,171	1,430	113	**18,017**
SMEs	6,663	706	158	77	146	553	1,430	**9,733**	5,353	1,684	2,231	465	**9,733**
Public Sector	**1,547**	**-**	**-**	**-**	**-**	**-**	**5**	**1,553**	**1,545**	**-**	**5**	**2**	**1,553**
Greece	1,547	-	-	-	-	-	5	**1,553**	1,545	-	5	2	**1,553**
Total	**33,395**	**1,533**	**284**	**143**	**381**	**1,063**	**1,692**	**38,492**	**28,007**	**5,126**	**4,342**	**1,016**	**38,492**
Value of collateral	**17,621**	**992**	**197**	**113**	**284**	**599**	**874**	**20,680**	**13,965**	**3,594**	**2,381**	**740**	**20,680**

Group	Gross loans and advances to customers at amortised cost												
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**8,966**	**1,399**	**447**	**201**	**265**	**767**	**5,437**	**17,483**	**6,505**	**2,656**	**4,868**	**3,454**	**17,483**
Mortgages	7,166	1,196	359	156	176	393	3,999	**13,445**	5,264	2,110	3,581	2,490	**13,445**
Consumer, Personal and Other	1,356	192	81	40	52	374	1,211	**3,307**	891	435	1,106	874	**3,307**
Credit Cards	444	11	8	5	37	-	227	**731**	351	110	180	91	**731**
Corporate Lending	**16,701**	**2,474**	**708**	**1,323**	**200**	**799**	**8,116**	**30,321**	**12,850**	**2,754**	**11,457**	**3,260**	**30,321**
Large Corporate	9,576	1,455	239	453	25	138	863	**12,749**	7,841	1,151	3,390	368	**12,749**
SMEs	7,125	1,019	469	870	175	661	7,252	**17,572**	5,010	1,603	8,067	2,892	**17,572**
Public Sector	**1,710**	**3**	**-**	**-**	**-**	**-**	**11**	**1,724**	**1,710**	**-**	**11**	**3**	**1,724**
Greece	1,710	3	-	-	-	-	11	**1,724**	1,710	-	11	3	**1,724**
Total	**27,377**	**3,875**	**1,155**	**1,525**	**465**	**1,567**	**13,564**	**49,528**	**21,066**	**5,409**	**16,336**	**6,716**	**49,528**
Value of collateral	**17,557**	**2,610**	**787**	**855**	**291**	**712**	**6,962**	**29,773**	**13,741**	**3,923**	**8,398**	**3,711**	**29,773**

Company	Gross loans and advances to customers at amortised cost												
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**565**	**172**	**90**	**60**	**76**	**218**	**2,105**	**3,286**	**21**	**349**	**1,889**	**1,028**	**3,286**
Mortgages	522	155	83	55	68	183	1,802	**2,868**	17	324	1,651	876	**2,868**
Consumer, Personal and Other	43	17	7	5	8	35	257	**372**	4	25	207	136	**372**
Credit Cards	-	-	-	-	-	-	47	**47**	-	-	31	16	**47**
Corporate Lending	**220**	**43**	**25**	**73**	**25**	**47**	**2,955**	**3,387**	**5**	**16**	**2,374**	**991**	**3,387**
Large Corporate	77	-	1	-	5	9	199	**291**	1	1	214	74	**291**
SMEs	143	43	24	73	20	38	2,756	**3,097**	4	15	2,160	917	**3,097**
Public Sector	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**6**	**-**	**-**	**6**	**-**	**6**
Greece	-	-	-	-	-	-	6	**6**	-	-	6	-	**6**
Total	**784**	**215**	**116**	**133**	**100**	**265**	**5,066**	**6,680**	**26**	**365**	**4,270**	**2,019**	**6,680**
Value of collateral	611	176	96	107	78	200	2,706	**3,974**	22	327	2,476	1,150	**3,974**

The tables below show the Group's and the Company's ECL allowance, per loan category, based on past dues and staging:

Group	ECL allowance for impairments on loans and advances to customers at amortised cost												
31/12/2021	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**127**	**11**	**6**	**9**	**19**	**64**	**59**	**295**	**21**	**60**	**177**	**36**	**295**
Mortgages	45	2	1	2	5	5	13	**72**	3	21	36	12	**72**
Consumer, Personal and Other	75	8	4	6	11	39	32	**174**	17	35	101	22	**174**
Credit Cards	7	1	1	2	2	21	14	**48**	1	5	40	3	**48**
Corporate Lending	**433**	**37**	**11**	**14**	**57**	**322**	**800**	**1,674**	**69**	**115**	**1,330**	**160**	**1,674**
Large Corporate	298	10	1	5	46	123	51	**533**	38	22	460	13	**533**
SMEs	135	28	10	8	11	199	750	**1,141**	31	93	870	147	**1,141**
Public Sector	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**	**-**	**-**	**-**	**1**
Greece	1	-	-	-	-	-	-	**1**	1	-	-	-	**1**
Total	**561**	**48**	**17**	**23**	**76**	**387**	**859**	**1,971**	**91**	**175**	**1,508**	**197**	**1,971**

Group	ECL allowance for impairments on loans and advances to customers at amortised												
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**183**	**61**	**33**	**26**	**60**	**317**	**2,619**	**3,300**	**25**	**83**	**1,832**	**1,361**	**3,300**
Mortgages	68	33	14	8	12	56	1,541	**1,732**	2	31	970	729	**1,732**
Consumer, Personal and Other	108	27	17	15	19	261	874	**1,322**	21	44	707	550	**1,322**
Credit Cards	8	1	2	3	29	-	204	**246**	2	8	155	81	**246**
Corporate Lending	**1,124**	**272**	**78**	**416**	**55**	**302**	**4,352**	**6,599**	**81**	**174**	**4,646**	**1,697**	**6,599**
Large Corporate	700	136	36	157	6	44	423	**1,502**	53	64	1,216	169	**1,502**
SMEs	423	137	41	259	48	258	3,929	**5,097**	28	110	3,431	1,528	**5,097**
Public Sector	**1**	**-**	**-**	**-**	**-**	**-**	**4**	**6**	**1**	**-**	**4**	**-**	**6**
Greece	1	-	-	-	-	-	4	**6**	1	-	4	-	**6**
Total	**1,308**	**334**	**111**	**442**	**114**	**619**	**6,976**	**9,904**	**107**	**257**	**6,482**	**3,058**	**9,904**

Company	ECL allowance for impairments on loans and advances to customers at amortised												
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denounced	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Retail Lending	**24**	**9**	**4**	**3**	**5**	**34**	**954**	**1,035**	**-**	**7**	**607**	**420**	**1,035**
Mortgages	17	6	3	2	3	23	735	**790**	-	4	473	313	**790**
Consumer, Personal and Other	8	3	1	1	2	11	178	**204**	-	3	107	94	**204**
Credit Cards	-	-	-	-	-	-	41	**41**	-	-	26	14	**41**
Corporate Lending	**85**	**17**	**6**	**21**	**12**	**16**	**1,658**	**1,815**	**-**	**1**	**1,240**	**574**	**1,815**
Large Corporate	56	-	-	-	3	5	133	**197**	-	-	146	52	**197**
SMEs	30	17	6	21	8	11	1,525	**1,618**	-	1	1,094	523	**1,618**
Public Sector	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**4**	**-**	**-**	**4**	**-**	**4**
Greece	-	-	-	-	-	-	4	**4**	-	-	4	-	**4**
Total	**109**	**26**	**11**	**24**	**17**	**50**	**2,616**	**2,853**	**-**	**8**	**1,851**	**995**	**2,853**

The tables below present the credit quality per loan portfolio and industry:

Group	Gross loans and advances to customers at amortised cost						
31/12/2021	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**5,806**	**2,271**	**608**	**68**	**430**	**6**	**9,189**
Corporate and Public Sector Lending	**22,202**	**2,855**	**448**	**3,218**	**283**	**297**	**29,303**
Financial corporations	6,695	5	4	440	5	6	**7,155**
Manufacturing/ Handicraft	2,569	633	81	517	34	55	**3,889**
Construction	574	144	41	278	20	13	**1,071**
Real Estate Companies	710	105	4	425	14	57	**1,316**
Project Finance	1,852	5	1	72	2	3	**1,936**
Wholesale and retail trade	2,240	420	123	371	38	54	**3,245**
Shipping Companies	1,946	3	1	31	-	-	**1,980**
Coastline/ Ferries Companies	118	-	1	103	-	-	**222**
Hotels	963	782	24	404	72	47	**2,292**
Agriculture	362	64	37	86	16	1	**565**
Energy	640	48	7	40	1	-	**735**
Transports and Logistics	402	94	19	252	4	1	**773**
Other industries	1,588	553	106	193	75	58	**2,573**
Public sector	1,545	1	1	5	2	-	**1,553**
Total	**28,007**	**5,126**	**1,056**	**3,286**	**714**	**303**	**38,492**

Group 31/12/2020	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,505**	**2,656**	**4,457**	**411**	**3,341**	**112**	**17,483**
Corporate and Public Sector Lending	**14,561**	**2,754**	**2,668**	**8,800**	**1,695**	**1,568**	**32,045**
Financial corporations	260	23	9	963	12	31	**1,297**
Manufacturing/ Handicraft	2,445	490	444	1,561	271	299	**5,511**
Construction	474	244	317	1,244	157	203	**2,640**
Real Estate Companies	572	118	35	876	30	268	**1,899**
Project Finance	1,641	20	-	146	3	4	**1,814**
Wholesale and retail trade	2,037	447	900	1,273	582	271	**5,509**
Shipping Companies	1,373	52	1	453	-	-	**1,880**
Coastline/ Ferries Companies	125	-	-	117	-	-	**242**
Hotels	953	814	130	691	100	111	**2,799**
Agriculture	300	59	157	175	79	27	**797**
Energy	845	24	11	64	3	-	**947**
Transports and Logistics	303	69	110	431	59	22	**994**
Other industries	1,521	392	555	795	397	332	**3,992**
Public sector	1,710	-	-	11	3	-	**1,724**
Total	**21,066**	**5,410**	**7,125**	**9,212**	**5,036**	**1,680**	**49,528**

Group 31/12/2021	ECL allowance for impairments on loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**21**	**60**	**155**	**22**	**36**	**-**	**295**
Corporate and Public Sector Lending	**69**	**115**	**165**	**1,165**	**45**	**115**	**1,675**
Financial corporations	7	-	2	101	-	1	**112**
Manufacturing/ Handicraft	13	26	29	141	5	18	**232**
Construction	4	6	16	107	4	6	**143**
Real Estate Companies	2	3	3	159	1	14	**182**
Project Finance	1	-	-	52	-	-	**54**
Wholesale and retail trade	12	30	53	199	11	28	**334**
Shipping Companies	1	-	1	15	-	-	**16**
Coastline/ Ferries Companies	-	-	-	30	-	-	**31**
Hotels	3	6	4	9	1	3	**26**
Agriculture	2	4	10	32	4	-	**53**
Energy	11	7	3	8	-	-	**30**
Transports and Logistics	1	3	8	157	1	1	**172**
Other industries	10	29	37	154	17	44	**291**
Public sector	1	-	-	-	-	-	**2**
Total	**91**	**175**	**321**	**1,187**	**81**	**115**	**1,971**

Group	ECL allowance for impairments on loans and advances to customers at amortised cost						
31/12/2020	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**25**	**83**	**1,637**	**195**	**1,288**	**73**	**3,300**
Corporate and Public Sector Lending	**83**	**174**	**1,304**	**3,346**	**880**	**817**	**6,605**
Financial corporations	5	2	6	319	5	21	**358**
Manufacturing/ Handicraft	12	35	219	557	141	140	**1,103**
Construction	4	18	160	516	75	95	**867**
Real Estate Companies	2	11	9	317	9	124	**470**
Project Finance	1	1	-	82	-	-	**84**
Wholesale and retail trade	16	32	492	608	354	132	**1,633**
Shipping Companies	1	2	1	91	-	-	**95**
Coastline/ Ferries Companies	-	-	-	36	-	-	**36**
Hotels	4	18	32	101	15	15	**184**
Agriculture	1	3	55	59	32	11	**161**
Energy	25	1	4	29	2	-	**61**
Transports and Logistics	1	7	59	228	36	17	**348**
Other industries	9	46	268	401	212	262	**1,198**
Public sector	1	-	-	4	-	-	**6**
Total	**107**	**257**	**2,941**	**3,541**	**2,167**	**890**	**9,904**

Group 31/12/2021	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**5,785**	**2,210**	**452**	**46**	**394**	**5**	**8,893**
Corporate and Public Sector Lending	**22,132**	**2,740**	**283**	**2,053**	**238**	**182**	**27,628**
Financial corporations	6,688	4	1	339	5	6	**7,044**
Manufacturing/ Handicraft	2,556	607	52	376	28	37	**3,657**
Construction	570	138	25	171	16	8	**928**
Real Estate Companies	707	102	2	267	13	43	**1,134**
Project Finance	1,850	5	1	20	2	3	**1,882**
Wholesale and retail trade	2,227	390	70	172	27	26	**2,911**
Shipping Companies	1,945	3	-	16	-	-	**1,964**
Coastline/ Ferries Companies	118	-	1	73	-	-	**191**
Hotels	959	776	20	395	71	44	**2,265**
Agriculture	360	60	26	54	12	1	**512**
Energy	629	41	4	31	1	-	**706**
Transports and Logistics	401	91	11	95	3	-	**601**
Other industries	1,578	524	69	39	58	14	**2,282**
Public sector	1,544	-	-	5	2	-	**1,551**
Total	**27,917**	**4,950**	**735**	**2,099**	**632**	**188**	**36,521**

Group 31/12/2020	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**6,481**	**2,573**	**2,820**	**216**	**2,054**	**40**	**14,183**
Corporate and Public Sector Lending	**14,478**	**2,579**	**1,364**	**5,454**	**815**	**750**	**25,441**
Financial corporations	255	21	3	644	7	9	**939**
Manufacturing/ Handicraft	2,434	456	225	1,005	130	159	**4,407**
Construction	471	226	157	729	82	108	**1,773**
Real Estate Companies	570	108	26	559	21	144	**1,429**
Project Finance	1,640	19	-	64	3	4	**1,730**
Wholesale and retail trade	2,021	415	408	665	228	139	**3,876**
Shipping Companies	1,372	50	-	362	-	-	**1,784**
Coastline/ Ferries Companies	125	-	-	81	-	-	**207**
Hotels	949	796	98	591	85	97	**2,615**
Agriculture	299	56	102	116	47	16	**636**
Energy	820	23	6	36	2	-	**886**
Transports and Logistics	302	62	50	204	23	5	**646**
Other industries	1,512	347	287	394	185	70	**2,794**
Public sector	1,709	-	-	7	2	-	**1,719**
Total	**20,959**	**5,152**	**4,184**	**5,670**	**2,869**	**790**	**39,624**

Company 31/12/2020	Gross loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**21**	**349**	**1,728**	**161**	**983**	**44**	**3,286**
Corporate and Public Sector Lending	**5**	**16**	**967**	**1,414**	**594**	**397**	**3,393**
Financial corporations	-	-	4	80	3	13	**100**
Manufacturing/ Handicraft	-	3	176	288	124	84	**674**
Construction	-	1	140	346	71	61	**620**
Real Estate Companies	-	1	11	66	8	36	**122**
Project Finance	-	-	-	9	-	-	**9**
Wholesale and retail trade	3	5	355	334	226	114	**1,036**
Shipping Companies	-	-	-	-	-	-	**-**
Coastline/ Ferries Companies	-	-	-	-	-	-	**-**
Hotels	-	1	44	65	13	8	**131**
Agriculture	-	-	44	26	21	13	**105**
Energy	-	-	1	-	1	-	**3**
Transports and Logistics	-	2	27	31	17	8	**84**
Other industries	1	3	165	163	110	60	**503**
Public sector	-	-	-	6	-	-	**6**
Total	**26**	**365**	**2,695**	**1,575**	**1,577**	**442**	**6,679**

Company	ECL allowance for impairments on loans and advances to customers at amortised cost						
31/12/2020	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**-**	**7**	**539**	**68**	**394**	**26**	**1,035**
Corporate and Public Sector Lending	**-**	**1**	**526**	**718**	**345**	**229**	**1,819**
Financial corporations	-	-	3	59	3	10	**74**
Manufacturing/ Handicraft	-	-	95	140	71	40	**345**
Construction	-	-	79	197	38	32	**346**
Real Estate Companies	-	-	3	30	4	19	**56**
Project Finance	-	-	-	1	-	-	**1**
Wholesale and retail trade	-	-	208	161	142	67	**579**
Shipping Companies	-	-	-	-	-	-	**-**
Coastline/ Ferries Companies	-	-	-	-	-	-	**-**
Hotels	-	-	12	18	6	3	**39**
Agriculture	-	-	17	11	10	6	**43**
Energy	-	-	1	-	-	-	**2**
Transports and Logistics	-	-	17	15	11	5	**49**
Other industries	-	-	91	82	61	47	**281**
Public sector	-	-	-	4	-	-	**4**
Total	**-**	**8**	**1,065**	**786**	**739**	**256**	**2,854**

Company 31/12/2020	Loans and advances to customers at amortised cost						
	Stage 1	Stage 2	Stage 3		POCI		Total
			Collective	Individual	Collective	Individual	
Retail Lending	**21**	**342**	**1,189**	**93**	**589**	**18**	**2,252**
Corporate and Public Sector Lending	**5**	**15**	**441**	**696**	**249**	**168**	**1,574**
Financial corporations	-	-	1	20	1	4	**26**
Manufacturing/ Handicraft	-	3	81	148	53	44	**329**
Construction	-	1	62	149	33	29	**274**
Real Estate Companies	-	1	8	36	4	17	**66**
Project Finance	-	-	-	8	-	-	**8**
Wholesale and retail trade	3	4	146	172	84	47	**457**
Shipping Companies	-	-	-	-	-	-	**-**
Coastline/ Ferries Companies	-	-	-	-	-	-	**-**
Hotels	-	1	31	47	7	5	**92**
Agriculture	-	-	27	16	12	7	**62**
Energy	-	-	-	-	1	-	**1**
Transports and Logistics	-	1	10	15	6	2	**35**
Other industries	1	3	75	81	49	13	**222**
Public sector	-	-	-	2	-	-	**2**
Total	**26**	**357**	**1,631**	**789**	**838**	**186**	**3,826**

The tables that follow show the credit quality, per staging, of each loan category, for the Group as at 31 December 2021 and 2020 and for the Company as at 31 December 2020, inclusive of value of collateral.

Mortgages

Group	Mortgages - Internal rating grade				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,601	-	-	-	**4,601**
Recommended	46	-	-	-	**46**
Substandard	-	1,803	-	252	**2,055**
Default	-	-	404	90	**493**
Total Gross Balance	**4,647**	**1,803**	**404**	**341**	**7,195**
Strong	3	-	-	-	**3**
Recommended	-	-	-	-	**-**
Substandard	-	21	-	4	**25**
Default	-	-	36	8	**44**
Total ECL Allowance	**3**	**21**	**36**	**12**	**72**
Total Balance	**4,643**	**1,782**	**368**	**329**	**7,123**
Value of collateral	4,436	1,671	354	313	6,774

Group	Mortgages - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	4,820	-	-	-	**4,820**
Recommended	443	-	-	-	**443**
Substandard	-	2,110	-	329	**2,439**
Default	-	-	3,581	2,161	**5,742**
Total Gross Balance	**5,264**	**2,110**	**3,581**	**2,490**	**13,445**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	31	-	6	**36**
Default	-	-	970	723	**1,694**
Total ECL Allowance	**2**	**31**	**970**	**729**	**1,732**
Total Balance	**5,262**	**2,079**	**2,611**	**1,761**	**11,713**
Value of collateral	4,961	1,915	2,773	1,966	11,614

Company	Mortgages - Internal rating grade				
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	15	-	-	-	**15**
Recommended	2	-	-	-	**2**
Substandard	-	324	-	35	**359**
Default	-	-	1,651	841	**2,492**
Total Gross Balance	**17**	**324**	**1,651**	**876**	**2,868**
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	4	-	-	**4**
Default	-	-	473	312	**785**
Total ECL Allowance	**-**	**4**	**473**	**313**	**790**
Total Balance	**17**	**320**	**1,177**	**564**	**2,078**
Value of collateral	16	301	1,304	692	2,313

Consumer, Personal and Other Lending

Group	Consumer, Personal and Other Lending - Internal rating grade				
31/12/2021	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	810	-	-	-	**810**
Recommended	27	-	-	-	**27**
Substandard	-	352	-	67	**419**
Default	-	-	222	25	**247**
Total Gross Balance	**837**	**352**	**222**	**92**	**1,503**
Strong	16	-	-	-	**16**
Recommended	-	-	-	-	**-**
Substandard	-	35	-	13	**48**
Default	-	-	101	9	**110**
Total ECL Allowance	**17**	**35**	**101**	**22**	**174**
Total Balance	**820**	**317**	**120**	**70**	**1,328**
Value of collateral	394	133	60	35	**622**

Group	Consumer, Personal and Other Lending - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	832	-	-	-	**832**
Recommended	59	-	-	-	**59**
Substandard	-	435	-	97	**532**
Default	-	-	1,106	777	**1,883**
Total Gross Balance	**891**	**435**	**1,106**	**874**	**3,307**
Strong	19	-	-	-	**19**
Recommended	2	-	-	-	**2**
Substandard	-	44	-	21	**65**
Default	-	-	707	530	**1,236**
Total ECL Allowance	**21**	**44**	**707**	**550**	**1,322**
Total Balance	**870**	**392**	**400**	**323**	**1,985**
Value of collateral	392	161	273	251	**1,076**

Company	Consumer, Personal and Other Lending - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	3	-	-	-	**3**
Recommended	1	-	-	-	**1**
Substandard	-	25	-	3	**28**
Default	-	-	207	133	**340**
Total Gross Balance	**4**	**25**	**207**	**136**	**372**
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	3	-	-	**4**
Default	-	-	107	93	**200**
Total ECL Allowance	**-**	**3**	**107**	**94**	**204**
Total Balance	**3**	**22**	**100**	**42**	**168**
Value of collateral	1	13	88	39	**142**

Credit Cards

Group	Credit Cards - Internal rating grade				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	314	-	-	-	314
Recommended	7	-	-	-	7
Substandard	-	115	-	-	116
Default	-	-	50	3	53
Total Gross Balance	**322**	**115**	**50**	**4**	**491**
Strong	1	-	-	-	1
Recommended	-	-	-	-	-
Substandard	-	5	-	-	5
Default	-	-	40	3	43
Total ECL Allowance	**1**	**5**	**40**	**3**	**48**
Total Balance	**321**	**111**	**10**	**1**	**443**
Value of Collateral	1	-	-	-	1

Group	Credit Cards - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	348	-	-	-	**348**
Recommended	3	-	-	-	**3**
Substandard	-	110	-	-	**110**
Default	-	-	180	90	**270**
Total Gross Balance	**351**	**110**	**180**	**90**	**731**
Strong	2	-	-	-	**2**
Recommended	-	-	-	-	**-**
Substandard	-	8	-	-	**8**
Default	-	-	155	81	**236**
Total ECL Allowance	**2**	**8**	**155**	**81**	**246**
Total Balance	**349**	**102**	**25**	**9**	**485**
Value of Collateral	-	-	7	5	**12**

Company		Credit Cards - Internal rating grade			
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	31	16	**47**
Total Gross Balance	**-**	**-**	**31**	**16**	**47**
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	26	14	**41**
Total ECL Allowance	**-**	**-**	**26**	**14**	**41**
Total Balance	**-**	**-**	**4**	**2**	**6**
Value of collateral	-	-	3	1	**4**

Large Corporate

Group		Large Corporate - Internal rating grade			
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	14,694	-	-	-	**14,694**
Recommended	610	-	-	-	**610**
Substandard	-	1,171	8	75	**1,253**
Default	-	-	1,422	38	**1,460**
Total Gross Balance	**15,304**	**1,171**	**1,430**	**113**	**18,017**
Strong	33	-	-	-	**33**
Recommended	5	-	-	-	**5**
Substandard	-	22	-	2	**24**
Default	-	-	460	11	**471**
Total ECL Allowance	**38**	**22**	**460**	**13**	**533**
Total Balance	**15,266**	**1,148**	**970**	**100**	**17,484**
Value of collateral	4,747	612	679	83	**6,120**

Group	Large Corporate - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	6,602	-	-	-	**6,602**
Recommended	1,238	59	-	-	**1,298**
Substandard	-	1,092	15	61	**1,168**
Default	-	-	3,375	307	**3,682**
Total Gross Balance	**7,841**	**1,151**	**3,390**	**368**	**12,749**
Strong	18	-	-	-	**18**
Recommended	35	1	-	-	**36**
Substandard	-	63	6	3	**72**
Default	-	-	1,210	167	**1,376**
Total ECL Allowance	**53**	**64**	**1,216**	**169**	**1,502**
Total Balance	**7,788**	**1,087**	**2,174**	**199**	**11,247**
Value of collateral	4,055	692	1,122	173	**6,042**

Company	Large Corporate - Internal rating grade				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	1	-	-	**1**
Default	-	-	214	74	**288**
Total Gross Balance	**1**	**1**	**214**	**74**	**291**
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	146	52	**197**
Total ECL Allowance	**-**	**-**	**146**	**52**	**197**
Total Balance	**1**	**1**	**68**	**23**	**93**
Value of collateral	1	-	38	19	**58**

SME

Group	SME - Internal rating grade				
31/12/2021	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	4,629	-	-	-	**4,629**
Recommended	725	47	-	-	**771**
Substandard	-	1,638	17	92	**1,747**
Default	-	-	2,214	373	**2,587**
Total Gross Balance	**5,353**	**1,684**	**2,231**	**465**	**9,733**
Strong	24	-	-	-	**24**
Recommended	7	1	-	-	**8**
Substandard	-	92	8	3	**102**
Default	-	-	862	145	**1,007**
Total ECL Allowance	**31**	**93**	**870**	**147**	**1,141**
Total Balance	**5,322**	**1,592**	**1,361**	**317**	**8,593**
Value of Collateral	2,908	1,178	1,284	310	**5,680**

Group	SME - Internal rating grade				
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	4,315	-	-	-	**4,315**
Recommended	694	83	-	-	**777**
Substandard	-	1,520	27	117	**1,663**
Default	-	-	8,040	2,776	**10,816**
Total Gross Balance	**5,010**	**1,603**	**8,067**	**2,892**	**17,572**
Strong	20	-	-	-	**20**
Recommended	8	2	-	-	**10**
Substandard	-	108	19	3	**131**
Default	-	-	3,412	1,524	**4,936**
Total ECL Allowance	**28**	**110**	**3,431**	**1,528**	**5,097**
Total Balance	**4,981**	**1,493**	**4,636**	**1,365**	**12,475**
Value of collateral	2,703	1,154	4,219	1,317	**9,393**

Company	SME - Internal rating grade				
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	4	-	-	-	**4**
Recommended	-	-	-	-	**-**
Substandard	-	15	-	1	**16**
Default	-	-	2,160	915	**3,076**
Total Gross Balance	**4**	**15**	**2,160**	**917**	**3,097**
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	1	-	-	**1**
Default	-	-	1,094	523	**1,617**
Total ECL Allowance	**-**	**1**	**1,094**	**523**	**1,618**
Total Balance	**4**	**14**	**1,066**	**394**	**1,479**
Value of collateral	4	12	1,042	399	**1,457**

Public Sector

Group	Public Sector - Internal rating grade				
31/12/2021	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	1,537	-	-	-	**1,537**
Recommended	8	-	-	-	**8**
Substandard	-	-	-	2	**2**
Default	-	-	5	-	**5**
Total Gross Balance	**1,545**	**-**	**5**	**2**	**1,553**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	-	-	**-**
Total ECL Allowance	**1**	**-**	**-**	**-**	**2**
Total Balance	**1,544**	**-**	**5**	**2**	**1,551**
Value of collateral	1,479	-	5	-	**1,484**

Group	Public Sector - Internal rating grade				
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	1,699	-	-	-	**1,699**
Recommended	11	-	-	-	**11**
Substandard	-	-	-	2	**3**
Default	-	-	11	-	**11**
Total Gross Balance	**1,710**	**-**	**11**	**3**	**1,724**
Strong	1	-	-	-	**1**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	4	-	**4**
Total ECL Allowance	**1**	**-**	**4**	**-**	**6**
Total Balance	**1,709**	**-**	**7**	**2**	**1,718**
Value of collateral	1,630	-	4	-	**1,634**

Company	Public Sector - Internal rating grade				
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	6	-	**6**
Total Gross Balance	**-**	**-**	**6**	**-**	**6**
Strong	-	-	-	-	**-**
Recommended	-	-	-	-	**-**
Substandard	-	-	-	-	**-**
Default	-	-	4	-	**4**
Total ECL Allowance	**-**	**-**	**4**	**-**	**4**
Total Balance	**-**	**-**	**2**	**-**	**2**
Value of collateral	-	-	-	-	**-**

As at 31 December 2021 and 2020 the Group and the Company have not granted any Public Sector lending outside Greece.

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Retail lending portfolio for 2021 is as follows:

Group	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	6,506	2,656	4,868	3,454	**17,483**
Transfer (to)/ from Held for Sale	(32)	(147)	(2,324)	(1,946)	**(4,449)**
New assets originated or purchased	527	19	-	-	**546**
Other debits to the Gross Balance / Repayments	(882)	(232)	(52)	(79)	**(1,245)**
Assets sold	(26)	(365)	(1,870)	(1,011)	**(3,271)**
Assets derecognised (excluding write offs)	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(1,409)	1,409			**-**
Transferred from Stage 1 to Stage 3	(30)		30		**-**
Transferred from Stage 2 to Stage 1	959	(959)			**-**
Transferred from Stage 2 to Stage 3		(546)	546		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		360	(360)		**-**
Change in the present value of the allowance	178	69	77	56	**381**
Write-off of interest recognised from change in the present value of the allowance	-	-	(39)	(27)	**(67)**
Write-offs	(6)	(3)	(197)	(9)	**(215)**
FX differences and other movements	21	9	(3)	(1)	**26**
Gross carrying amount as at 31/12/2021	**5,806**	**2,271**	**676**	**436**	**9,189**

Group	Retail Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**25**	**83**	**1,832**	**1,361**	**3,300**
Transfer (to)/ from Held for Sale	(1)	(8)	(913)	(901)	**(1,823)**
Transferred from Stage 1 to Stage 2	(5)	5			**-**
Transferred from Stage 1 to Stage 3	(1)		1		**-**
Transferred from Stage 2 to Stage 1	24	(24)			**-**
Transferred from Stage 2 to Stage 3		(42)	42		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		44	(44)		**-**
ECL impairment charge/ (release) for the year (P&L)	10	199	1,021	608	**1,839**
ECL impairment charge for new financial assets originated or purchased (P&L)	-	-	-	-	**-**
Recoveries of amounts previously written-off (P&L)	-	-	-	-	**-**
Change in the present value of the allowance	-	-	38	27	**65**
Write-off of interest recognised from change in the present value of the allowance	-	-	(39)	(27)	**(67)**
Write-offs	(6)	(3)	(197)	(9)	**(215)**
Financial assets derecognised	-	-	-	-	**-**
Disposals of loans and advances	(7)	(132)	(1,038)	(618)	**(1,796)**
FX differences and other movements	(18)	(62)	(524)	(404)	**(1,008)**
ECL allowance as at 31/12/2021	**21**	**60**	**177**	**36**	**295**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Retail lending portfolio for 2021 is as follows:

Company	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**21**	**349**	**1,889**	**1,028**	**3,287**
Transfer (to)/ from Held for Sale	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-
Other debits to the Gross Balance / Repayments	3	(20)	5	(24)	**(36)**
Assets sold	(26)	(365)	(1,870)	(1,011)	**(3,271)**
Assets derecognised (excluding write offs)	-	-	-	-	-
Transferred from Stage 1 to Stage 2	(4)	4			-
Transferred from Stage 1 to Stage 3	(1)		1		-
Transferred from Stage 2 to Stage 1	7	(7)			-
Transferred from Stage 2 to Stage 3		(68)	68		-
Transferred from Stage 3 to Stage 1	-		-		-
Transferred from Stage 3 to Stage 2		103	(103)		-
Change in the present value of the allowance	-	4	29	18	**52**
Write-off of interest recognised from change in the present value of the allowance	-	-	(16)	(11)	**(27)**
Write-offs	-	-	(3)	-	**(3)**
FX differences and other movements	-	-	-	-	**(1)**
Contribution to the new credit institution	-	-	-	-	-
Gross carrying amount as at 31/12/2021	**-**	**-**	**-**	**-**	**-**

Company	Retail Lending -Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**-**	**7**	**607**	**420**	**1,035**
Transfer (to)/ from Held for Sale	-	-	-	-	-
Transferred from Stage 1 to Stage 2	-	-			-
Transferred from Stage 1 to Stage 3	-		-		-
Transferred from Stage 2 to Stage 1	1	(1)			-
Transferred from Stage 2 to Stage 3		(7)	7		-
Transferred from Stage 3 to Stage 2		13	(13)		-
ECL impairment charge/ (release) for the year (P&L)	7	118	445	203	773
Change in the present value of the allowance	-	-	15	11	26
Write-off of interest recognised from change in the present value of the allowance	-	-	(16)	(11)	(27)
Write-offs	-	-	(3)	-	(3)
Financial assets derecognised	-	-	-	-	-
Disposals of loans and advances	(7)	(132)	(1,038)	(618)	(1,796)
FX differences and other movements	-	2	(4)	(5)	(8)
Contribution to the new credit institution	-	-	-	-	-
ECL allowance as at 31/12/2021	**-**	**-**	**-**	**-**	**-**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Retail lending portfolio for 2020 is as follows:

Group	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**6,679**	**2,819**	**4,985**	**3,619**	**18,103**
Transfer (to)/ from Held for Sale	-	-	-	-	**-**
New assets originated or purchased	435	10	1	-	**446**
Other debits to the Gross Balance / Repayments	(901)	(188)	(46)	(188)	**(1,323)**
Assets sold	-	-	-	-	**-**
Assets derecognised (excluding write offs)	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(1,438)	1,438			**-**
Transferred from Stage 1 to Stage 3	(50)		50		**-**
Transferred from Stage 2 to Stage 1	1,632	(1,632)			**-**
Transferred from Stage 2 to Stage 3		(486)	486		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		626	(626)		**-**
Change in the present value of the allowance	164	69	175	149	**558**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(91)	(79)	**(172)**
Write-offs	(6)	(2)	(69)	(48)	**(124)**
FX differences and other movements	(11)	2	2	1	**(5)**
Gross carrying amount as at 31/12/2020	**6,506**	**2,656**	**4,868**	**3,454**	**17,483**

Group	Retail Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**33**	**95**	**1,799**	**1,361**	**3,288**
Transfer (to)/ from Held for Sale	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(9)	9			**-**
Transferred from Stage 1 to Stage 3	(1)		1		**-**
Transferred from Stage 2 to Stage 1	44	(44)			**-**
Transferred from Stage 2 to Stage 3		(34)	34		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		65	(65)		**-**
ECL impairment charge/ (release) for the year (P&L)	(26)	(5)	196	98	**264**
ECL impairment charge for new financial assets originated or purchased (P&L)	-	-	-	-	**-**
Recoveries of amounts previously written-off (P&L)	-	-	-	-	**-**
Change in the present value of the allowance	-	1	87	79	**167**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(91)	(79)	**(172)**
Write-offs	(6)	(2)	(69)	(48)	**(124)**
Financial assets derecognised	-	-	-	-	**-**
FX differences and other movements	(10)	(2)	(61)	(51)	**(124)**
ECL allowance as at 31/12/2020	**25**	**83**	**1,832**	**1,361**	**3,300**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Retail lending portfolio for 2020 is as follows:

Company	Retail Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**6,671**	**2,819**	**4,984**	**3,619**	**18,093**
Transfer (to)/ from Held for Sale	-	-	-	-	**-**
New assets originated or purchased	435	10	-	-	**445**
Other debits to the Gross Balance / Repayments	(900)	(188)	(46)	(188)	**(1,322)**
Assets sold	-	-	-	-	**-**
Assets derecognised (excluding write offs)	-	-	-	-	**-**
Transferred from Stage 1 to Stage 2	(1,437)	1,437			**-**
Transferred from Stage 1 to Stage 3	(50)		50		**-**
Transferred from Stage 2 to Stage 1	1,632	(1,632)			**-**
Transferred from Stage 2 to Stage 3		(486)	486		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		626	(626)		**-**
Change in the present value of the allowance	164	69	175	149	**558**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(91)	(79)	**(172)**
Write-offs	(6)	(2)	(68)	(48)	**(123)**
FX differences and other movements	(13)	2	3	1	**(7)**
Contribution to the new credit institution	(6,475)	(2,307)	(2,978)	(2,426)	**(14,186)**
Gross carrying amount as at 31/12/2020	**21**	**349**	**1,889**	**1,028**	**3,287**

Company	Retail Lending -Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**32**	**95**	**1,798**	**1,361**	**3,286**
Transfer (to)/ from Held for Sale	-	-	-	-	-
Transferred from Stage 1 to Stage 2	(9)	9			-
Transferred from Stage 1 to Stage 3	(1)		1		-
Transferred from Stage 2 to Stage 1	44	(44)			-
Transferred from Stage 2 to Stage 3		(34)	34		-
Transferred from Stage 3 to Stage 1	-		-		-
Transferred from Stage 3 to Stage 2		65	(65)		-
ECL impairment charge/ (release) for the year (P&L)	(26)	(5)	196	98	**264**
Change in the present value of the allowance	-	1	87	79	**167**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(91)	(79)	**(172)**
Write-offs	(6)	(2)	(68)	(48)	**(123)**
Financial assets derecognised	-	-	-	-	-
FX differences and other movements	(10)	(2)	(61)	(51)	**(124)**
Contribution to the new credit institution	(24)	(76)	(1,225)	(940)	**(2,265)**
ECL allowance as at 31/12/2020	**-**	**7**	**607**	**420**	**1,035**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Corporate and Public sector lending portfolio for 2021 is as follows:

Group	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**14,561**	**2,754**	**11,469**	**3,262**	**32,045**
Transfer (to)/ from Held for Sale	-	(34)	(4,821)	(1,493)	**(6,349)**
New assets originated or purchased	7,468	127	11	-	**7,606**
Other debits to the Gross Balance / Repayments	125	(609)	(345)	(77)	**(906)**
Assets sold	(6)	(15)	(2,421)	(990)	**(3,433)**
Assets derecognised (excluding write offs)	-	-	(148)	(23)	**(172)**
Transferred from Stage 1 to Stage 2	(2,108)	2,108			**-**
Transferred from Stage 1 to Stage 3	(60)		60		**-**
Transferred from Stage 2 to Stage 1	1,488	(1,488)			**-**
Transferred from Stage 2 to Stage 3		(492)	492		**-**
Transferred from Stage 3 to Stage 1	7		(7)		**-**
Transferred from Stage 3 to Stage 2		418	(418)		**-**
Debt for equity exchange	-	-	(21)	-	**(21)**
Change in the present value of the allowance	448	92	292	99	**931**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(211)	(71)	**(283)**
Write-offs	-	-	(310)	(139)	**(449)**
FX differences and other movements	280	(5)	46	13	**334**
Gross carrying amount as at 31/12/2021	**22,202**	**2,855**	**3,666**	**580**	**29,303**

Group	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**83**	**174**	**4,651**	**1,697**	**6,605**
Transfer (to)/ from Held for Sale	-	(11)	(1,951)	(826)	**(2,788)**
Transferred from Stage 1 to Stage 2	(11)	11			**-**
Transferred from Stage 1 to Stage 3	(1)		1		**-**
Transferred from Stage 2 to Stage 1	34	(34)			**-**
Transferred from Stage 2 to Stage 3		(47)	47		**-**
Transferred from Stage 3 to Stage 1	1		(1)		**-**
Transferred from Stage 3 to Stage 2		49	(49)		**-**
ECL impairment charge/ (release) for the year (P&L)	(74)	33	2,002	438	**2,399**
ECL impairment charge for new financial assets originated or purchased (P&L)	1	1	-	-	**1**
Recoveries of amounts previously written-off (P&L)	-	-	(7)	-	**(7)**
Change in the present value of the allowance	-	1	126	57	**184**
Write-off of interest recognised from change in the present value of the allowance	-	(2)	(214)	(71)	**(287)**
Write-offs	-	-	(310)	(139)	**(449)**
Financial assets derecognised	-	-	(9)	(1)	**(10)**
Disposals of loans and advances	(2)	(8)	(1,796)	(764)	**(2,569)**
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	**-**
Debt for equity exchange	-	-	(18)	-	**(18)**
FX differences and other movements	40	(51)	(1,142)	(231)	**(1,384)**
ECL allowance as at 31/12/2021	**69**	**115**	**1,330**	**160**	**1,675**

Regarding the movement in gross carrying amounts the "transfer to/from assets held for sale" of € 10,798 million mainly refers to the portfolios Sunrise I, Sunrise II and Sunshine, while the line item "assets sold" amounting to € 6,704 million mainly refers to the derecognition of the Phoenix and Vega portfolios.

Regarding the movement in ECL allowance, "line item transfer (to)/from assets held for sale" of € 4,611 million mainly refers to portfolios Sunrise I, Sunrise II and Sunshine. Amount of € 2,096 million in line item "ECL impairment charge/ (release) for the year (P&L)" relates to the ECL recognised during the year upon classification of the aforementioned portfolios as held for sale. Accordingly, the respective ECL related to the said HFS portfolios is deducted from line item "FX differences and other movements". Refer to Note 28 for further information of the aforementioned portfolios. Additionally, amounts of € 1,569 million and € 1,526 million for the Group and the Company, respectively, concerning the derecognition loss of the Phoenix and Vega portfolios, are included in line item "ECL impairment charge/ (release) for the year (P&L)".

For the purposes of this disclosure (both for movement in gross carrying amounts and ECL allowance), transfers are deemed to have occurred at the end of the previous reporting period prior to the "held for sale" classification, therefore the balances quoted in the aforementioned paragraphs reflect the gross carrying amounts and ECL allowance of Sunrise I portfolio as of 31 March 2021 and the gross carrying amounts and ECL allowance of Sunrise II and Sunshine held for sale portfolios as of 30 June 2021.

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Corporate and Public sector lending portfolio for 2021 is as follows:

Company	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**5**	**16**	**2,381**	**991**	**3,393**
Transfer (to)/ from Held for Sale	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-
Other debits to the Gross Balance / Repayments	-	(2)	-	(6)	(8)
Assets sold	(5)	(15)	(2,391)	(990)	(3,402)
Assets derecognised (excluding write offs)	-	-	-	-	-
Transferred from Stage 1 to Stage 2	-	-			-
Transferred from Stage 1 to Stage 3	-		-		-
Transferred from Stage 2 to Stage 1	-	-			-
Transferred from Stage 2 to Stage 3		(6)	6		-
Transferred from Stage 3 to Stage 1	-		-		-
Transferred from Stage 3 to Stage 2		6	(6)		-
Debt for equity exchange	-	-	-	-	-
Change in the present value of the allowance	-	-	70	31	102
Write-off of interest recognised from change in the present value of the allowance	-	-	(60)	(26)	(85)
Write-offs	-	-	(1)	-	(1)
FX differences and other movements	-	-	1	-	1
Contribution to the new credit institution	-	-	-	-	-
Gross carrying amount as at 31/12/2021	**-**	**-**	**-**	**-**	**-**

Company	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**-**	**1**	**1,244**	**574**	**1,819**
Transfer (to)/ from Held for Sale	-	-	-	-	-
Transferred from Stage 1 to Stage 2	-	-			-
Transferred from Stage 1 to Stage 3	-		-		-
Transferred from Stage 2 to Stage 1	-	-			-
Transferred from Stage 2 to Stage 3		(1)	1		-
Transferred from Stage 3 to Stage 1	-		-		-
Transferred from Stage 3 to Stage 2		2	(2)		-
ECL impairment charge/ (release) for the year (P&L)	3	6	546	195	750
Recoveries of amounts previously written-off (P&L)	-	-	-	-	-
Change in the present value of the allowance	-	-	45	22	67
Write-off of interest recognised from change in the present value of the allowance	-	-	(60)	(26)	(85)
Write-offs	-	-	(1)	-	(1)
Financial assets derecognised	-	-	-	-	-
Disposals of loans and advances	(2)	(8)	(1,776)	(764)	(2,549)
Debt for equity exchange	-	-	-	-	-
FX differences and other movements	(1)	-	2	(2)	(1)
Contribution to the new credit institution	-	-	-	-	-
ECL allowance as at 31/12/2021	**-**	**-**	**-**	**-**	**-**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Group's Corporate and Public sector lending portfolio for the year ended 31 December 2020 is as follows:

Group	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**13,300**	**2,180**	**12,836**	**3,730**	**32,046**
Transfer (to)/ from Held for Sale	-	-	(81)	(8)	**(88)**
New assets originated or purchased	5,119	108	13	-	**5,239**
Other debits to the Gross Balance / Repayments	(3,333)	(375)	(137)	(236)	**(4,080)**
Assets sold	(16)	-	-	-	**(16)**
Assets derecognised (excluding write offs)	-	(5)	-	-	**(5)**
Transferred from Stage 1 to Stage 2	(2,262)	2,262			**-**
Transferred from Stage 1 to Stage 3	(238)		238		**-**
Transferred from Stage 2 to Stage 1	1,670	(1,670)			**-**
Transferred from Stage 2 to Stage 3		(347)	347		**-**
Transferred from Stage 3 to Stage 1	7		(7)		**-**
Transferred from Stage 3 to Stage 2		509	(509)		**-**
Debt for equity exchange	-	-	(5)	-	**(5)**
Change in the present value of the allowance	453	89	578	218	**1,338**
Write-off of interest recognised from change in the present value of the allowance	(1)	(2)	(417)	(159)	**(579)**
Write-offs	-	-	(1,163)	(270)	**(1,433)**
FX differences and other movements	(139)	6	(223)	(13)	**(369)**
Gross carrying amount as at 31/12/2020	**14,561**	**2,754**	**11,469**	**3,262**	**32,045**

Group	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**85**	**143**	**5,504**	**1,967**	**7,699**
Transfer (to)/ from Held for Sale	-	-	(39)	(1)	**(41)**
Transferred from Stage 1 to Stage 2	(21)	21	-	-	**-**
Transferred from Stage 1 to Stage 3	(3)	-	3	-	**-**
Transferred from Stage 2 to Stage 1	58	(58)		-	**-**
Transferred from Stage 2 to Stage 3	-	(30)	30	-	**-**
Transferred from Stage 3 to Stage 2	-	92	(92)	-	**-**
ECL impairment charge/ (release) for the year (P&L)	(18)	31	799	31	**843**
ECL impairment charge for new financial assets originated or purchased (P&L)	1	-	-	-	**1**
Recoveries of amounts previously written-off (P&L)	-	-	(3)	-	**(3)**
Change in the present value of the allowance	-	1	261	129	**391**
Write-off of interest recognised from change in the present value of the allowance	(1)	(2)	(416)	(159)	**(578)**
Write-offs	-	-	(1,162)	(270)	**(1,433)**
Financial assets derecognised	-	(5)	-	-	**(5)**
Debt for equity exchange	-	-	(26)	-	**(26)**
FX differences and other movements	(18)	(18)	(209)	-	**(245)**
ECL allowance as at 31/12/2020	**83**	**174**	**4,651**	**1,697**	**6,605**

An analysis of changes in the gross carrying amount and the corresponding ECL allowance for impairment losses in relation to the Company's Corporate and Public sector lending portfolio for the year ended 31 December 2020 is as follows:

Company	Corporate and Public Lending - Movement in gross carrying amounts				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**14,444**	**1,961**	**12,558**	**3,540**	**32,502**
Transfer (to)/ from Held for Sale	-	-	(79)	(7)	**(86)**
New assets originated or purchased	5,014	91	40	-	**5,145**
Other debits to the Gross Balance / Repayments	(3,255)	(355)	(93)	(236)	**(3,939)**
Assets sold	(14)	-	-	-	**(14)**
Assets derecognised (excluding write offs)	-	(5)	-	-	**(5)**
Transferred from Stage 1 to Stage 2	(2,265)	2,265			**-**
Transferred from Stage 1 to Stage 3	(235)		235		**-**
Transferred from Stage 2 to Stage 1	1,610	(1,610)			**-**
Transferred from Stage 2 to Stage 3		(317)	317		**-**
Transferred from Stage 3 to Stage 1	6		(6)		**-**
Transferred from Stage 3 to Stage 2		461	(461)		**-**
Debt for equity exchange	-	-	(33)	-	**(33)**
Change in the present value of the allowance	491	94	569	211	**1,366**
Write-off of interest recognised from change in the present value of the allowance	(1)	(1)	(408)	(151)	**(561)**
Write-offs	-	-	(1,146)	(255)	**(1,402)**
FX differences and other movements	(159)	(9)	(219)	(2)	**(388)**
Contribution to the new credit institution	(15,631)	(2,558)	(8,892)	(2,110)	**(29,191)**
Gross carrying amount as at 31/12/2020	**5**	**16**	**2,381**	**991**	**3,393**

Company	Corporate and Public Lending - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**77**	**138**	**5,447**	**1,846**	**7,508**
Transfer (to)/ from Held for Sale	-	-	(38)	-	**(38)**
Transferred from Stage 1 to Stage 2	(18)	18			**-**
Transferred from Stage 1 to Stage 3	(3)		3		**-**
Transferred from Stage 2 to Stage 1	57	(57)			**-**
Transferred from Stage 2 to Stage 3		(27)	27		**-**
Transferred from Stage 3 to Stage 1	-		-		**-**
Transferred from Stage 3 to Stage 2		85	(85)		**-**
ECL impairment charge/ (release) for the year (P&L)	(13)	28	815	31	**862**
Recoveries of amounts previously written-off (P&L)	-	-	(3)	-	**(3)**
Change in the present value of the allowance	-	1	250	123	**374**
Write-off of interest recognised from change in the present value of the allowance	(1)	(1)	(408)	(151)	**(561)**
Write-offs	-	-	(1,146)	(255)	**(1,402)**
Financial assets derecognised	-	(5)	-	-	**(5)**
Disposals of loans and advances	-	-	-	-	**-**
Debt for equity exchange	-	-	(29)	-	**(29)**
FX differences and other movements	(16)	(17)	(202)	-	**(235)**
Contribution to the new credit institution	(84)	(161)	(3,388)	(1,019)	**(4,652)**
ECL allowance as at 31/12/2020	**-**	**1**	**1,244**	**574**	**1,819**

The gross modification loss recognized by the Group and the Company, during the period ended 31 December 2021, for loans with ECL allowance measured at an amount equal to lifetime expected credit losses was € 64 million and € 4 million, respectively (31 December 2020: € 96 million and € 97 million, respectively). The said loss represents the changes in the gross carrying amount (before ECL allowance) of the loans from immediately before, to immediately after modification. The impact of modification for the Group and the Company on the ECL allowance associated with these loans was a release of ECL allowance of € 39 million and € 1 million, respectively (31 December 2020: € 67 million and € 63 million, respectively). The net impact for the Group and the Company on the income statement for the period ended 31 December 2021 was, therefore, € 25 million and € 3 million, respectively (31 December 2020: € 29 million and € 34 million, respectively). The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 31 December 2021 amounted to € 4,290 million for the Group and € 232 million for the Company, respectively (31 December 2020: € 6,349 million for the Group and € 6,277 million for the Company respectively, affected mainly by Covid-19 pandemic). The Group's gross carrying amount as at 31 December 2021 of loans and advances to customers at amortised cost that have been modified since initial recognition at a time when their ECL allowance was measured at an amount equal to lifetime ECL (Stage 3 and Stage 2) and for which their respective ECL allowance as at 31 December 2021 is measured at an amount equal to 12-month ECL (Stage 1), is € 473 million (31 December 2020: € 508 million), while the respective amount for the Company is nil as at 31 December 2021 and € 9 million as at 31 December 2020.

4.3.3 Collateral and other credit enhancements

Along with the evaluation of the creditworthiness of counterparties, the Group and the Company estimate the recovery rate against exposures, when limits are set or reviewed. This estimation is based on the type of debt claim and the existence of any connected collaterals and/or guarantees.

According to standard practice, when a borrower's credit rating is low, then even stronger collaterals/ guarantees are requested, in order to secure a higher recovery rate to account for the borrowers' default probability.

The Group and the Company have defined categories of acceptable collateral and have incorporated them in the credit policy. Main types of acceptable collateral are the following:

- Pledged deposits and cheques,
- Mortgages on real estate property,
- Ship mortgages,
- Greek government guarantees,
- Bank letters of guarantee,
- Guarantees by the Hellenic Development Bank,
- Pledged financial instruments such as mutual fund shares, stocks, bonds, T-bills and receivables.

The collateral/ security associated with a credit is initially evaluated during the credit approval process, based on their current or fair value and is re-evaluated at regular intervals. Collaterals or guarantees are not usually received against exposures to financial institutions.

Market value assessment of properties, which may secure any type of credit facilities towards individuals or legal entities, is performed by external certified independent valuers. The valuations are categorized into Individual valuations on a specific property either on-site or desktop and indexed valuations performed with statistical methodology (e.g. Propindex, BoG Indexes etc.) or any other automated processes.

The Group and the Company accept the following key valuation methodologies provided by International Valuation Standards (IVS):

a) Market approach or comparative method
b) Income approach
c) Cost Approach

The initial valuations of mortgaged properties are always performed on-site (physical inspection).

The Group and the Company update the valuations (either with individual valuations or statistical methods) for the collateral of all exposures (irrespective of their classification as PE / NPE) at least annually.

Furthermore, the revaluation of the immovable properties is updated on an individual basis at the time the exposure is classified as NPE and at least annually (either through individual evaluations or statistical methods) while it continues to be classified as such.

The Group and the Company are constantly monitoring the market conditions in the Greek real estate market, either internally through macroeconomic reports of the Group's Chief Economist, or externally through reports produced by the subsidiary Piraeus Real Estate and other prestigious international independent valuation firms. Changes in market conditions are considered as an important factor determining the market value of a real estate property. More volatile real estate market conditions may lead to a higher evaluation frequency.

The Group and the Company may also obtain guarantees from parent companies for loans and advances granted to their subsidiaries.

Group	**Fair value of collateral and credit enhancements held under the base scenario**				
	Type of collateral or credit enhancement				
31/12/2021	**Real estate collateral**	**Financial collateral**	**Other collateral**	**Total value of collateral**	**Guarantees received**
Reverse repurchase agreements	-	-	-	-	-
Loans and advances to customers at amortised cost	14,900	1,417	4,363	20,680	3,091
Mortgages	6,643	61	70	6,774	-
Consumer, Personal and Other	388	73	162	622	-
Credit Cards	-	1	-	1	-
Large Corporate	4,278	884	958	6,120	930
SMEs	3,591	398	1,691	5,680	2,161
Public Sector	1	1	1,482	1,484	-
Total financial assets at amortised cost	**14,900**	**1,417**	**4,363**	**20,680**	**3,091**
Derivative financial instruments	-	500	-	500	-
Total financial instruments at FVTPL	**-**	**500**	**-**	**500**	**-**
Financial guarantees	123	100	81	304	839
Letters of credit	2	-	2	4	1
Total	**125**	**100**	**83**	**307**	**841**

Group	**Fair value of collateral and credit enhancements held under the base scenario**				
	Type of collateral or credit enhancement				
31/12/2020	**Real estate collateral**	**Financial collateral**	**Other collateral**	**Total value of collateral**	**Guarantees received**
Reverse repurchase agreements	-	1	-	1	-
Loans and advances to customers at amortised cost	23,921	1,395	4,457	29,773	7,365
Mortgages	11,474	53	87	11,614	-
Consumer, Personal and Other	840	66	171	1,076	-
Credit Cards	12	1	-	12	-
Large Corporate	4,217	902	923	6,042	1,691
SMEs	7,377	372	1,644	9,393	5,674
Public Sector	1	1	1,632	1,634	-
Total financial assets at amortised cost	**23,921**	**1,396**	**4,457**	**29,773**	**7,365**
Derivative financial instruments	-	500	-	500	-
Total financial instruments at FVTPL	**-**	**500**	**-**	**500**	**-**
Financial guarantees	118	106	82	306	738
Letters of credit	-	-	1	1	3
Total	**118**	**106**	**83**	**307**	**741**

As of 31 December 2021 the Company has zero balances.

Company	**Fair value of collateral and credit enhancements held under the base scenario**				
	Type of collateral or credit enhancement				
31/12/2020	**Real estate collateral**	**Financial collateral**	**Other collateral**	**Total value of collateral**	**Guarantees received**
Loans and advances to customers at amortised cost	3,913	12	49	3,974	1,538
Mortgages	2,313	-	-	2,313	-
Consumer, Personal and Other	141	-	1	142	-
Credit Cards	4	-	-	4	-
Large Corporate	55	1	1	58	147
SMEs	1,400	10	47	1,457	1,391
Total financial assets at amortised cost	**3,913**	**12**	**49**	**3,974**	**1,538**

The below tables provide the fair value of collaterals held and credit enhancements for Stage 3 loans and advances to customers at amortised cost. Depending on the level of collateral some Stage 3 loans and advances to customers at amortised cost may not have individual ECLs when the expected value of the collateral is greater that the LGD, even if the future value of collateral is forecasted using multiple economic scenarios.

Group 31/12/2021	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	2,015	97	268	2,381	533	1,508
Mortgages	346	2	6	354	-	36
Consumer, Personal and Other	55	3	2	60	-	101
Credit Cards	-	-	-	-	-	40
Large Corporate	579	77	29	685	163	460
SMEs	1,035	15	227	1,277	369	870
Public Sector	-	-	4	5	-	-
Total loans and advances to customers at amortised cost	**2,015**	**97**	**268**	**2,381**	**533**	**1,508**
Financial guarantees	16	2	8	26	155	77
Letters of credit	-	-	-	-	-	-
Total	**16**	**2**	**8**	**26**	**155**	**77**

Group 31/12/2020	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	7,769	133	496	8,398	3,658	6,482
Mortgages	2,763	2	8	2,773	-	970
Consumer, Personal and Other	264	7	3	273	-	707
Credit Cards	7	-	-	7	-	155
Large Corporate	1,000	81	40	1,122	908	1,216
SMEs	3,736	43	440	4,219	2,749	3,431
Public Sector	-	-	4	4	-	4
Total loans and advances to customers at amortised cost	**7,769**	**133**	**496**	**8,398**	**3,658**	**6,483**
Financial guarantees	23	17	11	52	181	98
Letters of credit	-	-	-	-	-	1
Total	**23**	**17**	**12**	**52**	**181**	**99**

As of 31 December 2021 the Company has zero balances.

Company 31/12/2020	Fair value of collateral and credit enhancements of Stage 3 loans and advances to customers at amortised cost held under the base scenario					
	Type of collateral or credit enhancement					
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received	Associated ECL
Loans and advances to customers at amortised cost	2,432	9	35	2,476	1,084	1,851
Mortgages	1,304	-	-	1,304	-	473
Consumer, Personal and Other	88	-	-	88	-	107
Credit Cards	3	-	-	3	-	26
Large Corporate	36	1	1	38	120	146
SMEs	1,001	8	34	1,042	964	1,094
Public Sector	-	-	-	-	-	4
Total loans and advances to customers at amortised cost	**2,432**	**9**	**35**	**2,476**	**1,084**	**1,851**

4.3.4 Loan-to-value ratio of mortgage and commercial real estate lending portfolios

The below table depicts the Loan-to-value (LTV) ratio, which represents the correlation between mortgage and commercial portfolios gross carrying amounts and the value of the property held as collateral (plus any other eligible collateral according to credit policy manual). A clustering of residential and commercial real estate, by range of LTV, is summarized as follow:

31/12/2021	Group	
	Mortgages (gross amounts)	Commercial real estate loans (gross amounts
Less than 50%	2,811	42
50%-70%	1,620	72
71%-80%	645	33
81%-90%	499	49
91%-100%	418	19
101%-120%	504	27
121%-150%	331	43
Greater than 150%	368	52
Total exposure	**7,195**	**337**
Weighted Average LTV	**66.1%**	**104.2%**

31/12/2020	Group		Company	
	Mortgages (gross amounts)	Commercial real estate loans (gross amounts)	Mortgages (gross amounts)	Commercial real estate loans (gross amounts)
Less than 50%	3,123	58	321	1
50%-70%	2,210	61	332	-
71%-80%	1,070	21	198	2
81%-90%	983	51	218	4
91%-100%	954	58	244	4
101%-120%	1,518	32	416	-
121%-150%	1,434	78	451	1
Greater than 150%	2,152	152	688	5
Total exposure	**13,445**	**512**	**2,868**	**18**
Weighted Average LTV	96.7%	156.6%	119.9%	122.4%

4.3.5 Repossessed collaterals

The below mentioned real estate collaterals refer to property that is included in line items "Other Assets", "Property and equipment", "Investment property" and "Assets held for sale" in the Statement of Financial Position.

Group 31/12/2021	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price of repossessed collaterals sold	Net gain / losses on sale of repossessed collaterals
Real estate	**2,033**	**112**	**(158)**	**(28)**	**1,875**	**61**	**6**
-Residential	431	46	(32)	3	399	32	5
-Commercial	1,602	66	(126)	(31)	1,476	29	2
Other collateral	**9**	**-**	**(7)**	**(1)**	**2**	**-**	**-**

Group 31/12/2020	Gross amount	Of which: added this year	Accumulated impairment or fair value adjustment	Of which: on newly added	Net amount	Net Sale Price of repossessed collaterals sold	Net gain / losses on sale of repossessed collaterals
Real estate	**1,979**	**147**	**(199)**	**(30)**	**1,780**	**60**	**4**
-Residential	486	73	(53)	-	434	25	-
-Commercial	1,493	75	(146)	(30)	1,347	35	4
Other collateral	**10**	**1**	**(8)**	**(3)**	**2**	**1**	**-**

As of 31 December 2021 and 2020 the Company has no repossessed collaterals.

The Group mainly through its subsidiary “Piraeus Bank S.A.” grants loans and advances to customers at amortised cost which are collateralised by property. In case that these loans become defaulted, the Group and the Bank proceeds to the repossession of the relevant property, when this is assessed as the best solution by the responsible, authorized for this purpose, units of the Bank and the other members of the Group. In this context, Management assesses the specific characteristics of each property (such as the type and the condition of the property, the location, the possible uses, etc), the cost for acquiring the property, taking into account the potential value of subsequent sale or the potential benefit of the own use of the asset.

The aforementioned assessment is part of the Group and the Bank's strategy and is in line with the real estate owned assets ("REO") Policy Framework and also its objectives for profitability, liquidity and capital adequacy.

For the Group and the Bank, the selection of properties acquired from auctions and / or via voluntary surrender is performed by a special Committee of the Group(Group Real Estate on board Committee), which is responsible for deciding in which auctions the Bank will participate in the acquisition of collateral in cooperation with Piraeus Real Estate (PRE). Furthermore the management of the above mentioned properties is performed by the Group Real Estate (GRE) as well as the supervision of the cooperating REO servicer.

Regarding the properties for sale there are procedures in place that involve several sale channels. These procedures are supervised by Group Real Estate (GRE) and are executed in cooperation with the specialized subsidiary of the Group, namely PRE, via the Bank's branch network, real estate agencies or direct sales, while e-bidding procedures (www.properties4sale.gr) are being performed, as well as public tenders through the press. Relevant sale procedures are executed through the channels of the cooperating servicer Intrum REO Solutions. Furthermore, rental agreements for many acquired properties are signed, when it is presumed that assessed that respective rental income in collaboration with PRE is favorable for the Group and the Bank. Those rental agreements for the perimeter of assets under the exclusive management of GRE are being monitored by the responsible REO Division Cooperating servicer (Intrum REO Solutions), who is responsible for the monitoring and collection of rental agreements of the assets included in the perimeter under its management respectively. Additionally, the Real Estate portfolio includes properties to be used by the Bank or to be rented to other subsidiaries or associates of the Group. This portfolio is managed by GRE, in cooperation with the Technical Division Department of the Bank. In addition, special properties that can be utilized with further investments are examined on an individual base.

The above mentioned activities determine the basic policy and framework for the Group's procedures under normal real estate conditions. However, the management assesses alternative scenarios for portfolio sales of repossessed property or their contribution to various investment vehicles, in cooperation with external advisors, in an attempt for the improvement of total assets' return.

4.4 Forbearance

Overview of modified and forborne loans

The Group applies the "Implementing Technical Standards" ("ITS") of EBA relating to forborne loans.

The alignment of the Restructuring Policy of the Group with the relevant EBA definitions and Bank of Greece guidelines, was backed up with the development of new structures and procedures, deployment of new information systems and updates on existing applications, in order to achieve effective and reliable management of loans past dues, by performing viable restructurings and monitoring the effectiveness of various types of forbearance measures.

Forborne loans and advances are defined as exposures arising from loans that have been subject to forbearance measures. These measures are considered as a concession of the Group to a borrower who is facing or is about to face financial difficulties in fulfilling its debt obligations. Forbearance may involve modification of contractual terms and conditions and/or refinancing of debts.

Forbearance measures do not lead to derecognition, unless the modification changes substantially the loan terms of the original contract.

According to the EBA Guidelines, for the forborne status to be removed, all relevant criteria should apply, including mainly the minimum required probation period (at least 2 years from the date of classification as performing exposure).

In order to achieve greater efficiencies in the management of NPEs, the Company entered in October 2019 to a long-term strategic partnership with Intrum for the management of NPEs and REOs, through the establishment of a market-leading independent NPE servicing platform in Greece. Intrum Group is experienced in providing restructuring and turnaround services of NPE portfolios and strives for maximising recoveries and, minimising credit related losses, while acknowledging the operational and financial targets of the Group.

The Supervisory and NPE Management Council, which inter-alia, is responsible for the management of loans' past dues, collaborates with Group Risk Management for the achievement of a common understanding and the development of appropriate methodologies to assess the risk of the portfolio managed by Intrum. Group Risk Management monitors the forbearance process, assesses the relative risks by portfolio and forbearance type and informed the CRO about the NPE evolutions on a monthly basis.

Credit quality of forborne loans and advances to customers measured at amortised cost

	Group			Company		
31/12/2021	**Loans measured at amortised cost**	**Forborne Loans measured at amortised cost**	**% of Forborne Loans measured at amortised cost**	**Loans measured at amortised cost**	**Forborne Loans measured at amortised cost**	**% of Forborne Loans measured at amortised cost**
Stage 1	28,007	-	-	-	-	-
Stage 2	5,126	1,387	27.1%	-	-	-
Stage 3	4,342	1,777	40.9%	-	-	-
POCI	1,016	308	30.3%	-	-	-
Total Gross exposure	**38,492**	**3,472**	**9.0%**	**-**	**-**	**-**
Stage 1 ECL allowance	(91)	-	-	-	-	-
Stage 2 ECL allowance	(175)	(59)	33.8%	-	-	-
Stage 3 ECL allowance	(1,508)	(442)	29.3%	-	-	-
POCI ECL allowance	(197)	(21)	10.5%	-	-	-
Total ECL allowance	**(1,971)**	**(522)**	**26.5%**	**-**	**-**	**-**
Stage 1	27,917	-	-	-	-	-
Stage 2	4,950	1,328	26.8%	-	-	-
Stage 3	2,834	1,335	47.1%	-	-	-
POCI	820	287	35.0%	-	-	-
Loans measured at amortised cost	**36,521**	**2,950**	**8.1%**	**-**	**-**	**-**
Value of collateral	20,680	2,216	10.7%	-	-	-

31/12/2020	Group			Company		
	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost	Loans measured at amortised cost	Forborne Loans measured at amortised cost	% of Forborne Loans measured at amortised cost
Stage 1	21,066	-	-	26	-	-
Stage 2	5,409	2,269	42.0%	365	315	86.2%
Stage 3	16,336	5,117	31.3%	4,270	866	20.3%
POCI	6,716	1,106	16.5%	2,019	155	7.7%
Total Gross exposure	**49,528**	**8,492**	**17.1%**	**6,680**	**1,335**	**20.0%**
Stage 1 ECL allowance	(107)	-	-		-	-
Stage 2 ECL allowance	(257)	(110)	43.0%	(8)	(7)	89.8%
Stage 3 ECL allowance	(6,482)	(1,225)	18.9%	(1,851)	(176)	9.5%
POCI ECL allowance	(3,058)	(189)	6.2%	(995)	(12)	1.2%
Total ECL allowance	**(9,904)**	**(1,525)**	**15.4%**	**(2,853)**	**(195)**	**6.8%**
Stage 1	20,959	-	-	26	-	-
Stage 2	5,152	2,159	41.9%	357	307	86.1%
Stage 3	9,854	3,892	39.5%	2,419	690	28.5%
POCI	3,659	917	25.1%	1,024	143	13.9%
Loans measured at amortised cost	**39,624**	**6,967**	**17.6%**	**3,826**	**1,140**	**29.8%**
Value of collateral	29,773	5,249	17.6%	3,974	1,048	26.4%

Forborne loans and advances to customers measured at amortised cost by type of forbearance measure

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Reduced payment schedule	376	948	-	244
Payment moratorium/ Holidays	73	489	-	14
Term extension	871	1,727	-	351
Arrears capitalization	76	670	-	170
Hybrid (i.e. combination of forbearance measures)	1,472	2,638	-	149
Other	82	495	-	212
Total net amount	**2,950**	**6,967**	**-**	**1,140**

Reconciliation of forborne loans and advances to customers measured at amortised cost

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening balance as at 1/1 (net)	**6,967**	**8,323**	**1,140**	**7,936**
Forbearance measures during the year	1,056	1,525	47	1,536
Repayment of loans (partial or total)	(443)	(743)	(21)	(735)
Loans that exited forbearance status during the year	(1,891)	(2,322)	-	(2,246)
Transfer (to)/from Held for sale	(1,566)	-	-	-
Derecognition of forborne loans	(977)		(977)	-
ECL allowance	(241)	229	(190)	223
FX differences and other movements	43	(45)	-	(45)
Contribution to the new credit institution	-	-	-	(5,529)
Closing balance (net)	**2,950**	**6,967**	**-**	**1,140**

Forborne loans and advances to customers measured at amortised cost by product line

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Retail lending	**1,141**	**3,275**	**-**	**957**
Mortgage	980	2,837	-	883
Consumer, Personal and Other	160	439	-	74
Credit cards	-	-	-	-
Corporate lending	**1,810**	**3,692**	**-**	**183**
Large Corporate	805	1,628	-	19
SME's	1,004	2,064	-	164
Public sector	**-**	**-**	**-**	**-**
Greece	-	-	-	-
Other Countries	-	-	-	-
Total net amount	**2,950**	**6,967**	**-**	**1,140**

Forborne loans and advances to customers measured at amortised cost by geographical region

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Greece	2,916	6,966	-	1,140
Rest of Europe	34	1	-	-
Total net amount	**2,950**	**6,967**	**-**	**1,140**

4.5 Debt to equity transactions

In certain cases, a debt restructuring may involve the exchange of equity for debt in an effort to make the borrower's businesses viable. In 2021, the Group increased its equity participations by € 11 million as a result of debt to equity swap transactions, while the respective prior year's figure is immaterial.

4.6 Debt securities at amortised cost and debt securities measured at FVTOCI

The tables below present the credit rating and stage allocation of debt securities measured at FVTOCI, based on Standard and Poor's rating scale:

Group	External rating grade of debt securities measured at FVTOCI				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
AAA	106	-	-	-	**106**
A- to A+	18	-	-	-	**18**
BBB- to BBB+	177	-	-	-	**177**
BB- to BB+	1,568	3	-	-	**1,571**
Lower than BB-	408	19	-	-	**427**
Unrated	-	-	-	-	**-**
Total	**2,277**	**22**	**-**	**-**	**2,299**

Group	External rating grade of debt securities measured at FVTOCI				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
AAA	104	-	-	-	**104**
BBB- to BBB+	503	-	-	-	**503**
BB- to BB+	1,911	-	-	-	**1,911**
Lower than BB-	98	14	-	-	**112**
Unrated	82	5	-	-	**87**
Total	**2,698**	**19**	**-**	**-**	**2,717**

The Company had no debt securities measured at FVTOCI as at 31 December 2021 and 2020.

The tables below present the credit rating, stage allocation and ECL allowance of debt securities measured at amortised cost, based on Standard and Poor's rating scale:

Group	External rating grade of debt securities at amortised cost						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	2,429	-	-	-	**2,429**	-	2,429
BB- to BB+	6,772	-	-	-	**6,772**	18	6,754
Lower than BB-	18	-	-	-	**18**	-	18
Total	**9,219**	**-**	**-**	**-**	**9,219**	19	9,200

Company	External rating grade of debt securities at amortised cost						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	-	-	-	-	**-**	-	-
BB- to BB+	-	-	-	-	**-**	-	-
Lower than BB-	786	-	-	-	**786**	29	757
Total	**786**	**-**	**-**	**-**	**786**	29	757

Group	External rating grade of debt securities at amortised cost						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Total
BBB- to BBB+	1,228	-	-	-	**1,228**	-	1,228
BB- to BB+	3,748	-	-	-	**3,748**	12	3,737
Lower than BB-	-	-	-	-	**-**	-	-
Unrated	-	-	-	-	**-**	-	-
Total	**4,976**	**-**	**-**	**-**	**4,976**	12	4,964

Company	External rating grade of debt securities at amortised cost						
31/12/2020	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**ECL Allowance**	**Total**
BBB- to BBB+	-	-	-	-	**-**	-	-
BB- to BB+	-	-	-	-	**-**	-	-
Lower than BB-	721	-	-	-	**721**	25	696
Unrated	-	-	-	-	**-**	-	-
Total	**721**	**-**	**-**	**-**	**721**	25	696

4.7 Concentration of risks of financial assets with credit risk exposure

Geographical sector

The following tables break down the gross carrying amounts of financial assets, which are exposed to credit risk. The credit risk exposure is based on the country of domicile of each counterparty.

Group	Gross carrying amounts										
31/12/2021	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	45	-	-	-	**45**	1,299	-	-	-	**1,299**	**1,344**
Reverse repos with customers	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Loans and advances to customers at amortised cost	19,382	5,059	3,327	1,007	**28,775**	8,625	67	1,015	10	**9,717**	**38,492**
Retail Lending	5,708	2,219	613	430	8,970	97	52	63	7	219	**9,189**
Mortgages	4,564	1,774	391	335	**7,064**	83	29	13	6	**131**	**7,195**
Consumer, Personal and Other	823	330	173	91	**1,417**	14	23	49	-	**86**	**1,503**
Credit cards	321	115	50	4	**490**	1	-	-	-	**1**	**491**
Corporate and Public Sector Lending	13,674	2,840	2,714	577	19,805	8,528	15	952	3	9,498	**29,303**
Large Corporate	6,869	1,165	1,093	111	**9,237**	8,435	6	337	2	**8,780**	**18,017**
SMEs	5,260	1,675	1,616	464	**9,015**	93	9	615	-	**718**	**9,733**
Public Sector	1,545	-	5	2	**1,553**	-	-	-	-	**-**	**1,553**
Financial assets at FVTOCI	1,879	8	-	-	**1,887**	398	14	-	-	**412**	**2,299**
Debt securities at amortised cost	6,716	-	-	-	**6,716**	2,503	-	-	-	**2,503**	**9,219**
Other assets - Financial Instruments	774	41	171	-	**986**	119	-	44	-	**163**	**1,149**
Total	**28,797**	**5,109**	**3,498**	**1,007**	**38,410**	**12,943**	**81**	**1,059**	**10**	**14,093**	**52,503**

Group 31/12/2020 As restated	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	32	-	-	-	**32**	1,225	-	-	-	**1,225**	**1,258**
Reverse repos with customers	8	-	-	-	**8**	-	-	-	-	**-**	**8**
Loans and advances to customers at amortised cost	19,077	5,189	14,346	6,436	**45,048**	1,989	220	1,990	280	**4,480**	**49,528**
Retail Lending	6,405	2,588	4,778	3,425	**17,197**	100	68	89	28	**286**	**17,483**
Mortgages	5,172	2,072	3,539	2,463	**13,245**	92	39	42	27	**199**	**13,445**
Consumer, Personal and Other	884	406	1,060	872	**3,221**	8	29	47	2	**85**	**3,307**
Credit cards	350	110	180	91	**730**	1	-	-	-	**2**	**731**
Corporate and Public Sector Lending	12,672	2,601	9,567	3,011	**27,851**	1,889	152	1,901	252	**4,194**	**32,045**
Large Corporate	6,024	1,028	2,241	306	**9,599**	1,817	122	1,149	62	**3,150**	**12,749**
SMEs	4,938	1,573	7,315	2,702	**16,528**	72	30	752	190	**1,044**	**17,572**
Public Sector	1,710	-	11	3	**1,724**	-	-	-	-	**-**	**1,724**
Financial assets at FVTOCI	2,011	5	-	-	**2,016**	687	14	-	-	**701**	**2,717**
Debt securities at amortised cost	3,693	-	-	-	**3,693**	1,284	-	-	-	**1,284**	**4,976**
Other assets - Financial Instruments	627	75	230	-	**932**	82	1	241	-	**324**	**1,256**
Total	**25,448**	**5,269**	**14,576**	**6,436**	**51,729**	**5,267**	**235**	**2,231**	**280**	**8,014**	**59,743**

The comparative break-down of the Group between Greece and Other Countries has been restated for 31 December 2020 in order to be comparable with current year's presentation.

Company 31/12/2021	Gross carrying amounts										
	Greece					Other Countries					Grand Total
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	50	-	-	-	**50**	-	-	-	-	-	50
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	-	-	-	-	-	-	-	-	-	-	-
Retail Lending	-	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-	-
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-
Credit cards	-	-	-	-	-	-	-	-	-	-	-
Corporate and Public Sector Lending	-	-	-	-	-	-	-	-	-	-	-
Large Corporate	-	-	-	-	-	-	-	-	-	-	-
SMEs	-	-	-	-	-	-	-	-	-	-	-
Public Sector	-	-	-	-	-	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-	-	-	-	-	-
Debt securities at amortised cost	786	-	-	-	**786**	-	-	-	-	-	786
Other assets - Financial Instruments	11	-	-	-	**11**	-	-	-	-	-	11
Total	**848**	**-**	**-**	**-**	**848**	**-**	**-**	**-**	**-**	**-**	**848**

Company	Gross carrying amounts										
31/12/2020	Greece					Other Countries					Grand Total
As restated	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total	
Due from banks	376	-	-	-	**376**	86	-	-	-	**86**	**462**
Reverse repos with customers	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Loans and advances to customers at amortised cost	25	358	4,123	1,971	**6,477**	1	7	147	48	**202**	**6,680**
Retail Lending	21	343	1,873	1,015	**3,251**	-	6	16	12	**35**	**3,286**
Mortgages	17	317	1,635	864	**2,833**	-	6	16	12	**35**	**2,868**
Consumer, Personal and Other	4	25	207	135	**371**	-	-	-	-	**-**	**372**
Credit cards	-	-	31	16	**47**	-	-	-	-	**-**	**47**
Corporate and Public Sector Lending	5	15	2,250	956	**3,226**	-	1	131	35	**167**	**3,393**
Large Corporate	1	-	109	53	**163**	-	1	105	22	**128**	**291**
SMEs	4	15	2,135	903	**3,057**	-	-	26	14	**39**	**3,097**
Public Sector	-	-	6	-	**6**	-	-	-	-	**-**	**6**
Financial assets at FVTOCI	-	-	-	-	**-**	-	-	-	-	**-**	**-**
Debt securities at amortised cost	721	-	-	-	**721**	-	-	-	-	**-**	**721**
Other assets - Financial Instruments	106	-	-	-	**106**	-	-	-	-	**-**	**106**
Total	**1,229**	**358**	**4,123**	**1,971**	**7,681**	**87**	**7**	**147**	**48**	**289**	**7,970**

The comparative break-down of the Company between Greece and Other Countries has been restated for 31 December 2020 in order to be comparable with current year's presentation.

Industry Sector

The following tables break down the gross carrying amounts per industry sector of the Group's financial assets that are exposed to credit risk, inclusive of staging classification per industry. The allocation was performed according to the business sector of each counterparty.

Group	Gross carrying amounts - Industry sectors															
31/12/2021	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	1,344	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,344
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	7,155	3,889	1,071	1,316	1,936	3,245	1,553	1,980	222	2,292	565	735	773	2,573	9,189	38,492
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,189	9,189
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,195	7,195
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,503	1,503
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	491	491
Corporate and Public Sector Lending	7,155	3,889	1,071	1,316	1,936	3,245	1,553	1,980	222	2,292	565	735	773	2,573	-	29,303
Large Corporate	7,114	1,524	383	808	1,870	750	-	1,980	222	1,107	15	509	397	1,339	-	18,017
SMEs	42	2,365	688	508	66	2,495	-	-	-	1,185	551	226	375	1,234	-	9,733
Public Sector							1,553									1,553
Financial assets at FVTOCI	314	52	-	15	-	4	1,681	-	-	-	-	25	10	198	-	2,299
Debt securities at amortised cost	-	-	-	-	-	-	9,219	-	-	-	-	-	-	-	-	9,219
Other assets - Financial Instruments	79	19	23	8	-	6	518	-	-	-	-	5	-	346	146	1,149
Total	**8,892**	**3,960**	**1,093**	**1,339**	**1,936**	**3,255**	**12,971**	**1,981**	**222**	**2,292**	**565**	**765**	**782**	**3,117**	**9,334**	**52,503**
Stage 1	8,429	2,636	586	732	1,852	2,240	12,894	1,946	118	963	362	669	412	1,999	5,905	41,740
Stage 2	7	636	144	105	5	426	16	3	-	782	64	48	95	588	2,271	5,190
Stage 3	445	599	331	430	73	497	58	32	104	427	123	47	271	398	722	4,557
POCI	12	89	33	71	5	92	2	-	-	119	17	1	5	133	436	1,016
Total	**8,892**	**3,960**	**1,093**	**1,339**	**1,936**	**3,255**	**12,971**	**1,981**	**222**	**2,292**	**565**	**765**	**782**	**3,117**	**9,334**	**52,503**

The Group's gross carrying amount of the Public sector's Loans and advances of € 1,553 million as at 31 December 2021 includes the seasonal funding facility to OPEKEPE of € 1,474 million (31 December 2020: € 1,516 million). This amount was repaid in the first quarter of 2022.

Group	Gross carrying amounts - Industry sectors															
31/12/2020	**Financial corporations**	**Manufacturing / Handicraft**	**Construction**	**Real Estate Companies**	**Project Finance**	**Wholesale and retail trade**	**Public sector**	**Shipping Companies**	**Coastline/ Ferries Companies**	**Hotels**	**Agricul-ture**	**Energy**	**Transport and Logistics**	**Other industries**	**Individuals**	**Total**
Due from banks	1,258	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1,258**
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	**8**
Loans and advances to customers at amortised cost	1,297	5,511	2,640	1,899	1,814	5,509	1,724	1,880	242	2,799	797	947	994	3,992	17,483	**49,528**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,483	**17,483**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,445	**13,445**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,307	**3,307**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	731	**731**
Corporate and public sector lending	1,297	5,511	2,640	1,899	1,814	5,509	1,724	1,880	242	2,799	797	947	994	3,992	-	**32,045**
Large Corporate	1,202	1,554	588	914	1,740	779	-	1,880	242	1,215	7	750	458	1,420	-	**12,749**
SMEs	95	3,957	2,052	985	74	4,730	-	-	-	1,584	789	197	535	2,572	-	**17,572**
Public Sector							1,724									**1,724**
Financial assets at FVTOCI	97	-	-	-	-	4	2,420	-	-	-	-	-	5	191	-	**2,717**
Debt securities at amortised cost	-	-	-	-	-	-	4,976	-	-	-	-	-	-	-	-	**4,976**
Other assets - Financial Instruments	75	108	14	6	-	6	410	1	-	-	-	9	-	475	153	**1,256**
Total	**2,727**	**5,619**	**2,654**	**1,905**	**1,814**	**5,519**	**9,530**	**1,880**	**242**	**2,800**	**797**	**957**	**999**	**4,657**	**17,643**	**59,743**
Stage 1	1,688	2,515	477	571	1,641	2,037	9,435	1,373	125	953	300	854	308	1,818	6,620	**30,715**
Stage 2	24	502	244	118	20	452	21	52	-	814	59	24	69	447	2,656	**5,504**
Stage 3	973	2,032	1,573	918	146	2,176	72	455	117	822	332	75	541	1,664	4,913	**16,809**
POCI	43	570	360	298	7	853	3	-	-	211	106	3	81	728	3,454	**6,715**
Total	**2,727**	**5,619**	**2,654**	**1,905**	**1,814**	**5,519**	**9,530**	**1,880**	**242**	**2,800**	**797**	**957**	**999**	**4,657**	**17,643**	**59,743**

The following tables break down the gross carrying amounts per industry sector of the Company's financial assets that are exposed to credit risk, inclusive of staging classification per industry. The allocation was performed according to the business sector of each counterparty.

Company	Gross carrying amounts - Industry sectors															
31/12/2021	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate and Public Sector Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector							-									-
Financial assets at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt secutities at amortised cost	786	-	-	-	-	-	-	-	-	-	-	-	-	-	-	786
Other assets - Financial Instruments	1	-	-	-	-	-	-	-	-	-	-	-	-	11	-	11
Total	**837**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**-**	**848**
Stage 1	837	-	-	-	-	-	-	-	-	-	-	-	-	11	-	848
Stage 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**837**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**-**	**848**

Company	Gross carrying amounts - Industry sectors															
31/12/2020	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Due from banks	462	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**462**
Reverse repos with customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Loans and advances to customers at amortised cost	100	674	620	122	9	1,036	6	-	-	131	105	3	84	503	3,286	**6,680**
Retail lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,286	**3,286**
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,868	**2,868**
Consumer, Personal and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	372	**372**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	**47**
Corporate and public sector lending	100	674	620	122	9	1,036	6	-	-	131	105	3	84	503	-	**3,393**
Large Corporate	74	16	55	38	6	20	-	-	-	5	-	-	20	56	-	**291**
SMEs	26	659	565	84	3	1,016	-	-	-	126	105	3	63	447	-	**3,097**
Public Sector							6									**6**
Financial assets at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Debt securities at amortised cost	721	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**721**
Other assets - Financial Instruments	92	-	-	-	-	-	-	-	-	-	-	-	-	15	-	**106**
Total	**1,376**	**674**	**620**	**122**	**9**	**1,036**	**6**	**-**	**-**	**131**	**105**	**3**	**84**	**518**	**3,286**	**7,970**
Stage 1	1,276	-	-	-	-	3	-	-	-	-	-	-	-	16	21	**1,316**
Stage 2	-	3	1	1	-	5	-	-	-	1	-	-	2	3	349	**365**
Stage 3	83	464	486	77	9	688	6	-	-	108	70	1	58	329	1,889	**4,270**
POCI	17	208	132	44	-	340	-	-	-	21	34	1	24	171	1,028	**2,019**
Total	**1,376**	**674**	**620**	**122**	**9**	**1,036**	**6**	**-**	**-**	**131**	**105**	**3**	**84**	**518**	**3,286**	**7,970**

The following tables break down the nominal amounts of off-balance items per industry sector of the Group's financial assets that are exposed to credit risk inclusive of staging classification per industry. The allocation was performed according to the business sector of each counterparty.

Group	Nominal Amounts of Off Balance Sheet Items - Industry sectors															
31/12/2021	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline/ Ferries Companies	Hotels	Agriculture	Energy	Transport and Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,752	326	953	30	-	221	-	-	-	44	5	114	59	262	-	3,764
Letters of Credit	8	11	1	-	-	12	-	-	-	-	2	-	-	9	-	42
Irrevocable undrawn credit commitments	18	109	14	88	154	45	-	48	-	107	47	21	42	266	90	1,050
Balance at 31/12/2021	**1,777**	**446**	**967**	**118**	**154**	**278**	**-**	**48**	**-**	**151**	**54**	**134**	**101**	**538**	**90**	**4,856**
Stage 1	1,776	401	778	114	154	226	-	48	-	100	44	130	88	496	65	4,421
Stage 2	1	13	41	-	-	39	-	-	-	39	8	4	11	24	24	204
Stage 3	-	32	148	4	-	13	-	-	-	11	1	-	2	13	-	224
POCI	-	-	-	-	-	-	-	-	-	1	2	-	-	4	1	7
Total	**1,777**	**446**	**967**	**118**	**154**	**278**	**-**	**48**	**-**	**151**	**54**	**134**	**101**	**538**	**90**	**4,856**

Group	Nominal Amounts of Off Balance Sheet Items - Industry sectors															
31/12/2020	Financial corporations	Manufacturing / Handicraft	Construction	Real Estate Companies	Project Finance	Wholesale and retail trade	Public sector	Shipping Companies	Coastline / Ferries Companies	Hotels	Agricul-ture	Energy	Transport and Logistics	Other industries	Individuals	Total
Letters of Guarantee	1,541	358	759	39	-	227	-	-	-	51	5	84	50	200	-	**3,314**
Letters of Credit	1	9	-	-	-	9	-	-	-	-	2	-	-	19	-	**40**
Irrevocable undrawn credit commitments	39	86	14	7	119	36	-	22	-	126	40	37	15	105	82	**728**
Balance at 31/12/2020	**1,582**	**453**	**773**	**46**	**119**	**272**	**-**	**22**	**-**	**177**	**46**	**121**	**65**	**324**	**82**	**4,082**
Stage 1	1,580	367	492	42	119	234	-	22	-	151	31	99	62	280	61	**3,540**
Stage 2	1	43	79	-	-	14	-	-	-	14	11	5	1	17	17	**202**
Stage 3	2	42	202	4	-	24	-	-	-	12	3	17	2	20	1	**329**
POCI	-	-	-	-	-	-	-	-	-	1	2	-	-	6	2	**11**
Total	**1,582**	**453**	**773**	**46**	**119**	**272**	**-**	**22**	**-**	**177**	**46**	**121**	**65**	**324**	**82**	**4,082**

As at 31 December 2021, the Company does not have any off balance sheet credit exposures.

Receivables from the Greek Public Sector

The following table presents the carrying amount of the Group's and the Company's receivables from the Greek Public Sector.

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Derivative financial instruments	296	401	-	-
Debt securities at FVTPL	445	337	-	-
Loans and advances at amortised cost	1,551	1,718	-	2
Debt securities at amortised cost	6,698	3,681	-	-
Debt securities at FVTOCI	1,450	1,839	-	-
Other assets	650	545	20	22
Total	**11,090**	**8,522**	**20**	**24**

During 2021, the Group purchased GGBs of nominal value € 2.7 billion, which were classified at amortised cost. Refer to Note 23 for further information on material debt securities transactions throughout the reporting year.

4.8 Offsetting of financial assets and liabilities

According to the provisions of IFRS 7 "Financial Instruments: Disclosures", the impact or the possible impact of enforceable master netting agreements or similar agreements for financial instruments on the Statement of Financial Position of the Group and the Company should be disclosed. More specifically, the disclosures should include the following:

i. The financial assets and liabilities, which are offset in accordance with the criteria of IAS 32 and the net amount is presented in the Statement of Financial Position, when there is a legally enforceable right and the intention to settle the net amounts or simultaneously collect the receivable and settle the obligation.

ii. The transactions which fall under International Swaps and Derivatives Association ("ISDA") contracts and similar master netting agreements irrespectively of whether these are offset or not in the Statement of Financial Position.

The Group and the Company have not offset any financial assets or liabilities on 31 December 2021 and 2020, given that the netting criteria mentioned in the first case (i) are not fulfilled.

The following tables, present for the Group the gross amounts of the financial instruments recognised as at 31 December 2021 and 2020, as well as the net effect on the Statement of Financial Position from the exercise of netting rights ("net amount") arising from ISDA contracts and similar master netting agreements. Therefore, these tables include mainly the following financial instruments: a) interest rate swap contracts ("IRSs"), cross currency interest rate swap contracts, fx forwards, currency swaps and options, for which there are ISDA contracts and b) interbank repos covered by Global Master Repurchase Agreement ("GMRA").

As of 31 December 2021 and 2020, the Company did not hold ISDA contracts and similar master netting agreements.

Group 31/12/2021	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Related amounts not offset in the Statement of Financial Position Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	591	-	591	291	229	70
Reverse Repurchase agreements	51	-	51	51	-	-
Total	**643**	**-**	**643**	**343**	**229**	**70**

Group 31/12/2021	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Related amounts not offset in the Statement of Financial Position Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	393	-	393	6	360	27
Repurchase agreements	286	-	286	286	-	-
Total	**679**	**-**	**679**	**292**	**360**	**27**

Group 31/12/2020	Recognised financial assets (gross amounts)	Financial liabilities (offset amounts)	Net amount of financial assets	Related amounts not offset in the Statement of Financial Position Recognized financial instruments and other non cash collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	507	-	507	392	25	90
Reverse Repurchase agreements	63	-	63	55	-	8
Total	**570**	**-**	**570**	**447**	**25**	**98**

Group 31/12/2020	Recognised financial liabilities (gross amounts)	Financial assets (offset amounts)	Net amount of financial liabilities	Related amounts not offset in the Statement of Financial Position Recognized financial instruments and other non cash collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	460	-	460	8	448	4
Repurchase agreements	96	-	96	96	-	-
Total	**556**	**-**	**556**	**104**	**448**	**4**

4.9 Market risk

Market risk is the current or prospective risk of loss due to adverse movements in the level or the volatility of market prices and rates, including interest rates, equity and commodity prices and foreign exchange rates.

The Risk Committee of the BoD has approved a market risk management policy that applies to both the Group and the Company and outlines the basic definitions of market risk management and defines the roles and responsibilities of the units and executives involved. The Group and the Company engage in moderate trading activities in order to enhance profitability and service their clientele. These trading activities create market risk, which the Group and the Company seek to identify, estimate, monitor and manage effectively through a framework of principles, measurement processes and a valid set of limits that apply to all the Group and the Company's transactions. The most significant types of market risk for the Group and the Company are interest rates, equity and foreign exchange risk.

The Group and the Company apply up to date, generally accepted techniques for the measurement of market risk. Specifically, sensitivity indicators such as CSPV01 (adverse impact to the net present value of the bond portfolio for a 1 basis point parallel move in the yield spread curve) as well as Value-at-Risk (VaR incorporates all risk factors) are calculated.

For every activity that bears market risk, the Group and the Company have assigned adequate market risk limits, and these are monitored systematically. Market risk management is not confined to trading book activities, but covers the Statement of Financial Position as a whole.

The Value-at-Risk measure is an estimate of the potential loss in the net present value of a portfolio, over a specified period and with a specified confidence level. The Group and the Company implement the following three methods for the calculation of Value at Risk:

Method A: the parametric Value-at-Risk methodology, assuming a one-day holding period and utilizing a 99% confidence level, with historic observations of two years and equal weighting between observations,

Method B: the parametric Value-at-Risk methodology, assuming a one-day holding period and utilizing a 99% confidence level, using market data that give more weight to recent observations (exponentially weighted moving average volatilities and correlations, λ=0.94) and

Method C: the parametric Value-at-Risk methodology using volatilities and correlations gathered during a crisis period (Stressed Value-at-Risk), while the estimate is assessed on current positions.

As the Value-at-Risk methodology does not evaluate the risk attributable to extraordinary financial or other occurrences, the risk assessment process includes a number of stress scenarios. The stress scenarios are based on the primary risk factors that can change the value of the balance sheet's figures.

The Group and the Company test the validity of the Value-at-Risk estimates, by conducting a relevant back-testing program on the Group and the Company's trading book VaR, through the comparison of the Value-at-Risk estimate against the actual change in the value of the portfolio, due to the changes in market prices on a daily basis.

The Value-at-Risk estimate for the Group's Trading Book as at 31 December 2021 amounted to € 5.7 million (31 December 2020: € 2.8 million). This estimate comprises € 5.6 million for interest rate risk (31 December 2020: 2.8 million), € 1.0 million for equity risk, € 0.5 million for commodities risk and € 1.0 million for foreign exchange risk, reduced by € 2.5 million due to the diversification effect in the portfolio as at 31 December 2021 (31 December 2020: € 0.2 million for foreign exchange risk, reduced by € 0.2 million due to diversification effect in the portfolio as at 31 December 2020). As at 31 December 2021 and 2020, the Company does not have any exposure classified under the Trading book and hence there is not a relevant VaR metric.

As at 31 December 2021, the Group trading book VaR increased due to an increased position in GGBs by € 110 million and supranational issuances by € 434 million, coupled with a higher volatility in global markets.

The table below summarizes the VaR calculation. The VaR measure in the table below is calculated using the method A as described previously.

Group - Amounts in € million	Total VaR	VaR Interest Rate Risk	VaR Equity Risk	VaR Foreign Exchange Risk	VaR Commodities Risk	Diversification Effect
2021	5.7	5.6	1.0	1.0	0.5	(2.5)
2020	2.8	2.8	-	0.2	-	(0.2)

4.10 Currency risk

The Group and the Company are exposed to effects of fluctuations in the prevailing foreign currency exchange rates on their financial position and cash flows. Management sets limits on the level of exposure by currency, which are monitored daily. The tables below summarise the Group's and the Company's exposure to foreign currency exchange risk as at 31 December 2021 and 2020.

The following tables include an analysis per currency of the Group's and the Company's carrying amount of both assets and liabilities, as well as the notional amounts of derivatives, which reduce significantly the undertaken foreign currency exchange risk:

Group 31/12/2021	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with Central Banks	15,432	22	9	-	4	52	15,519
Due from banks	1,231	40	3	3	32	35	1,344
Financial assets at FVTPL	906	-	-	-	-	-	906
Financial assets mandatorily measured at FVTPL	177	28	-	-	-	-	205
Derivative financial instruments (notional amounts)	1,708	452	101	1	4	264	2,529
Reverse repos with customers	-	-	-	-	-	-	-
Loans and advances to customers at amortised cost	33,549	2,142	3	2	730	95	36,521
Loans and advances to customers mandatorily measured at FVTPL	77	-	-	-	-	-	77
Financial assets measured at FVTOCI	2,334	19	-	-	-	13	2,366
Debt securities at amortised cost	9,183	9	-	-	-	9	9,200
Assets held for sale	208	206	-	-	22	-	435
Investment property	970	-	-	-	-	71	1,041
Investments in associated undertakings and joint ventures	630	-	-	-	-	-	630
Property and equipment	883	-	-	-	-	6	890
Intangible assets	266	-	-	-	-	1	267
Current tax assets	160	-	-	-	-	-	160
Deferred tax assets	6,067	-	-	-	-	3	6,070
Other assets	3,233	122	1	-	25	71	3,453
Assets from discontinued operations	114	-	-	-	-	-	114
Total assets	**77,127**	**3,040**	**117**	**6**	**817**	**620**	**81,728**
Liabilities							
Due to banks	14,794	50	1	-	4	16	14,865
Due to customers	52,789	2,179	118	1	19	337	55,442
Derivative financial instruments (notional amounts)	738	758	-	8	867	185	2,556
Debt securities in issue	971	-	-	-	-	-	971
Other borrowed funds	935	-	-	-	-	-	935
Current income tax liabilities	5	-	-	-	-	-	5
Deferred tax liabilities	9	-	-	-	-	1	10
Retirement and termination benefit obligations	75	-	-	-	-	-	75
Provisions	134	-	-	-	-	2	136
Liabilities held for sale	3	-	-	-	-	-	3
Other liabilities	1,119	-	-	-	-	5	1,124
Liabilities from discontinued operations	28	-	-	-	-	-	28
Total liabilities	**71,600**	**2,987**	**119**	**9**	**889**	**546**	**76,150**
Derivative financial instruments - fair value adjustment	**225**	**-**	**-**	**-**	**-**	**-**	**225**
Foreign currency exposure	**5,752**	**53**	**(2)**	**(3)**	**(72)**	**74**	**5,803**

Group 31/12/2020 As restated	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Cash and balances with Central Banks	8,836	18	10	-	3	36	8,903
Due from banks	1,083	68	10	8	47	41	1,258
Financial assets at FVTPL	353	-	-	-	-	-	353
Financial assets mandatorily measured at FVTPL	120	26	-	-	-	-	146
Derivative financial instruments (notional amounts)	1,893	29	80	6	10	265	2,282
Reverse repos with customers	8	-	-	-	-	-	8
Loans and advances to customers at amortised cost	36,373	2,046	4	8	1,108	84	39,624
Loans and advances to customers mandatorily measured at FVTPL	50	-	-	-	-	-	50
Financial assets measured at FVTOCI	2,768	116	-	-	-	14	2,898
Debt securities at amortised cost	4,964	-	-	-	-	-	4,964
Assets held for sale	175	-	-	-	7	-	181
Investment property	1,047	-	-	-	-	72	1,119
Investments in associated undertakings and joint ventures	269	-	-	-	-	-	269
Property and equipment	990	-	-	-	-	5	995
Intangible assets	279	-	-	-	-	1	280
Current tax assets	176	-	-	-	-	-	176
Deferred tax assets	6,320	-	-	-	-	1	6,322
Other assets	3,292	6	1	-	(9)	105	3,395
Assets from discontinued operations	111	-	-	-	-	-	111
Total assets	**69,109**	**2,310**	**105**	**22**	**1,165**	**623**	**73,335**
Liabilities							
Due to banks	11,357	3	-	-	4	13	11,376
Due to customers	47,556	1,663	105	1	16	295	49,636
Derivative financial instruments (notional amounts)	66	753	-	22	1,193	222	2,257
Debt securities in issue	471	-	-	-	-	-	471
Other borrowed funds	933	-	-	-	-	-	933
Current income tax liabilities	3	-	-	-	-	-	3
Deferred tax liabilities	31	-	-	-	-	1	31
Retirement and termination benefit obligations	88	-	-	-	-	-	88
Provisions	201	-	-	-	-	1	202
Other liabilities	1,181	(32)	-	-	(18)	6	1,136
Liabilities from discontinued operations	27	-	-	-	-	-	27
Total liabilities	**61,912**	**2,387**	**105**	**23**	**1,196**	**538**	**66,160**
Derivative financial instruments - fair value adjustment	**22**	**-**	**-**	**-**	**-**	**-**	**22**
Foreign currency exposure	**7,218**	**(76)**	**-**	**(1)**	**(30)**	**85**	**7,197**

Company 31/12/2021	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Due from banks	50	-	-	-	-	-	50
Financial assets mandatorily measured at FVTPL	9	-	-	-	-	-	9
Loans and advances to customers at amortised cost	-	-	-	-	-	-	-
Loans and advances to customers mandatorily measured at FVTPL	26	-	-	-	-	-	26
Debt securities at amortised cost	757	-	-	-	-	-	757
Investments in subsidiaries	5,524	-	-	-	-	15	5,539
Current tax assets	20	-	-	-	-	-	20
Other assets	26	-	-	-	-	-	26
Total assets	**6,413**	**-**	**-**	**-**	**-**	**15**	**6,428**
Liabilities							
Debt securities in issue	-	-	-	-	-	-	-
Other borrowed funds	934	-	-	-	-	-	934
Deferred tax liabilities	1	-	-	-	-	-	1
Other liabilities	54	-	-	-	-	-	54
Total liabilities	**989**	**-**	**-**	**-**	**-**	**-**	**989**
Derivative financial instruments - fair value adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency exposure	**5,424**	**-**	**-**	**-**	**-**	**15**	**5,439**

Company 31/12/2020	EUR	USD	GBP	JPY	CHF	Other currencies	Total
Assets							
Due from banks	462	-	-	-	-	-	462
Financial assets mandatorily measured at FVTPL	10	-	-	-	-	-	10
Loans and advances to customers at amortised cost	3,778	20	-	-	28	-	3,826
Loans and advances to customers mandatorily measured at FVTPL	-	-	-	-	-	-	-
Debt securities at amortised cost	696	-	-	-	-	-	696
Investments in subsidiaries	4,867	-	-	-	-	13	4,881
Current tax assets	22	-	-	-	-	-	22
Other assets	137	-	-	-	-	-	138
Total assets	**9,974**	**21**	**-**	**-**	**28**	**13**	**10,036**
Liabilities							
Debt securities in issue	2,383	-	-	-	-	-	2,383
Other borrowed funds	931	-	-	-	-	-	931
Deferred tax liabilities	1	-	-	-	-	-	1
Other liabilities	13	-	-	-	(1)	-	12
Total liabilities	**3,329**	**-**	**-**	**-**	**(1)**	**-**	**3,328**
Derivative financial instruments - fair value adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency exposure	**6,645**	**21**	**-**	**-**	**29**	**13**	**6,708**

4.11 Interest rate risk

Interest rate risk is the risk of a negative impact on the Group and the Company’s financial position due to its exposure to interest rates fluctuations.

Changes in interest rates affect the Group and the Company's profitability by changing its Net Interest Income and the level of the other interest - sensitive income and expenses.

Changes in interest rates also affect the underlying value of the Group and the Company's assets and liabilities because the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates also change. Accordingly, an effective interest rate risk management process that assesses, monitors and helps maintain interest rate risk within prudent levels (through effective hedging, where relevant), is essential for the sustainability and soundness of the Group and the Company’s financial performance.

The Group and the Company apply an Interest Rate Risk Management Policy outlining various valuation techniques that mainly rely on maturity and repricing schedules, incorporating behavioral models, where necessary.

As presented in the tables below, interest rate gap analysis is a maturity / repricing schedule that distributes interest-sensitive assets and liabilities into a certain number of predefined time bands, according to their maturity (for fixed-rate instruments) or time remaining to their next repricing (for floating-rate instruments).

Those assets and liabilities lacking actual maturities (e.g. open accounts) or definitive repricing intervals (e.g. sight deposits or savings accounts) are assigned to the appropriate time band through the application of behavioral models.

Assets and liabilities in foreign currency are translated into Euro using the corresponding FX rates as of the reporting date.

Group 31/12/2021	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash and balances with Central Banks	15,512	-	-	-	-	7	15,519
Due from banks	1,261	64	8	-	-	11	1,344
Financial assets at FVTPL	58	16	159	89	564	20	906
Financial assets mandatorily measured at FVTPL	-	-	32	-	11	162	205
Reverse repos with customers	-	-	-	-	-	-	-
Loans and advances to customers	15,190	6,994	6,080	4,823	3,505	5	36,598
Financial assets measured at FVTOCI	59	113	187	562	1,379	67	2,366
Debt securities at amortised cost	-	3	29	160	9,008	-	9,200
Other assets	-	-	-	1	6	975	981
Total financial assets	**32,081**	**7,189**	**6,496**	**5,635**	**14,472**	**1,248**	**67,121**
Financial liabilities							
Due to banks	14,760	87	4	16	-	-	14,865
Due to customers	23,736	5,364	7,475	11,366	7,500	-	55,442
Debt securities in issue	470	-	-	500	-	-	971
Other borrowed funds	-	-	-	935	-	-	935
Other liabilities	7	2	4	2	-	1,109	1,124
Total financial liabilities	**38,973**	**5,453**	**7,483**	**12,819**	**7,500**	**1,109**	**73,337**
Net notional amount of derivative financial instruments	**983**	**4,068**	**1,673**	**76**	**(6,829)**	**-**	**(30)**
Total interest rate gap	**(5,910)**	**5,804**	**687**	**(7,108)**	**142**	**139**	**(6,246)**

Group 31/12/2020	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Cash and balances with Central Banks	8,896	-	-	-	-	6	8,903
Due from banks	1,112	125	-	-	-	20	1,258
Financial assets at FVTPL	21	8	44	23	245	12	353
Financial assets mandatorily measured at FVTPL	-	-	-	13	1	133	146
Reverse repos with customers	-	2	6	-	-	-	8
Loans and advances to customers	17,337	6,615	6,094	9,107	475	46	39,674
Financial assets measured at FVTOCI	294	136	418	529	1,340	182	2,898
Debt securities at amortised cost	-	-	51	989	3,925	-	4,964
Other assets	-	-	7	-	-	847	854
Total financial assets	**27,660**	**6,885**	**6,619**	**10,661**	**5,987**	**1,246**	**59,058**
Financial liabilities							
Due to banks	11,241	114	11	10	-	-	11,376
Due to customers	20,737	6,258	7,406	9,013	6,220	1	49,636
Debt securities in issue	471	-	-	-	-	-	471
Other borrowed funds	-	-	-	933	-	-	933
Other liabilities	-	6	2	2	-	1,126	1,136
Total financial liabilities	**32,449**	**6,377**	**7,419**	**9,959**	**6,220**	**1,127**	**63,552**
Net notional amount of derivative financial instruments	**27**	**8**	**39**	**3**	**(55)**	**-**	**22**
Total interest rate gap	**(4,762)**	**516**	**(761)**	**705**	**(289)**	**119**	**(4,472)**

Company 31/12/2021	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non - interest bearing	Total
Financial assets							
Due from banks	50	-	-	-	-	-	50
Financial assets mandatorily measured at FVTPL	-	-	-	-	-	9	9
Loans and advances to customers	-	-	-	-	26	-	26
Debt securities at amortised cost	-	-	-	757	-	-	757
Other assets	-	-	-	-	-	11	11
Total financial assets	**50**	**-**	**-**	**757**	**26**	**21**	**855**
Financial liabilities							
Debt securities in issue	-	-	-	-	-	-	-
Other borrowed funds	-	-	-	934	-	-	934
Other liabilities	-	-	-	-	-	54	54
Total financial liabilities	**-**	**-**	**-**	**934**	**-**	**54**	**988**
Net notional amount of derivative financial instruments	-	-	-	-	-	-	-
Total interest rate gap	**50**	**-**	**-**	**(176)**	**26**	**(33)**	**(134)**

Company 31/12/2020	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Due from banks	462	-	-	-	-	-	462
Financial assets mandatorily measured at FVTPL	-	-	-	-	-	10	10
Loans and advances to customers	856	55	192	2,706	17	-	3,826
Debt securities at amortised cost	-	-	-	696	-	-	696
Other assets	-	-	-	-	-	106	106
Total financial assets	**1,318**	**55**	**192**	**3,403**	**17**	**117**	**5,102**
Financial liabilities							
Debt securities in issue	-	3	15	240	2,125	-	2,383
Other borrowed funds	-	-	-	931	-	-	931
Other liabilities	-	-	-	-	-	12	12
Total financial liabilities	**-**	**3**	**15**	**1,171**	2,125	**12**	**3,326**
Net notional amount of derivative financial instruments	-	-	-	-	-	-	-
Total interest rate gap	**1,318**	**53**	**177**	**2,231**	**(2,108)**	**105**	**1,776**

The Group and the Company calculate any change in the net present value of on balance-sheet items in response to a change in interest rates by assuming a parallel yield curve shift of 1 basis point (PV01).

The interest rate gap analysis enables the evaluation of interest rate risk using the changes in Net Interest Income ("ΔNII") measure, which denotes the negative effect on the expected annual interest income, as a result of a parallel shift in interest rates for all currencies considered.

For ΔNII and PV01, Management has assigned adequate limits, which are monitored on a regular basis.

Management evaluates potential financial losses under stressful market conditions. Possible stress scenarios include abrupt changes in the level of interest rates, changes in the slope and the shape of the yield curves, or changes in the volatility of market rates.

4.12 Liquidity risk

Management acknowledges that effective Liquidity Risk Management is essential to the Group's ability to meet its liabilities, while also safeguarding its financial results and its capital adequacy. Liquidity risk is defined as the risk arising from the Group's inability to meet its cash flow obligations when they come due, without incurring unacceptable costs or losses at all times, including under stress.

The Group applies a uniform Liquidity Risk Management Policy for the effective management of liquidity risk, approved by the Board Risk Management Committee. This policy complies with the supervisory regulations and is consistent with best practices applied internationally.

The policy specifies the principal liquidity risk assessment definitions and methodologies, defines the roles and responsibilities of the Company's Units, Group subsidiaries and staff involved and sets out the guidelines for liquidity crisis management. In order to manage liquidity risk effectively, Management monitors, inter alia, the amount, quality and composition/diversification of its liquid assets, the cash flow analysis of its assets and liabilities (inflows, outflows) in time buckets, the composition/diversification and cost of its funding sources, the composition/diversification and funding capacity of its unencumbered collateral and its funding needs in local and foreign currencies.

Furthermore, the policy defines a contingency funding plan to be used in the case of a liquidity crisis. Such a crisis can take place either due to an event specific to the Company or due to a market-driven event. Triggers and early warning signals prescribed within the contingency funding plan serve as indicators for its realisation.

The Company and the Group LCR and NSFR are calculated on a monthly and quarterly basis, respectively, as per regulation (EU) No. 575/2013. As of 31 December 2021, both the LCR and the NSFR exceeded the minimum regulatory threshold of 100%.

Under Directive 2013/36/EU (known as CRD IV), which has been transported into Greek Law by virtue of Greek Law 4261/2014, credit institutions are required to have comprehensive strategies, procedures, policies and systems to ensure adequate monitoring of liquidity risk. In accordance with the said Directive, the Group submitted in 2021 to the SSM, its annual ILAAP report, which includes the rules governing the management of liquidity risk and the main results of current and future liquidity position assessments for the Company and the Group. In addition, within the ICAAP and ILAAP framework, Management examined stress test scenarios and assessed their impact on the Company's and the Group's liquidity position and on mandatory liquidity ratios.

Contractual undiscounted cash flows

The contractual undiscounted cash flows of non-derivative financial liabilities and irrevocable undrawn credit commitments are presented in the tables below. Liquidity risk arising from derivative liabilities is not considered significant.

Group 31/12/2021	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	379	4	14,309	94	47	14,834
Due to customers	48,660	3,639	3,085	64	-	55,449
Debt securities in issue	2	-	493	78	521	1,094
Other borrowed funds	-	28	39	1,061	-	1,127
Other liabilities	99	62	174	77	26	439
Total	**49,141**	**3,733**	**18,099**	**1,374**	**595**	**72,942**
Irrevocable undrawn credit commitments	1	2	28	638	380	**1,050**

Group 31/12/2020	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	188	34	10,980	68	71	11,342
Due to customers	40,530	5,070	4,038	6	-	49,644
Debt securities in issue	1	-	7	479	-	488
Other borrowed funds	-	28	39	1,129	-	1,195
Other liabilities	17	100	127	84	43	371
Total	**40,737**	**5,231**	**15,192**	**1,766**	**115**	**63,040**
Irrevocable undrawn credit commitments	2	28	78	242	378	**728**

Company 31/12/2021	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	-	-	-	-	-	-
Due to customers	-	-	-	-	-	-
Debt securities in issue	-	-	-	-	-	-
Other borrowed funds	-	28	39	1,061	-	1,127
Other liabilities	-	44	3	-	-	47
Total	**-**	**71**	**42**	**1,061**	**-**	**1,174**
Irrevocable undrawn credit commitments	-	-	-	-	-	-

Company 31/12/2020	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	-	-	-	-	-	-
Due to customers	-	-	-	-	-	-
Debt securities in issue	-	8	31	316	2,191	2,545
Other borrowed funds	-	28	39	1,127	-	1,194
Other liabilities	-	3	8	-	-	11
Total	**-**	**38**	**78**	**1,443**	**2,191**	**3,750**
Irrevocable undrawn credit commitments	-	-	-	-	6	**7**

4.13 Transfers of financial assets

As of 31 December 2021 and 2020, the carrying amount of transferred financial assets, which have been transferred but continue to be recognized in their entirety on the Group's Statement of Financial Position, inclusive of the associated liabilities are presented in the following tables:

31/12/2021	Transferred assets		Associated liabilities	
	Carrying amount		Carrying amount	
	Group	Company	Group	Company
Financial assets at FVTPL	863	-	759	-
Loans and advances to customers	9,478	-	5,691	-
Financial assets at FVTOCI	1,630	-	1,315	-
Debt securities at amortised cost	9,045	-	7,409	-
Total	**21,016**	**-**	**15,173**	**-**

31/12/2020	Transferred assets		Associated liabilities	
	Carrying amount		Carrying amount	
	Group	Company	Group	Company
Financial assets at FVTPL	297	-	226	-
Loans and advances to customers	9,564	-	5,515	-
Financial assets at FVTOCI	2,133	-	1,693	-
Debt securities at amortised cost	4,961	-	4,105	-
Total	**16,955**	**-**	**11,540**	**-**

Transactions whereby financial assets are transferred, but continue to be recognized in their entirety on the Group's Statement of Financial Position relate to Eurosystem funding under the general terms applying to such agreements, and securities sold under agreements to repurchase, which are conducted under GMRAs. With respect to Eurosystem funding, a haircut is generally applied to the collateral, which results in the associated liabilities having a carrying value less than the carrying value of the transferred assets. The Group is unable to use, sell or pledge the aforementioned assets during the term of the transaction and remains exposed to interest rate risk and credit risk on these assets. The counterparty's recourse is not limited to the transferred assets.

The Group has not transferred financial assets that are not subject to derecognition in full, but remain on the Statement of Financial Position to the extent of continuing involvement or were derecognized in full, but continuing involvement exists.

The subsidiary that contributes to the Group amounts is Piraeus Bank S.A.

4.14 Financial instruments not measured at fair value

The following table summarises the fair values and carrying amounts of those financial instruments, which are not measured at fair value on a recurring basis, and their fair value could be materially different from their carrying amount.

Group	Carrying Amount 31/12/2021	Fair Value 31/12/2021	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	36,521	36,556	-	-	36,556
Debt securities at amortised cost	9,200	8,982	8,982	-	-
Financial liabilities					
Debt securities in issue	971	964	488	476	-
Other borrowed funds	935	957	957	-	-

Group	Carrying Amount 31/12/2020	Fair Value 31/12/2020	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	39,624	38,430	-	-	38,430
Debt securities at amortised cost	4,964	5,344	5,344	-	-
Financial liabilities					
Debt securities in issue	471	480	-	480	-
Other borrowed funds	933	767	767	-	-

Company	Carrying Amount 31/12/2021	Fair Value 31/12/2021	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	-	-	-	-	-
Debt securities at amortised cost	757	780	-	780	-
Financial liabilities					
Debt securities in issue	-	-	-	-	-
Other borrowed funds	934	957	957	-	-

Company	Carrying Amount 31/12/2020	Fair Value 31/12/2020	Level 1	Level 2	Level 3
Financial assets					
Loans and advances to customers at amortised cost	3,826	2,479	-	-	2,479
Debt securities at amortised cost	696	721	721	-	-
Financial liabilities					
Debt securities in issue	2,383	2,383	-	-	2,383
Other borrowed funds	931	767	767	-	-

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments at 31 December 2021 and 2020.

Loans and advances to customers at amortised cost: Fair value is estimated using discounted cash flow models, taking into account yield curves observable in the market as of the date of the valuation and adjustments for credit risk. Phoenix, Vega I, II, III and Sunrise I and II loan portfolios were derecognised from the Group's statement of financial position in the year ended 31 December 2021.

Debt securities at amortised cost, debt securities in issue and other borrowed funds: Fair value is estimated using market prices, or, if such is not available, using discounted cash flow models based on current market interest rates offered for instruments with similar credit quality and duration.

4.15 Financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a liability in an orderly transaction between market participants, at the measurement date, under current market conditions.

IFRS 13 establishes a fair value hierarchy that categorises financial instruments into three levels based on the type of inputs to the valuation techniques, as follows:

Level 1 inputs comprise unadjusted quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date. Level 1 assets and liabilities include debt and equity securities, as well as derivative contracts that are traded in an active and organized market structure (i.e. exchange listed futures and options). An active market is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide information on an ongoing basis and are characterized by low bid/ask spreads.

Level 2 inputs comprise observable inputs other than Level 1 quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for the full term of the instrument. An input is observable if it is developed using market data, such as publicly available information about events or transactions, and reflects the assumptions that market participants would use when pricing the asset or liability. Level 2 assets and liabilities include OTC derivatives and securities whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market.

Level 3 inputs refer to unobservable inputs, including the entity's own data which are adjusted, if necessary, to reflect the assumptions market participants would use in the circumstances. An input is unobservable if, in the absence of market data availability, it is developed using the best information available about the assumptions that market participants would use when pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that require significant management judgement or estimation. OTC complex derivatives transactions or structured securities, which are valued using a non-market standard model, comprising substantial model uncertainty, are classified as level 3 instruments.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The level of the fair value hierarchy within which the fair value measurement is categorized, is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input as well as model uncertainty are assessed against the entire fair value measurement of the instrument.

The following table presents the fair value of the financial assets and liabilities which are measured at fair value on a recurring basis and continue to be recognised in their entirety on the Group΄s Statement of Financial Position at the end of the reporting period, by fair value hierarchy level:

Financial instruments measured at fair value and basis of valuation								
Group	31/12/2021				31/12/2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	591	-	591	-	507	-	**507**
Financial assets at FVTPL	849	57	-	906	331	22	-	**353**
Financial assets mandatorily measured at FVTPL	112	-	93	205	76	-	71	**146**
Loans and advances to customers mandatorily measured at FVTPL	-	-	77	77	-	-	50	**50**
Financial assets at FVTOCI	2,132	212	22	2,366	2,590	274	35	**2,898**
Financial liabilities								
Derivative financial instruments	-	393	-	393	-	460	-	**460**

Financial instruments measured at fair value and basis of valuation								
Company	31/12/2021				31/12/2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets mandatorily measured at FVTPL	-	-	9	9	-	-	10	**10**
Loans and advances to customers mandatorily measured at FVTPL	-	-	26	26	-	-	-	**-**

Transfers between Level 1 and Level 2

Within the twelve-month period ended 31 December 2021, € 21 million corporate bonds were transferred from Level 1 to Level 2 due to change in their trading activity. Accordingly, € 12 million of Greek corporate bonds were transferred from Level 2 to Level 1. There were no transfers of financial liabilities between Level 1 and Level 2 during the twelve-month period ended 31 December 2021 and 2020. Transfers between levels of fair value hierarchy are deemed to have occurred at the end of the reporting period, in which the financial instruments were transferred.

Level 3 financial instruments

Level 3 financial instruments include:

a) Credit impaired loans and advances to customers, which are mandatorily measured at FVTPL because their contractual cash flows are not solely payments of principal and interest ("SPPI"), are valued using an income approach expected cash flow (expected present value) technique incorporating unobservable inputs.

b) Financial assets Bonds mandatorily measured at FVTPL, including a) contingent consideration in the form of a performance note payable to the Bank based on the EBITDA of: (i) Intrum Hellas Credit Servicing S.A.; (ii) Intrum Hellas REO Solutions S.A.; and (iii) any of their affiliates for a specified period of time after closing, of par value € 32 million, issued by Intrum Holding Spain S.A.U., b) contingent claim recognized following the disposal of corporate loans and corporate receivables consisting the Pivot portfolio, the fair value of which was estimated at € 11 million, for which the models used to estimate their fair value utilize significant unobservable inputs (e.g. discount rate, volatility, expected cash flows etc.)

c) Mutual funds and closed end funds, which do not meet the definition of an equity instrument under IAS 32 and are mandatorily measured at FVTPL, for which the models used to estimate the fair value are price-based and the price is obtained from the fund manager.

d) Equity securities at FVTOCI and FVTPL, which are not traded in active markets and their fair value is estimated on the basis of the available information using an income or market approach, for which the main inputs used are earnings forecasts, comparable multiples, net asset value, adjusted equity and other parameters which are not market observable, as well as estimations that may adjust these values.

e) Contingent convertible instruments for which the trigger of conversion to equity is based on non-market observable triggers. (e.g. balance sheet or regulatory capital).

f) Subordinated notes of the Sunrise, Phoenix and Vega securitizations retained by the Group as of 31 December 2021 classified within "Loans and advances mandatorily measured at FVTPL", which have been valued using multiple valuation techniques incorporating significant unobservable inputs.

During the year ended 31 December 2021 and 2020, there were no transfers into or out of Level 3. The following table presents a reconciliation of Level 3 fair value measurements for the aforementioned periods:

	Reconciliation of Level 3 instruments		
Group	**Financial assets mandatorily measured at FVTPL**	**Loans and advances to customers mandatorily measured at FVTPL**	**Financial assets at FVTOCI**
Opening balance as at 1/1/2020	**53**	**51**	**92**
Gain/ (loss) recognised in the income statement	(3)	(2)	-
Gain/(loss) recognised in OCI	-	-	(39)
Purchases	22	2	1
Disposals/ Settlements	(2)	-	(18)
Closing Balance as at 31/12/2020	**71**	**50**	**35**
Gain/ (loss) recognised in the income statement	19	(2)	-
Purchases / additions	11	-	-
Recognition of Phoenix, Vega and Sunrise I and II subordinated notes	-	156	-
Disposals/ Contributions	(9)	(127)	(13)
FX differences	2		
Closing Balance as at 31/12/2021	**93**	**77**	**22**

Company	Reconciliation of Level 3 Instruments		
	Financial assets mandatorily measured at FVTPL	Loans and advances to customers mandatorily measured at FVTPL	Financial assets at FVTOCI
Opening Balance as at 1/1/2020	**53**	**51**	**92**
Gain/ (loss) recognised in the income statement	(3)	(2)	-
Gain/(loss) recognised in OCI	-	-	(39)
Purchases	21	2	1
Disposals/ Settlements	(2)	-	(18)
Contribution to the new credit institution	**(59)**	(50)	**(35)**
Closing Balance as at 31/12/2020	**10**	**-**	**-**
Gain/ (loss) recognised in the income statement	(1)	-	-
Recognition of Phoenix, Vega and Sunrise I and II subordinated notes	-	147	-
Disposals/ Contributions	-	(121)	-
Closing Balance as at 31/12/2021	**9**	**26**	**-**

Valuation Process and Control Framework

The Group has established appropriate processes and internal controls to ensure that the fair values of its financial assets and liabilities are reasonably estimated. The fair value measurements are validated by functions of the Group that are independent of the risk-taking unit.

The fair values of bonds are determined either by reference to prices for traded instruments in active markets, to external quotations or widely accepted financial models, which are based on market observable or unobservable information where the former is not available, as well as relevant market based parameters such as interest rates, option volatilities, currency rates, etc. The Group may, sometimes, also utilize third-party pricing information, and perform validating procedures on this information to the extent possible or base its fair value on the latest transaction prices available, given the absence of an active market or similar transactions or other market observable inputs. All such instruments are categorised within the lowest level of the fair value hierarchy (i.e. Level 3). The fair value measurement of debt securities, including significant inputs on the valuation models, is performed by Middle Office and independently validated by Group Risk Management on a systematic basis.

The Group mainly engages in vanilla derivative products, hence, the valuation models utilised are fairly standard across the industry. Inputs to valuation models are determined based on market observable information wherever possible. Counterparty credit risk-adjustments are applied on all OTC derivatives. The Group calculates a separate Credit Value Adjustment (“CVA”) for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques (i.e. Monte Carlo simulation), as well as ISDA master netting agreements and collateral postings under CSA contracts. With respect to own credit risk, the Group estimates a Debt Value Adjustment (“DVA”) by applying a methodology symmetric to the one applied for CVA. The bilateral CVA (“BCVA”) is based on implied probabilities of default, derived from credit default swaps (“CDS”) spreads observed in the market, or, if these are not available, from appropriate proxies. As of 31 December 2021 and 2020, the BCVA was immaterial.

On a systematic basis adequate control procedures are in place for the validation of these models, including the valuation inputs. The Group’s Middle Office and Group Risk Management provide the control valuation framework necessary to ensure that the fair values are reasonably determined, reflecting current market circumstances and economic conditions. Furthermore, under European Markets and Infrastructure Regulation ("EMIR") regulation, the valuation of interbank OTC derivatives is reconciled on a daily basis with counterparties' valuations, under the daily collateral management process.

Quantitative information for the Level 3 fair value measurements of the Group as at 31 December 2021 and 2020

Financial instruments4	Fair Value	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs		Range of Inputs	
	2021	2020			2021		2020	
					Low	High	Low	High
Financial assets mandatorily measured at FVTPL - Contingent consideration asset	43	13	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA/CFs	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]	15% 14% n/a[2]
Financial assets mandatorily measured at FVTPL and FVTOCI – equity securities, funds	72	92	Income, market approach	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily measured at FVTPL – Phoenix, Vega and Sunrise I and II subordinated notes	34	-	Market approach	Binding quotes from third parties	15%[5]	36%[5]	-	-
Loans and advances to customers mandatorily measured at FVTPL – Other	43	50	Discounted Cash Flows	Credit risk adjusted expected cash flows	0%[3]	100%[3]	0%[3]	100%[3]

[1] *Mainly refers to equity participations of the Group in the share capital of private companies, thus the respective shares are not traded in active markets. In the absence of an active market, the fair value of these securities is estimated using an income or market valuation approach. Given the bespoke nature of the valuation method in respect of each equity shareholding, it is not practicable to quote a range of unobservable inputs. The changes in the value do not materially affect the Group´s results and assets.*

[2] *The performance targets and forecasted EBITDA or Cash Flows (CFs) of the underlying associates or debtors' of the Group, throughout the earnout calculation period, are commercially sensitive and are not included in the table, given that disclosing them would be detrimental to the Group's interests.*

[3] *Represented as percentage of the loan's gross carrying amount*

[4] *Includes financial instruments with an individual fair value higher than € 10 million at the end of the reporting period.*

[5] *Represented as percentage of the mezzanine notes' nominal value.*

Reasonably possible assumptions, other than the aforementioned used for determining unobservable inputs of Level 3 instruments, would not have a significant effect on the Group's financial assets and liabilities measured at fair value on a recurring basis.

4.16 Capital adequacy

The main objectives of Management with respect to capital adequacy are the following:

- To comply with the Capital Requirements Regulation ("CRR") against risks undertaken, according to the regulatory framework,
- To preserve the Group's ability to continue its operations unhindered, thus to continue providing returns and benefits to its shareholders and ensure the confidence of their customers,
- To retain a sound and stable capital base in order to support the Group's Business Plans, and
- To maintain and enhance existing infrastructures, policies, procedures and methodologies for the adequate coverage of supervisory needs, in Greece and abroad.

The Group currently complies with the CRD IV regulatory framework (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU as transposed into Greek Law 4261/2014 (amended by Law 4799/2021) and Regulation (EU) No. 575/2013 as it currently stands.

The aforementioned regulatory framework requires financial institutions to maintain for the Group a minimum level of regulatory capital related to the undertaken risks. The minimum thresholds for the capital adequacy ratios, as per article 92 of the CRR2, are as follows:

	Group
Common Equity Tier 1 Ratio (CET1)	4.5%
Tier 1 Ratio (T1)	6.0%
Total Capital Ratio (CAD Ratio)	8.0%

Following the activation of the SSM on 4 November 2014, the Group was placed under the direct supervision of the ECB.

According to the latest SREP, the ECB informed Management about its OCR, valid for 2021, not taking into account mitigating measures for the Covid-19 pandemic. The Group has to maintain on a consolidated basis, a Total SREP Capital Requirement (TSCR) of 11.25% and an OCR of 14.25%, which includes:

a) the minimum Pillar I total capital requirements of 8% as per article 92(1) of Regulation 575/2013/EU;

b) an additional Pillar II capital requirement of 3.25% as per article 16(2) of Regulation 1024/2013/EU;

c) the fully loaded capital conservation buffer of 2.5% under Greek Law 4261/2014; and

d) the transitional Other Systemic Important Institutions ("O-SII") capital buffer of 0.50% for 2021 under Greek Law 4261/2014.

The capital adequacy ratios as at 31 December 2021 and 2020 for the Group, as calculated under the existing regulatory framework, taking into account the relevant transitional period provisions applicable under Regulation 575/2013 and the transitional arrangements applicable under Regulation (EU) 2395/2017 for mitigating the impact of the introduction of IFRS 9 on own funds, were as follows:

	Group	
	31/12/2021	**31/12/2020**
Ordinary shares	1,188	2,620
Share premium	18,112	13,075
Contingent Convertible bonds	-	2,040
Less: Treasury shares	(2)	(1)
Other reserves and retained earnings	(14,110)	(10,687)
Minority Interest	15	106
Less: Intangible assets	(200)	(234)
Total regulatory adjustments on CETI capital	(1,421)	(992)
Common Equity Tier 1 Capital (CET1)	**3,582**	**5,927**
Additional Tier 1 instruments	600	-
Total Additional Tier 1 Capital	**600**	-
Tier 1 Capital (A)	**4,182**	**5,927**
Subordinated debt	891	889
Total Tier II Capital (B)	**891**	**889**
Total regulatory capital (A) + (B)	**5,073**	**6,816**
Total risk weighted assets (on and off- balance sheet items)	**32,207**	**43,097**
CET1 Capital ratio	**11.12%**	**13.75%**
T1 Capital ratio	**12.98%**	**13.75%**
Total Capital ratio	**15.75%**	**15.82%**

On 12 March 2020, the ECB announced several measures to address the adverse economic effects resulting from the Covid-19 pandemic on Banks under its supervision. These measures extend temporary support to Banks, so that they may continue to provide necessary funding and address the European economy's increased needs. For these reasons, the ECB allows Banks to temporarily operate below the level of capital defined by the Pillar 2 Guidance ("P2G") and the Combined Buffer Requirement ("CBR"). Banks are also allowed to partially use capital instruments that do not qualify as CET1 capital, for example AT 1 or Tier 2 instruments, to meet the Pillar 2 Requirements ("P2R"). By applying these measures, the Group has to maintain for 2021 a CET1 capital ratio of 6.33%, a Tier 1 capital ratio of 8.44% and a Total CAD ratio of 11.25%.

In June 2021, the Group received significant risk transfer ("SRT") approval for Ermis 1, an inaugural for the Greek market synthetic securitization transaction of performing SME and corporate loans. The Group also received SRT approval for Ermis 2, another synthetic securitisation transaction, which also constitutes of performing SME and corporate loans. These initiatives are part of a broader strategy by the Management, following its commitment to engage in non-dilutive capital enhancement actions, to strengthen the Group's capital base and facilitate its de-risking activities.

During the second, third and fourth quarter of 2021, the Group received SRT approvals for the Phoenix, Vega, Sunrise I and Sunrise II securitized NPE loans portfolios, allowing the utilization of the HAPS guarantee that led to a RWA relief of approximately € 5.6 billion.

As of 31 December 2021, the Total Capital Adequacy ratio for the Group stood at 15.75% and the CET1 ratio stood at 11.12%, covering the minimum Overall Capital Requirement ("OCR") levels. Pro-forma Total Capital Adequacy ratio and CET 1 for the Group stands at 15.85% and at 11.19%, respectively, taking under consideration the completion of the Dory Transaction on 4 March 2022.

The impact of the Covid-19 pandemic also accelerated the implementation of certain measures introduced in the CRR2, including the RWA relief factors for qualifying SME and infrastructure exposures.

Furthermore, the Group adopted the provisions of Article 473a of Regulation (EU) No 2017/2395, amending Regulation (EU) No 575/2013 relating to the CRR in regards with "transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds". These transitional arrangements allowed the Group to add back to its capital base a proportion of the IFRS 9 impact due to ECL allowance during the first five (5) years of use. In addition, according to paragraph 7a that has been added to the said article, the Group replaced the rescaling of all exposure values that are reduced by ECL allowance with a standard risk weight of 100% to be assigned to the amounts added back to CET1 capital. In addition, the Group, following the amendment of the article 468 CRR 575/2013 has made use of the temporary regulatory treatment of unrealized gains and losses of sovereign bonds measured at FVTOCI. Based on the said ammedment of article 468, institutions may remove fom the calculation of their Common Equity Tier 1 items the amount of unrerealised gains and losses accumulated since 31 December 2019 accounted for as "fair value changes" of sovereign debt securities, multiplied with a prudential factor of 0.7 for the year 2021 and of 0.4 for the year 2022.

In addition, Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 was applied from the end of December 2020 and onwards, allowing financial institutions to measure software assets on a prudential accumulated amortisation basis and risk weight a regulatory defined part instead of fully deducting them from Common Equity Tier 1.

4.17 Risks related to the recognition of the main part of deferred tax assets as claims (Deferred Tax Credits) against the Greek State as regulatory capital or as an asset

The calculation of the capital adequacy ratios of the Group, takes into account the deferred tax assets which have been recognised on the basis of the relevant provisions of the IFRSs. As at 31 December 2021 the deferred tax asset of the Group amounted to € 6,070 million (31 December 2020: € 6,322 million). At each reporting date, the Group and the Company review the carrying amount of the deferred taxation, which is likely to lead to a change in the amount of deferred tax asset recognised in the Statement of Financial Position, and consequently affect the calculation of the capital adequacy ratios. Under the current directive about the capital adequacy ("CRD IV"), deferred tax assets are deducted from the CET1 capital, if they exceed specific limits.

Under the provisions of Greek Law 4172/2013, Article 27A, as amended by Greek Law 4465/2017 and being currently in effect, deferred tax assets of Greek financial institutions, as well as deferred tax assets of leasing and factoring companies, that have been recognized due to losses from the Private Sector Involvement ("PSI") and accumulated provisions due to credit risk in relation to existing loans and advances to customers as of 30 June 2015, as well as the accounting write offs and final losses due to permanent write offs or restructuring of debts under certain conditions, will be converted from 2017 onwards into directly enforceable claims (Tax Credit) against the Greek State, provided that the financial result under IFRS, is a loss from the fiscal year 2016 onwards. This claim will be offset against the relevant amount of income tax of the legal person or companies of the same corporate group (associated companies) of the tax year the approved financial statements refer to. When the amount of income tax is insufficient to offset the above claim, any remaining claim will give rise to a direct refund right against the Greek State. Simultaneously, equivalent conversion rights are granted to the Greek State for the issuance and delivery of ordinary shares.

Existing shareholders have option to buy the conversion rights from the State. Furthermore, a gradual amortization over a 20-year period of the final tax losses arising from write-offs and disposals is provided, maintaining the DTC status during all this period, while it disconnects the accounting write-offs from final debt write-offs.

As at 31 December 2021, the DTA of the Group that meets the provisions of article 27 of Law 4172/2013, i.e. is eligible for Deferred Tax Credit ("DTC"), amounted to € 3.6 billion (31 December 2020: € 3.7 billion), of which € 1.1 billion relates to unamortised PSI losses (31 December 2020: € 1.2 billion) and € 2.5 billion relates to temporary differences between the IFRS carrying amount and tax base of loans and advances to customers (31 December 2020: € 2.6 billion).

The recognition of deferred tax assets, as well as Tax Credit can be adversely affected by: a) the future reduction of income tax rates, b) the adverse change of the regulations governing the treatment of deferred tax assets for regulatory capital purposes and c) any adverse change in the interpretation of the aforementioned legislative amendments by the European Commission. In case where any of the aforementioned risks occur, it would probably have an adverse effect on the adequacy of the Group's regulatory capital adequacy ratios.

4.18 IBOR Transition

Following the UK's Financial Conduct Authority ('FCA') announcement, in July 2017, that it would no longer continue to persuade or require panel banks to submit rates for the London interbank offered rate ('Libor') after 2021, the Group has been actively working to transition legacy contracts from Ibor to products linked to alternative risk-free rates ('RFRs') or alternative reference rates. In March 2021, in accordance with the 2017 FCA announcement, ICE Benchmark Administration Limited ('IBA') announced that it would cease the publication of 24 of the 35 main Libor currency interest rate benchmark settings in the end of 2021, as for the, most widely used, US dollar Libor settings, those would cease in 30 June 2023. The FCA subsequently used its regulatory competence to compel IBA to publish the remaining six sterling (GBP) and Japanese yen (JPY) settings, from 1 January 2022, under an amended methodology, commonly known as 'synthetic' Libor. As a result, during 2021, the Group's focus, was on the transition of legacy contracts referencing the Euro Overnight Index average ('Eonia') and the Libor settings that demised from the end of 2021, including those settings subsequently being published on a 'synthetic' basis.

The Group has established an internal Benchmark Rates Reform Working Group (the "BR Working Group"), led by senior representatives from the Bank's Business Units including Corporate, Shipping, Retail, Legal, Group Financial Management, Group Data Management and Analytics, Operational Risk, IT, Organosis, NPE Management Unit, PFM/Treasury and Back Office, in order to manage the transition to the new RFR, to mitigate any related risks and comply with the regulatory requirements of the Benchmark Regulation (BMR).

The main objectives of the BR Working Group included:

- The identification of the BMR perimeter including information, such as: contracts' characteristics, products, rates information, and the extraction of data
- The risk identification and assessment, referring to models' review and calibration, assessment of valuation and identification of operational risks due to changes in contracts

- The identification of impacted systems and processes, of systems' dependencies, and the adjustment of data management and related procedures
- The due diligence of contracts
- The inclusion of fallback provisions in contracts
- The renegotiation of contracts with customers, the relevant communication strategy and the signing of new contracts
- The proposal of new benchmark rates and margining
- The communication of the reform and respective necessary actions to the Group's subsidiaries

In the context of Benchmark Rates Reform, an ORAP (Operational Risk Assessment Process) exercise was conducted. Several risks of various significance were identified by the involved Units of the Group and the Company. The main issues and uncertainties due to IBOR reform related to the following:

- Renegotiation of contracts (e.g., possible delays in communicating contractual changes to corporate/retail clients or customer reluctance)
- System implementations (e.g., delay on performing changes in systems, parametrizations)
- Margining and valuation of financial products which will be affected from the transition
- Credit exposures and Fair Value Hedging

In order to resolve such issues, remediating actions had been performed focusing on:

- Timely inclusions of fallback provisions in corporate banking contracts
- Adaptation of Systems
- Preparation/Repapering of new contracts
- In consistency with the legal framework regarding prompt notification to Ibor customers prior to the rates' reform, formal notices for the transition to new RFR, have been released to debtors and guarantors.

The Group has already concluded all necessary actions ensuring a prompt and smooth transition of CHF / JPY / GBP LIBOR Benchmarks' and replacement by new (RFR). In specific:

a) Short notifications via existing communication channels (SMS/E-mail/winbank) as well as detailed announcements for the CHF / JPY / GBP LIBOR transition to new RFR: SARON (Swiss Average Rate Overnight), TONAR (Tokyo Overnight Average Rate), SONIA (Sterling Overnight Index Average) respectively, applicable from 1 January 2022, have been timely released to debtors and guarantors with relevant loan accounts

b) Hardcopy statements including a placeholder notifying the CHF / JPY / GBP LIBOR transition to new RFR have been mailed to respective recipients

c) "Benchmark Rates Reform Transition Framework Overview and FAQs" has been released on Piraeus Bank website (https://piraeusbank.gr/el/Idiwtes/Benchmark-Rates-Reform)

d) In the context of Piraeus Bank SA and its Subsidiaries aligned practices on the transition communication strategy, short notifications and letter templates have been prepared by the entities for respective actions on their CHF / JPY / GBP LIBOR portfolio

e) A detailed short guide has been notified to Branches & Call Center, so as to provide clarifications on Clientele's possible questions regarding the CHF LIBOR and SARON (RFR) actual difference and impact on one's CHF LIBOR loan account interest

f) All necessary amendments in contracts regarding New risk free rates (SARON / TONAR / SONIA) have been concluded

g) Systemic adaptation (insertion of new RFR fields and system's data feeding with the new rate values) has been concluded timely before 2021 end

As a result of these actions, the IBOR reform process for CHF / GBP / JPY related contracts was completed successfully.

In addition to the above, the Group has already launched all necessary actions relating to the new USD risk-free reference rate definition (USD SOFR) and alternatives in order to replace the USD LIBOR Benchmark, which is expected to cease being representative and published in 30 June 2023. More specifically, the Bank has initiated the process of USD LIBOR contracts' amendments with the insertion of new RFR SOFR (Secured Overnight Financing Rate) definition and necessary fallback language provisions.

Additionally, the Group has assessed the Market, Liquidity and Interest Rate risks arising from currency exposures subject to the Benchmark Rate Reform and deemed that the impact to the key risk indicators employed for said purposes is considered immaterial.

It is worth noting that the risks identified within the process of IBOR reform have not resulted in changes to the Risk & Capital Strategy and, as a result, no changes in the Group's risk management strategy with respect to the Market, Liquidity and Interest Rate risks were deemed necessary.

Financial instruments impacted by the reform

Interest Rate Benchmark Reform Phase 2, issued in August 2020, focuses on the effects of interest rate benchmark reform. The amendments address issues affecting financial statements when changes are made to contractual cash flows and hedging relationships. Under these amendments, changes made to a financial instrument measured at other than FVTPL that are economically equivalent and required by interest rate benchmark reform, do not result in the derecognition or a change in the carrying amount of the financial instrument. Instead, they require the effective interest rate to be updated to reflect the change in the interest rate benchmark. In addition, hedge accounting relationships should not be discontinued solely as a result of benchmark interest rate replacement, while any difference in hedge effectiveness assessment arising from the reform should be treated as an additional source of ineffectiveness provided that the hedge accounting relationship meets all other criteria.

The table below represents the non-derivative financial assets, non-derivative financial liabilities and derivatives that have yet to transition to an alternative benchmark rate:

Financial Instruments yet to transition to alternative benchmarks, by main benchmark				
31/12/2021	USD LIBOR	CHF LIBOR	GBP LIBOR	JPY LIBOR
Non derivative financial assets	2.586	31	1	1
Non derivative financial liabilities	-	-	-	-
Notional Amounts of Derivatives				
Interest Rate Swaps	81	-	-	-
Fx Forward	475	-	-	-
Cross Currency Interest Rate Swaps	902	-	-	-
Options	42	-	-	-
Currency Swaps	306	-	-	-
Total	4.393	31	1	1

The amounts depicted in the table above, reflect the 31 December 2021 IFRS balances of non-derivative financial assets and the notional amounts of derivatives yet to transition to alternative benchmarks, disaggregated by significant interest rate benchmark.

1. As far as USD Libor benchmark loan accounts are concerned, these have not been reformed to a new RFR reference, since the respective USD Libor benchmark is expected to cease being representative and published on 30 June 2023.

2. Referring to CHF/GBP/JPY Libor benchmark Loan accounts reporting balances in 31 December 2021, those accounts either:

   - were reformed to the respective alternative SARON / SONIA / TONAR benchmarks in 1 January 2022,
   - are expected to be reformed to the respective alternative benchmarks on the start date of next interest period.

As far as derivatives are concerned, following the announcement by IBA in March 2021 that the publication of the USD Libor would be extended to 30 June 2023, the Group's transition programme focused mainly on client engagement for Sterling, Swiss franc and Japanese yen Libor interest rates, as well as EONIA.

Regarding EURIBOR, this underwent a methodological reform in 2019 to make it compliant with the regulatory requirements laid down in the EU 2016/1011 –EU Benchmark Regulation (EU BMR). In specific, EURIBOR may continue to be representative following a hybrid methodology that became applicable at the end of 2019, based on transactions, to the extent that these exist, as well as on expert judgement as derived from related markets if there is no relevant unsecured money market activity. Following the application of this methodology, the EURIBOR administrator (EMMI - European Money Markets Institute) has confirmed that EURIBOR may continue to be used as a reference rate for new and legacy contracts after 1 January 2022. However, taking into account the potential initiation of EURIBOR Benchmark Rate Reform, the Group has launched preparatory actions in order to amend respective EURIBOR contracts by inserting fallback provisions referring to the possibility of EURIBOR cessation and replacement by a new RFR.

With respect to the transition of EONIA, the Group has proceeded with the required changes in the contracts and systems in order to incorporate the related switch from EONIA to Euro short-term rate (€STR). The above transition was completed before the year ended on 31 December 2020.

IBOR reform does not have any impact on the active fair value hedge accounting relationships of the Group as of 31 December 2021, considering that the hedging instruments used are referenced to Euribor rates which are not subject to the contemplated reform.

5 Segment analysis

The CEO, supported by the members of the Group Executive Committee, is considered the Chief Operating Decision Maker for the purposes of identifying the Group's reportable segments.

The Group manages its business through the following reportable segments:

Retail Banking – Includes Mass, Affluent, Private Banking, Small Businesses, and Public core customer segments as well as Channels.

Corporate Banking – Includes Large Corporates, Shipping, SME and Agricultural Core customer segments.

Piraeus Financial Markets ("PFM") – This segment includes the Fixed Income, Foreign Exchange, Treasury activities (including the management of the interest rate gap resulting from all banking activities) and Institutional Clients.

Other – Includes all management related activities not allocated to specific customer segments, the management of REO, non client related equity participations of the Group, international banking, funding transactions approved by the Asset and Liability Management Committee ("ALCO") and intersegmental eliminations.

NPE MU – Includes the management of any NPE lending exposures assessed as non-core business, irrespectively of whether the said exposures are serviced by the Group or third parties. In addition, following the derecognition of Phoenix, Vega I, II, III, Sunrise I and Sunrise II securitized portfolios, this reportable segment includes also the senior and subordinated notes retained by the Group. The accrued fees payable to Intrum Hellas Credit Servicing S.A. for servicing the Group's NPE portfolio are recognized within this segment.

All inter-company transactions are undertaken on arm's length terms and inter-segment transactions and balances are eliminated within each relevant segment.

An analysis of the results and other financial figures per business segment of the Group is presented below.

1/1 - 31/12/2021	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	444	480	146	127	1,197	213	1,410
Net fee and commission income	225	151	6	4	385	9	394
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	-	8	323	2	334	(8)	326
Net other income/ (expenses)	6	4	163	216	388	7	395
Total Net Income	**674**	**643**	**638**	**349**	**2,304**	**222**	**2,526**
Total operating expenses before provisions	(431)	(156)	(36)	(202)	(825)	(108)	(933)
Profit/ (loss) before provisions, impairment and income tax	**243**	**487**	**601**	**147**	**1,479**	**114**	**1,593**
ECL Impairment losses on loans and advances to customers at amortised cost	(290)	(9)	(1)	(30)	(330)	(3,902)	(4,232)
Other credit-risk related charges on loans and advances to customers at amortised cost	(2)	(11)	-	-	(13)	-	(13)
Impairment (losses) / releases on other assets	-	-	-	2	2	-	2
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	(11)	-	(11)	-	(11)
Impairment on subsidiaries and associates	-	-	-	(23)	(23)	-	(23)
Impairment of property and equipment and intangible assets	-	-	-	(13)	(13)	-	(13)
Impairment on debt securities at amortised cost	-	-	(19)	-	(19)	-	(19)
Other impairment (losses) / releases	-	-	-	-	-	-	-
Other provision charges/ releases	(3)	(1)	-	12	8	-	8
Share of profit/ (loss) of associates and joint ventures	-	-	-	18	18	-	18
Profit/ (loss) before income tax	**(52)**	**465**	**571**	**113**	**1,097**	**(3,788)**	**(2,691)**
Income tax benefit/ (expense)							(316)
Profit/ (loss) for the year from continuing operations							**(3,007)**
Profit/ (loss) after income tax from discontinued operations	-	-	-	(7)	(7)	-	(7)
Profit/ (loss) for the year							**(3,014)**
As at 31/12/2021							
Total assets from continuing operations (excluding assets held for sale)	9,584	17,595	29,138	13,439	69,756	9,484	79,240
Total assets from discontinued operations	-	-	-	114	114	-	114
Assets held for sale	7	7	-	33	47	388	435
Total assets	9,591	17,602	29,138	13,586	69,917	9,872	79,789
Total liabilities	40,057	12,636	16,199	4,719	73,611	376	73,987

1/1 - 31/12/2020 As restated	"Core" Segments						
	Retail Banking	Corporate Banking	PFM	Other	Total	NPE MU	Group
Net interest income	468	472	146	16	1,102	383	**1,486**
Net fee and commission income	184	118	5	(1)	306	11	**317**
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	-	(2)	-	-	(2)	11	**9**
Net other income/ (expenses)	7	4	30	35	75	6	**81**
Total Net Income	**658**	**592**	**181**	**51**	**1,482**	**411**	**1,893**
Total operating expenses before provisions	(461)	(140)	(27)	(340)	(968)	(120)	**(1,088)**
Profit/ (loss) before provisions, impairment and income tax	**197**	**451**	**155**	**(289)**	**514**	**291**	**805**
ECL Impairment losses on loans and advances to customers at amortised cost	(86)	(142)	-	(3)	(231)	(874)	**(1,104)**
Impairment (losses) / releases on other assets	-	-	-	(189)	(189)	-	**(189)**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	(6)	-	(6)	-	**(6)**
Impairment on subsidiaries and associates	-	-	-	(6)	(6)	-	**(6)**
Impairment of property and equipment and intangible assets	-	-	-	(4)	(4)	-	**(4)**
Impairment on debt securities at amortised cost	-	-	(12)	-	(12)	-	**(12)**
Other impairment (losses) / releases	-	-	-	-	-	-	**-**
Other provision charges/ releases	-	(3)	-	2	(1)	1	**-**
Share of profit/ (loss) of associates and joint ventures	-	-	-	(16)	(16)	-	**(16)**
Profit/ (loss) before income tax	**111**	**307**	**137**	**(506)**	**49**	**(582)**	**(534)**
Income tax benefit/ (expense)							(127)
Profit/ (loss) for the year from continuing operations							**(660)**
Profit/ (loss) after income tax from discontinued operations	-	-	-	(10)	(10)	-	**(10)**
Profit/ (loss) for the year							**(670)**
As at 31/12/2020							
Total assets from continuing operations (excluding assets held for sale)	10,424	16,380	17,855	13,493	58,152	13,115	**71,267**
Total assets from discontinued operations	-	-	-	111	111	-	**111**
Assets held for sale	2	-	-	-	2	179	**181**
Total assets	10,426	16,380	17,855	13,605	58,266	13,294	**71,560**
Total liabilities	37,364	10,030	12,670	3,978	64,042	321	**64,363**

In the tables above, interest income is presented for each reportable segment net of interest expense, as the performance of each segment is evaluated on a net interest income basis. Line item “net other income/ (expenses)” incudes also net gains/ (losses) from financial instruments measured at FVTPL and FVTOCI amounting to € 172 million and € 38 million for the years ended 31 December 2021 and 2020, respectively. The amount of € 216 million presented under segment “other” in line item “net other income/ (expenses)” includes a gain upon loss of control over subsidiaries of € 184 million (refer to Note 24).

b) Geographical segment

The Group operates in the following geographical areas: a) Greece, the Company’s country of domicile, b) Rest of Europe, which includes Albania, Bulgaria, Romania, Serbia, Ukraine, Cyprus, United Kingdom, Germany and Ireland, and c) Other Countries, which include Egypt. To this end, Greece generated 99% of the Group’s net income and the remaining countries 1%.

The following table summarises the Group’s net income and non-current assets, across all geographical areas. The breakdown is based on the location of the respective legal entity.

Group	Net Income		Non-current assets	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	31/12/2021	31/12/2020 As restated
Greece	2,497	1,873	2,056	2,221
Rest of Europe	28	20	136	168
Other countries	-	-	5	4
Continuing Operations	**2,526**	**1,893**	**2,197**	**2,394**
Discontinued Operations	**39**	**33**	**80**	**81**

For information regarding the entities of the Group classified as discontinued operations in 2021 and 2020, refer to Note 13.

6 Net interest income

Continuing operations	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Interest and similar income				
Debt securities measured at FVTOCI	47	45	-	44
Debt securities at amortised cost	87	49	88	49
Loans and advances to customers at amortised cost and reverse repos	1,349	1,581	67	1,577
Due from banks	3	3	-	3
Negative interest from liabilities to ECB	146	26	-	26
Negative interest from other interest bearing liabilities	2	2	-	2
Other	10	13	-	7
Total interest income for financial instruments not measured at FVTPL	**1,644**	**1,719**	155	**1,708**
Financial instruments measured at FVTPL	8	10	5	10
Derivative financial instruments	133	95	-	95
Total interest and similar income	**1,785**	**1,825**	160	**1,813**
Interest expense and similar charges				
Due to customers and repurchase agreements	(40)	(88)	-	(87)
Debt securities in issue and other borrowed funds	(77)	(71)	(77)	(71)
Due to banks	(3)	(3)	-	(3)
Contribution of Law 128/75	(59)	(65)	(1)	(65)
Negative interest from interest bearing assets	(43)	(11)	-	(11)
Other	(3)	(3)	-	(4)
Total interest expense from financial instruments not measured at FVTPL	**(225)**	**(241)**	(78)	**(240)**
Financial instruments measured at FVTPL	-	-	-	-
Derivative financial instruments	(150)	(98)	-	(98)
Total interest expense	**(375)**	**(339)**	(78)	**(338)**
Net interest income	**1,410**	**1,486**	82	**1,475**

Line item "negative interest from liabilities to ECB" includes the funding liabilities of Piraeus Bank S.A. due to ECB, in the context of the TLTRO III program. Specifically, the revenue recorded in net interest income due to negative interest from ECB funding, amounted to € 146 million, including the additional margin of -0.50% to be provided in the context of TLTRO III program, considering that the Group meets the eligibility criteria, for the two (2) special interest rate periods from 24 June 2020 to 23 June 2021 and from 24 June 2021 to 23 June 2022.

In prior year's published financial statements, both line items "Negative interest from liabilities to ECB" and "Negative interest from other interest bearing liabilities" were included within line item "Due from banks". In this context, line item "Negative interest from interest bearing assets" was included in line item "Due to banks".

Interest income by credit quality and product line

The table below presents interest income from loans and advances to customers at amortised cost, by credit quality and product line.

Group - Continuing operations	1/1 - 31/12/2021				1/1 - 31/12/2020			
	Not credit impaired	Credit impaired			Not credit impaired	Credit impaired		
	Stage 1 and 2	Stage 3	POCI	Total	Stage 1 and 2	Stage 3	POCI	Total
Retail Lending	281	64	46	391	312	99	76	**487**
Corporate Lending	634	260	63	956	618	371	103	**1,092**
Public Sector Lending	2	-	-	2	3	-	-	**3**
Total Interest income	**916**	**324**	**109**	**1,349**	**933**	**469**	**179**	**1,581**

Company	1/1 - 31/12/2021				1/1 - 31/12/2020			
	Not credit impaired	Credit impaired			Not credit impaired	Credit impaired		
	Stage 1 and 2	Stage 3	POCI	Total	Stage 1 and 2	Stage 3	POCI	Total
Retail Lending	5	16	8	28	312	99	76	**487**
Corporate Lending	-	28	10	39	622	365	101	**1,087**
Public Sector Lending	-	-	-	-	2	-	-	**3**
Total Interest income	**5**	**44**	**19**	**67**	**936**	**464**	**177**	**1,577**

7 Net fee and commission income

Continuing operations	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Fee and commission income				
Commercial banking	433	367	43	336
Investment banking	36	23	-	12
Asset management	29	18	-	11
Total fee and commission income	**498**	**408**	**43**	**358**
Fee and commission expense				
Commercial banking	(97)	(85)	(36)	(80)
Investment banking	(6)	(6)	-	-
Asset management	(1)	-	-	-
Total fee and commission expense	**(104)**	**(91)**	**(36)**	**(80)**
Net fee and commission income	**394**	**317**	**7**	**278**

a. Fee and commission income

The Group and the Company classify revenue from contracts with customers based on the type of services provided. Management believes that this classification reflects how the nature, quantity, timing and uncertainty of the Group's and the Company's income and cash flows are affected by financial factors.

The tables below present total fee and commission income from contracts with customers of the Group and the Company, for the years ended 31 December 2021 and 2020, per product type and business segment.

Group 1/1 - 31/12/2021	Fee and Commission income: Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	53	24	1	-	1	79
Asset management/Brokerage	35	2	7	3	-	47
Bancassurance	33	5	-	11	1	50
Cards Issuance	41	6	-	-	2	49
Deposits Commissions	8	1	-	-	-	9
Funds Transfer	49	13	-	3	2	67
Letters of Guarantee	2	29	-	-	3	34
Loans and advances to customers	9	60	-	-	1	70
Payments	20	5	1	1	-	27
FX fees	18	3	-	1	-	22
Other	18	21	-	5	-	44
Total	**286**	**169**	**9**	**24**	**11**	**498**

Group 1/1 - 31/12/2020	Fee and Commission income: Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	41	19	1	-	1	63
Asset management/Brokerage	24	1	5	4	-	34
Bancassurance	30	4	-	7	2	43
Cards Issuance	35	5	-	1	2	43
Deposits Commissions	7	1	-	-	-	8
Funds Transfer	38	11	-	1	2	52
Letters of Guarantee	2	26	-	-	3	31
Loans and advances to customers	10	45	-	1	1	57
Payments	20	5	1	-	-	26
FX fees	16	2	1	-	1	19
Other	15	12	-	4	-	31
Total	**238**	**131**	**8**	**18**	**12**	**408**

Company 1/1 - 31/12/2021	Fee and Commission income: Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Bancassurance	30	4	-	8	1	43
Total	**30**	**4**	**-**	**8**	**1**	**43**

Company	Fee and Commission income					
1/1 - 31/12/2020	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	41	20	1	-	1	**63**
Asset management/Brokerage	11	1	4	-	-	**16**
Bancassurance	13	2	-	5	-	**20**
Cards Issuance	35	4	-	1	2	**42**
Deposits Commissions	7	1	-	-	-	**8**
Funds Transfer	38	11	-	1	2	**52**
Letters of Guarantee	2	26	-	-	3	**31**
Loans and advances to customers	9	42	-	1	1	**53**
Payments	20	4	1	1	-	**26**
FX fees	16	2	1	-	-	**19**
Other	15	12	-	-	1	**28**
Total	**207**	**125**	**7**	**9**	**10**	**358**

b. Other income

The tables below present other income from contracts with customers of the Group and the Company, for the years ended 31 December 2021 and 2020, which fall within the scope of IFRS 15.

Group	Other Income				
1/1 - 31/12/2021	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	41	6	47
Gain from sale of investment property	-	-	1	-	1
Gain from sale of other assets	-	-	6	-	6
Total	**-**	**-**	**48**	**6**	**54**

Group	Other Income				
1/1 - 31/12/2020	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	57	7	**64**
Gain from sale of investment property	-	-	3	-	**3**
Gain from sale of other assets	-	-	3	-	**3**
Total	**-**	**-**	**63**	**7**	**70**

Company	Other Income				
1/1 - 31/12/2020	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	37	7	**44**
Gain from sale of other assets	-	-	3	-	**3**
Total	**-**	**-**	**40**	**7**	**47**

8 Net gains/ (losses) from financial instruments measured at FVTPL

	Group		Company	
Continuing operations	**1/1 - 31/12/2021**	**1/1 - 31/12/2020**	**1/1 - 31/12/2021**	**1/1 - 31/12/2020**
Gains / (losses) from debt securities	(2)	31	(1)	31
Gains / (losses) from other financial instruments	87	5	-	7
Net income from financial instruments measured at FVTPL	**85**	**36**	**(1)**	**38**

The Group's net gains/ (losses) from financial instruments measured at FVTPL for the year ended 31 December 2021 mainly comprises gains of € 71 million from trading derivatives, as depicted in line item "Gains / (losses) from other financial instruments". In the said line item is included also a loss of € 13 million related to fx exchange differences (2020: gain of € 11 million).

9 Net gains/ (losses) from derecognition of financial instruments measured at amortised cost

The Group's net gain of € 326 million, mainly consists of the following transactions:

On 13 January 2021 the Group exchanged with the Hellenic Republic seven (7) existing GGBs of total nominal value € 2,824 million and fair value of € 3,577 million, maturing throughout 2027 to 2042, for a new 30-year GGB, with a nominal value of € 2,400 million and fair value of € 3,553 million. The difference of € 24 million between the fair value of the GGBs exchanged and the fair value of the GGB received was settled by the Hellenic Republic in cash. The gain recognised from the exchange amounted to € 221 million.

On 1 March 2021 the Group proceeded with the sale of certain Italian sovereign bonds of total nominal value € 1,150 million, previously classified at amortised cost, in the context of the Sunrise Plan. The resulting gain from the transaction amounted to € 85 million.

On 17 December 2021 the Group exchanged with the Hellenic Republic twenty existing GGBs of total nominal value € 429 million maturing throughout 2023 to 2042, for four (4) GGBs with maturity of 7, 15, 19 and 24 years, of total nominal value € 425 million. The gain from the exchange of the aforementioned GGBs amounted to € 7 million.

10 Net other income/ (expenses)

Continuing operations	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Gains/ (losses) from fair value adjustment of investment property (Note 27)	4	(9)	-	9
Rental income from investment property	34	31	-	12
Other net income / (loss)	(1)	21	(3)	34
Total Net other income / (expense)	**37**	**43**	**(3)**	**56**

The decrease of line item "other net income/ (loss)" for the Group is mainly due to a penalty of € 28 million payable by the Bank to Intrum Hellas REO Solutions S.A. for early terminating the 10-year exclusive service level agreement for management of the Bank's real estate properties by the latter and entering into a new annual management contract. The aforementioned variance was partially offset by the recognition of unrealized gains in 2021 from the fair value measurement of investment property, which amounted to € 4 million.

11 Staff costs

Continuing operations	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated
Wages and salaries	(291)	(315)	(2)	(296)
Social insurance contributions	(56)	(77)	-	(73)
Other staff costs	(29)	(26)	-	(25)
Voluntary redundancy costs	(25)	(152)	(1)	(149)
Retirement benefit charges	(4)	(4)	-	(4)
Total	**(405)**	**(574)**	**(3)**	**(547)**

The variance in staff costs is mainly attributable to the voluntary exit scheme ("VES"). The number of employees from continuing operations for the Group and the Company as of 31 December 2021 was 9,493 and 29 (as of 31 December 2020: 10,429 and 33 for the Group and the Company, respectively). The decrease in the Group's headcount is mainly due to the aforementioned VES, based on which 899 employees left the Group during the current year.

12 Administrative expenses

Continuing operations	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Taxes and duties	(83)	(80)	(3)	(70)
Promotion and advertising expenses	(29)	(31)	-	(43)
Fees and similar expenses	(142)	(136)	(17)	(123)
Contributions payable to Deposit Insurance and Resolution Funds	(49)	(44)	-	(44)
Other administrative expenses	(115)	(115)	(1)	(101)
Total	**(418)**	**(406)**	**(21)**	**(381)**

The contributions payable to Deposit Insurance and Resolution Funds mainly comprise: a) € 31 million under the Resolution Leg of the Hellenic Deposit and Investment Guarantee Fund ("HDIGF") (31 December 2020: € 27 million); and b) € 17 million ex-ante contributions to the Single Resolution Fund ("SRF") (31 December 2020: € 16 million).

13 Discontinued operations

The Group's discontinued operations as at 31 December 2021 and 2020 comprise solely of IMITHEA Single Member S.A.

A) Profit / (loss) after income tax from discontinued operations

	1/1 - 31/12/2021	1/1 - 31/12/2020
Net other income	39	33
Total net income	**39**	**33**
Staff costs	(27)	(28)
Administrative expenses	(13)	(11)
Depreciation and amortisation	(4)	(3)
Total operating expenses before provisions	**(44)**	**(42)**
Loss before provisions, impairment and income tax	**(5)**	**(9)**
Provisions and Impairment Losses	(1)	(1)
Loss before income tax	**(6)**	**(10)**
Income tax benefit/ (expense)	(1)	-
Loss after income tax from discontinued operations	**(7)**	**(10)**

B) Assets and liabilities from discontinued operations

	31/12/2021	31/12/2020 As restated
ASSETS		
Property and equipment	80	80
Deferred tax assets	9	10
Other assets	25	21
Total Assets	**114**	**111**

	31/12/2021	31/12/2020 As restated
LIABILITIES		
Retirement and termination benefit obligations	2	2
Provisions	4	3
Other liabilities	22	22
Total Liabilities	**28**	**27**

14 Income tax benefit / (expense)

Continuing operations	Group		Company	
	31/12/2021	31/12/2020 As restated	31/12/2021	31/12/2020 As restated
Current tax expense	(7)	(9)	-	(6)
Deferred tax benefit / (expense) (Note 37)	(310)	(118)	-	(170)
Income tax benefit / (expense)	**(316)**	**(127)**	**-**	**(176)**

Based on Greek Law 4646/2019, corporate income tax rate for legal entities, other than credit institutions, was 24% for tax year 2020. Moreover, under the tax amendments of Greek Law 4799/2021 corporate income tax rate for legal entities, other than credit institutions, decreases to 22% for tax years as of 2021 onwards.

The corporate income tax rate applicable to financial institutions, remains at 29% for 2021 and 2020, provided that the specific provisions of art. 27A of the ITC apply to those tax years.

The income tax benefit/ (expense) recognized in the income statement differs from the tax credit /(charge) that would apply if all profits/(losses) had been taxed at nominal corporate income tax rates, as follows:

	Group		Company	
	2021	2020 As restated	2021	2020 As restated
Profit / (loss) before income tax / (expense)	(2,691)	(534)	(3,046)	553
Tax calculated based on current tax rate	592	155	670	160
Non taxable income	62	17	-	17
Non tax deductible expenses and other permanent differences	(1,054)	(297)	(670)	(353)
Effect of different tax rates applied	82	4	-	-
Deferred tax impact due to change in tax rate	(2)	-	-	-
Effect of results of investments in associates	4	(5)	-	-
Income tax benefit / (expense)	**(316)**	**(127)**	**-**	**(176)**
Effective tax rate for the year	**(11.8)%**	**(23.8)%**	**-**	**31.8%**

Withholding tax on dividend distributions as of 1 January 2020 onwards formulates to 5%.

More specifically intragroup dividends, under certain conditions, are tax exempt and no withholding tax applies.

As at 31 December 2021, the Group recognised a DTA of € 6,070 million (31 December 2020: € 6,322 million) and a deferred tax liability of € 10 million (31 December 2020: € 31 million). For further information, refer to Note 37.

Effective from tax year 2021 onwards, par. 3A of article 27 of the ITC applies, as added with article 125 of Greek Law 4831/2021, regarding the treatment and order of offsetting the debit difference defined under article 27 of the ITC. According to par. 1 of the same article, any debit difference outstanding at the end of the twenty-year amortization period is classified as a loss and carried forward for five years.

The income tax benefit/ (expense) of the Group's foreign subsidiaries is estimated based on the respective nominal corporate income tax rates applicable in 2021 and 2020 (Bulgaria: 10%, Romania: 16%, Egypt: 22.5%, Serbia: 15%, Ukraine: 18%, Cyprus: 12.5%, Albania: 15% and United Kingdom: 19%).

According to article 82 of Greek Law 4472/2017 credit institutions and other legal entities scoped into the provisions of article 27A of the ITC are required to pay an annual fee of 1.5% on the excess amount guaranteed by the Greek State of deferred tax assets arising from the difference between the tax rate applicable under Greek Law 4334/2015 (Gazette A' 80/16/7/2015) retrospectively from 1 January 2015 onwards (29%), and the tax rate applicable on 30 June 2015 (26%). The corresponding amount for the Group and the Company for the years ended 31 December 2021 and 2020 amounted to € 6 million and € 6 million, respectively, and has been charged within line item "net other income/ (expenses)" of the Income Statement.

Effective from 1 January 2020, individuals and legal entities who are non-Greek tax residents are tax exempt on interest income earned from corporate bonds issued by companies listed in the EU or in an organized financial market outside the EU, that is regulated by an authority accredited from the International Organization of Securities Commissions (IOSCO), as well as any bonds issued by credit cooperative banks operating as credit institutions (par. 1 and 2, article 21 of Greek Law 4646/2019).

15 Earnings/(losses) per share

Basic earnings/(losses) per share ("EPS") are calculated by dividing the profit/(loss) after tax attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares held by the Group.

On 4 January 2021, the Contingent Convertible Securities ("CoCos") were automatically converted into 394,400,000 ordinary shares, hence, HFSF's stake in the share capital of the Company increased from 26.4% to 61.3% at that date. Following the share capital increase of the Company that was completed on 29 April 2021, HFSF's shareholding decreased from 61.3% to 27.0%. The table below shows the basic and diluted earnings/ (losses) per share from continuing and discontinued operations of the Group:

	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from continuing operations	(3,007)	(655)
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from discontinued operations	(7)	(10)
Profit/(loss) for the year attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**(3,014)**	**(665)**
Weighted average number of ordinary shares in issue (basic & diluted earnings/losses)	859,533,251	26,452,581
Basic & diluted earnings/(losses) per share in € from continuing operations	(3.50)	(24.74)
Basic & diluted earnings/(losses) per share in € from discontinued operations	(0.01)	(0.38)
Basic & diluted earnings/(losses) per share in € from continuing and discontinued operations	**(3.51)**	**(25.12)**

The weighted average number of shares presented in the current year and its comparative has been retrospectively adjusted in order to reflect the reverse split of the Company's ordinary shares at a ratio of 16.5 existing shares of € 6.00 per share exchanged for 1 new share of € 99.00 per share, which was approved by the Extraordinary General Meeting of the Company's shareholders held on 7 April 2021.

In addition, the weighted average number of shares presented in the current year has incorporated the increase of the Company's share capital by € 1,200,000,000 with the issuance of 1,200,000,000 new shares, which was approved by the BoD on 16 April 2021. Trading of the new shares on the Main Market of the Athens Stock Exchange commenced on 7 May 2021. Refer to Note 41.1 for further information.

16 Tax effects relating to other comprehensive income / (expense) for the period

Group - Continuing operations	1/1 - 31/12/2021			1/1 - 31/12/2020 As restated		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss						
Change in reserve from debt securities measured at FVTOCI	(151)	46	(105)	100	(26)	74
Change in currency translation reserve	5	-	5	(5)	-	(5)
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(45)	13	(32)	(16)	4	(12)
Change in reserve of actuarial gains/ (losses)	-	-	-	(4)	1	(3)
Other comprehensive income/ (expense) from continuing operations	**(191)**	**59**	**(132)**	**75**	**(21)**	**54**

Company	1/1 - 31/12/2021			1/1 - 31/12/2020 As restated		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss						
Change in reserve from debt securities measured at FVTOCI	-	-	-	100	(26)	74
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	-	-	-	(16)	4	(12)
Change in reserve of actuarial gains/ (losses)	-	-	-	(3)	1	(2)
Other comprehensive income/ (expense) from the year	**-**	**-**	**-**	**80**	**(21)**	**59**

17 Cash and balances with central banks

	Group	
	31/12/2021	31/12/2020
Cash in hand	721	782
Balances with central banks	14,728	8,065
Cheques clearing system - central banks	66	53
Mandatory reserves with central banks	5	4
Total Cash and balances with central banks	**15,519**	**8,903**

In June and December of 2021, the Bank received additional funding of € 2,500 million and € 1,000 million, respectively, through TLTRO III. As a result, the Group's exposure to the Eurosystem increased to € 14.5 billion as at 31 December 2021 from € 11.0 billion as at 31 December 2020.

"Mandatory reserves with central banks" line item mainly refers to the Bank's obligation to maintain a current account with BoG in order to facilitate interbank transactions with the central bank, its member banks, and other financial institutions through the Trans-European Automated Real-Time Gross Settlement Express Transfer system (TARGET).

The BoG requires all banks established in Greece to maintain deposits with the central bank with an average balance equal to 1.0% of total customer deposits, as defined by the ECB. Similar requirements apply to the banking subsidiary of the Company, namely JSC Piraeus Bank ICB. The Bank's deposits at BoG bear interest at the ECB refinancing rate (0.0% as of 31 December 2021), for balances up to 7 times the amount of "mandatory deposits" of the respective period, while any excess balance bears interest at the "deposit facility rate" (-0.50% as of 31 December 2021). The corresponding deposits of JSC Piraeus Bank ICB are non-interest bearing.

At the reporting date, the Bank zeroed out its mandatory reserves with BoG, as the average balance over the required period exceeded the minimum requirement.

18 Due from banks

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Sight and time deposits with banks	177	258	50	462
Securities purchased under agreements to resell	51	55	-	-
Placements with banks	73	71	-	-
Collateral posted in margin accounts	1,042	873	-	-
Total due from banks	**1,344**	**1,258**	**50**	**462**
of which:				
Current	1,277	1,188	50	462
Non-current	67	69	-	-

19 Derivative financial instruments

	Group 31/12/2021			Group 31/12/2020		
	Notional amount	Fair value		Notional amount	Fair value	
Derivatives held for trading		Assets	Liabilities		Assets	Liabilities
IRSs	9,414	359	341	7,975	464	447
Currency swaps	1,366	1	20	876	19	1
FX forwards	555	3	9	261	9	1
Options and other derivative instruments	5,106	8	11	4,877	10	2
Cross Currency Interest Rate Swaps	379	6	12	1,114	5	8
	16,820	**377**	**393**	**15,103**	**507**	**459**
Derivatives held for hedging (Fair values)						
IRSs	6,649	214	-	54	-	1
Total	**23,470**	**591**	**393**	**15,157**	**507**	**460**

IRSs mainly include transactions held with the Group's customers and their offsetting positions engaged by the Group with other counterparties in order to economically hedge its interest rate risk exposure.

HEDGE ACCOUNTING

Fair Value Hedge accounting

The Group enters into IRSs to mitigate the risk of changes in interest rates on the fair value of fixed rate debt securities. Specifically, the Group hedges the benchmark interest rate risk component by entering into IRSs with critical terms that match those of the debt instrument hedged. This hedging objective is consistent with the Group's overall interest rate risk management strategy, as further analysed in Note 4.11, to retain its interest rate risk exposure within regulatory guidelines.

The Group assesses hedge effectiveness on a prospective and retrospective basis by comparing the changes in fair value of the hedged item, resulting from movements in the benchmark interest rate, with the changes in fair value of the IRS used to hedge the exposure.

The Group has identified the following sources of ineffectiveness:

- Credit risk of the counterparty, which is not offset by the hedged item. The Group minimizes counterparty credit risk by entering into derivatives with clearing members of central clearing counterparties (CCPs) and CCPs or bilaterally under ISDA master netting agreements and CSA annexes.

- Use of different discounting curves when measuring the fair value of the hedged items and hedging instruments.

The IBOR reform does not have any impact on the active fair value hedge accounting relationships of the Group as at 31 December 2021 (refer to Note 2.3).

The maturity profile of IRSs designated by the Group as hedging instruments in fair value hedge accounting relationships is illustrated below:

31/12/2021	Group		
	Due between 1 to 5 years	Due after 5 years	Total
Notional amount of IRSs	5	6,644	6,649

The table below summarizes the balance sheet and income statement figures related to IRSs and fixed rate sovereign bonds designated as hedging instruments and hedged items, respectively, in fair value hedge accounting relationships which were active as of the end of the reporting period.

The comparable figures are immaterial and consequently have been omitted from the tables below.

31/12/2021	Group				
Interest Rate Risk		Fair Value			
Derivative hedging instruments	Notional Amount	Asset	Liability	Changes in fair value used for calculating hedge ineffectiveness	Statement of financial position line item
IRSs	6,649	214	-	208	Derivative financial instruments

31/12/2021	Group				
Interest Rate Risk					
Hedged Items	Nominal Amount	Carrying amount	Accumulated hedge adjustments in the carrying amount of hedged item	Changes in fair value	Statement of financial position line item
Debt securities at amortised cost	6,189	7,293	(190)	(190)	Debt securities at amortised cost
Debt securities at FVTOCI	460	612	n/a	(15)	Financial assets at FVTOCI

The hedge ineffectiveness, determined as the difference between the hedging gains or losses of the hedging instrument and the hedged item, recognised in profit or loss for the period ended 31 December 2021 is immaterial.

20 Financial assets at fair value through profit or loss

a) Financial assets at FVTPL

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Greek government bonds and T-bills	445	337	-	-
Foreign government bonds	437	-	-	-
Corporate bonds	4	4	-	-
Equity securities	20	12	-	-
Total	**906**	**353**	**-**	**-**

b) Financial assets mandatorily at FVTPL

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Contingent consideration assets	43	13	-	-
Unlisted shares	40	40	-	-
Mutual Funds	122	92	9	10
Other	-	2	-	-
Total	**205**	**146**	**9**	**10**

Line item "contingent consideration assets" comprises: i) a performance note issued by Intrum Holding Spain S.A.U. in 2019 with par value and fair value of € 32 million as of 31 December 2021 and ii) a contingent claim recognized in 2021 following the disposal of corporate loans amounting to € 191 million total legal claims and corporate receivables with a gross book value of € 228 million, namely the Pivot portfolio, the fair value of which was estimated at € 11 million.

21 Loans and advances to customers at amortised cost

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Mortgages	7,191	13,277	-	2,799
Consumer/ personal and other loans	1,486	2,962	-	316
Credit cards	490	664	-	34
Retail Lending	**9,168**	**16,904**	**-**	**3,150**
Corporate and Public Sector Lending	**29,218**	**31,198**	**-**	**3,040**
Total gross loans and advances to customers at amortised cost	**38,386**	**48,102**	**-**	**6,190**
Less: ECL allowance	(1,864)	(8,478)	-	(2,363)
Total	**36,521**	**39,624**	**-**	**3,826**
of which:				
Current	5,136	5,116	-	134
Non current	31,386	34,508	-	3,692

At Group level, the Senior notes of the securitizations Phoenix, Vega I, II and III, Sunrise I and II, with total carrying amount of € 6,236 million as at December 2021, as well as CLOs with a total carrying amount of € 93 million as at 31 December 2021 (31 December 2020: nil), are included within note line "Corporate and Public Sector Lending" (refer to Note 2.4.18).

A reconciliation of the gross carrying amount and the ECL allowance of loans and advances to customers at amortised cost as defined in Note 4.3.1 against the values presented in the aforementioned table is provided below, after taking into account the unamortised purchase price allocation adjustment as of the reporting date.

	Group		Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Mortgages (grossed up with PPA adjustment)	7,195	13,445	-	2,868
Less PPA adjustment	(4)	(167)	-	(68)
Mortgages	**7,191**	**13,277**	**-**	**2,799**
Consumer/ personal and other loans (grossed up with PPA adjustment)	1,503	3,307	-	372
Less PPA adjustment	(17)	(344)	-	(56)
Consumer/ personal and other loans	**1,486**	**2,962**	**-**	**316**
Credit cards (grossed up with PPA adjustment)	491	731	-	47
Less PPA adjustment	(1)	(67)	-	(12)
Credit cards	**490**	**664**	**-**	**34**
Retail Lending (grossed up with PPA adjustment)	9,189	17,483	-	3,286
Less PPA adjustment	(21)	(579)	-	(136)
Retail Lending	**9,168**	**16,904**	**-**	**3,150**
Corporate and Public Sector Lending (grossed up with PPA adjustment)	29,303	32,045	-	3,393
Less PPA adjustment	(85)	(847)	-	(354)
Corporate and Public Sector Lending	**29,218**	**31,198**	**-**	**3,040**
Total gross loans and advances to customers at amortised cost (grossed up with PPA adjustment)	38,492	49,528	-	6,680
Less PPA adjustment	(106)	(1,426)	-	(490)
Total gross loans and advances to customers at amortised cost (A)	**38,386**	**48,102**	**-**	**6,190**
Less: ECL allowance (grossed up with PPA adjustment)	(1,971)	(9,904)	-	(2,853)
Less PPA adjustment	106	1,426	-	490
Less: ECL allowance (B)	**(1,864)**	**(8,478)**	**-**	**(2,363)**
Net loans and advances to customers at amortised cost (A) + (B)	**36,521**	**39,624**	**-**	**3,826**
of which:				
Current	5,136	5,116	-	134
Non current	31,386	34,508	-	3,692

Loans and advances to customers include finance lease receivables:

Group - Finance lease receivables	31/12/2021	31/12/2020
No later than one year	203	510
One to five years	407	312
Later than five years	467	722
Gross investment in finance leases	**1,077**	**1,544**
Unearned finance income	(148)	(164)
Net investment in finance leases	**929**	**1,381**
of which:		
No later than one year	179	494
One to five years	341	267
Later than five years	409	620

The variance of gross investment in finance leases compared to prior year is mainly due to classification of the Sunshine portfolio exposures of total gross book value €488 million, as held for sale in September 2021. Refer to Note 28 for further information. As at 31 December 2021 and 2020, the Group recognized an ECL allowance of € 65 million and € 361 million, respectively, on its finance lease receivables.

22 Financial assets at FVTOCI

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Greek Government Bonds	1,118	1,011	-	-
Corporate Bonds	304	200	-	-
Bonds issued by financial institutions and foreign governments	545	678	-	-
Greek treasury bills	332	828	-	-
Debt securities at FVTOCI	**2,299**	**2,717**	**-**	**-**
Equity securities at FVTOCI	**67**	**182**	**-**	**-**
Financial assets at FVTOCI	**2,366**	**2,898**	**-**	**-**
Current debt securities at FVTOCI	359	848	-	-
Non-current debt securities at FVTOCI	1,940	1,869	-	-
Total debt securities at FVTOCI	**2,299**	**2,717**	**-**	**-**

The credit rating and stage allocation of debt securities classified at FVTOCI are presented in Note 4.5.

The Group holds certain equity securities designated at FVTOCI, the fair value of which is presented in the following table:

Group - Fair value of equity securities designated at FVTOCI	31/12/2021	31/12/2020
Mastercard Inc.	-	46
Visa Inc. (Class C series I)	-	39
Attica Holdings S.A.	27	24
Visa Inc. (Series A convertible participating preferred stock)	-	23
Vivartia Holding S.A.	-	12
Ideal Group	9	-
Atlantic Insurance Public Limited Company	7	5
Other	24	32
Total	**67**	**182**

The most significant divestments during the period mainly refer to Mastercard Inc., Visa Inc., Vivartia Holding S.A. and Danaos S.A., which occurred in order to deleverage the Group's exposure on non-core equity participations. The total fair value of the securities disposed as of their derecognition date amounted to € 141 million, while the aggregate gain from disposal was € 62 million. Refer to Note 42 for the cumulative gain or loss transferred within equity from "Reserve from financial assets at FVTOCI" to "Retained Earnings" in 2021 and 2020.

The movement of debt securities at FVTOCI is summarized below:

	Group			Company		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Opening balance at 1/1/2020	**1,437**	-	**1,437**	**1,435**	-	**1,435**
Additions	2,007	2	2,008	1,985	2	1,986
Coupon receipts	(31)	(1)	(32)	(30)	(1)	(31)
Disposals/ maturities	(836)	(1)	(837)	(829)	(1)	(830)
Transferred from Stage 1 to Stage 2	(20)	20	-	(20)	20	-
Interest Income	44	1	45	43	1	44
Gain/ (loss) from changes in fair value	97	(2)	95	97	(2)	95
Contribution to the new credit institution	-	-	-	(2,681)	(19)	(2,700)
Closing balance 31/12/2020	**2,698**	**19**	**2,717**	-	-	-
Additions	4,522	3	4,525	-	-	-
Coupon receipts	(56)	(1)	(57)	-	-	-
Disposals/ maturities	(4,849)	-	(4,849)	-	-	-
Interest Income	46	2	47	-	-	-
Foreign exchange differences	3	-	3	-	-	-
Gain/ (loss) from changes in fair value	(88)	-	(88)	-	-	-
Closing balance 31/12/2021	**2,277**	**22**	**2,299**	-	-	-

The Group recognized in the income statement and OCI an ECL allowance on debt securities measured at FVTOCI of € 11 million and € 6 million for the period ended 31 December 2021 and 2020, respectively. As at 31 December 2021, the ECL allowance on debt securities classified in Stage 1 and Stage 2 amounted to € 15 million, and € 2 million, respectively, (31.12.2020: € 8 million and 2 million, respectively).

23 Debt securities at amortised cost

The Group's portfolio mainly consists of foreign and domestic sovereign securities, the vast majority of which has a residual maturity higher than 12 months as of the reporting date. On 31 December 2020 the Beneficiary issued two Tier 2 instruments of total nominal value € 900 million, which mirror all material terms of the Tier 2 subordinated notes of nominal value € 400 million and € 500 million issued in June 2019 and February 2020, respectively, that were retained by the Demerged Entity in the context of the Demerger (the "Tier 2 Notes") and fully subscribed by the Company (the "Back-to-Back Tier 2 Notes"). The Company's debt securities at amortised cost comprise solely the Back-to-Back Tier 2 Notes, which are callable by the issuer on 31 December 2025. This intragroup transaction has no accounting impact on the Group's consolidated financial statements.

In 2021 the Group purchased GGBs and foreign government bonds of nominal value € 2,684 million and € 2,382 million, respectively and disposed foreign government bonds of nominal value € 1,150 million. Refer to Note 9 for the exchange of GGBs with the Hellenic Republic that incurred in 2021.

As at 31 December 2021, the entire population of securities is classified in Stage 1 and the resulting ECL allowance amounted to € 19 million and € 29 million for the Group and the Company, respectively, (31 December 2020: € 12 million and € 25 million for the Group and the Company, respectively). For information on the credit rating of the portfolio refer to Note 4.6.

24 Investments in consolidated companies

The Group's investments in consolidated companies as at 31 December 2021, are provided below:

A. Subsidiaries (full consolidation method)

a/a	Name of Entity	Activity	Country	Unaudited tax years (1)	Group	Company
					% holding	% holding
1.	Piraeus Bank S.A.	Banking activities	Greece	2020-2021	100.00%	100.00%
2.	Piraeus Leasing Single Member S.A.	Financial Leasing	Greece	2016-2021	100.00%	-
3.	Piraeus Leases Single Member S.A.	Financial Leasing	Greece	2016-2021	100.00%	-
4.	Piraeus Financial Leasing Single Member S.A.	Financial Leasing	Greece	2016-2021	100.00%	-
5.	Dynamic Asset Operating Leasing S.A.	Operating Leasing	Greece	2016-2021	100.00%	-
6.	Geniki Single Member S.A.Financial & Consulting Services	Financial & consulting services	Greece	2016-2021	100.00%	-
7.	Piraeus Securities S.A.	Stock exchange services	Greece	2016-2021	100.00%	-
8.	Piraeus Factoring Single Member S.A.	Corporate factoring	Greece	2016-2021	100.00%	-
9.	Piraeus Capital Management S.A.	Management of Venture capital fund	Greece	2016-2021	100.00%	-
10.	Piraeus Jeremie Technology Catalyst Management Single Member S.A.	Management of venture capital fund	Greece	2016-2021	100.00%	-
11.	Piraeus Asset Management Single Member M.F.M.C. S.A.	Mutual funds management	Greece	2016-2021	100.00%	-

a/a	Name of Entity	Activity	Country	Unaudited tax years [1]	Group % holding	Company % holding
12.	Geniki Information Single Member S.A.	Assessment and collection of commercial debts	Greece	2016-2021	100.00%	-
13.	Achaia Clauss Estate S.A.	Property management	Greece	2016-2021	75.70%	-
14.	Kosmopolis A' Shopping Centers Single Member S.A.	Shopping center's management	Greece	2016-2021	100.00%	-
15.	ND Development Single Member S.A.	Property management	Greece	2016-2021	100.00%	-
16.	New Up Dating Development Real Estate and Tourism Single Member S.A.	Property, tourism & development company	Greece	2016-2021	100.00%	-
17.	Picar Single Member S.A.	City Link areas management	Greece	2016-2021	100.00%	-
18.	P.H. Development	Property management	Greece	2016-2021	100.00%	-
19.	General Construction and Development Co. S.A.	Property development/ holding company	Greece	2016-2021	66.66%	-
20.	Entropia Ktimatiki S.A.	Property management	Greece	2016-2021	66.70%	-
21.	Komotini Real Estate Development Single Member S.A.	Property management	Greece	2016-2021	100.00%	-
22.	Piraeus Buildings S.A.	Property development	Greece	2010-2021	100.00%	-
23.	Piraeus Development Single Member S.A.	Property management	Greece	2016-2021	100.00%	-
24.	Piraeus Real Estate Single Member S.A.	Construction company	Greece	2016-2021	100.00%	-
25.	Pleiades Estate Single Member S.A.	Property management	Greece	2016-2021	100.00%	-
26.	Piraeus Agency Solutions Single Member S.A.	Insurance agency	Greece	2016-2021	100.00%	100.00%
27.	Mille Fin S.A.	Vehicle Trading	Greece	2016-2021	100.00%	-
28.	Multicollection S.A.	Assessment and collection of commercial debts	Greece	2009-2021	51.00%	-
29.	Piraeus Direct Solutions Single Member S.A.	Financial - telecommunication & IT services	Greece	2016-2021	100.00%	-
30.	Centre of Sustainable Entrepreneurship Excelixi Single Member S.A.	Consulting Services - Hotel - Training & Seminars	Greece	2016-2021	100.00%	-
31.	PROSPECT M.C.P.Y.	Yachting management	Greece	2016-2021	100.00%	-
32.	Ianos Properties Single Member S.A.	Property management	Greece	2016-2021	100.00%	-
33.	Lykourgos Properties Single Member S.A.	Property management	Greece	2016-2021	100.00%	-
34.	Thesis Hermes Single Member S.A.	Property management	Greece	2021	100.00%	-
35.	Thesis Agra Single Member S.A.	Property management	Greece	2021	100.00%	-
36.	Thesis Cargo Single Member S.A.	Property management	Greece	2021	100.00%	-
37.	Thesis Schisto Single Member S.A.	Property management	Greece	2021	100.00%	-
38.	Thesis Stone Single Member S.A.	Property management	Greece	2021	100.00%	-
39.	IMITHEA Single Member S.A. [2]	Organization, operation and management of hospital units	Greece	2016-2021	100.00%	-
40.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2021	100.00%	-
41.	Cielo Consultancy Sh.P.K.	Real estate SPV	Albania	2014-2021	99.09%	-
42.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2021	100.00%	-
43.	Bulfina E.A.D.	Property management	Bulgaria	2008-2021	100.00%	-
44.	Bulfinace E.A.D.	Property Management	Bulgaria	2008-2021	100.00%	-
45.	Delta Asset Management EOOD	Real Estate Development	Bulgaria	-	100.00%	-
46.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2021	100.00%	-
47.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2021	100.00%	-

a/a	Name of Entity	Activity	Country	Unaudited tax years (1)	Group	Company
					% holding	% holding
48.	Besticar Bulgaria EOOD	Receivables collection	Bulgaria	2012-2021	100.00%	-
49.	Besticar EOOD	Receivables collection from problematic clients	Bulgaria	2012-2021	100.00%	-
50.	Emerald Investments EOOD	Property management	Bulgaria	2018-2021	100.00%	-
51.	Piraeus Nedvizhimi Imoti EOOD	Real Estate Development	Bulgaria	-	100.00%	-
52.	Office Project 2021 EOOD	Real Estate Development	Bulgaria	-	100.00%	-
53.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2018-2021	90.85%	2.21%
54.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2021	99.09%	-
55.	Tellurion Ltd	Holding company	Cyprus	2013-2021	100.00%	-
56.	Tellurion Two Ltd	Holding company	Cyprus	2015-2021	99.09%	-
57.	Trieris Two Real Estate LTD	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2021	100.00%	-
58.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2014-2021	100.00%	-
59.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2018-2021	50.66%	-
60.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2021	53.29%	-
61.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2021	26.65%	-
62.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2021	53.29%	-
63.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%	99.99%
64.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2021	100.00%	-
65.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2021	99.94%	-
66.	Solum Enterprise LLC	Property management	Ukraine	2012-2021	99.94%	-
67.	Solum Limited Liability Company	Property management	Ukraine	2018-2021	99.94%	-
68.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2021	100.00%	-
69.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2021	99.09%	-
70.	Priam Business Consultancy SRL	Real estate development	Romania	2014-2021	99.18%	-
71.	Proiect Season Residence SRL	Real estate development	Romania	2018-2021	100.00%	-
72.	R.E. Anodus SRL	Real Estate development	Romania	2013-2021	99.09%	-
73.	Rhesus Development Projects SRL	Real estate development	Romania	2014-2021	99.09%	-
74.	Piraeus Rent Doo Beograd	Operating Leases	Serbia	2007-2021	100.00%	-
75.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2021	100.00%	-
76.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	British Virgin Islands	-	100.00%	-
77.	Piraeus Group Capital Ltd	Debt securities' issuance	United Kingdom	2021	100.00%	100.00%
78.	Piraeus Group Finance PLC	Debt securities' issuance	United Kingdom	2021	100.00%	-
79.	Axia Finance III PLC	SPV for securitization of corporate loans	United Kingdom	-	-	-
80.	Axia Finance PLC	SPV for securitization of corporate loans	United Kingdom	-	-	-
81.	Axia III APC LIMITED	SPV for securitization of corporate loans	United Kingdom	-	-	-
82.	Estia Mortgage Finance PLC	SPV for securitization of mortgage loans	United Kingdom	-	-	-
83.	Estia Mortgage Finance II PLC	SPV for securitization of mortgage loans	United Kingdom	-	-	-
84.	Kion Mortgage Finance PLC	SPV for securitization of mortgage loans	United Kingdom	-	-	-

a/a	Name of Entity	Activity	Country	Unaudited tax years [(1)]	Group	Company
					% holding	% holding
85.	Praxis I Finance PLC	SPV for securitization of consumer loans	United Kingdom	-	-	-
86.	Praxis II APC LIMITED	SPV for securitization of consumer loans	United Kingdom	-	-	-
87.	Praxis II Finance PLC	SPV for securitization of consumer loans	United Kingdom	-	-	-
88.	Piraeus SNF DAC	SPV for securitization of corporate, mortgage and consumer loans	Ireland	2021	-	-

Note [1]: In accordance with Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, the tax position of entities domiciled in Greece that have not been notified by the local tax authorities for a tax audit, is deemed to be final only after a five-year period has elapsed since the end of each fiscal year.

Note [2]: Classified as discontinued operation (see Note 13).

The subsidiaries duly numbered 79 - 88 are SPVs for securitization of loans and advances to customers and issuance of debt securities. The investment duly numbered 61 is a subsidiary due to majority presence in the Board of Directors of the company.

Furthermore, as at 31 December 2021 the subsidiaries duly numbered 22, 27-28, 40, 70, 73 and 79-87 were under liquidation.

The following subsidiaries, that in aggregate are immaterial to the Group's financial position and results of operations, are not consolidated but recognized at cost: a) "Hellenic Information Systems HIS S.A.", b) "The Museum Ltd.", c) "Axia III Holdings Ltd.", d) "Praxis II Holdings Ltd." and e) "Kion Holdings Ltd.". Full consolidation of the aforementioned companies would not have a significant effect on the Consolidated Statement of Financial Position and Consolidated Income Statement since the sum of their total net income, total equity and total assets comprises less than 0.01% of the Group's respective balances, based on their most recent financial statements.

The movement of the Company's investments in subsidiaries during the year is provided below:

	Company	
	31/12/2021	31/12/2020
Opening balance	4,881	586
Establishment of the new credit institution	-	4,845
Additions	-	37
Participation in share capital increases/ decreases of Piraeus Bank and other subsidiaries (Note 46)	1,661	15
Subscription of AT 1 capital instrument issued by Piraeus Bank (Note 46)	595	-
Disposals and absorption	-	(3)
Impairment charge	(1,597)	(9)
Contribution to the new credit institution	-	(591)
Closing balance	**5,539**	**4,881**

Annual financial statements of subsidiaries

The annual financial statements of the Group's subsidiaries for the year ended 31 December 2021, which have been issued prior to the approval of the Annual Financial Statements, are available on the Company's web site at www.piraeusholdings.gr in section Investor Relations, subsection Financial Data - Financial Statements and Other Information - Consolidated Companies. The annual financial statements of the remaining subsidiaries will be available on the Company's web site upon their issuance.

Loss of control over subsidiaries

In 2021, the Bank entered into a long term partnership with affiliates of Blantyre Capital Limited ("Blantyre Capital") for the management of non-core equity participations owned by the Bank, for an initial period of 10 years (the "Mayfair Transaction"). The subsidiaries placed under professional management are unrelated to the Bank's principal activity and their carrying amount in the Company's separate accounts prior to completion of the transaction was € 195 million. The subsidiaries scoped into Mayfair Transaction as of 31 December 2021 comprise: ETVA Industrial Parks S.A., Piraeus Equity Partners Ltd, Euroterra S.A., Rebikat S.A. and Euroak S.A. Real Estate as well as their subsidiaries (Piraeus Clean Energy Holdings Ltd, Arigeo Energy Holdings Ltd, Josharton Ltd, WH South Wind Hellas Ltd, DMX Aioliki Marmariou - Agathi LLP, DMX Aioliki Marmariou - Rigani LP, KPM Energy M.A.E., O.F. Investments Ltd, Piraeus Renewable Investments Limited, Pri Wind I Limited, Pri Wind II Limited, Pri Wind III Limited, Zibeno Investments Ltd, Zibeno I Energy Single Member S.A., Emadierio Solar Energy & Investments Ltd, Aioliki Beleheri Single Member S.A., Aioliko Parko Josharton - Rodopi 2 E.E., Aiolikon Parko Artas Aetoi E.E., Aiolikon Parko Evritanias 2 Morforahi E.E., Aioliko Parko Evritanias 4 Ouranos E.E., Anemos Ipirou Anonymi Energeiaki Etaireia, DI.VI.PA.KA. S.A. and Thriasio Logistics Center S.A.). The Bank's direct shareholdings in the aforementioned subsidiaries were contributed into a newly established limited partnership in Ireland, namely Strix Holdings LP, in exchange for passive limited partnership interests. The Bank also established an asset management company under the name Strix Asset Management Ltd, which manages professionally all equity participations placed by the Bank under the Mayfair Transaction.

On 16 December 2021 the Bank sold 75% of its stake in Strix Asset Management Ltd. to Blantyre Capital and lost control over the subsidiaries contributed into Strix Holdings LP. Effective from this date, the Group exercises significant influence on Strix Holdings LP and Strix Asset Management Ltd and both entities are accounted for under the equity method. The fair value of Strix Holdings LP and Strix Asset Management Ltd at initial recognition was € 350 million and € 8 million, respectively. The total consideration for the sale of 75% shareholding in Strix Asset Management Ltd. and a special limited partnership interest in Strix Holdings LP to Blantyre Capital, amounted to € 36 million. Upon loss of control over the subsidiaries contributed into Strix Holdings LP as of 16 December 2021, the Group accounted for its retained interest in Strix Holdings LP and Strix Asset Management Ltd at fair value and derecognized the assets and liabilities contributed by the aforementioned subsidiaries as of that date. The net assets of the subsidiaries derecognized and the gain of Mayfair Transaction was € 188 million and € 184 million, respectively. The Group's non-controlling interest decreased by € 93 million, mainly due to loss of control over ETVA Industrial Parks S.A., Euroterra S.A. and Euroak S.A. Real Estate, while total equity increased by € 92 million. The Bank retained direct minority stakes in ETVA Industrial Parks S.A. and Abies S.A. exercising significant influence, therefore, effective from 16 December 2021, both such stakes are accounted for as associates. Refer to section B.1 for further information.

Significant restrictions of subsidiaries

With respect to domestic subsidiaries, except for inherent restrictions applied under the regulatory framework based on which they operate, no other significant legal, contractual, or regulatory restrictions are imposed regarding the transfer of cash in the form of dividends, the transfer of funds, as well as the repayment of intragroup loans.

Consolidated structured entities

In 2021, the Group lost control over six (6) SPVs, namely Phoenix NPL Finance DAC, Vega I NPL Finance DAC, Vega II NPL Finance

DAC, Vega III NPL Finance DAC, Sunrise I DAC and Sunrise II DAC which were established for the securitization of the respective portfolios.

The Group controls, therefore, consolidates PIRAEUS SNF DAC (retained securitization of mortgage, corporate and consumer NPEs). The underlying loans are recognized on the Bank's statement of financial position.

Interests in unconsolidated structured entities

As of 31 December 2021, the Group has investments in open-ended mutual funds that are managed by its wholly owned subsidiary "Piraeus Asset Management Single Member M.F.M.C. S.A." with independent management and organizational structure, licensed by the HCMC. The assets of these funds are equal to € 2.1 billion, while the customer list includes 60,357 customers.

The management of mutual funds is performed under the investment framework defined for each mutual fund. The Group acts as an agent acting on behalf of its clients and does not control the mutual funds. On this basis, the interests in mutual funds are classified and measured at FVTPL.

As of 31 December 2021, the Bank's assets in open-ended mutual funds are valued at € 112 million according to the table below:

Mutual funds	Total Assets	
	31/12/2021	31/12/2020
Domestic Mutual Funds	28	11
Abroad Mutual Funds	84	65

The following table presents the carrying amount of the mutual funds' assets that the Group manages, per asset class, as at 31 December 2021 and 2020:

A/A	Mutual funds	Total Assets	
		31/12/2021	31/12/2020
1.	Equity funds	368	171
2.	Balanced funds	198	104
3.	Bonds funds	685	473
4.	Money Market funds	215	173
5.	Fund of Funds	602	205
	Total	**2,068**	**1,126**

A.1 Impairment assessment of the Company's investment in Piraeus Bank

As of 30 June 2021, the Company assessed for impairment its investment in Piraeus Bank and concluded that it was impaired, taking into account that: a) the intragroup distribution in kind of 95% of the subordinated notes issued by Sunrise I NPL Finance DAC to the Company (refer to Note 46); and b) the Company's carrying amount of its investment in the Bank was higher than the Bank's consolidated net assets post the intragroup distribution. The impairment test was performed by comparing the recoverable amount of the investment, determined on a value in use basis, against its carrying amount. The discounted cash flows were prepared based on the latest business plan approved by Management as of the impairment assessment date, assuming a pre-tax discount rate of 11.5% and a 2% long-term growth rate. Based on the outcome of the impairment test, the carrying amount of the investment was written down by € 1,597 million to € 5,410 million. The consolidated financial statements of the Group were not affected by the said write-down. No impairment trigger was identified as of 31 December 2021, therefore, no impairment charge was recognised in the second semester of 2021.

B. Associates and joint ventures (equity accounting method)

B.1 Associates

The Group's and Company's associates as of 31 December 2021 are the following:

s/n	Name of Entity	Activity	Country	Unaudited tax years [(1)]	Group	Company
					% Holding	% Holding
1	Piraeus - TANEO Capital Fund	Close end Venture capital fund	Greece	-	50.01%	-
2	PJ Tech Catalyst Fund	Close end Venture capital fund	Greece	-	30.00%	-
3	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	Greece	2016-2021	27.80%	-
4	Marfin Investment Group Holdings S.A.	Holding company	Greece	2016-2021	31.24%	-
5	Omicron Cyclos Ena Symmetohiki S.A.	Holding company	Greece	2016-2021	28.10%	-
6	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	Greece	2016-2021	27.80%	-
7	APE Investment Property S.A.	Real estate, development/ tourist services	Greece	2016-2021	28.92%	-
8	Olganos Real Estate S.A.	Property management/Electricity production from renewable energy resources	Greece	2016-2021	32.27%	-
9	Pyrrichos S.A.	Property management	Greece	2016-2021	55.95%	-
10	Exodus S.A.	Information technology & software	Greece	2016-2021	49.90%	-
11	Evros' Development Company S.A.	European community programs management	Greece	2016-2021	30.00%	-
12	Gaia S.A.	Software services	Greece	2017-2021	26.00%	-
13	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	Greece	2016-2021	30.45%	-
14	Intrum Hellas REO Solutions S.A.	Real Estate	Greece	2019-2021	19.96%	-
15	Intrum Hellas Credit Servicing S.A.	Credit and Loan Servicing	Greece	2019-2021	20.00%	-
16	Teiresias S.A.	Interbanking company of development, operation and management of information systems	Greece	2016-2021	23.53%	-
17	Trastor Real Estate Investment Company	Real estate investment property	Greece	2016-2021	44.75%	-
18	Pireaus Direct Services S.A.	Support & e-commerce services, trade of time renewal cards	Greece	2016-2021	49.90%	-
19	ANEK Lines S.A.	Maritime transport - Coastal shipping	Greece	2019-2021	27.68%	-
20	Perigenis Business Properties S.A.	Property management	Greece	2020-2021	20.61%	-

s/n	Name of Entity	Activity	Country	Unaudited tax years [1]	Group	Company
					% Holding	% Holding
21	Neuropublic S.A.	Development and management of information systems	Greece	2021	5.00%	-
22	Abies S.A.[2]	Property management	Greece	2016-2021	40.14%	-
23	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2016-2021	1.00%	-
24	Euromedica Societe Anonyme For Provision Of Medical Services	Hospital and health services	Greece	2021	29.35%	-
25	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2021	32.35%	-
26	Exus Software Ltd	IT products retailer	United Kingdom	2021	49.90%	-
27	Strix Holdings LP	Holding entity	Ireland	-	100.00%	-
28	Strix Asset Management Ltd	Asset Management	Ireland	-	25.00%	-

Note [1]: In accordance with Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, the tax position of entities domiciled in Greece that have not been notified by the local tax authorities for a tax audit, is deemed to be final only after a five-year period has elapsed since the end of each fiscal year.

Note [2]: Placed under liquidation as of 31 December 2021.

The Group's associate NGP Plastic S.A., is immaterial to the Group's financial position and results of operations, therefore, is not consolidated under equity method but recognised at cost. This non-significant associate accounted for less than 0.21% of Group total net income, less than 0.04% of Group total equity and less than 0.03% of Group total assets, based on the most recent financial statements obtained.

The Group exercises significant influence but does not control any of the companies listed above. This holds even for the entities duly numbered 1, 9 and 27, where the Group's shareholding and voting rights exceed 50%. Significant influence also exists in the companies duly numbered 14, 21 and 23, where the Group's shareholding and voting rights do not exceed 20%. Refer to section A for further information on Strix Holdings LP, Strix Asset Management Ltd and the Mayfair Transaction. Strix Holdings LP is a material associate of the Group.

B.2 Joint ventures

The Group's and Company's joint ventures as of 31 December 2021 are the following:

s/n	Name of Entity	Activity	Country	Unaudited tax years [1]	Group	Company
					% Holding	% Holding
1	AEP Elaiona S.A.	Property management	Greece	2016-2021	50.00%	-
2	Peirga Kythnou P.C.	Real estate	Greece	-	50.00%	-
3	Sunrise I Real Estate Single Member S.A.	Property management	Greece	2021	100.00%	-
4	Sunrise II Real Estate Single Member S.A.	Property management	Greece	2021	100.00%	-
5	Sunrise I NPL Finance DAC	SPV for securitization of corporate loans	Ireland	2021	-	-

s/n	Name of Entity	Activity	Country	Unaudited tax years [1]	Group	Company
					% Holding	% Holding
6	Sunrise II NPL Finance DAC	SPV for securitization of corporate loans	Ireland	2021	-	-

Note [1]: In accordance with Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority, the tax position of entities domiciled in Greece that have not been notified by the local tax authorities for a tax audit, is deemed to be final only after a five-year period has elapsed since the end of each fiscal year.

The total carrying value of interests in non-significant associates and joint ventures for the Group as at 31 December 2021 and 2020, amounts to € 278 million and € 269 million, respectively.

Other information on associates and joint ventures

The Group discontinues to recognise its share of accumulated losses in associates, when its share of losses equals or exceeds its interest in the associate. The cumulative amount of unrecognised losses from associates as of 31 December 2021 amounted to € 38 million (31 December 2020: € 29 million). In the event that the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

There are no significant contingent liabilities that relate to the participation of the Group in associates and joint ventures.

There are no unrecognised commitments of the Group related to its participation in joint ventures that could result in future outflow of cash or other resources.

There are no significant restrictions in the ability of associates or joint ventures to transfer equity to the company in the form of dividends or to pay loans that have been disbursed by the Group, apart from the usual in force restrictions imposed on their framework of operation and the applicable legislation.

Movement on investment in associates and joint ventures

	Group		Company	
	31/12/2021	31/12/2020 As restated	31/12/2021	31/12/2020
Opening balance	269	264	-	255
Additions and participation in share capital increases/ decreases	371	33	-	32
Share of profit/ (loss) of associates and joint ventures after tax	18	(16)	-	-
Transfers from subsidiary companies	3	-	-	-
Impairment	(23)	(6)	-	(35)
Foreign exchange differences and other adjustments	(9)	(7)	-	-
Contribution to the new credit institution	-	-	-	(252)
Effect of change in accounting policy	-	1		
Closing balance	**630**	**269**	**-**	**-**

The amount of € 371 million presented within line item "additions and participation in share capital increases/ decreases" mainly relates to the initial recognition of associates Strix Asset Management Ltd and Strix Holdings LP. Refer to section A for further information.

Basic financial data of the associates and the joint ventures for 2021 and 2020

			31/12/2021				
s/n	Name of Entity	Country	Participation %	Profit/ (loss) before tax	Total revenues	Total assets	Total liabilities
1	Crete Scient. and Tech. Park Manag. and Dev. Co. S.A.	Greece	30.45%	-	-	-	-
2	Evros' Development Company S.A.	Greece	30.00%	-	-	1	1
3	APE Commercial Property Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	6	-
4	APE Fixed Assets Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	48	5
5	Trieris Real Estate LTD	British Virgin Islands	32.35%	-	-	5	1
6	APE Investment Property S.A.	Greece	28.92%	-	-	173	8
7	Omicron Cyclos Ena Symmetohiki S.A.	Greece	28.10%	-	-	115	140
8	Exodus S.A.	Greece	49.90%	-	2	3	4
9	Piraeus - TANEO Capital Fund	Greece	50.01%	2	-	3	-
10	Teiresias S.A.	Greece	23.53%	-	15	14	12
11	PJ Tech Catalyst Fund	Greece	30.00%	3	-	15	-
12	Pyrrichos S.A.	Greece	55.95%	(2)	-	6	20
13	Pireaus Direct Services S.A.	Greece	49.90%	-	20	5	2
14	Gaia S.A.	Greece	26.00%	-	23	12	7
15	Olganos S.A.	Greece	32.27%	(1)	-	7	10
16	Abies S.A.	Greece	40.14%	-	-	-	-
17	ETVA Industrial Parks S.A.	Greece	1.00%	-	-	215	-
18	Euromedica Societe Anonyme For Provision Of Medical Services	Greece	29.35%	-	-	145	136
19	Neuropublic S.A.	Greece	5.00%	(1)	6	19	8
20	Exus Software Ltd	United Kingdom	49.90%	-	7	12	11
21	Marfin Investment Group Holdings S.A.	Greece	31.24%	*	*	*	*
22	Intrum Hellas REO Solutions S.A.	Greece	19.96%	26	31	78	15
23	Intrum Hellas Credit Servicing S.A.	Greece	20.00%	51	183	654	264
24	Trastor Real Estate Investment Company	Greece	44.75%	*	*	*	*
25	ANEK Lines S.A.	Greece	27.68%	*	*	*	*
26	Perigenis Business Properties S.A.	Greece	20.61%	-	-	48	-
27	Strix Holdings LP	Ireland	100.00%	-	-	350	-
28	Strix Asset Management Ltd	Ireland	25.00%	-	-	32	-
29	AEP ELAIONA S.A.	Greece	50.00%	(2)	-	111	110
30	Peirga Kythnou P.C.	Greece	50.00%	-	-	4	-
31	Sunrise I Real Estate Single Member S.A.	Greece	100.00%	-	-	33	33
32	Sunrise II Real Estate Single Member S.A.	Greece	100.00%	-	-	-	-
33	Sunrise I NPL Finance DAC	Ireland	-	-	-	2,539	2,539
34	Sunrise II NPL Finance DAC	Ireland	-	-	-	1,279	1,279

(*) As of the date that the BoD approved the Annual Financial Statements, the listed associated companies Marfin Investment Group Holdings S.A., Trastor Real Estate Investment Company and ANEK Lines S.A., had not published their annual financial statements for 2021.

s/n	Name of Entity	Country	31/12/2020				
			Participation %	Profit/ (loss) before tax	Total revenues	Total assets	Total liabilities
1	Crete Scient. and Tech. Park Manag. and Dev. Co. S.A.	Greece	30.45%	-	-	-	-
2	Evros' Development Company S.A.	Greece	30.00%	-	-	1	1
3	APE Commercial Property Real Estate Tourist and Development S.A.	Greece	27.80%	-	-	6	-
4	APE Fixed Assets Real Estate Tourist and Development S.A.	Greece	27.80%	(1)	-	48	4
5	Trieris Real Estate LTD	British Virgin Islands	32.35%	(1)	-	6	2
6	APE Investment Property S.A.	Greece	28.92%	-	-	170	8
7	Omicron Cyclos Ena Symmetohiki S.A.	Greece	28.10%	(4)	-	115	140
8	Exodus S.A.	Greece	49.90%	(1)	3	3	4
9	Piraeus - TANEO Capital Fund	Greece	50.01%	-	-	-	-
10	Teiresias S.A.	Greece	23.53%	-	15	13	12
11	PJ Tech Catalyst Fund	Greece	30.00%	(2)	-	11	-
12	Pyrrichos S.A.	Greece	50.77%	1	1	5	18
13	Pireaus Direct Services S.A.	Greece	49.90%	-	21	5	2
14	Gaia S.A.	Greece	26.00%	-	24	15	10
15	Olganos S.A.	Greece	32.27%	(1)	-	8	10
16	Exus Software Ltd	United Kingdom	49.90%	1	6	19	18
17	Marfin Investment Group Holdings S.A.	Greece	31.22%	(97)	310	2,165	2,001
18	Intrum Hellas REO Solutions S.A.	Greece	19.96%	-	4	52	9
19	Intrum Hellas Credit Servicing S.A.	Greece	20.00%	67	166	476	81
20	Trastor Real Estate Investment Company	Greece	44.77%	3	16	322	163
21	AEP ELAIONA S.A.	Greece	50.00%	-	-	114	110
22	Inofita Asopos Business Park Development Company S.A.	Greece	31.36%	-	-	-	-
23	Peirga Kythnou P.C.	Greece	50.00%	1	-	4	-
24	ANEK Lines S.A.	Greece	27.68%	(13)	127	319	320
25	Perigenis Business Properties S.A.	Greece	20.61%	-	-	48	-
26	PHX Phoenix Real Estate Single Member S.A.	Greece	100.00%	-	-	-	-

25 Intangible assets

	Group				Company			
	Goodwill	Software	Other intangible	Total	Goodwill	Software	Other intangible	Total
Cost								
At 1 January 2020	37	637	49	723	-	625	36	661
Opening balance of newly consolidated companies	-	-	1	1	-	-	-	-
Additions	1	24	-	25	-	23	-	23
Transfers	-	19	-	19	-	19	-	19
Disposals and write-offs	-	(2)	-	(2)	-	(2)	-	(2)
Contribution to the new credit institution	-	-	-	-	-	(666)	(36)	(702)
At 31 December 2020	**38**	**678**	**50**	**766**	**-**	**-**	**-**	**-**
Additions	-	48	-	48	-	-	-	-
Transfers	-	20	-	20	-	-	-	-
Disposals and write-offs	-	(1)	-	(1)	-	-	-	-
Derecognitions	(29)	(1)	-	(30)	-	-	-	-
At 31 December 2021	**9**	**744**	**50**	**803**	**-**	**-**	**-**	
Accumulated amortisation								
At 1 January 2020	-	(394)	(42)	(436)	-	(383)	(30)	(413)
Opening balance of newly consolidated companies	-	-	(1)	(1)	-	-	-	-
Amortisation charge	-	(48)	(2)	(50)	-	(48)	(2)	(50)
Disposals and write-offs	-	1	-	1	-	1	-	1
Contribution to the new credit institution	-	-	-	-	-	430	32	462
At 31 December 2020	**-**	**(441)**	**(45)**	**(486)**	**-**	**-**	**-**	**-**
Amortisation charge	-	(51)	(1)	(52)	-	-	-	-
Derecognitions	-	1	1	2				-
At 31 December 2021	**-**	**(491)**	**(45)**	**(536)**	**-**	**-**	**-**	**-**
Net book value								
At 31 December 2020	**38**	**237**	**5**	**280**	**-**	**-**	**-**	**-**
At 31 December 2021	**9**	**253**	**5**	**267**	**-**	**-**	**-**	**-**

As of 31 December 2021 the Group's goodwill decreased by € 29 million, mainly due to derecognition of WH South Wind Hellas Ltd, in the context of the Mayfair Transaction. Refer to Note 24 for further information.

26 Property and equipment

Group	Land and buildings	Equipment and other tangible assets	Right of use assets	Assets under construction	Leasehold improvements	Total
Cost						
At 1 January 2020	695	386	184	52	192	1,509
Opening balance of newly consolidated companies	-	1	-	-	-	1
Additions	6	10	22	16	5	59
Transfers	2	-	(15)	(19)	-	(33)
Disposals and write-offs	(11)	(11)	(1)	-	(3)	(26)
Remeasurements	-	-	(9)	-	-	(9)
Impairment	-	(1)	-	-	(3)	(4)
Other movements	(1)	(1)	-	-	-	(2)
At 31 December 2020	**691**	**384**	**181**	**48**	**191**	**1,495**
Additions	5	22	13	12	4	54
Transfers	5	-	-	(22)	-	(16)
Disposals and write-offs	(1)	(13)	(12)	(1)	(10)	(37)
Derecognitions	(17)	(69)	(4)	(4)	-	(94)
Impairment	-	(1)	-	-	(11)	(13)
Other movements	-	1	-	-	-	1
Transfer to held for sale		(41)	-	-	-	(41)
At 31 December 2021	**683**	**282**	**178**	**33**	**174**	**1,349**
Accumulated depreciation						
At 1 January 2020	(78)	(237)	(67)	-	(84)	(465)
Depreciation charge for the year	(8)	(27)	(24)	-	(6)	(64)
Transfers	-	-	11	-	-	11
Disposals and write-offs	2	11	1	-	4	17
Other movements	-	-	1	-	-	1
At 31 December 2020	**(83)**	**(253)**	**(77)**	**-**	**(86)**	**(500)**
Depreciation charge for the year	(8)	(22)	(23)	-	(5)	(58)
Disposals and write-offs	-	12	5	-	10	27
Derecognitions	13	23	2	-	-	37
Transfer to held for sale		34	-	-	-	34
At 31 December 2021	**(78)**	**(206)**	**(94)**	**-**	**(81)**	**(459)**
Net book value						
At 31 December 2020	**607**	**131**	**103**	**48**	**105**	**995**
At 31 December 2021	**605**	**76**	**84**	**33**	**93**	**890**

Company	Land and buildings	Equipment and other tangible assets	Right of use assets	Assets under construction	Leasehold improvements	Total
Cost						
At 1 January 2020	641	302	177	45	189	1,353
Additions	5	9	15	15	5	49
Transfers	2	-	-	(19)	-	(17)
Disposals and write-offs	(1)	(11)	(10)	-	(3)	(25)
Other movements	-	-	(1)	-	-	(1)
Remeasurements	-	-	(9)	-	-	(9)
Impairment	-	(1)	-	-	(3)	(4)
Contribution to the new credit institution	(647)	(299)	(172)	(41)	(188)	(1,347)
At 31 December 2020	-	-	-	-	-	-
At 31 December 2021	-	-	-	-	-	-
Accumulated depreciation						
At 1 January 2020	(53)	(207)	(32)	-	(82)	(374)
Depreciation charge for the year	(7)	(23)	(26)	-	(5)	(60)
Disposals and write-offs	1	10	3	-	3	18
Other movements	-	-	1	-	-	1
Contribution to the new credit institution	58	219	54	-	84	416
At 31 December 2020	-	-	-	-	-	-
At 31 December 2021	-	-	-	-	-	-
Net book value						
At 31 December 2020	-	-	-	-	-	-
At 31 December 2021	-	-	-	-	-	-

The “Right of use assets” includes an amount of € 80 million for the Group (31 December 2020: € 98 million) relating to leases of land and buildings.

The Group figures of 2021 included in line items “derecognitions” of the table above are mainly driven by the loss of control over specific subsidiaries that incurred in December 2021 in the context of the Mayfair Transaction. Refer to Note 24 for further information.

27 Investment property

	Group			Company
	Owned property	Right-of-use assets	Total	Owned property
At 1 January 2020	1,029	83	1,112	447
Opening balance of newly consolidated companies	18	-	18	-
Net gain/ (losses) from fair value measurement (Note 10)	7	(16)	(9)	9
Additions	18	-	18	13
Transfers	3	4	7	(24)
Disposals and write-offs	(24)	-	(24)	(5)
Other movements	(3)	-	(3)	-
Contribution to the new credit institution	-	-	-	(440)
At 31 December 2020	**1,047**	**71**	**1,119**	**-**
Net gain/ (losses) from fair value measurement (Note 10)	11	(7)	4	-
Additions	36	-	36	-
Transfers	(1)	-	(1)	-
Disposals and write-offs	(10)	-	(10)	-
Other movements	2	-	2	-
Derecognitions	(108)		(108)	-
At 31 December 2021	**977**	**64**	**1,041**	**-**

The derecognition of owned property in 2021 is due to the loss of control over specific subsidiaries that incurred in December 2021 in the context of the Mayfair Transaction. Refer to Note 24 for further information.

For information on the rental income recognised from investment property, refer to Note 10. Direct operating expenses arising from investment property generating rental income for the years ended 31 December 2021 and 2020 amounted to € 4 million for the Group. Direct operating expenses arising from investment property that did not generate income for the years ended 31 December 2021 and 2020 amounted to € 3 million for the Group.

The fair value measurements of investment property are categorized within Level 3 of the fair value hierarchy. Refer to Note 3.1 for additional information on how the Group determines the fair value of its investment property.

28 Assets held for sale

The total impairment loss charged in the income statement of the Group for the year ended 31 December 2021, in relation to assets held for sale, amounted to € 2,280 million, of which € 2,275 million are included within line item “ECL impairment losses on loans and advances to customers at amortised cost” and € 5 million are included within line item “Impairment (losses)/releases on other assets”. Additional information for each HFS portfolio is provided below:

Sunrise I

The Sunrise I portfolio consisting of securitised, non-performing denounced loans, with a gross book value of approximately € 7 billion at the derecognition date, was classified as held for sale at Group level as at 30 June 2021 and was written down to its fair value, less cost to sell. The said portfolio was derecognised in September 2021, following the fulfillment of all conditions precedent to the completion of the sale transaction, including the receipt of the required regulatory approvals. The total loss before tax charged in the income statement of the Group for the year ended 31

December 2021 amounted to € 1,444 million.

Sunrise II

The Sunrise II portfolio consisting of securitised, non-performing denounced loans with a gross book value of approximately € 2.6 billion at the derecognition date, was classified as held for sale at Group level as at 30 September 2021 and was written down to its fair value, less cost to sell. The said portfolio was derecognised in December 2021, following the fulfillment of all conditions precedent to the completion of the sale transaction, including the receipt of the required regulatory approvals. The total loss before tax charged in the income statement of the Group for the year ended 31 December 2021 amounted to € 600 million.

Sunshine

The Sunshine portfolio comprising non-performing leasing exposures with a gross book value of €488 million, was classified as held for sale at Group level as at 30 September 2021 and was written down to its fair value less cost to sell. The total loss before tax charged in the income statement of the Group for the year ended 31 December 2021 amounted to € 52 million. The sale is expected to be completed within the first semester of 2022.

Dory

The Dory portfolio comprising non-performing shipping exposures of total gross book value € 385 million was classified as held for sale as of 31 December 2021. The sale was completed on 4 March 2022 and the consideration received amounted to € 200 million, or 53% of the portfolio gross book value.

Iris

The sale of partially secured NPE and denounced loans with total legal claims of approximately € 1.7 billion to IRIS Hellas Investments DAC, a consortium comprised of Intrum Holding AB and the European Bank for Reconstruction and Development (EBRD) was completed on 5 February 2021, with a consideration of € 40 million.

Thalis

Project Thalis refers to sale of the Bank's merchant acquiring business via a carve-out of the said business activity into a new legal entity. The assets and liabilities of Thalis perimeter were classified as held for sale on 31 December 2021. The sale to Euronet Worldwide was completed on 15 March 2022, after receiving the required approvals, as well as the consent of the HFSF. The total consideration amounted to € 300 million.

Trinity

During 2019 and 2020, the Group commenced the disposal process of total legal claims amounting to € 821 million, arising from NPE corporate loans secured with real estate collaterals. To facilitate the process, these loans were initially broken down into 8 sub-perimeters, namely Trinity I to Trinity VIII. The first three sub-perimeters amounting to total legal claims of € 307 million were disposed in 2020, whilst a portion of Trinity IV sub-perimeter of total legal claims amounting to € 55 million, was disposed in June 2021, for a consideration of € 16 million. Management assessed that the held for sale classification was no longer appropriate for the remaining sub-perimeters (namely Trinity V, VI, VII and VIII), whereas it concluded that the IFRS 5 criteria, do apply for: i) two new sub-perimeters of corporate loans secured with real estate collaterals, equivalent to total legal claims of € 23 million and € 9 million, which were subsequently designated as Trinity IX and Trinity X, respectively, and ii) an additional sub-perimeter, equivalent to total legal claims of € 24 million, which was inserted in the initial disposal process of Trinity IV and designated as Trinity IVb. The sale of Trinity IVb was completed in February 2022, with a consideration of €16 million. The disposal of sub-perimeters Trinity IX, Trinity X and the remaining portion of Trinity IV, which was not yet sold, which is equivalent to total legal claims of € 121 million, are expected to be completed during the coming months.

Chios

During 2018, the Group entered into an agreement for the disposal of non-performing and denounced corporate loans, secured with real estate collaterals, equivalent to €110 million total claims.

In August 2019, the Group completed the disposal of the first part of the portfolio (Portfolio A), amounting to € 93 million total legal claims. The sale of the second part of the portfolio (portfolio B), equivalent to € 18 million total legal claims, is expected to be completed during the coming months.

Wheel

As at 31 December 2021, the respective portfolio, which comprises corporate loans, equivalent to € 19 million total legal claims, was classified as held for sale. The sale of these loans is expected to be completed within the second quarter of 2022.

Other Portfolios that were disposed during the period

During 2021 the Group completed the sale of several corporate exposures of total legal claims amounting to approximately € 777 million. More specifically: a) Kalypso: corporate loans, equivalent to € 69 million total legal claims, with a consideration of € 36 million, b) Steel: corporate loans, equivalent to € 56 million total legal claims, with a consideration of € 8 million, c) Pivot: corporate loans of € 191 million total legal claims and corporate receivables with a gross book value of € 228 million, with a total consideration of € 94 million including a contingent claim, the fair value of which was estimated at € 11 million, d) Danube: a corporate loan equivalent to € 59 million total legal claims, with a consideration of € 18 million, e) Istros: corporate loans equivalent to € 118 million total legal claims, with a consideration of € 28 million and f) Svitlo: corporate loans equivalent to € 56 million total legal claims, with a consideration of € 12 million.

29 Other assets

	Group		Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Inventories - property	1,337	1,448	-	-
Accumulated impairment of inventories - property	(159)	(201)	-	-
Net amount of inventories - property (A)	**1,178**	**1,246**	**-**	**-**
Inventories - cars	1	1	-	-
Other inventories	77	40	-	-
Other inventories and inventories - cars	78	40	-	-
Accumulated impairment of other inventories and inventories - cars	(1)	(8)	-	-
Net amount of other inventories and inventories - cars (B)	**77**	**33**	**-**	**-**
Total net amount of inventories (A) + (B)	**1,255**	**1,279**	**-**	**-**
Prepaid Expenses	41	54	-	4
Accrued income	20	25	20	20
Claims from tax authorities and the State	9	4	-	-
Credit Cards-settlement account	69	60	-	-
Deposit and Investment Guarantee Fund	826	824	-	-
Receivables from third party	1	1	-	-
Other	332	368	51	54
Other non financial receivables	1,299	1,336	71	78
Accumulated impairment of other non financial receivables	(82)	(74)	(56)	(47)
Net amount of other non financial receivables (C)	**1,217**	**1,262**	**15**	**31**
Claims from the Greek State	507	408	-	-
Credit Cards	86	88	-	-
Accrued income	59	51	2	2
Receivables from subsidiaries	-	-	1	92
Receivables from third party	82	138	9	-
Other	413	572	-	13
Financial assets	1,148	1,256	11	106
ECL allowance of financial assets	(167)	(402)	-	-
Net amount of financial assets (D)	**981**	**854**	**11**	**106**
Other assets (A) + (B) + (C) + (D)	**3,453**	**3,395**	**26**	**138**
of which (excluding inventories):				
Current	741	1,004	11	112
Non-current	1,457	1,112	14	26

Inventories - property mainly comprises real estate properties acquired through auctions. The accumulated impairment of inventories refers to the monetary difference between cost and net realisable value. As at 31 December 2021, the carrying amount of inventory property that was written down to its fair value less costs to sell amounted to € 138 million.

Other non-financial receivables

Line item “Deposit and Investment Guarantee Fund” included in line item “Other assets” refers to the Bank’s participation in assets of investment and deposit guarantee scheme.

More specifically:

- In accordance with art. 9, par. 1 of Greek Law 4370/2016, the cap for the amount of deposits guaranteed by the HDIGF is € 100 thousand per client. Due to the increase of the aforementioned amount, the contributions paid by credit institutions to HDIGF increased from 2008 onwards.
- Greek Law 4370/2016 article 25 par. 8, 9 and 10 provides that the Supplementary Deposit Cover Fund (“SDCF”), is considered as a distinct group of assets which consists of the annual contributions of the credit institutions, pursuant to paragraph 2 of art. 6 of Greek Law 3714/2008 (A '231). The assets of the SDCF are considered to be assets of the SDCF members credit institutions, according to their participation in it and is part of the funds of and subject to management by the HDIGF, for the achievement of its objectives. Each credit institution participating in SDCF has an individual share that corresponds to the percentage of participation in the SDCF.
- In accordance with article 13 of Greek Law 4370/2016, HDIGF guarantees claims deriving from covered investment services up to an amount of € 30 thousand per client for investing activities. In 2010, the participating credit institutions paid the first contributions. The said contributions are included in a special reserve which is jointly owned by the credit institutions in proportion to their participation. Each credit institution participating in the Investment Cover Scheme (“ICS”) has an individual share in it. The individual share of each ICS member is proportional to its participation in the assets of the ICS, in accordance with art. 30 Greek Law 4370/2016.
- In accordance with art. 36, par. 1, 2 and 3 of Greek Law 4370/2016, the Resolution Scheme (“RS”) assets, as Resolution Fund for credit institutions, are from ordinary contributions paid in advance, extraordinary contributions and alternative means of funding, pursuant to the internal articles 98, 99 and 100 of art 2 of Greek Law 4355/2015. The resolution Scheme makes use of these contributions in order to repay its loans obligations for the purpose of credit institution resolution. The contributions are determined in accordance with the provisions in force.
- Furthermore, according to Regulation (EU) 806/2014, the Company is subject to annual ex-ante contributions, set by the SRB.

Line item “other” primarily includes prepayment assets and transitional accounts expected to be settled in the following period.

Other financial assets

Line item “claims from the Greek State” mainly includes amounts claimed by the Bank from the Greek State relating to loans guaranteed by the latter.

Line item “other” mainly relates to trade and accrued income receivables.

The credit cards receivable mainly refers to the unsettled transactions of debit and credit cards as well as the installments not yet due by the cardholders, which have been advanced to merchants.

The tables below illustrate the movement of line item “ECL allowance of financial assets” for the Group in 2021 and 2020 and for the Company in 2020.

Group	Movement of ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2021	8	11	383	**402**
Transfer to held for sale	-	-	(207)	**(207)**
Reversal of unutilized impairment allowance	(1)	-	(2)	**(3)**
ECL impairment charge for the year	1	-	8	**9**
Financial assets derecognized	(6)	(10)	(16)	**(32)**
At 31/12/2021	**1**	**1**	**165**	**167**

Group	Movement of ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2020	15	11	228	**254**
Transferred from Stage 1 to Stage 2	(1)	1	-	**-**
Transferred from Stage 2 to Stage 3	-	(1)	1	**-**
Transferred from Stage 3 to Stage 2	-	-	-	**-**
Changes to models and inputs used for ECL calculations	-	-	2	**2**
Reversal of unitilized impairment allowance	(1)	(1)	(9)	**(11)**
ECL impairment charge for the year	-	-	160	**160**
Write-off of impairment losses	(3)	-	-	**(3)**
At 31/12/2020	**8**	**11**	**383**	**402**

Line item of “Financial assets derecognized” refers to the loss of control over specific subsidiaries that incurred in December 2021 in the context of the Mayfair Transaction. Refer to Note 24 for further information.

Company	Movement of ECL allowance			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1/1/2020	8	2	161	171
Changes to models and inputs used for ECL calculations	-	-	2	2
Reversal of unutilized impairment allowance	(1)	(1)	(2)	(4)
ECL impairment charge for the year	-	-	154	154
Write-off of impairment losses	(3)	-	-	(3)
Contribution to the new credit institution	(2)	(1)	(317)	(320)
At 31/12/2020	-	-	-	-
At 31/12/2021	-	-	-	-

Ageing analysis of selective financial assets, included in other assets, by product line

Group	Days past due - Gross Carrying Amount											
31/12/2021	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denoun-ced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	11	431	13	1	-	52	-	**507**	442	14	52	**507**
Credit cards	86	-	-	-	-	-	-	**86**	86	-	-	**86**
Receivables from third party	212	68	13	82	17	162	-	**555**	365	28	162	**554**
Total	**309**	**500**	**26**	**83**	**17**	**214**	**-**	**1,148**	**893**	**42**	**214**	**1,148**

Group	Days past due - Gross Carrying Amount											
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denoun-ced	Total	Stage 1	Stage 2	Stage 3	Total
Claims from the Greek State	14	317	14	-	1	63	-	**408**	332	13	63	**408**
Credit cards	88	-	-	-	-	-	-	**88**	88	-	-	**88**
Receivables from third party	157	57	30	92	9	415	-	**760**	291	57	412	**760**
Total	**259**	**375**	**44**	**92**	**10**	**477**	**-**	**1,256**	**711**	**70**	**474**	**1,256**

Company	Days past due - Gross Carrying Amount											
31/12/2021	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denoun-ced	Total	Stage 1	Stage 2	Stage 3	Total
Receivables from subsidiaries	-	1	-	-	-	-	-	**1**	1	-	-	**1**
Receivables from third party	-	10	-	-	-	-	-	**10**	10	-	-	**10**
Total	**-**	**11**	**-**	**-**	**-**	**-**	**-**	**11**	**11**	**-**	**-**	**11**

Company	Days past due - Gross Carrying Amount											
31/12/2020	Current	1-30 days	31-90 days	91-180 days	181-365 days	365+ days	Denoun-ced	Total	Stage 1	Stage 2	Stage 3	Total
Receivables from subsidiaries	-	92	-	-	-	-	-	**92**	92	-	-	**92**
Receivables from third party	2	13	-	-	-	-	-	**15**	15	-	-	**15**
Total	**2**	**104**	**-**	**-**	**-**	**-**	**-**	**106**	**106**	**-**	**-**	**106**

30 Due to banks

	Group	
	31/12/2021	**31/12/2020**
Amounts due to ECB and central banks	14,348	10,988
Interbank deposits	90	96
Securities sold to credit institutions under agreements to repurchase	286	96
Other	142	196
	14,865	**11,376**
of which:		
Current	14,728	11,241
Non-current	138	135

“Due to Banks” line item mainly includes funding liabilities of Piraeus Bank S.A. due to the ECB of € 14,332 million, securities sold under agreements to repurchase of € 286 million and other placements with credit institutions of € 90 million (31 December 2020: € 10,978 million, € 96 million and € 96 million, respectively). In June and December of 2021 the Bank received additional funding of € 2,500 million and € 1,000 million, respectively, through TLTRO III program and as a result the total borrowing amounted to € 14,500 million (nominal amount) as at 31 December 2021 (31 December 2020: € 11,000 million). During the period ended 31 December 2021, the revenue recorded in Net Interest Income, amounting to € 146 million, includes the additional margin of -0.50% to be provided in the context of TLTRO III program, considering that the Group meets the eligibility criteria for the two (2) special interest rate periods from 24 June 2020 to 23 June 2021, and 24 June 2021 to 23 June 2022 (refer to Note 6).

As of 31 December 2021 and 2020 the Company has no liabilities due to banks.

31 Due to customers

	Group	
	31/12/2021	31/12/2020
Corporate		
Current and sight deposits	14,231	10,012
Term deposits	2,105	2,686
Blocked deposits, guarantee deposits and other accounts	283	323
Total (A)	**16,618**	**13,021**
Retail		
Current and sight deposits	6,238	5,135
Savings accounts	24,322	20,243
Term deposits	8,186	11,159
Blocked deposits, guarantee deposits and other accounts	44	43
Total (B)	**38,791**	**36,580**
Cheques payable and remittances (C)	**32**	**35**
Total Due to customers (A)+(B)+(C)	**55,442**	**49,636**
of which:		
Current	55,380	49,630
Non-current	61	6

As at 31 December 2021 “Due to customers” with floating and fixed interest rate (excluding cheques payable and remittances) amounted to € 45.0 billion and € 10.4 billion for the Group, respectively (31 December 2020: € 35.6 billion and € 14.0 billion, respectively).

As of 31 December 2021 and 2020, the Company has no liabilities due to customers.

32 Debt securities in issue

		Group		Company	
	Weighted Interest Rate (%)	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Residential and Commercial NPE Securitization		-	-	-	2,383
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	471	471	-	-
Senior Preferred Bond	3.875%	500	-	-	-
Total debt securities in issue		**971**	**471**	**-**	**2,383**

The financial terms of the debt securities held by third parties as of the current and previous period, are as follows:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redem-ptions	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on third Parties
31/12/2021													
Covered Bonds													
Piraeus Bank S.A.	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	-	30	470	471	3m Euribor + 250bp
Senior Preferred Bond													
Piraeus Bank S.A.	Fixed Rate Senior Preferred Bond	-	3-Nov-21	3-Nov-27	EUR	3.875% / Annual	500	500	-	-	-	500	3.875%

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate on Total Outstanding Amount/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redempti ons	Nominal amount own held by the Bank	Nominal amount held by third parties	Carrying value	Weighted Interest Rate on third Parties
31/12/2020													
Covered Bonds													
Piraeus Bank S.A.	Floating rate covered bond series 4	Mortgage loans	31-Oct-17	31-Oct-22	EUR	3m Euribor + 250bp/ Quarterly	500	500	-	30	470	471	3m Euribor + 250bp

The major transactions regarding debt securities in issue during the year ended 31 December 2021 are as follows:

On 3 November 2021, Piraeus Bank S.A., issued Senior Preferred Notes of nominal value € 500 million, maturing in November 2027, bearing an annual fixed interest rate of 3.875% for the first 5 years and reset once thereafter, at the prevailing mid swap rate plus 3.948%. The Senior Preferred Notes may be redeemed by the issuer on 3 November 2026 at par, in its entirety, by the Bank, subject to prior regulatory approval. The Senior Preferred Notes were issued under the Euro Medium Term Notes (EMTN) Programme, compliant with the "Green Bond Framework" of the Bank.

The following table includes the financial terms of debt securities retained by the Group as of the current and previous period:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Cancellations
31/12/2021										
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-23	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-22	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jan-23	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-24	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Cancellations
31/12/2020										
Covered Bonds										
Piraeus Bank S.A.	Floating rate covered bond Series 3	Mortgage loans	16-Feb-17	16-Nov-21	EUR	1m Euribor + 150bp / Monthly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 5	Mortgage loans	20-Nov-17	20-Nov-22	EUR	3m Euribor + 150bp / Quarterly	1,000	500	-	500
Piraeus Bank S.A.	Floating rate covered bond Series 6	Mortgage loans	31-Jan-18	31-Jan-23	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-
Piraeus Bank S.A.	Floating rate covered bond Series 7	Mortgage loans	11-May-18	11-Feb-22	EUR	3m Euribor + 150bp / Quarterly	1,000	1,000	-	-

On 25 June 2021, Piraeus Bank S.A. completed the partial cancellation by € 500 million of covered bond Series 6 (issued in January 2018).

On 2 November 2021, Piraeus Bank S.A., proceeded with amendments to covered bond Series 3 (issued in February 2017) & Series 7 (issued in May 2018), with regards to the extension of the respective maturity dates by 24 months.

As at 31 December 2021 and 2020 the carrying amount of loans and advances to customers at amortised cost, that have been pledged as collateral under the terms of the covered bonds programme is € 4,160 million and € 4,621 million, respectively.

33 Other borrowed funds

During the year 2021, the Group did not proceed with any repurchases of other borrowed funds.

34 Other liabilities

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Deferred income	23	29	-	-
Accrued expenses	174	118	3	9
Lease liabilities	107	128	-	-
Liabilities from transactions via DIAS	171	194	-	-
Non-income taxes payable and social security contributions	37	52	1	-
Creditors and suppliers	82	100	31	1
Collections for third parties	242	281	-	-
Other	287	236	18	2
	1,124	**1,136**	**54**	**12**
of which:				
Current	736	694	54	12
Non-current	388	442	-	-

The following table summarises the lease liabilities:

Lease liabilities	Group 31/12/2021	Group 31/12/2020
No later than one year	25	29
One to five years	77	84
Later than five years	21	37
Gross lease liabilities	**123**	**150**
Discounting	(16)	(22)
Lease liabilities	**107**	**128**
of which:		
No later than one year	20	26
One to five years	67	70
Later than five years	20	32

As of 31 December 2021 and 2020 the Company has no lease liabilities.

35 Provisions

The movement of provisions for the Group and the Company is summarized in the table below:

	Group				Company			
	Litigations	Other	ECL allowance on off balance sheet commitments	Total	Litigations	Other	ECL allowance on off balance sheet commitments	Total
At 1 January 2020	32	21	119	173	26	19	120	165
Provision charge/(release)	1	43	(2)	42	1	43	(2)	42
Provision utilized	(3)	(9)	-	(12)	(3)	(9)	-	(12)
Contribution to the new credit institution	-	-	-	-	(23)	(53)	(117)	(194)
At 31 December 2020	**30**	**55**	**117**	**202**	**-**	**-**	**1**	**1**
Provision charge/(release)	3	23	(14)	12	-	-	(1)	(1)
Provision utilized	(2)	(74)		(76)	-	-		-
Other movements	(2)	-	-	(2)		-		-
At 31 December 2021	**29**	**4**	**103**	**136**	**-**	**-**	**-**	**-**

The Group establishes provisions for all litigations, for which it believes it is probable that a loss will incur in the future and the amount of the loss can be reasonably estimated. These provisions may change from time to time, as appropriate, in light of additional information. In cases where a provision has not been recognized, Management is not able to reasonably estimate possible losses, since the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainly of the likehood of the final result or the outcome of pending appeals. Management, following consultation with its legal advisors has concluded that the amount of recognized provisions for outstanding litigations is sufficient.

The ECL allowance on credit commitments is estimated based on the same methodology applied for loans and advances to customers at amortised cost. Please refer to Note 4.3.1.

Line item "Provision utilized" in the category "Other" of the Group includes an amount of € 72 million relating to the provision established for VES, utilized during 2021 (refer to Note 38).

36 Current tax assets

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Current tax assets	212	229	20	22
Accumulated impairment of current tax assets	(51)	(53)	-	-
Net amount of current tax assets	160	176	20	22

Net current tax assets for the Group as at 31 December 2021 amounted to € 160 million (31 December 2020: € 176 million), of which € 138 million and € 20 million are attributable to Piraeus Bank and the Company, respectively, and € 2 million to other subsidiaries of the Group.

Piraeus Bank S.A.

Net current income tax assets comprise the following:

a) Receivables from withholding taxes on interest of bonds and treasury bills of € 72 million relating to financial years 2009, 2011, 2012 and 2013 (tax years 2008, 2010, 2011 and 2012). Under the provisions of Greek Law 4605 (article 93, par.1 and 2), as published at Gazette A' 52 on 1 April 2019, an amendment was introduced into the Greek Corporate Income Tax legislation, clarifying the status of the aforementioned withholding tax receivables of Piraeus Bank S.A., as follows:

- Withholding taxes of € 26 million, in accordance with the provisions of para. 8 of article 12 of Greek Law 2238/1994, for the financial year 2013 (tax year 2012), are offset as a priority when income tax is incurred and to the extent that such income tax is sufficient for the purposes of the above set-off. In addition, an amount of € 7 million, withheld on the same basis, for the financial year 2010 (tax year 2009) is claimed from the Greek State; and

- Withholding taxes of € 39 million, which are subject to the provisions of para. 6 of article 3 of Greek Law 4046/2012 and not offset within five (5) years, are offset with any tax liabilities of Piraeus Bank S.A., in equal instalments within 10 years, starting from 1 January 2020.

b) Withholding taxes of € 38 million deriving from interest income earned on Greek Government treasury bills, which were withheld after 1 January 2013, such tax receivables are offset against income tax available in the next five (5) financial years from the financial year in which the income tax was withheld. Upon completion of the five-year period, any remaining withholding tax is being offset against current tax liabilities.

c) Withholding taxes of € 23 million derived from corporate bonds, which are refundable by the Greek State.

d) Various other tax claims of € 5 million.

Company

Net current income tax assets comprise the following:

a) Withholding taxes on corporate bonds of € 13 million, withheld in years 2020-2021 which are refundable by the Greek State.

b) Various other tax claims of € 7 million.

37 Deferred Taxes

Deferred taxes for the Group and Company are calculated on all temporary differences under the liability method. The nominal tax rates of Group subsidiaries are different compared to the nominal tax rate of the Company (Note 14).

Deferred tax assets and liabilities are attributable to the following items:

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Deferred tax liabilities				
Other provisions	-	(1)	-	-
Investment property fair value adjustment	9	29	-	-
Depreciation of property and equipment	-	3	-	-
Other temporary differences	1	1	1	1
Total	**10**	**31**	**1**	**1**

	Group		Company	
	31/12/2021	31/12/2020 As restated	31/12/2021	31/12/2020 As restated
Deferred tax assets				
Pensions and other post retirement benefits	20	23	-	-
Loans and advances to customers	5,192	5,316	-	-
Securities valuation adjustment	(52)	(111)	-	-
Derivative financial instruments valuation adjustment	(58)	(12)	-	-
Investment property fair value adjustment	7	21	-	-
Depreciation of property and equipment	(39)	(64)	-	-
Amortisation of Intangible assets	(30)	(61)	-	-
Recognition of tax losses carried forward	2	1	-	-
Impairment of Greek government bonds (PSI)	1,105	1,160	-	-
Investments in subsidiaries and associates	(120)	(51)	-	-
Other temporary differences	43	100	-	-
Total	**6,070**	**6,322**	**-**	**-**
Net deferred tax asset	**6,060**	**6,290**	**(1)**	**(1)**

Management of the Group has estimated that the tax losses carried forward of € 12 million for the Group as at 31 December 2021 can be offset by future taxable profits and thus the Group has recognised a DTA amounting to € 2 million (31 December 2020: € 1 million). For these tax losses of € 12 million there is no predefined time horizon in order for them to be utilized against taxable income.

DTA on tax losses carried forward are recognised only when it is probable that taxable profits will be available, against which these carried forward tax losses can be utilised. On this base the Group and the Company have unused tax losses as at 31 December 2021 of € 2,107 million and € 1,615 million, respectively (31 December 2020: € 591 million and € 85 million for the Group and the Company, respectively), for which no DTA was recognized in the Statement of Financial Position. In this context and following the strategic decision to accelerate the reduction of NPEs in the framework of Sunrise Plan, the Management after considering both the existing tax legislation and the sufficiency of future taxable profits to absorb tax losses, has evaluated that a deferred tax asset of € 0.3 billion, corresponding to loans' ECL allowance of € 1.1 billion, is not recoverable as of 31 December 2021. Consequently, the amount of DTA assessed as not recoverable was written down and an equal amount of € 0.3 billion was recognized as a deferred tax expense in the income statement, included also in the line item "Loans and advances to customers" of the below table summarizing the temporary differences between the tax and accounting base.

The Group and the Company have offset the deferred tax assets and deferred tax liabilities on an entity per entity basis based on the legally enforceable right to set off the recognised amounts i.e. offset current tax assets against current tax liabilities as well as the deferred tax assets and deferred tax liabilities when such taxes relate to the same fiscal authority.

	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated
Net deferred tax asset at 1/1	6,290	6,446	(1)	6,439
Restatement effect following the adoption of IFRIC decision of IAS 19	-	(16)	-	(15)
Net deferred tax asset at 1/1	6,290	6,430	-	-
Deferred tax benefit	(310)	(118)	-	(170)
Financial assets at FVTOCI (Note 16)	59	(22)	-	(22)
Deferred tax on actuarial gains/ (losses) (Note 16)		1	-	2
Net deferred tax liability due to changes from disposed subsidiaries	-	-	-	-
Currency translation effect and other movements	-	-	-	-
Contribution to the new credit institution	-	-	-	(6,235)
Derecognition of subsidiaries	21	-	-	-
Net deferred tax asset at 31/12	6,060	6,290	(1)	(1)

During 2021, deferred taxation directly recognized in equity for the Group amounts to € 59 million, relating to the valuation of financial assets at FVTOCI (Note 16).

The deferred tax recognized in the Income Statement is attributed to temporary differences between the tax and accounting base, the effect of which is analysed in the table below:

Deferred tax (Income Statement)	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated
Pensions and other post retirement benefits	(4)	1	-	2
Loans and advances to customers	(124)	(5)	-	(5)
Securities valuation adjustment	-	5	-	6
Derivative financial instruments valuation adjustment	(46)	(15)	-	(15)
Investment property fair value adjustment	(12)	1	-	(2)
Depreciation of property and equipment	25	1	-	2
Amortisation of Intangible assets	31	(44)	-	(44)
Recognition of tax losses carried forward	1	-	-	-
Impairment of Greek government bonds (PSI)	(55)	(55)	-	(55)
Investments in subsidiaries and associates	(69)	(53)	-	(52)
Other temporary differences	(56)	45	-	(7)
Total	**(310)**	**(118)**	**-**	**(170)**

Net deferred tax asset analysis	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	1/1 - 31/12/2021	1/1 - 31/12/2020
Current	83	188	-	-
Non-current	5,987	6,134	-	-
Total	**6,070**	**6,322**	**-**	**-**

Net deferred tax liability analysis	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Current	-	1	-	1
Non-current	10	30	1	-
Total	**10**	**31**	**1**	**1**

38 Retirement and termination benefit obligations

Retirement indemnities

Most of the subsidiaries of the Group are required by local law to offer a lump sum on retirement, which is defined by Greek Law 2112/1920 as modified by Greek Law 4093/2012. Such lump sum payments usually are based on the final salary and years of service, the calculation of which depends on the jurisdiction in which the company operates and the employee's profession (e.g. Greek law provides for different indemnities for salaried employees, wages earners and lawyers). In some cases, Group's companies' regulations provide for additional benefits to employees above the statutory minimum.

Below is a summary of the defined benefit plans of the Group:

1. Lump sum retirement benefit according to Greek Law 2112/1920 and Greek Law 4093/2012

Lump sum retirement benefit is provided to the majority of employees of Piraeus Financial Holdings S.A., Piraeus Bank S.A. and Greek subsidiaries as per the terms set out below:

In accordance with Greek Law 4046/2012 and Board of Ministers' Decision (6/28/2/2012), from 14 February 2012 onwards, the employment contracts that lapse on attainment of the normal retirement age or based on the particular retirement conditions, are considered as indefinite duration employment contracts and therefore, the provisions for employee's statutory retirement indemnity of Greek Law 2112/1920, are applicable.

On 12 November 2012, the Greek Law 4093/2012 (GG A' 222) decreased the statutory indemnity scale set by Greek Law 2112/1920 in case of employee dismissal or normal retirement. Employees having more than 16 full years of service to the same employer as at 12 November 2012, are entitled to a statutory indemnity for all the years employeed until that date. Employees having less than 17 full years of service to the same employer as at 12 November 2012, the maximum statutory indemnity is 12 actual salaries. In both conditions and in case of normal retirement, employees receive 40% of the statutory indemnity scale set by Greek Law 2112/1920 and Greek Law 4093/2012. In case of disability before the normal retirement age or in case of early retirement no indemnity is provided.

For lawyers based on Law 4194/2013 the benefit paid in case of retirement is 100%. In case of voluntary departure the benefit paid is: 100%, after 28 years of service, 66.67%, after 20 years of service and 50%, after 15 years of service.

As it is further explained in Note 2.3 the Group and the Company have adopted IFRIC's decision on IAS 19 "Employee benefits", based on which for those employees that are entitled to a lump sum benefit depends on the length of employee service prior to the retirement (capped to sixteen years of consecutive years of service), the retirement benefit is attributed to each of the last sixteen years of service prior to the retirement age.

2. Lump Sum Benefit according to Piraeus Bank Collective Agreement

A lump sum benefit is granted to certain employees of Piraeus Bank S.A. and Piraeus Financial Holdings S.A.. The lump sum benefit is payable when the member is eligible for full pension by the social security fund. The lump sum benefit based on pre-defined number of salaries at 100% of the average salary of the last 3 months of active service prior to retirement. No lump sum benefit is paid in case of death, disability or termination before the normal retirement age.

3. Lump Sum Benefit according to employee contracts of Former Nat West Bank Employees

A lump sum benefit is granted to certain employees of former Nat West Bank who work in Piraeus Bank, hired prior to 31 December 1991. The lump sum benefit is payable when the employee is eligible for full pension by the social security fund or in case of death. The lump sum benefit is equal to 100% of the retirement benefit according to Greek Law 2112/1920 and Greek Law 4093/2012.

4. Lump Sum Benefit according to the Agreement of Former Macedonia Thrace Bank Employees

A lump sum benefit is granted to former employees of Macedonia Thrace Bank who work in Piraeus Bank based on a collective agreement. The lump sum benefit is payable when the member is eligible for full pension from the social security fund.

The lump sum benefit is equal to 100% of the retirement benefit according to the Macedonia Thrace Bank's collective agreemen

5. Lump Sum Benefit to former Macedonia Thrace Children's Account

The lump sum benefit is paid to the children of former Macedonia Thrace Bank employees according to a preset calculation of the liability when the child reaches the age of 25 or earlier under specific prerequisites. In case of death of the child the amount is paid to the parent, in case of departure of the parent from the Bank the amount contributed by the employee and not by the Bank is refunded without interest. If the departure is due to retirement, the plan can be continued and funded by the ex-employee's pension salary, in which case the Bank also continues to pay contributions.

6. Lump Sum Benefit According to the Insurance Policy of some Key Management Members

Piraeus Bank has entered into an insurance contract regarding the lump sum benefit to be paid to certain Executive BoD members, Executive General Managers, General Managers and Deputy General Managers based on a preset calculation of the liability when the employment is terminated in all cases except for fraud.

Piraeus Financial Holdings S.A. and Piraeus Financial Holdings Group

The present value of the defined benefit obligation is determined by an independent actuary by applying the "projected unit credit method", according to which, the charge for pension plans to the income statement is allocated over the service lives of the related employees. The defined benefit obligation is determined by the present value of cash outflows using interest rates of high quality corporate bonds, which have terms to maturity approximating the terms of the related liability.

The employees of the Group are entitled to compensation upon termination of service, based on their service, their salary and their classification group.

The benefits paid for the years 2021 and 2020, according to the voluntary redundancy schemes are included in the disclosures for the non-funded plans.

The tables below present the amounts recognized in the Statement of Financial Position and the Income Statement for the Group and the Company, broken down by funded and non-funded pension schemes.

Following the IFRIC agenda decision on attributing benefits to periods of service on a specific fact pattern of a defined benefit plan (refer to Note 2.3), the Group and the Company have adopted this decision retrospectively, hence the comparatives have been restated. Refer also to Note 48 for further information.

Amounts recognised in the Statement of Financial Position	Group		Company	
	31/12/2021	31/12/2020 As restated	31/12/2021	31/12/2020 As restated
Pension schemes - funded	5	6	-	-
Other post retirement benefits - non-funded	70	82	-	-
Total	**75**	**88**	**-**	**-**

Amounts recognised in Equity	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated
Funded	-	-	-	-
Non-funded				
Liability gain /(loss) due to changes in assumptions	(1)	(3)	-	(3)
Total non-funded	**(1)**	**(3)**	**-**	**(3)**
Total	**(1)**	**(3)**	**-**	**(3)**

The difference between the amount of € 77 million relating to Settlement/ Curtailment/ Termination loss/ (gain) and the amount of € 25 million reported as VES cost in Staff Cost (Note 11) is due to provision utilization by € 72 and an additional charge of € 20 million.

Amounts recognised in the Income Statement	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated
Total pension schemes - funded	-	-	-	-
Other post retirement and termination benefits of non-funded				
Current service cost	4	4	-	4
Interest cost	-	1	-	1
Past servise cost recognised	-	(1)	-	(1)
Settlement/ Curtailment/ Termination loss/ (gain)	77	118	1	116
Total other post retirement and termination benefits of non-funded	**81**	**122**	**1**	**119**
Total	**81**	**122**	**1**	**119**

A) Pension schemes - funded

The net liability in the Statement of Financial Position is determined as follows:

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Present value of funded obligations	7	8	-	-
Fair value of plan assets	(2)	(2)	-	-
Total	**5**	**6**	**-**	**-**

In funded plans, the Company follows the recommendations of the insurance company concerning the amount of contributions. The expected contributions to funded post-employment defined benefit plans for the year 2022, amount to € 0.2 million. There are no commitments arising from the law concerning the level of funding for post-employment defined benefit plans provided by the Company.

The movement of the gross defined benefit obligation is analysed as follows:

	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Opening balance	8	8	-	8
Benefits paid from the fund	(1)	-	-	-
Other	-	-	-	(8)
Closing balance	**7**	**8**	**-**	**-**

The movement in the fair value of plan assets for the Group and the Company is analysed as follows:

	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Opening balance	2	2	-	2
Employer contributions	1	-	-	-
Benefits paid from the fund	(1)	-	-	-
Other	-	-	-	(2)
Closing balance	**2**	**2**	**-**	**-**
Return on plan assets	-	-	-	-

The plan assets, which are not quoted, are invested as follows:

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Mutual funds	88.2%	83.1%	-	83.1%
Bonds	4.6%	6.1%	-	6.1%
Deposits	7.2%	10.8%	-	10.8%

Below is presented the movement of the net liability of funded pension schemes for the Group and the Company, broken down into expenses, contributions, benefits and amounts recognized in equity:

	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Opening balance	6	5	-	5
Employer contributions	(1)	-	-	-
Contribution to the new credit institution	-	-	-	(6)
Closing balance	**5**	**6**	**-**	**-**

B) Other non-funded post retirement and termination benefits

The amounts recognised in the Statement of Financial Position are analysed as follows:

	Group		Company	
	31/12/2021	31/12/2020 As restated	31/12/2021	31/12/2020 As restated
Present value of unfunded obligations	70	82	-	-
Liability in the balance sheet	**70**	**82**	**-**	**-**

An amount of € 5.6 million included in the balance of the liability as of 31 December 2021, refers to terminations benefits.

The movement in the defined benefit obligation is analysed as follows:

	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated
Opening balance	82	70	-	68
Current service cost	4	4	-	4
Interest cost	-	1	-	1
Settlement/Curtailment/Termination loss/ (gain)	77	118	1	116
Past service cost	-	(1)	-	(1)
Benefits paid directly by the employer	(93)	(113)	(1)	(111)
Actuarial gains / (losses)	1	3	-	3
Contribution to the new credit institution	-	-	-	(79)
Closing balance	**70**	**82**	**-**	**-**

The movement in the liability recognised in the Statement Financial Position for the Group and the Company, broken down into expenses, contributions, benefits and amounts recognized in equity is analysed as follows:

	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated	1/1 - 31/12/2021	1/1 - 31/12/2020 As restated
Opening balance	82	125	-	120
Adjustment due to change on accounting policy at 1/1/2020	-	(54)	-	(52)
Total expense recognised in the income statement	81	122	1	119
Benefits paid by the employer	(93)	(113)	(1)	(111)
Amount recognised in equity	1	3	-	3
Contribution to the new credit institution	-	-	-	(79)
Closing balance	**70**	**82**	**-**	**-**

The expected weighted average duration of the defined benefit obligation is 5.7 years for the Group and the Company.

The actuarial assumptions used are as follows:

	Group		Company	
	31/12/2021	31/12/2020 As restated	31/12/2021	31/12/2020 As restated
Discount rate	0.7%	0.2%	0.9%	0.3%
Price inflation	2.1%	1.4%	2.1%	1.4%
Expected return on plan assets	0.4%	0.1%	-	0.3%
Future increase in salaries	2.1%	1.4%	2.1%	1.4%
Mortality table applied	EVK00, based on Swiss mortality table		EVK00, based on Swiss mortality table	

According to the revised IAS 19, the rate used to calculate the expected return on plan assets is the discount rate that is used to discount the post-employment benefit obligation.

Sensitivity analysis in defined benefit obligation

The sensitivity analysis for the significant assumptions in the post-employment defined benefit obligation is as follows:

Main assumptions	Effect in realised defined benefit obligation (Group)			Effect in realised defined benefit obligation (Company)		
	Change in the assumptions	Increase	Decrease	Change in the assumptions	Increase	Decrease
Discount rate	+/-0.50%	-2.7%	2.9%	+/-0.50%	-4.7%	5.1%
Future increase in salaries	+/-0.50%	2.5%	-2.4%	+/-0.50%	4.8%	-4.6%
Voluntary withdrawal rate	increase/ decrease by 50%	-0.6%	0.5%	increase/ decrease by 50%	-1.0%	1.0%

The aforementioned sensitivity analysis is based on changing each assumption, while keeping the other assumptions unchanged. However, in an economic environment assumptions do not change independently and are usually affected at the same time. The method adopted for the sensitivity analysis is the one used for the determination of the defined benefit obligation in the Statement of Financial Position. The final cost of defined benefit plans depends on the actual future experience relating to the actual pay increases as well as other factors that affect the cost, like the mobility of the employees and the recruitment.

Defined Contribution Plans

Total contributions to social security funds, state run plans and defined contribution plans for 2021 for the Group and the Company amounted to € 57 million and nil, respectively (2020: € 79 million for the Group and € 75 million for the Company).

Below is a summary of the defined contribution plans of the Group:

1) Piraeus Financial Holdings S.A. and Domestic Subsidiaries State Pension and State Health Plan

Piraeus Financial Holding’s main post retirement and health plan is a defined contribution plan that is run by the State sponsored social security fund EFKA. Contribution by the employer and employee to the State is defined by law and amounts to 22.54% and 14.12% respectively, of the employees’ salaries with a cap. The State Health Plan offers health benefits to employees before and after their retirement, and to insured family members.

2) Piraeus Bank State Pension Plan

The Bank's main post retirement pension plan is a defined contribution plan that is run by the State sponsored social security fund EFKA. Contribution by the employer and employee to the State post retirement pension plan is defined in the law and amounts to 17.99% and 11.57% respectively, of the employees' salaries with a cap.

3) Piraeus Bank State Health Plan

Defined contribution to the State Health Plan amounts to 4.55% of the employees' salary for the employer. Employees' contribution amount to 2.55% of their salary. Additional contributions are paid for insured members of the employees' families (such as spouse that does not work and children), and are increased further in the event that the insured spouse is employed or that members of the paternal family are also insured. Contribution of retired employees' amount to a percentage of their pension, while additional contributions are paid for other insured members of their families. The State Health Plan offers health benefits to employees before and after their retirement, and to insured family members.

4) Piraeus Bank S.A. and Piraeus Financial Holdings S.A. Private Pension Plan

In November 2020 the Company established the Institution for Occupational Retirement, Life and Medical Provision (IORP), a Non-Profit Legal Entity of Private law jurisdiction, which aims to provide additional insurance protection to its members, in addition to the main ones provided by social security funds.

With the IORP's establishment, a single fund was created from which all employees will receive a supplementary lump sum, improving their retirement conditions. Employees' participation in the IORP is voluntary and their contribution is optional and it can range from zero up to 20% of the gross monthly salary. Piraeus Bank and Piraeus Financial Holdings as employers contribute to the individual account of the employee an additional 2% of the monthly gross salary for 14 months on an annual basis, valid from the date of registration in the Fund and without obligation to contribute by the employee.

5) Group Child Savings Private Defined Contribution Plans

Piraeus Bank S.A. and Piraeus Financial Holdings S.A. offer three defined-contribution plans to their employees in respect of their children, according to the Bank of origin. The three plans have the same terms and requirements.

The total amount raised during period of insurance (i.e. employee's and employer's contributions, as well as interest) is paid in the form of a lump sum either to the child in case certain prerequisites are fulfilled, such as child's marriage, employment, 25th year of age and death of employee-parent or to the employee-parent in cases such as departure from Piraeus Bank S.A. or Piraeus Financial Holdings S.A. due to retirement, participation in voluntary exit scheme, permanent or total disability and death of the insured child. In case of employee's resignation, the employee receives his/her contributions including interest.

6) Piraeus Bank S.A. and Piraeus Financial Holdings S.A. Private Insurance Health Plan

In addition, Piraeus Bank S.A. and Piraeus Financial Holdings S.A. offer to their employees and their families (spouse and children with specific age limits respectively) a Life and Health Care Insurance Plan. It includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care, surgery / hospitalisation allowance, maternity allowance and check-up. Piraeus Bank S.A. and Piraeus Financial Holdings S.A. pay monthly premiums to the insurance company which are fixed for the benefit of health of employee and relatives and a percentage of salary for the benefits of life and disability insurance. In case of insurance in the plan of a spouse or child that is not insured for social health insurance under the employee, the insurance covers the benefits of hospital and outpatient care and the employee pays a monthly fixed amount per insured person which is deducted from the monthly salary.

7) Defined Contribution Pension Plans of Greek Subsidiaries

Piraeus Asset Management Single Member S.A. participated in Piraeus Financial Holdings Group's IORP, which was established in November 2020 and offered its employees the opportunity to participate. In addition, in 2021, the following companies participated in the IORP and offer their employees the opportunity to participate: Piraeus Leasing Single Member S.A., Piraeus Financial Leases Single Member S.A., Piraeus Financial Leasing Single Member S.A. (former CPB Leasing S.A.), ETVA Industrial Parks S.A., Piraeus Direct Solutions Single Member S.A., Piraeus Factoring Single Member S.A., Piraeus Securities S.A. and Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.). Employee participation in the IORP is voluntary and their contribution is optional: it can range from zero up to 20% of the gross monthly salary, Employer's contribution is 2% of the monthly gross salary for 14 months on an annual basis.

8) Defined Contribution Pension Plans of Foreign Branches and Subsidiaries

For two (2) Cypriot subsidiaries, Philoktimatiki Public Ltd and Philoktimatiki Ergoliptiki Ltd, the employer and employees pay contributions to the State Social Insurance Fund calculated on the basis of the employees' salaries. Additionally, these subsidiaries operate a defined contribution plan, the assets of which are held in a separate fund managed by a Committee. The plan is funded by payments made by the employer and the employees.

9) Child Savings Private Defined Contribution Plans of Greek Subsidiaries

Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.) offers defined-contribution plans to their employee's children, which have the same terms and requirements.

The total amount raised during period of insurance (i.e. employee's and Bank's contributions, as well as interest) is paid in the form of a lump sum either to the child in case certain prerequisites are fulfilled, such as child's marriage, employment, 25th year of age and death of employee-parent or to the employee-parent in cases such as departure from the Bank due to retirement, resignation, participation in voluntary exit scheme, permanent or total disability and death of the insured child.

10) Private Health Plans of Greek Subsidiaries

Piraeus Leasing Single Member S.A., Piraeus Financial Leases Single Member S.A., ETVA Industrial Parks S.A., Piraeus Real Estate Single Member S.A., Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.), Piraeus Direct Solutions Single Member S.A., Piraeus Factoring Single Member S.A., Piraeus Securities S.A., Piraeus Asset Management Single Member S.A., Piraeus Capital Management S.A., Piraeus Jeremy Technology Catalyst Management Single Member S.A. and Piraeus Bank Group Cultural Foundation, offer employees group health plans, which include employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care, surgery/hospitalisation allowance and maternity allowance. The Subsidiaries pay monthly or annual premiums to the insurance companies. For coverage for hospital and outpatient care of a spouse or child in the plan, in the cases of Piraeus Leasing Single Member S.A., Piraeus Financial Leases Single Member S.A, Piraeus Agency Solutions Single Member S.A. (former A.C.T. B.A.S. S.A.), Piraeus Factoring Single Member S.A., Piraeus Securities S.A., Piraeus Asset

Management Single Member S.A. and Piraeus Bank Group Cultural Foundation the premiums are also paid by the Subsidiaries. In the case of ETVA Industrial Parks S.A. and Piraeus Real Estate Single Member S.A. the employee pays monthly premiums per insured person which are deducted from the monthly salary. For, Piraeus Direct Solutions Single Member S.A., Piraeus Capital Management S.A. and Piraeus Jeremy Technology Catalyst Management Single Member S.A in case of insurance in the plan of a spouse or child that is not insured for social health insurance under the employee, the employee pays a monthly fixed amount per insured person which is deducted from the monthly salary.

11) Private Health Plans of Foreign Branches and Subsidiaries

Varna Asset Management EOOD offer employees group health plan for hospital and outpatient care. Premiums are paid monthly. The employee pays the premium for insuring family (children, spouse and parents).

JSC Piraeus Bank ICB, Solum Enterprise LLC and Akinita Ukraine LLC in Ukraine offer employees group health plans for hospital and outpatient care. Premiums are paid per quarter.

Piraeus Leasing Romania S.A. offer a check-up (on an annual basis or more frequently under specific circumstances e.g. long-term leave of employee due to illness) only to employees, not provided on the basis of an insurance contract.

Philoktimatiki Public Ltd and Philoktimatiki Ergoliptiki Ltd in Cyprus offer employees group health plan, which includes employee's life insurance, reimbursement in case of employee's permanent and total disability due to accident or serious illness, employee's and/or dependent's hospital care and outpatient care. Premiums are paid monthly by both the employees and the Subsidiaries.

39 Leases

The table below presents the contractual undiscounted cash flows of the gross lease liabilities. The Group and the Company have elected to take a recognition exemption for short-term leases; hence, the analysis below does not include any leases with a residual term lower than 12 months.

	Group		Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Up to 1 year	25	29	-	-
From 1 to 5 years	77	84	-	-
More than 5 years	21	37	-	-
Total undiscounted gross liabilities	**123**	**150**	**-**	**-**

As at 31 December 2021, the present value of lease liabilities amounts to € 107 million for the Group (31 December 2020: € 128 million) and nill for the Company.

Lease liabilities are included in line item "Other liabilities".

a. Lease liabilities

Amounts recognized in profit or loss- RoU own assets	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Interest on lease liabilities	2	2	-	3
Depreciation charge for the year	23	24	-	26
Expenses relating to short-term leases	19	17	-	17

b. Lease receivables

Gross investments in finance leases	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Up to 1 year	203	510	-	-
From 1 to 5 years	407	312	-	-
More than 5 years	467	722	-	-
Total undiscounted lease payments receivable	**1,077**	**1,544**	**-**	**-**
Less: Unearned finance income	148	164	-	-
Net investment in the lease	**929**	**1,381**	**-**	**-**

Future income from operating leases	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Up to 1 year	34	36	-	-
From 1 to 5 years	129	134	-	-
More than 5 years	24	50	-	-
Total undiscounted lease payments receivable	188	221	-	-

40 Contingent liabilities, assets pledged, transfers of financial assets and commitments

40.1 Legal proceedings

The Group and the Company are defendants in certain claims and legal actions deriving from the ordinary course of business. For the cases for which a provision has not been recognised, Management is currently unable to estimate the possible losses as:

a) the proceedings are either in early stages or are long outstanding without any certainty of the likelihood and magnitude of the final outcome, or

b) there are significant pending legal issues to be resolved that might significantly change such an assessment.

However, based on Management's judgement and after consultation with the Group's and the Company's legal counsels, the ultimate disposition of these matters is not expected to have a material adverse effect on the Annual Financial Statements. As at 31 December 2021, the Group and the Company provided for cases under litigation an amount of € 29 million and nil, respectively (31 December 2020: € 30 million and nil for the Group and the Company, respectively) which represents Management's best estimate on the probable loss to be incurred upon finalization of these pending legal cases.

40.2 Pending tax audits

The Company has been audited by the tax authorities up to and including the year 2010.

For the years 2011 - 2016, tax audits were required for the Company and all Greek Societe Anonyme Companies. Such tax audits were conducted by the statutory auditors under Greek Law 2190/1920 according to article 82 of Greek Law 2238/1994 and article 65A of Greek Law 4174/2013 as were in force.

From 2016 onwards, the requirement to obtain a tax audit became optional, however Management has opted for the Company and the Group's Greek subsidiaries to continue being tax audited by the statutory auditors. The Tax Administration retains its right to proceed with a tax audit, within the applicable statute of limitations in accordance with article 36 of Greek Law 4174/2013, as currently in force.

The fiscal years 2011 and 2012 have been tax audited by PricewaterhouseCoopers S.A., in accordance with article 82 par.5 of Greek Law 2238/1994 and the tax audit certificates issued were unqualified.

The tax audit of the fiscal year 2013 has been completed by PricewaterhouseCoopers S.A. and a relevant tax audit certificate with an emphasis of matter on the applicable provisions of Greek Tax Law regarding the acquisition of assets and liabilities of Greek branches of credit institutions domiciled in other countries members of the European Union according to which the above-mentioned transactions are not subject to tax, has been issued and submitted to the Ministry of Finance.

The fiscal years 2014, 2015 and 2016 have been tax audited by PricewaterhouseCoopers S.A and the tax audit certificates issued were unqualified. The fiscal years 2017, 2018, 2019 and 2020 were tax audited by Deloitte Certified Public Accountants S.A. and the tax audit certificates issued were unqualified.

In regards with the Group's Greek subsidiaries, for which Management elected to conduct a tax audit in accordance with article 65a of Greek Law 4174/2013, the respective tax audits for the fiscal year 2020 have been completed and the relevant tax audit certificates have been issued. The fiscal year 2021 of the Company and its Greek subsidiaries is currently being tax audited by Deloitte Certified Public Accountants S.A. and the final outcome of the tax audits is not expected to have a material effect on the Annual Financial Statements.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 24 and therefore their tax liabilities for these years have not been finalized. The tax authorities have not yet audited the Group's subsidiaries for all fiscal years and consequently their tax positions for those years may not be considered as final.

Additional taxes and penalties may be imposed, for the unaudited years, however the Annual Financial Statements are not expected to be materially affected in this respect.

40.3 Credit commitments

In the normal course of business, the Group and the Company enter into contractual credit commitments towards their customers to facilitate their financing needs or obligations. Due to their nature, credit commitments are treated as off-balance sheet items. These credit commitments consist of letters of guarantees, letters of credit and irrevocable undrawn committed credit facilities. Typically, letters of guarantee and letters of credit ensure payment to a third party for a customer's trade transactions or guarantee the performance of a customer to a third party. Irrevocable undrawn committed credit facilities are agreements to lend to a customer as long as there is no violation of the conditions established in the contract. Credit risk on the aforementioned commitments is measured by applying the same Credit Policy, approval process and monitoring procedures to those applied on Loans and advances to customers at amortised cost.

As at 31 December 2021 and 2020 the Group and the Company had undertaken the following credit commitments:

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Financial guarantees	3,764	3,314	-	-
Letters of credit	42	40	-	-
Irrevocable undrawn credit commitments	1,050	728	-	7
Total commitments	**4,856**	**4,082**	**-**	**7**

The irrevocable undrawn committed credit facilities are included in the Risk Weighted Assets calculation for capital adequacy purposes under regulatory rules currently in force. An ECL allowance is measured for letters of guarantee, letters of credit and irrevocable undrawn credit commitments.

Group	Financial guarantees - Internal rating grade						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	3,253	-	-	-	3,253	10	3,243
Recommended	191	-	-	-	191	1	189
Substandard	-	96	-	-	96	1	95
Default	-	-	224	-	224	77	147
Total	**3,444**	**96**	**224**	**-**	**3,764**	**90**	**3,674**

Group	Financial guarantees - Internal rating grade						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	2,626	-	-	-	2,626	5	2,621
Recommended	220	-	-	-	220	3	217
Substandard	-	147	-	-	147	1	146
Default	-	-	321	-	321	98	223
Total	**2,846**	**147**	**321**	**-**	**3,314**	**108**	**3,207**

Group 31/12/2021	Financial guarantees - Movement in nominal amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**2,846**	**147**	**321**	**-**	**3,314**
New off balance sheet items originated or purchased	1,792	4	52	-	**1,848**
Off balance sheet items repaid / matured	(1,173)	(89)	(130)	-	**(1,393)**
Off balance sheet items derecognized (excluding write offs)	(5)	(1)	-	-	**(5)**
Transferred from Stage 1 to Stage 2	(130)	130	-	-	**-**
Transferred from Stage 1 to Stage 3	(13)	-	13	-	**-**
Transferred from Stage 2 to Stage 1	126	(126)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(5)	5	-	**-**
Transferred from Stage 3 to Stage 2	-	37	(37)	-	**-**
Gross carrying amount as at 31/12/2021	**3,444**	**96**	**224**	**-**	**3,764**

Group 31/12/2020	Financial guarantees - Movement in nominal amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**2,642**	**76**	**305**	**-**	**3,022**
New off balance sheet items originated or purchased	1,392	17	53	-	**1,463**
Off balance sheet items repaid / matured	(1,060)	(41)	(64)	-	**(1,166)**
Off balance sheet items derecognized (excluding write offs)	(4)	(1)	-	-	**(5)**
Transferred from Stage 1 to Stage 2	(193)	193	-	-	**-**
Transferred from Stage 1 to Stage 3	(34)	-	34	-	**-**
Transferred from Stage 2 to Stage 1	105	(105)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(1)	1	-	**-**
Transferred from Stage 3 to Stage 2	-	8	(8)	-	**-**
Gross carrying amount as at 31/12/2020	**2,846**	**147**	**321**	**-**	**3,314**

Group 31/12/2021	Financial guarantees - Movement in ECL allowance				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**8**	**1**	**98**	**-**	**108**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**-**
Transferred from Stage 2 to Stage 1	3	(3)		-	**-**
Transferred from Stage 3 to Stage 2	-	9	(9)	-	**-**
ECL Impairment charge/ (release) for the year (P&L)	2	(8)	(12)	-	**(18)**
ECL allowance as at 31/12/2021	**12**	**1**	**77**	**-**	**90**

Group 31/12/2020	Financial guarantees - Movement in ECL allowance Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**10**	**3**	**101**	**-**	**114**
Transferred from Stage 1 to Stage 2	(2)	2	-	-	**-**
Transferred from Stage 2 to Stage 1	2	(2)		-	**-**
Transferred from Stage 3 to Stage 2	-	2	(2)	-	**-**
ECL Impairment charge/ (release) for the year (P&L)	(2)	(3)	(1)	-	**(6)**
ECL allowance as at 31/12/2020	**8**	**1**	**98**	**-**	**108**

Company 31/12/2020	Financial guarantees - Movement in nominal amount Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**2,854**	**76**	**305**	**-**	**3,235**
New off balance sheet items originated or purchased	1,402	17	53	-	**1,473**
Off balance sheet items repaid/ matured	(1,075)	(41)	(64)	-	**(1,180)**
Transferred from Stage 1 to Stage 2	(274)	274	-	-	**-**
Transferred from Stage 1 to Stage 3	(34)	-	34	-	**-**
Transferred from Stage 2 to Stage 1	105	(105)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(1)	1	-	**-**
Transferred from Stage 3 to Stage 2	-	8	(8)	-	**-**
FX differences	(2,977)	(229)	(321)	-	**(3,527)**
Gross carrying amount as at 31/12/2020	**-**	**-**	**-**	**-**	**-**

Company 31/12/2020	Financial Guarantees - Movement in ECL allowances Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**10**	**3**	**101**	**-**	**114**
Transferred from Stage 2 to Stage 1	2	(2)	-	-	**-**
Transferred from Stage 3 to Stage 2	-	2	(2)	-	**-**
ECL Impairment charge/ (release) for the year (P&L)	(2)	(3)	(1)	-	**(6)**
Contribution to the new credit institution	(8)	(1)	(98)	-	**(108)**
ECL allowance as at 31/12/2020	**-**	**-**	**-**	**-**	**-**

Group 31/12/2021	Letter of credit - Internal rating grade Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	37	-	-	-	37	-	37
Recommended	4	-	-	-	4	-	3
Substandard	-	1	-	-	1	-	1
Default	-	-	-	-	-	-	-
Total	**41**	**1**	**-**	**-**	**42**	**-**	**42**

Group							
	Letter of credit - Internal rating grade						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	35	-	-	-	35	-	35
Recommended	2	-	-	-	2	-	2
Substandard	-	1	-	-	1	-	1
Default	-	-	2	-	2	1	1
Total	**37**	**1**	**2**	**-**	**40**	**1**	**39**

Group					
	Letters of credit - Movement in nominal amount				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2021	**37**	**1**	**2**	**-**	**40**
New off balance sheet items originated or purchased	66	2	3	-	71
Off balance sheet items repaid/ matured	(62)	(3)	(4)	-	(69)
Transferred from Stage 1 to Stage 2	(1)	1			-
Gross carrying amount as at 31/12/2021	**41**	**1**	**-**	**-**	**42**

Group					
	Letters of credit - Movement in nominal amount				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**23**	**-**	**1**	**-**	**25**
New off balance sheet items originated or purchased	79	1	5	-	**85**
Off balance sheet items repaid/ matured	(62)	(1)	(4)	-	**(68)**
Off balance sheet items sold	(1)	-	-	-	**(1)**
Transferred from Stage 1 to Stage 2	(1)	1			**-**
Gross carrying amount as at 31/12/2020	**37**	**1**	**2**	**-**	**40**

Company					
	Letters of Credit - Movement in nominal amount				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1/1/2020	**22**	**-**	**1**	**-**	**23**
New off balance sheet items originated or purchased	79	1	5	-	**85**
Off balance sheet items sold	(62)	(1)	(4)	-	**(68)**
Transferred from Stage 1 to Stage 3	(1)	1			**-**
Other	(37)	(1)	(2)	-	**(40)**
Gross carrying amount as at 31/12/2020	**-**	**-**	**-**	**-**	**-**

Group	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	889	-	-	-	889	7	882
Recommended	47	-	-	-	47	1	46
Substandard	-	107	-	7	114	5	109
Default	-	-	-	-	-	-	-
Total	**936**	**107**	**-**	**7**	**1,050**	**12**	**1,038**

Group	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Strong	624	-	-	-	**624**	4	620
Recommended	32	-	-	-	**32**	1	32
Substandard	-	53	-	8	**61**	4	57
Default	-	-	7	4	**11**	-	11
Total	**657**	**53**	**7**	**11**	**728**	**8**	**720**

Group	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
31/12/2021	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**5**	**3**	**-**	**-**	**8**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	-
Transferred from Stage 2 to Stage 1	2	(2)	-	-	-
Transferred from Stage 2 to Stage 3		(1)	1		-
ECL Impairment charge/ (release) for the year (P&L)	2	3	(1)	-	4
ECL allowance as at 31/12/2021	**8**	**4**	**-**	**-**	**12**

Group	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	3	3	-	-	**6**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**-**
Transferred from Stage 2 to Stage 1	3	(3)	-	-	**-**
Transferred from Stage 2 to Stage 3		(1)	1		-
ECL Impairment charge/ (release) for the year (P&L)		3	(1)		**2**
ECL allowance as at 31/12/2020	**5**	**3**	**-**	**-**	**8**

Company	Irrevocable Undrawn Credit Commitments - Internal rating grade						
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total	ECL Allowance	Balance
Substandard	-	4	-	-	5	-	4
Default	-	-	1	1	2	-	2
Total	**-**	**4**	**1**	**1**	**7**	**-**	**6**

Company	Irrevocable Undrawn Credit Commitments - Movement in ECL allowances				
31/12/2020	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2020	**3**	**3**	**-**	**-**	**6**
Transferred from Stage 1 to Stage 2	(1)	1	-	-	**-**
Transferred from Stage 2 to Stage 1	3	(3)	-	-	**-**
Transferred from Stage 2 to Stage 3	-	(1)	1	-	**-**
ECL Impairment charge/ (release) for the year (P&L)	-	3	(1)	-	**2**
Contribution to new credit institution	(5)	(3)	-	-	**(8)**
ECL allowance as at 31/12/2020	**-**	**-**	**-**	**-**	**-**

40.4 Assets pledged

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Due from banks	1,044	874	-	-
Financial assets at fair value through profit or loss	854	291	-	-
Loans and advances to customers	5,318	4,930	-	-
Financial assets at FVTOCI	1,552	2,102	-	-
Debt securities at amortised cost	8,821	4,900	-	-
Other assets	29	29	-	-
	17,618	**13,126**	**-**	**-**

The aforementioned financial assets are mainly pledged either for drawing liquidity from the Eurosystem, under the general terms applying to such agreements, or for margins with regards to a) derivative transactions engaged under ISDA master netting agreements and CSA contracts and b) repo transactions covered by GMRA (Global Master Repurchase Agreement) contracts.

In the context of the interbank repurchase agreement (repo) transactions, securities of a total nominal value of € 227 million (31 December 2020: € 84 million) are used for liquidity purposes. The said amount includes GGBs of nominal value € 221 million (31 December 2020: € 84 million).

In addition to the aforementioned pledged assets, as at 31 December 2021 and 2020 the Bank has pledged an amount of € 168 million, with respect to written guarantee for the non-payment risk of the Greek State, included within balance sheet line item "Due from banks".

41 Share capital and other equity instruments

41.1 Share capital

	Number of shares		
	Company		Group
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1/1/2020	**436,659,164**	**(162,022)**	**436,497,142**
Purchases of treasury shares	-	(5,329,090)	(5,329,090)
Sales of treasury shares	-	4,935,791	4,935,791
Balance at 31/12/2020	**436,659,164**	**(555,321)**	**436,103,843**
Opening balance at 1/1/2021	**436,659,164**	**(555,321)**	**436,103,843**
Increase in the number of ordinary shares due to conversion of CoCos	394,400,000	-	394,400,000
Decrease in the number of ordinary shares due to reverse split (16.5:1)	(780,691,941)	-	(780,691,941)
Increase in the number of ordinary shares due to issuance of new shares	1,200,000,000	-	1,200,000,000
Purchases of treasury shares	-	(8,000,128)	(8,000,128)
Sales of treasury shares	-	7,298,795	7,298,795
Balance at 31/12/2021	**1,250,367,223**	**(1,256,654)**	**1,249,110,569**

The Company's share capital as at 31 December 2020 amounted to € 2,620 million divided into 436,659,164 ordinary registered shares with a nominal value of € 6.00 each.

In November 2020, the Company's Board of Directors, following the final decision of the Governing Council of the ECB not to approve the Company's request to pay in cash to the HFSF the annual coupon of the CoCos for 2020, decided to exercise its discretion under the terms of the CoCos' Bond Issuance Programme dated 2 December 2015 (the "Bond Issuance Programme") and cancel the CoCos' interest payment on 2 December 2020. Since a similar event had occurred in 2018, the CoCos were automatically converted into ordinary registered shares of the Company, as per the Bond Issuance Programme terms and the current legal framework.

The Company notified the HFSF that 4 January 2021 would be set as the conversion date, in accordance with the Bond Issuance Programme and Cabinet Act 36/2015. At the date of conversion, the CoCos were automatically converted into ordinary shares of the Company, with the issuance of 394,400,000 new shares (hereinafter the "New Shares"). The number of New Shares was predetermined and resulted from dividing 116% of the CoCos' total nominal value of € 2,040 million by the Conversion Price, i.e. € 6.00.

The New Shares, after completion of their listing on the Athens Stock Exchange, were credited to the Investor and Securities Accounts of the HFSF in the Dematerialized Securities System (D.S.S.), increasing the HFSF's stake in the share capital of the Company from 26.4% as at 31 December 2020 to 61.3% as at 4 January 2021.

The financial position of the Group and the Company was not affected by the conversion of the CoCos to ordinary shares, which was reflected as a reclassification within equity, except for the associated share capital increase costs of € 27 million. The increase of € 2,366 million in share capital was combined with a decrease in retained earnings by € 326 million and derecognition of the CoCos reserve of € 2,040 million.

On 7 April 2021, the Extraordinary General Meeting of the Company's shareholders ("EGM") approved inter alia a) the increase of the nominal value of each common registered voting share of the Company from € 6.00 to € 99.00 by reducing the total number of common registered shares of the Company from 831,059,164 shares to 50,367,223 new common registered voting shares with a nominal value of € 99 each, by merging 16.5 shares into 1 new share of the Company (reverse split) and the consequent increase of the share capital of the Company by the amount of € 93.00 by capitalizing part of the existing "share premium" reserve, with the purpose of achieving an integer number of new shares; and b) the reduction of the Company's share capital by € 4,936 million through decrease in par value from € 99.00 per share to € 1.00 per share without altering the total number of common registered shares of the Company, and the formation of a special reserve under article 31 par. 2 of Law 4548/2018.

On 16 April 2021, the Company's Board of Directors approved, following authorization granted to it by virtue of the EGM resolution, the increase of the Company's share capital up to € 1,200 million with the issuance of up to 1,200 million new shares with an offering price within the defined price range, i.e. between a minimum of € 1.00 and a maximum of € 1.15, through payment in cash and the disapplication of the preemption rights of the existing shareholders of the Company and the listing of the new shares on the Main Market of the Athens Stock Exchange. Pursuant to the decision of the Board of Directors of the Company dated 23 April 2021, the offering price of the new shares was set at the highest level of the price range, i.e. at € 1.15 per new share. The share capital increase was completed on 29 April 2021. The net proceeds raised approximated € 1,301 million (i.e. gross proceeds of € 1,380 million less share capital expenses of approximately € 79 million). The trading of the new shares on the Main Market of the Athens Stock Exchange commenced on 7 May 2021. Following the above, HFSF's shareholding decreased from 61.3% to 27.0%.

On 22 June 2021, the Annual General Meeting approved a share capital decrease in kind of € 63 million by decreasing the nominal value of each ordinary registered share of the Company by € 0.05 and the payment of the amount of the decrease by distributing to its shareholders' shares issued by the cypriot subsidiary "Phoenix Vega Mezz Ltd" and owned by the Company, of an equivalent value to the value of the decrease. The number of the distributed shares is 1,250,367,223 and the nominal value of each share is € 0.05. The distribution in kind was completed in August 2021.

Following the above decrease, the share capital of the Company as at 31 December 2021 amounts to € 1,188 million and is divided into 1,250,367,223 common registered voting shares with a nominal value of € 0.95 each.

41.2 Other equity instruments

On 16 June 2021, the Company issued € 600 million fixed rate reset Additional Tier 1 perpetual contingent temporary write-down notes carrying a coupon of 8.75% payable semi-annually in arrears (the "AT 1 Capital Instrument"). The instrument is callable at par at the full discretion of the Company from 16 June 2026 to 16 December 2026 and on any subsequent coupon payment date. On 16 December 2026 and every five years thereafter, the coupon resets to 9.195% plus the then prevailing 5-year mid swap rate. The Company has the right to cancel all or part of any payment of interest in its sole discretion at any time and the nominal amount of the AT 1 Capital Instrument may be written down or cancelled if the Company or its Supervisory Authority determines that the CET1 ratio, as of any date, has fallen below 5.125%. The AT 1 Capital Instrument was classified within equity in its entirety.

42 Other reserves and retained earnings

	Group		Company	
	31/12/2021	31/12/2020 As restated	31/12/2021	31/12/2020 As restated
Legal reserve	84	85	69	69
Reserve from financial assets measured at FVTOCI	144	281	-	-
Currency translation reserve	(54)	(59)	-	-
Other reserves	34	30	27	27
Total other reserves	**208**	**337**	**96**	**96**
Retained earnings	**(14,318)**	**(10,980)**	**(14,557)**	**(11,123)**
Other reserves and retained earnings	**(14,110)**	**(10,643)**	**(14,460)**	**(11,026)**

Legal reserve: According to the article 158 of Law 4548/2018, as in force, in conjunction with article 23 of the Company's Articles of Association, as in force, at least 5% is deducted from the net profit for the period for the formation of the legal reserve.

The table below illustrates the movement of the reserve from financial assets measured at FVTOCI. The movement of other reserves and retained earnings is provided in the Statement of Changes in Equity.

	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening balance	**281**	**236**	-	**236**
Gains/(losses) from the valuation of debt securities	(74)	95	-	**95**
Gains/(losses) from the valuation of equity securities	17	(16)	-	**(16)**
ECL impairment losses on debt securities	11	6	-	**6**
Recycling of valuation adjustments and accumulated impairments upon disposal	(87)	(2)	-	**(2)**
Transfer to retained earnings	(62)	(16)	-	**(16)**
Deferred income taxes	59	(22)	-	**(22)**
Contribution to the new credit institution	-	-	-	**(281)**
Closing balance	**144**	**281**	-	-

Line item "Recycling of valuation adjustments and accumulated impairments upon disposal" relates to GGBs disposals during the year and has been reflected in the Consolidated Income Statement under line "net gains/ (losses) from financial instruments measured at FVTOCI".

43 Dividend per share

The distribution of dividend for the year 2021 is not permitted as the provisions of the article 159 of the Law 4548/2018 (Reform of the Law of Sociétés Anonymes) are not met and the restrictions of the same article of the Law exist.

According to article 10, par. 3 and article 2, par.2 (k) of Greek Law 3864/2010 for the "Establishment of the Hellenic Financial Stability Fund", Banks participating in the capital support programs of L. 3864/2010 as well as demerged entities, such as the

Company, which emerged pursuant to a corporate transformation of law 4601/2019 of a credit institution to which the HFSF has provided capital support and to which the HFSF participates as a result of the corporate transformation, are not allowed to distribute dividends higher than the percentage 35% of the profits as provided in article 161 par. 2 of Law 4548/2018. Moreover, the representative of the HFSF who participates in the Board of Directors has the right to veto on any decision related to the distribution of dividends.

Furthermore, pursuant to the 2021 SREP Decision, the Company is required to obtain ECB's approval before making any distribution to its shareholders and to members or holders of capital instruments, other than shares, insofar as these qualify as CET 1, where non-payment does not constitute an event of default.

It is noted that, with the ECB recommendation of 15 December 2020 (ECB/2020/62), ECB had extended until 30 September 2021 the recommendation to supervised entities to exercise extreme prudence when deciding on or paying dividends or performing share buy-backs aimed at remunerating shareholders.

In compliance with the above, the Board of Directors of the Company will propose the non – distribution of dividends for the fiscal year 2021 in the Annual General Meeting of Shareholders of 2022.

44 Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents from continuing activities comprise the following outstanding balances as at 31 December 2021 and 2020 with less than 90 days maturity from the date of their initial recognition.

	Group		Company	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Cash and balances with Central Banks	15,514	8,899	-	-
Due from banks	229	313	50	462
Financial assets at fair value through profit or loss	61	14	-	-
Financial assets at fair value through other comprehensive income	64	77	-	-
	15,868	**9,303**	**50**	**462**

Cash and cash equivalents from discontinued activities as at 31 December 2021 and 2020 are immaterial.

45 Related party transactions

Related parties are:

a) Members of the Board of Directors and the Executive Committee, Group's and Company's Chief Internal Auditors, Group's and Company's Chief Compliance Officers, and the CEOs of the significant subsidiaries, collectively "Key Management Personnel",

b) Close family members of Key Management Personnel,

c) Companies having transactions with Piraeus Financial Holdings S.A., if those are controlled or jointly controlled by Key

Management Personnel and other related parties referred to in points (a) and (b) above,

d) Company´s Subsidiaries,

e) Company´s Associates,

f) Company´s Joint ventures,

g) HFSF, which holds ordinary shares in the share capital of the Company and benefits from the special rights stated in article 10 of Greek Law 3864/2010, as amended and in force.

The Group enters into transactions with the aforementioned entities and individuals under usual market terms and within the normal course of business. Loans and advances granted to related parties and letters of guarantee issued in favor of related parties were made in accordance with the Group's approved credit policies and procedures in terms of interest rates, collateral and non-payment risk.

45.1 Key Management Personnel and other related parties

The table below presents the Group's and the Company´s related party transactions with Key Management Personnel and the related party referred to in points (b) and (c) above, as well as with HFSF. No significant transactions occurred with the HFSF during the year ended 31 December 2021, other than the CoCos conversion and the HFSF's subscription in the share capital increase that was completed on 29 April 2021. Refer to Note 41 for further information on both events and the impact on HFSF's shareholding before and after each transaction.

Group	31/12/2021		31/12/2020	
(amounts in thousand €)	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Loans and advances to customers at amortised cost (Gross carrying amount)	3,725	369	6,255	38
Due to customers	3,418	474	2,286	120

No transactions have occurred between the Company and Key Management Personnel and other related parties for any of the transaction types referred to in the table above.

Group	1/1 - 31/12/2021		1/1 - 31/12/2020	
(amounts in thousand €)	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Income	35	31	27	8
Expense	-	1	5	1

Company	1/1 - 31/12/2021		1/1 - 31/12/2020	
(amounts in thousand €)	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Income	-	-	17	7
Expense	-	-	4	1

Members of the Key Management Personnel benefits	Group		Company	
(amounts in thousand €)	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Short-term benefits	6,171	5,785	210	5,012
Termination benefits	-	1,040	-	1,040
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	97	105	3	103
Post-employment benefits	80	630	4	613

Short-term benefits of Key Management Personnel include wages, salaries, employees' share of social contributions and other charges, while the "Post-employment benefits" includes the cost of programmes for the post-employment benefits.

Line item "Post-employment benefits" has been restated for 2020 in order to be comparable with current year's presentation, following the adoption of the IFRIC decision of IAS 19 "employee benefits" as it further explained in Note 2.3.

The total provision for post-employment benefits to Key Management Personnel as at 31 December 2021 amounted to € 1 million for the Group and less than € 0.1 million for the Company (31 December 2020: € 1 million for the Group and less than € 0.1 million for the Company as restated) and is included in balance sheet line item "Retirement and termination benefit obligation".

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group to Key Management Personnel and other related party as at 31 December 2021 amounted to less than € 0.1 million (31 December 2020: € 4 million).

As of 31 December 2021 Key Management Personnel and other related party held 185 thousand ordinary shares of the Company, compared to 110 thousand as of 31 December 2020.

45.2 Subsidiaries

Company's related party transactions with subsidiaries are presented below:

(amounts in thousand €)	Company	
	31/12/2021	31/12/2020
Assets		
Due from banks	50,048	424,865
Debt securities at amortised cost (Gross carrying amount)	786,468	721,354
Other assets	782	91,745
Total	**837,298**	**1,237,963**
Liabilities		
Debt securities in issue	-	2,383,017
Other liabilities	46,831	-
Total	**46,831**	**2,383,017**

(amounts in thousand €)	Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020
Income		
Interest and similar income	91,192	54,564
Fee and commission income	-	12,445
Net gain from financial instruments measured at FVTPL	720	-
Net other income/ (expenses)	(986)	1,115
Total	**90,926**	**68,123**
Expenses		
Interest expense and similar charges	(7,727)	(1,522)
Fee and commission expense	(30,227)	(234)
Operating expenses	(982)	(20,655)
Total	**(38,936)**	**(22,412)**

45.3 Associates

Group's and Company's related party transactions with associates are presented below:

(amounts in thousand €)	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loans and advances to customers at amortised cost (Gross carrying amount)	910,320	1,107,136	-	-
Other assets	5,818	6,787	114	-
Due to customers	400,083	127,489	-	-
Other liabilities	29,885	65,540	-	6,835

(amounts in thousand €)	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Total expense and capital expenditure	(379,401)	(216,344)	(15,110)	(215,499)
Total income	48,841	55,654	34	50,951

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group and the Company to their associates as at 31 December 2021 amounted to € 124 million and nil respectively (31 December 2020: € 183 million for the Group and nil for the Company). The ECL measurement on loans and advances to customers at amortised cost for the year 2021 amounted to € 9 million for the Group and nil for the Company (31 December 2020: € 8 million for both the Group and the Company).

Letters of guarantee to associates as at 31 December 2021 amounted to € 17 million for the Group and nil for the Company (31 December 2020: € 11 million for the Group and nil for the Company).

45.4 Joint ventures

Group's and Company's related party transactions with joint ventures are presented below:

(amounts in thousand €)	Group		Company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loans and advances to customers at amortised cost (Gross carrying amount)	53,244	53,793	-	-
Due to customers	3,955	27	-	-

(amounts in thousand €)	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Total income	600	522	-	522

The ECL allowance for impairment on loans and advances to customers at amortised cost granted from the Group and the Company to joint ventures as at 31 December 2021 amounted to € 41 million and nil, respectively (31 December 2020: € 41 million for the Group and nil for the Company).

46 Changes in the portfolio of consolidated companies

a) New subsidiaries, associates and joint ventures recognised during the period:

On 12 April 2021, in the context of the Phoenix and Vega securitizations, the Company established in Cyprus the wholly owned entity Phoenix Vega Mezz Plc and contributed in kind the entirety of its holding in the securitization notes of the Phoenix and Vega SPVs, i.e. 65% of the mezzanine and 45% of the junior tranches amounting to € 63 million. The AGM approved on 22 June 2021 distributing in kind to the Company's shareholders 100% of the shares issued by Phoenix Vega Mezz Plc and held by the Company. Following completion of the aforementioned distribution in kind on 4 August 2021, Phoenix Vega Mezz Plc ceased to be a subsidiary company of the Group (refer also to section b).

Within Q4 2021, Piraeus Bank S.A. proceeded with a long-term partnership with members of the group Blantyre Capital Limited for the management of non - core equity participations owned by Piraeus Bank S.A. and for an initial period of 10 years. Within this context, the Bank as of 31 December 2021 owns the 100% of the company Strix Holdings Limited Partnership and the 25% of the company Strix Asset Management Limited. Both companies are accounted for as associates. Refer to Note 24b.

In 2021, the Group lost control over specific subsidiaries scoped under the Mayfair Transaction. Refer to Note 24 for further information.

On 17 November 2021, Piraeus Bank S.A. acquired through contribution in kind (debt to equity transaction) the 29.35% of the newly established company Euromedica Societe Anonyme for Provision of Medical Services - Private Clinics - Private Diagnostic Laboratories - Private Multiclinics. The aforementioned company was established in the context of the implementation of the rehabilitation agreement of the company Euromedica Societe Anonyme for Provision of Medical Services - Private Clinics - Private Diagnostic Laboratories - Private Multiclinics, renamed after the rehabilitation agreement into Oldco Hellenic Company of Participations in Health S.A.

Except for the above, during the period ended 31 December 2021, the Company did not make any new investment by acquiring, establishing or increasing its equity stake in any entity, in excess of € 10 million.

b) Significant changes in the Group's subsidiaries, associates and joint ventures during the period:

The changes incurred during the period ended 31 December 2021, in excess of € 10 million, were the following:

Piraeus Bank S.A. proceeded with two capital raising transactions: a) a share capital increase by € 265 thousand through payment in cash, with the issuance of 265 thousand new common registered voting shares of par value € 1.00 each, at an offering price of € 1,000 per share, which was completed on 29 March 2021 (total capital raised € 265 million); and b) a share capital increase by € 1,302 thousand through payment in cash, with the issuance of 1,302,000 new common registered voting shares of par value € 1.00 each, at an offering price of € 1,000 per share, which was completed on 2 June 2021 (total capital raised € 1,302 million). Both transactions were fully subscribed by the Company and the total amount of capital raised was € 1,567 million. The second transaction was funded from the net proceeds of € 1,301 million collected by the Company through its share capital increase, which was completed on 29 April 2021, as it is also highlighted in the report on use of funds raised which is available on the web site of Piraeus Financial Holdings S.A. (refer to Note 41.1 for further information).

On 16 June 2021, Piraeus Bank S.A. issued € 600 million fixed rate reset Additional Tier 1 perpetual contingent temporary write-down notes, which mirrors all material terms of the AT1 Capital Instrument (the "Internal AT1 Capital Instrument"). The instrument was fully subscribed by the Company for an amount equal to the net proceeds from the issue of the AT1 Capital Instrument, i.e. € 595 million. The Bank classified the Internal AT1 Capital Instrument within equity at its nominal value of € 600 million and the difference of € 5 million was recognised directly in retained earnings, as a deemed capital distribution. The reason for issuing the intragroup back-to-back instrument was solely to transfer the net proceeds raised from the AT1 Capital Instrument to the Bank. Given that there is no commercial substance for the counterparties, the Internal AT1 Capital Instrument was accounted for in accordance with IAS 27, at cost, as part of the Company's investment in Piraeus Bank and the carrying amount of the investment increased by € 595 million. There is no impact from the Internal AT1 Capital Instrument on the consolidated financial statements of the Group.

On 2 June 2021, the Extraordinary General Meeting of the Bank's shareholders resolved a share capital reduction of approximately € 36 million by the annulment of 35,867,347 registered voting shares of par value € 1.00 each and distribution to the Company of 95% of the mezzanine and junior notes issued by Sunrise I NPL Finance DAC and owned by the Bank. The said intragroup distribution in kind was completed on 26 July 2021, hence, was accounted for at that date.

On 11 August 2021, the shares of the company Phoenix Vega Mezz Plc were admitted for trading on the Alternative Market (E.NA. PLUS) of the Athens Stock Exchange, following the distribution of shares issued by the company under the name Phoenix Vega Mezz Plc to the shareholders of Piraeus Financial Holdings S.A., according to the decisions of its AGM of 22 June 2021. Hence, Phoenix Vega Mezz Plc ceased to be a subsidiary company of the Group.

On 21 September 2021 the Group's associate Marfin Investment Group Holdings S.A. completed the share capital decrease of € 188 million through respective reduction in the nominal value of its shares for writing off an equivalent amount of accumulated losses.

On 21 October 2021, the Extraordinary General Meeting of the Bank's shareholders resolved a share capital reduction of approximately € 21 million by the annulment of 20.520.000 registered voting shares of par value € 1.00 each and distribution to the Company of 95% of the mezzanine and junior notes issued by Sunrise II NPL Finance DAC and owned by the Bank. The said intragroup in kind was completed on 10 December 2021.

On 17 December 2021 Piraeus Bank S.A. completed a share capital increase by € 150 million through payment in cash, with the issuance of 150 thousand new common registered voting shares of par value € 1.00 each, at an offering price of € 1,000 per share (total capital raised € 150 million fully subscribed the Company).

c) Liquidation and disposal of subsidiaries:

On 12 April 2021, 20 April 2021, 3 November 2021 and 8 November 2021, the companies Piraeus Real Estate Bulgaria EOOD, Piraeus Equity Investment Management Ltd, ETVA Development S.A. and ETVA Fund Management S.A. respectively, were removed from the relevant Company Registries, while on 28 May 2021, Abies S.A. was set under liquidation.

47 Independent Auditors' fees

On 26 June 2021, the Ordinary General Meeting of the Shareholders appointed Deloitte Certified Public Accountant S.A. as the principal independent public accountant for the year ended 31 December 2021. The following table presents the aggregated fees for professional statutory audit fees, tax audit fees, other audit related fees and other non-audit related fees for the years 2021 and 2020 by the Group's principal accounting firm Deloitte, which is a member firm of the Deloitte Network, other member firms of the Network and their respective affiliates (collectively, "Deloitte").

	Group		Company	
(amounts in thousand €)	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Statutory audit fees	2,626	2,918	250	1,539
Other audit related fees (Including tax audit fees)	1,301	663	609	242
Other non-audit related fees	132	571	-	562
Total	**4,059**	**4,152**	**859**	**2,343**

48 Restatements/ reclassifications of comparative year

The restatements/ reclassifications reflected in the Income Statement and in the Statement of Financial Position of the year 2020 are presented below. The restatements concern solely the adoption of the IFRIC decision of IAS 19 "Employee benefits", as it is in detail explained in Note 2.3.

€ Million	Group		
	Year ended 31/12/2020		
	As published	Restatements	As restated
CONTINUING OPERATIONS			
Interest and similar income	1,825	-	1,825
Interest expense and similar charges	(339)	-	(339)
NET INTEREST INCOME	**1,486**	**-**	**1,486**
Fee and commission income	408	-	408
Fee and commission expense	(91)	-	(91)
NET FEE AND COMMISSION INCOME	**317**	**-**	**317**
Dividend income	3	-	3
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	36	-	36
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	2	-	2
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	9	-	9
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	(3)	-	(3)
Net other income/ (expenses)	43	-	43
TOTAL NET INCOME	**1,893**	**-**	**1,893**
Staff costs	(571)	(4)	(574)
Administrative expenses	(407)	-	(407)
Depreciation and amortisation	(115)	-	(115)
Net gain/ (losses) from sale of property and equipment and intangible assets	8	-	8
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(1,084)**	**(4)**	**(1,088)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**809**	**(4)**	**805**
ECL impairment losses on loans and advances to customers at amortised cost	(1,104)	-	(1,104)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	-	-
Impairment (losses)/releases on other assets	(189)	-	(189)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	(6)	-	(6)
Impairment on subsidiaries and associates	(6)	-	(6)
Impairment of property and equipment and intangible assets	(4)	-	(4)
Impairment on debt securities at amortised cost	(12)	-	(12)
Other impairment (losses)/ releases	-	-	-
Other provision charges/ (releases)	-	-	-
Share of profit/ (loss) of associates and joint ventures	(16)	-	(16)
PROFIT/ (LOSS) BEFORE INCOME TAX	**(530)**	**(4)**	**(534)**
Income tax benefit/ (expense)	(128)	1	(127)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(658)**	**(3)**	**(660)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	(10)	-	(10)
PROFIT/ (LOSS) FOR THE PERIOD	**(668)**	**(3)**	**(670)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	(652)	(3)	(655)
Non controlling interest	(6)	-	(6)
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent	(10)	-	(10)
Non controlling interest	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	(24.64)	(0.10)	(24.74)
From discontinued operations			
- Basic & Diluted	(0.38)	(0.00)	(0.38)
Total			
- Basic & Diluted	(25.02)	(0.10)	(25.12)

€ Million	Company		
	Year ended 31/12/2020		
	As published	Restatements	As restated
CONTINUING OPERATIONS			
Interest and similar income	1,813	-	1,813
Interest expense and similar charges	(339)	-	(339)
NET INTEREST INCOME	**1,475**	**-**	**1,475**
Fee and commission income	358	-	358
Fee and commission expense	(80)	-	(80)
NET FEE AND COMMISSION INCOME	**278**	**-**	**278**
Dividend income	16	-	16
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	38	-	38
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	2	-	2
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	9	-	9
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	(2)	-	(2)
Net other income/ (expenses)	56	-	56
TOTAL NET INCOME	**1,871**	**-**	**1,871**
Staff costs	(544)	(4)	(547)
Administrative expenses	(381)	-	(381)
Depreciation and amortisation	(110)	-	(110)
Net gain/ (losses) from sale of property and equipment and intangible assets	-	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(1,035)**	**(4)**	**(1,038)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**836**	**(4)**	**832**
ECL impairment losses on loans and advances to customers at amortised cost	(1,123)	-	(1,123)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	-	-
Impairment (losses)/releases on other assets	(172)	-	(172)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	(6)	-	(6)
Impairment on subsidiaries and associates	(44)	-	(44)
Impairment of property and equipment and intangible assets	(4)	-	(4)
Impairment on debt securities at amortised cost	(37)	-	(37)
Other impairment (losses)/ releases	-	-	-
Other provision charges/ (releases)	-	-	-
Share of profit/ (loss) of associates and joint ventures	-	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX	**(549)**	**(4)**	**(553)**
Income tax benefit/ (expense)	(177)	1	(176)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(726)**	**(3)**	**(729)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	-	-	-
PROFIT/ (LOSS) FOR THE PERIOD	**(726)**	**(3)**	**(729)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	-	-	-
Non controlling interest	-	-	-
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent	-	-	-
Non controlling interest	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	-	-	-
From discontinued operations			
- Basic & Diluted	-	-	-
Total			
- Basic & Diluted	-	-	-

€ Million	Group		
	31/12/2020		
	As published	Restatements	As restated
ASSETS			
Cash and balances with Central Banks	8,903	-	8,903
Due from banks	1,258	-	1,258
Financial assets at FVTPL	353	-	353
Financial assets mandatorily measured at FVTPL	146	-	146
Derivative financial instruments	507	-	507
Reverse repos with customers	8	-	8
Loans and advances to customers at amortised cost	39,624	-	39,624
Loans and advances to customers mandatorily measured at FVTPL	50	-	50
Financial assets measured at FVTOCI	2,898	-	2,898
Debt securities at amortised cost	4,964	-	4,964
Assets held for sale	181	-	181
Investment property	1,119	-	1,119
Investments in associated undertakings and joint ventures	268	1	269
Property and equipment	995	-	995
Intangible assets	280	-	280
Current tax assets	176	-	176
Deferred tax assets	6,337	(16)	6,322
Other assets	3,395	-	3,395
Assets from discontinued operations	112	(1)	111
TOTAL ASSETS	**71,576**	**(16)**	**71,560**
LIABILITIES			
Due to banks	11,376	-	11,376
Due to customers	49,636	-	49,636
Derivative financial instruments	460	-	460
Debt securities in issue	471	-	471
Other borrowed funds	933	-	933
Current income tax liabilities	3	-	3
Deferred tax liabilities	31	-	31
Retirement and termination benefit obligations	143	(55)	88
Provisions	202	-	202
Held for sale liabilities	-	-	-
Other liabilities	1,136	-	1,136
Liabilities from discontinued operations	31	(4)	27
TOTAL LIABILITIES	**64,423**	**(59)**	**64,363**
EQUITY			
Share capital	2,620	-	2,620
Share premium	13,075	-	13,075
Contingent convertible bonds	2,040	-	2,040
Other equity instruments	-	-	-
Less: Treasury shares	(1)	-	(1)
Other reserves and retained earnings	(10,687)	44	(10,643)
Capital and reserves attributable to equity holders of the parent	**7,047**	**44**	**7,091**
Non controlling interest	106	-	106
TOTAL EQUITY	**7,153**	**44**	**7,197**
TOTAL LIABILITIES AND EQUITY	**71,576**	**(16)**	**71,560**

The relevant restatements for the Company in the Statement of Financial Position, concerning the line items "Retirement and termination benefit obligations" and "Other reserves and retained earnings" are less than € 1 million.

49 Disclosures of Greek Law 4261/5.5.2014

According to article 81 of Greek Law 4261/2014, which incorporates into the Greek legislation article 89 of EU Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, according to which, it is adopted for the first time the obligation for the Group to disclose information, on a consolidated basis, for each country in which it operates.

Disclosed information includes: name of the subsidiary, nature of business, geographical location, turnover, number of employees on a full-time equivalent basis, profit or loss before tax, tax on profit or loss and public subsidies. Turnover, profit or loss before tax, as well as tax on profit or loss are prepared on the same basis as the relevant figures reported in the financial statements for the years ended 31 December 2021 and 2020 which are prepared in accordance with IFRSs as issued by the IASB and endorsed by the European Union.

Neither the Company nor the Group's subsidiaries have received any public subsidies. Information presented above is analyzed in the following tables:

A) Country specific information

Country	31/12/2021			
	Total net income [3]	Profit/ (loss) before tax	Income tax benefit/ (expense)	Number of staff
Greece[1]	2,575	(2,662)	(319)	10,072
Romania	(1)	(1)	-	4
Bulgaria	2	(10)	-	8
Egypt	-	-	-	1
Cyprus	(24)	(24)	1	4
Serbia	-	-	-	5
Albania	-	-	-	2
Ukraine	12	1	1	326
Other countries [2]	-	-	-	3
Group[4]	**2,565**	**(2,697)**	**(317)**	**10,425**

(1) The amounts reported include the operations of the Bank's branches operating in foreign countries and special purpose vehicles incorporated in the U.K and Ireland

(2) Other countries include U.K. and British Virgin Islands

(3) Total net income includes net interest income, net fee and commission income, dividend income, net gains/(losses) from financial instruments measured at FVTPL, results from the disposal of participation of subsidiaries and associates, net gains/(losses) from financial instruments measured at FVTOCI and other income/ (expenses)

(4) The amounts reported include both continuing and discontinued operations

Country	31/12/2020 As restated			
	Total net income[3]	Profit/ (loss) before tax	Income tax benefit/ (expense)	Number of staff
Greece[1]	1,920	(524)	(129)	11,037
Romania	(2)	(2)	-	4
Bulgaria	-	(13)	-	7
Egypt	-	-	-	1
Cyprus	(4)	(4)	1	4
Serbia	-	-	-	5
Albania	-	(1)	-	2
Ukraine	12	1	-	331
Other countries[2]	-	-	-	4
Group[4]	**1,925**	**(543)**	**(127)**	**11,395**

(1) The amounts reported include the operations of the Bank's branches operating in foreign countries and special purpose vehicles incorporated in the U.K and Ireland.

(2) Other countries include U.K. and British Virgin Islands.

(3) Total net income includes net interest income, net fee and commission income, dividend income, net gains/(losses) from financial instruments measured at FVTPL, results from the disposal of participation of subsidiaries and associates, net gains/(losses) from financial instruments measured at FVTOCI and other income/ (expenses).

(4) The amounts reported include both continuing and discontinued operations.

B. The Group's subsidiaries based on the nature of their business and their geographical location are presented:

The Group's subsidiaries based on the nature of their business and their geographical location are presented in Note 24.

Greek Law 4261/2014, article 82, which incorporated into Greek legislation the article 90 of Directive 2013/36/EU of the European Parliament and of the Council on 26 June 2013, established the requirement to disclose the total return on assets ratio. This ratio for the Company and the Group for the year ended 31 December 2021 amounted to (36.90%) and (3.98%), respectively (31 December 2020: (2.04%) and (0.98%), respectively).

50 Disclosures of Greek Law 4151/2013

In accordance with the provisions of Greek Law 4151/2013, every credit institution operating in Greece has the obligation to remit to the Greek State the cash balances plus interest for all dormant accounts, for which a period of 20 years has passed until the end of April of each year. The subsidiary of the Company, Piraeus Bank at 23 April 2021, in relation to capital and interest of deposits, remitted to the Greek State the amount of € 920,376.07.

51 Events Subsequent to the End of the Reporting Period

- On 4 January 2022, the Company announced that its subsidiary Piraeus Bank S.A. has reached an agreement with an entity affiliated with Davidson Kempner Capital Management LP, for the sale of a shipping non-performing exposures (NPE) portfolio amounting to € 0.4 billion gross book value. On 4 March 2022, the sale was completed, and the total agreed consideration of the transaction reached € 0.2 billion, or 53% of the portfolio gross book value. The Transaction was completed after receiving all the required approvals, as well as the consent of the Hellenic Financial Stability Fund.

- On 21 January 2022, the Company announced that its subsidiary Piraeus Bank S.A. has reached an agreement with WRED LLC ("WRED"), a company affiliated with Värde Partners, for the acquisition of WRED's c.52% stake in Trastor Real Estate Investment Company S.A. ("Trastor"). The Transaction was completed on 28 February 2022, after receiving the required approvals, as well as the consent of the HFSF and underpins the Group's strategy for accretive return-on-capital actions and entails the following key benefits: i) immediate enhancement of the fee generating pools of the Group, with further upside potential, ii) capture of the favorable dynamics that are increasingly evident in the Greek real estate market, especially in the high-growth segments of prime office and logistic spaces where Trastor is mainly focused and iii) strengthening of the Group's capabilities with one of the most effective real estate platforms in Greece. The cash consideration of the transaction amounted to € 98 million (€ 1.25 per share). On 24 March 2022, the date that the financial statements were authorised for issue, the initial accounting for the aforementioned business combination was incomplete given that the balance sheet of Trastor as of the acquisition date was not yet available. Therefore, a reliable estimate of each major class of assets acquired, liabilities assumed and resulting goodwill as of the acquisition date, can not be provided.

- In relation to the recent events in Ukraine, it is noted that Piraeus Financial Holdings' operations in Ukraine comprise a financial institution, namely JSC Piraeus Bank ICB, and investments in real estate assets, which represent approximately 0.2% of the total consolidated assets of the Group as of 31 December 2021. Total loans to customers stand at approximately € 84 million and customer deposits to approximately € 133 million (all local). Thus, the Bank in Ukraine is self-funded, while the majority of loans are to domestic businesses. Total equity of the banking subsidiary stands at approximately € 22 million, while Piraeus Bank S.A. provides to the subsidiary of the Group an intragroup funding of € 9 million. The Management cannot, at the current stage, make a reasonable estimate of the effect in the Company's and Group's financial statements following the recent events in Ukraine.

- During the two-month period ended 28 February 2022, the Group recognized in the income statement net gains from derivatives and sales of GGBs of € 286 million, of which € 97 million were recycled from OCI.

- On 15 March 2022, the sale of the merchant acquiring business unit to Euronet Worldwide, was completed, after receiving the required approvals, as well as the consent of the HFSF. The total consideration amounted to € 300 million.

- On 23 March 2022, the Bank signed a share transfer agreement for the contribution of its entire shareholding in subsidiary IMITHEA Single Member S.A. into Strix Holdings LP. The resulting gain from loss of control over the said subsidiary amounted to € 14 million.

Athens, 24 March 2022

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GROUP CHIEF FINANCIAL OFFICER	CHIEF FINANCIAL OFFICER
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