Six-month Financial Report

30 June 2022

The attached six-month Financial Report has been approved by Piraeus Financial Holdings S.A. Board of Directors on 2 August 2022 and is available on the web site of Piraeus Financial Holdings S.A. at www.piraeusholdings.gr

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

PIRAEUS
FINANCIAL HOLDINGS

INDEX

CERTIFICATION PURSUANT TO ARTICLE 5 PAR. 2 OF GREEK LAW 3556/2007, AS IN FORCE

To the best of our knowledge, the Condensed Interim Financial Statements for the six-month period ended 30 June 2022, that have been prepared in accordance with the applicable accounting standards give a true and fair 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 Directors Report for the six-month period ended 30 June 2022 gives a true and fair view of the information required under Article 5, par. 6 of Greek Law 3556/2007, as currently in force.

Athens, 2 August 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' Report

Global Economic Environment and Key Developments

The continuous rise in international energy, food and raw materials prices augments the upside risks for inflation and downside risks for growth, while the critical risk of the pandemic has not been fully subsided. The global economy is estimated to grow by 3% in 2022 after expanding by 6% in 2021. In parallel, the global trade activity is estimated to grow by 5% in 2022 after swelling by 10% in 2021. Inflation rate, globally, is estimated to rise to 7% in 2022 after 5% in 2021.

In the US economy, the real Gross Domestic Product (GDP) is estimated to grow by 2.5% in 2022, after expanding by 5.7% in 2021. The US Federal Reserve has already raised its key interest rate by 225 basis points to 2.25 %-2.50%. Moreover, it has already started the process of reducing its assets and intends to accelerate it from September by $95 billion on a monthly basis. According to the Federal Open Market Committee's (FOMC) estimates, the policy interest rate is estimated to be near 3.50% by the end of 2022 and near 4% by the end of 2023. Inflation is estimated to be 2.5%-3% in late 2023 as the majority of upward base effects is expected to subside.

In the euro area economy, the real GDP is estimated to grow by 2.5% in 2022, after expanding by 5.3% in 2021. Inflation has soared during 2022 at the highest level since the launch of the euro currency. The European Central Bank (ECB) has already completed the quantitative easing programs APP (Asset Management Programme) and PEPP (Pandemic Emergency Purchase Programme). However, the ECB has decided to continue reinvesting the principal payments of maturing bonds (which were bought under the PEPP) until at least the end of 2024. The ECB raised the policy interest rates by 50 basis points at its July meeting for the first time since 2011 and is expected to make further hikes at the remaining meetings during 2022. On the other hand, the Recovery Fund disbursements are expected to support the outlook for economic growth.

In China's economy, the real GDP is estimated to expand by slightly below 4% in 2022, after swelling by 8.1% in 2021. It is worth noting that the growth rate in the second quarter of 2022 was only 0.5%, due to the strict pandemic restrictions. As inflation rate in both China and Japan remains relatively low, the monetary policy is expected to continue to be loose in those economies. In emerging and developing economies, in total, the real GDP is estimated to grow by 3.5% in 2022, after expanding by 6.5% in 2021.

2022 estimates	GDP (%, year average)	Inflation (%, year average)	Monetary Policy Rate (end of period)
World	3.1	7.1	-
US	2.5	5.9	3.25%
Euro area	2.5	7.5	1.50%
China	3.9	2.5	4.25%

Sources: Piraeus Bank Research, Bloomberg, International Monetary Fund, Bureau of Economic Analysis, Bureau of Labor Statistics, Eurostat, Federal Reserve Board, ECB, Peoples Bank of China

Developments in the Greek Economy in the First Semester of 2022

The Greek economy is once again facing the consequences of a global crisis. The degree of resilience at this point in time depends not only on the extent and intensity of international events, but also on the course of Greek economic activity to date and the new challenges and opportunities that arise.

In 2021, the Greek economy returned, in terms of real GDP, close to pre-pandemic levels recording a growth rate of 8.3% and reaching € 181.0 billion (2019: € 183.6 billion). Its rapid recovery from the pandemic is indicative of improved resilience to shocks, with the Q1.22 remaining on a positive trajectory. In particular, in Q1.22 real GDP increased by 7.0% on an annual basis mainly due to the positive contribution of private consumption and investments. At the same time, the increase of nominal GDP by 15.0% on an annual basis (4.4% on a quarterly basis), indicates the dynamics of the economy but also the negative impact of inflationary pressures on the real growth rate. Furthermore, the European Commission (2022) report "Summer 2022 Economic Forecast" mentioned real growth rates of 4.0% in 2022 and 2.4% in 2023.

According to the short-term indicators of economic activity: (a) in the labor market, the unemployment rate maintained a downward trajectory. In April, the seasonally adjusted (s.a) unemployment rate reached 12.5% (Apr. 2021: 17.2%) and employment increased by 10.8% on a seasonally adjusted annual basis (Apr. 2021: 4.6% yoy), (b) turnover and volume indicators linked to activity in industry, trade, construction and services have maintained an upward trend, (c) in the period January to May 2022 travel receipts increased to € 2.5 billion representing 87.8 % of the corresponding figure for 2019. However, in the same period, the current account deficit increased by € 4.1 billion compared to the same period in 2021, mainly due to the deterioration of the balance of goods, (d) in the real estate market, the apartment price index increased in Q1.22 by 8.6%, (Q1.21: 4.5%), while the office price index increased in H2.2021 by 2.4% on an annual basis and in 2021 by 1.8% (2020: 1.2%).

The Greek economy is experiencing the consequences of the international crisis, as reflected in the imbalances on the energy price front and their gradual effects on the activity. In the second quarter of 2022, the Economic Sentiment Indicator stood at 105.8 points compared to 113.8 points in the first quarter, thereby reflecting increased levels of uncertainty. Strong inflationary pressures are a key feature of 2022, both in the global market and in Greece. In particular, in the first half of the year, headline inflation (Consumer Price Index/ CPI) reached 9.3% (H1.2021: -0.7%), burdened mainly by energy and food prices. In this context, its deviation from core inflation (CPI, excluding food, beverages, tobacco and energy) is significant, but even in this case the upward trend of core inflation is also a fact (2.1% versus -1.5% in H1.2021). During the same period, harmonized inflation (Harmonized Index of Consumer Prices/ HICP) reached 8.5%. The European Commission estimated in its latest forecasts that HICP inflation will reach 8.9% in 2022 and decline to 3.5 % in 2023.

Nevertheless, strong foundations for rapid and sustainable growth have been created on the one hand by stimulating demand, employment and the real estate market, and on the other hand by streamlining fiscal surpluses and easing requirements for a primary surplus target of 3.5% of GDP. This last parameter provides the fiscal space for easing measures (such as abolishing the solidarity tax, reducing ENFIA -a property ownership tax-, income taxation, etc.) but also for measures to deal with the energy crisis and support disposable income. The gradual lifting of pandemic–related measures and the "opening’ up" of the economy, have also led to the de-escalation of the implementation of fiscal measures aimed at dealing with the health crisis. However, support measures were taken in order to reduce mainly the energy costs in disposable income. In January - June 2022, the state budget deficit on a modified cash basis, was reduced to € 6.55 billion (€ 12.2 billion in the corresponding period of 2021) and the primary deficit stood at € 3.4 billion, (€ 9.1 billion in the corresponding period of 2021).

The Recovery and Resilience Fund (RRF) will be a key component in supporting the economy. On July 13, 2021, the Economic and Fiscal Affairs Council approved the National Recovery and Resilience Plan "Greece 2.0", which includes European funds of € 30.5 billion (€ 17.8 billion in grants and € 12.7 billion in loans) and is expected to mobilize € 60 billion in total investments in the country over the next five years. Until mid-May 2022, 230 projects amounting to a total budget of € 10.2 billion have been included in the RRF. On April 8, 2022, Greece received the first instalment of € 3.6 billion (€ 1.72 billion in subsidies and € 1.84 billion in loans) and had received pre-financing in amount of € 3.96 billion (€ 2.31 billion subsidies and € 1.65 billion loans) in early August 2021.

With regard to the country's credit rating, its gradual upgrade has resulted in it being one notch away from an "investment grade" rating. In particular, on April 22, 2022, the rating agency S&P Global upgraded the credit rating to "BB+" from "BB", with a Stable outlook and on March 18, 2022, the agency DBRS Morningstar upgraded the rating to "BB (high)" from "BB", with Stable outlook. Fitch places the country's credit rating at "BB, with a Positive outlook" and Moody's at "Ba3, with a Stable outlook".

The 14th assessment of the Greek economy was successfully completed in May 2022, under the enhanced supervision regime. Moreover, on June 16, 2022 the Eurogroup, among others, welcomed the intention of the European Commission not to prolong enhanced surveillance after its expiration on 20 August 2022, due to the successful implementation of most of the commitments. This means that the monitoring of Greece's economic, fiscal and financial situation will continue both in the framework of the established post-programme surveillance and in the context of the European Semester. In parallel, in early April 2022, Greece completed its third consecutive early debt repayment to the International Monetary Fund (IMF) amounting to € 1.86 billion and paid off loans totaling approximately € 7.9 billion due in 2024, thus reducing the cost of financing the public debt.

The development prospects of the Greek economy depend on the utilization of European funds, the de-escalation of inflationary pressures, geopolitical developments, the improvement of the epidemiological situation and the further recovery of tourism activity. The primary risk factors affecting the developments of the Greek economy, the domestic banking sector in general and the Group in particular are related to the ongoing impact created by international geopolitical challenges, the deterioration of supply and demand imbalances, the maintenance of high inflationary pressures, the supply chain volatility, uncertainty in financial markets and the course of the pandemic. The Russian invasion of Ukraine, in addition to the humanitarian crisis it has caused in the region, may result in the resurgence of migration flows, while the economic consequences will mainly be linked to production activity and inflation, limitations on international trade and weaker confidence in households and businesses. However, the extent of these impacts will depend on the manner, scope and duration of the conflict, as well as the impact of current sanctions and possible further measures.

Specifically, for the Russia-Ukraine crisis, the Group 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)].

Therefore, a potential slow and weak economic recovery, along with persistently high 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.

Developments in the Greek Banking System

The Greek banking system in the first half of 2022 continued to recover, despite the challenging macroeconomic and geopolitical environment (war in Ukraine, energy crisis, high inflation rates).

The measures that ECB had taken to deal with the negative effects of the pandemic, mainly through the Targeted Longer Term Refinancing Operations (TLTRO) facility, have improved the funding and liquidity status of the system, while deposits continued rising in the first half of 2022. In June 2022, private sector deposits reached € 182 billion, up 6.9% year on year.

The funding of the Greek Banks from the ECB continued to increase in 2022. As of 31 May 2022, total ECB funding to the Greek banking system stood at € 50.9 billion compared to € 47 billion at the end of June 2021. 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. Following the ECB decisions on March and April 2022 to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024, and to continue to accept as eligible collateral Greek government bonds that do not satisfy the Eurosystem's minimum credit quality requirements but fulfil all other applicable eligibility criteria, for at least as long as reinvestments in Greek Government Bonds (GGBs) under the PEPP continue the pool of eligible collateral of the Greek Banking system is expected to remain largely unchanged for the forthcoming years, allowing the ample utilization of ECB funding for the system.

The stock of loans to the domestic private sector has stabilized year-to-date, as Greek banks have to a large extent cleaned-up their balance sheets and new loan origination remains strong on the back of an expanding economy.

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 European Union (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. The 6 domestic banking institutions that have signed agreements with the Ministry of Finance for the utilization of the RRF funds have already been approved the first tranches of aggregate € 1.6 billion for financing RRF eligible projects.

Since mid-2020, Greek banks have increased their exposure on Greek sovereign debt, which has led to significant gains due to the significant normalization of Greek sovereign bond yields, on the back of the country's economic recovery. In the last months of 2021, and more intensively in the first half 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 the increased geopolitical uncertainty, inflationary pressures and tighter monetary policy from major central banks. Since mid-June 2022 and further following the ECB decision for the establishment of the Transmission Protection Instrument (TRI), through which the ECB will be able to make secondary market purchases of debt issued by EU sovereigns under a list of specific criteria, eurozone and specifically Greek sovereign debt yields have stabilized, albeit at high levels. Greek banks have, to a large extent, weathered the first half 2022 rise in Greek sovereign bond yields, as the majority of their Greek sovereign bond positions have been classified under amortized cost portfolios, while at the same time derivative hedges have been used extensively to protect the debt securities portfolios from rising yields.

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.

Additionally, 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 (UTP) 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 Non Performing Exposures (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 deriving from IFRS 9 models.

As at 31 March 2022, the NPE balance of the Greek banking system stood at € 17.7 billion with the NPE ratio standing at 12.1%.

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 according to which the senior tranches of the notes 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 that is expected to mobilize € 60 billion in total investments in the country over the next five years;
- The 2022 supervisory Climate Risk Stress Test that were conducted by the ECB and assess how prepared European banks are for dealing with financial and economic shocks stemming from climate risk. This test aimed to identify shortcomings, best practices and challenges banks face when managing climate-related risk. Importantly, this was 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 1 January 2022 and aims to ensure that banks are provided with sufficient own funds and eligible liabilities to guarantee their capacity to absorb losses 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 1 January 2022.
- The ECB's Governing Council decision on 21 July 2022 to raise the three key ECB interest rates by 50 basis points. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility increased to 0.50%, 0.75% and 0.00% respectively. This development is anticipated to have positive implications on the banks' net interest income, although it is expected to affect funding costs negatively.

Piraeus Financial Holdings Group Developments

The most important corporate events for the Group during 2022 and up to the publication of the 2022 Six-Month Financial Report, were the following:

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

On 4 January 2022, the Piraeus Financial Holdings (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 Hellenic Financial Stability Fund (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 HFSF. The cash consideration of the transaction amounted to € 98 million (€ 1.25 per share). On 20 June 2022, the period of the mandatory tender offer by Piraeus Bank for the remaining 3.25% free float of Trastor's shares was concluded. Following the completion of the mandatory tender offer, Piraeus Bank holds 98.4% of the total shareholding of Trastor.

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.

Pollfish Acquired by Prodege

On 1 February 2022, PJ Tech Catalyst Fund, a seed stage technology fund operating out of Athens, Greece and backed by the European Investment Fund and Piraeus Bank, announced that its portfolio company Pollfish has been acquired by Prodege, a cutting-edge marketing and consumer insights company based out of El Segundo, California.

Piraeus Bank and Euronet Worldwide initiate their strategic cooperation in merchant acquiring services

On 16 March 2022, the Company announced that Piraeus Bank 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, according to which 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.

Piraeus Bank agrees to acquire Iolcus Investments

On 19 July 2022, the Company announced that Piraeus Bank S.A. has completed the acquisition of 100% stake in Iolcus Investments AIFM, based on the relevant agreement signed on 5 April 2022, having obtained the necessary regulatory approvals.

Piraeus Bank is one of Europe’s Climate Leaders for 2022 according to the Financial Times

On 11 May 2022, the Company announced that Piraeus Bank is among the top 400 Climate Leader companies in Europe for the second consecutive year, according to the Financial Times. Piraeus Bank is the only Greek company included in the Financial Times list of "Europe's Climate Leaders" in 2022 thanks to the great reduction of its Scope 1 and Scope 2 greenhouse gas emissions over the five-year period 2015-2020.

Piraeus Financial Holdings a constituent of FTSE4Good

On 28 June 2022, Piraeus Financial Holdings announced that is once again a constituent of the FTSE4Good Emerging Index of FTSE Russell, for its performance in the areas of environment, society and governance (ESG). The overall score of Piraeus Bank is higher than the average score of banks and the financial sector worldwide, in all three pillars (ESG). The Bank was particularly distinguished in the sectors related to risk management, anti-corruption, and protection of human rights. As of May 2022, the index includes 536 companies, of which 142 belong to the financial sector and 7 are based in Greece.

Rating Upgrades

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.

On 18 February 2022, Fitch Ratings upgraded Piraeus Bank S.A. long-term issuer rating to “B-” from “CCC+”, with a positive outlook, reflecting the progress in improving asset quality and capital. The Bank’s Senior Preferred debt rating has also been upgraded by two notches, to “B-“.

On 30 March 2022, Moody’s Investors Service upgraded Piraeus Bank long-term deposit rating to “B2” from “B3” and maintained a positive outlook, while it has upgraded Piraeus Financial Holdings S.A. long-term issuer rating to “Caa1” (positive outlook) from “Caa3”.

On 19 July 2022, S&P Global Ratings revised Piraeus Bank's outlook to positive from stable and affirmed the "B" long term issuer credit rating. For Piraeus Financial Holdings, the rating agency affirmed the "B-" long term issuer credit rating and maintained the stable outlook.

Synthetic securitizations of performing loans in Greece

On 6 July 2022, the Company announced that Piraeus Bank has entered into binding agreements for three synthetic securitizations of performing loans in Greece, comprising mortgage, corporate/small-medium enterprises (SME) and other exposures (together the "Transactions"). In the context of the Transactions, Piraeus Bank will purchase credit protection under a financial guarantee. The underlying loan portfolios have an aggregate gross book value of approximately € 2.7 billion and they will continue to be presented in the financial position of the Group. The Transactions are subject to customary approvals and are expected to be completed within the current year.

It is noted that on 14 July 2022, Piraeus Bank has received recognition of significant risk transfer (SRT) for one of the three aforementioned loan portfolios, comprising shipping exposures, of gross book value € 0.6 billion.

2022 EU-Wide Climate Stress Test Exercise

On 8 July 2022, the ECB announced the results of the first EU-Wide Climate Stress Test Exercise ("Exercise"), to assess supervised institutions' level of preparedness for properly managing climate risk. Piraeus Bank scored at par with the average of the European participating banks in the Exercise, demonstrating that the status of challenges that the economy faces regarding climate change are similar to those affecting Piraeus Financial Holding Group. The results indicated an advanced climate risk stress testing framework (module 1), where the Bank achieved a top ranking among European peers, while it also performed well on data quality.

The Bank will use the results of the Exercise to further examine how to engage with its clients in order to direct them on a low-carbon path and hence manage potential sensitivities to long-term transition risk, high concentration of corporate exposures into carbon intensive counterparties, as well as short-term transition and physical risks.

Sunrise III - Application for inclusion in the HAPS

On 11 July 2022, Piraeus Bank submitted to the Greek Ministry of Finance an application for inclusion of the senior notes that will be issued in the context of the Sunrise III Portfolio, of a nominal amount € 200 million, in the HAPS, pursuant to Law 4649/2019.

Solar - Application for inclusion in the HAPS

On 2 August 2022, Piraeus Bank together with the other three systemic banks submitted to the Greek Ministry of Finance a joint application for inclusion of the senior notes that will be issued in the context of the Solar Securitisation, of a nominal amount € 320 million, in the HAPS Scheme, pursuant to Law 4649/2019.

Piraeus Real Estate Management

On 15 July 2022, Piraeus Bank established a new subsidiary namely "Piraeus Real Estate Management", an independent real estate management company. The Real Estate Owned Assets (REO) unit, in its entirety, was transferred to the new company, as well as the operations of the companies "Piraeus Real Estate" and "Piraeus Property".

Annual General Meeting of Shareholders

On 22 July 2022, the Annual General Meeting (AGM) of the Company’s Shareholders approved the offseting of an amount equal to approximately € 14,557 million in the Company’s “share premium” account by writing-off equivalent losses (€ 14,557 million) in the general ledger account 42 “Accumulated losses carried forward”, which includes accumulated losses of approximately € 14,908 million and a tax-free reserve of approximately € 351 million.

The AGM also approved the share capital decrease in kind by decreasing the nominal value of each ordinary registered share issued by the Company by the amount of € 0.02, and the payment of the amount of the share capital decrease in kind by distributing to the Company’s shareholders shares issued by the subsidiary namely “SUNRISEMEZZ LTD” (registered in the Cyprus registry of companies), of a value corresponding to the value of the share capital decrease, i.e. 178,623,889 shares of the Cypriot Company in total, of nominal value of € 0.14 each, at a ratio of 1 share of the Cypriot Company for every 7 shares of the Company already held by them.

Strategic joint venture with Natech S.A.

Following the 6 April 2022 announcement of strategic partnership with Natech S.A. to develop an independent innovative digital bank for customers in Greece and the rest of the European Market for their financial and banking journey, the Company fully covered on 14 July 2022 the share capital increase of the subsidiary namely Shnappi S.A. with € 19 million. Post the completion of the share capital increase, the Company holds 55% of the shareholding capital of Shnappi S.A.

Preliminary agreement for the Imithea - Euromedica merger

On 22 July 2022, the company Imithea Single Member S.A., owner of Henry Dunant Hospital, announced that it has reached an agreement in principle for the absorption of the Euromedica Group, with the aim of creating one of the largest health groups in Greece (Piraeus Bank currently owns 100% of Imithea Single Member S.A. and 29.35% of the associate company Euromedica). The absorption process will start soon and its completion is subject to the approval of the competent Competition Authorities and the receipt of the corporate approvals provided for in the law.

Voluntary Exits

During the first half 2022 the Group approved voluntary exits of targeted employees, for which the associated cost amounted to € 7 million.

Organizational Structure of the Group

The Chief Executive Officer (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, International Business Unit (IBU) 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 of real estate owned assets, certain equity participations of the Group, funding transactions approved by the Asset and Liability Management Committee ("ALCO") and intersegmental eliminations.

NPE MU – Includes the management of any NPEs 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 issued by the securitization special purpose vehicles and 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. Furthermore, the respective segment includes also certain equity participations, as well as equity securities classified in either Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL), and certain associates (i.e. STRIX Asset Management and STRIX Holdings Limited).

All intragoup 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 the first semester of 2022

Piraeus Financial Holdings Group has a systemic position in the Greek banking market in terms of total assets, which amount to € 81.9 billion as at 30 June 2022. The Group holds the most extensive footprint in Greece with 408 branches (plus another 16 branches in 2 countries abroad) and a wide customer base of 5.7 million active customers, an increase by 66 thousand in first half 2022. The branch network in Greece was reduced by 6 units during 2022. As at 30 June 2022, the Group's headcount totaled 9,206 employees in the continuing operations, of which 8,839 were employed in Greece (-954 compared to a year ago, mainly due to the implementation of voluntary exit schemes/ VES).

Balance Sheet

Regarding the financial position of Piraeus Financial Holdings Group as at 30 June 2022, total assets amounted to € 81.9 billion compared to € 79.8 billion as at 31 December 2021, with the increase attributed to increased cash with central banks and an expanding loan book.

Customer deposits of the Group continued to increase, reaching € 56.1 billion as at 30 June 2022, corresponding to an increase of 1.1% compared to 31 December 2021. The Group holds 29% domestic market share in deposits as at 30 June 2022. Savings deposits constitute 43.7% of the total deposits of the Group with time deposits at 16.7% and current, sight and other deposits at 39.5%. Corporate deposits correspond to 30.7% of the total deposit base with retail deposits at 69.2%. The descending trend in time deposits' cost continued during the first half of 2022, with average time deposits' cost at 0.06% in H1.2022 versus 0.09%

in H1.2021. The Group's loan book in terms of gross balance (grossed up with Purchased Price Allocation adjustment / PPA adjustment) consists of corporate and public sector by 75.7%, mortgage by 18.9% and consumer, personal, credit cards and other loans by 5.4%.

Selected figures of the Financial Position	30/6/2022	31/12/2021	30/6/2021	YtD	YoY
Gross Loans (grossed up with PPA adjustment)	36,924	38,492	36,639	-4.1%	0.8%
Less: Expected credit losses (ECL) allowance (grossed up with PPA adjustment)	(1,555)	(1,971)	(3,489)	-21.1%	-55.4%
Net Loans	35,369	36,521	33,150	-3.2%	6.7%
Financial Assets	12,345	12,754	12,293	-3.2%	0.4%
Other Assets	34,159	30,514	29,595	11.9%	15.4%
Total Assets	**81,872**	**79,789**	**75,037**	**2.6%**	**9.1%**
Due to Banks	15,406	14,865	13,791	3.6%	11.7%
Due to Customers	56,079	55,442	51,215	1.1%	9.5%
Other Liabilities	4,175	**3.680**	3,495	13.5%	19.5%
Total Liabilities	**75,660**	**73,987**	**68,501**	**2.3%**	**10.5%**
Total Equity	**6,213**	**5,803**	6,536	7.1%	**-5.0%**

Utilisation of the Eurosystem funding stood at € 14.5 billion as at 30 June 2022. 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 € 78 million as at 30 June 2022.

The Group's financial assets portfolio has slightly declined to € 12.3 billion as at 30 June 2022, compared to € 12.8 billion as at 31 December 2021.

Gross loans as at 30 June 2022 amounted to € 36.9 billion compared to € 38.5 billion as at 31 December 2021, while net loans stood at € 35.4 billion as at 30 June 2022, compared to € 36.5 billion as at 31 December 2021, with the Group's seasonally adjusted net loans to deposits ratio at 63.1%, flattish compared to 31 December 2021 (63.2%). New loan disbursements in H1.2022 for the Group amounted to € 4.4 billion from € 3.4 billion in H1.2021. Most new originated loans in H1.2022 were directed to businesses.

Group NPEs reduced further to € 3.4 billion as at 30 June 2022, compared to € 4.9 billion as at 31 December 2021. The NPEs over total gross loans ratio for the Group stood at 9.1% as at 30 June 2022 from 24.6% as at 30 June 2021 and 12.6% as at 31 December 2021, declining to single digit NPE ratio due to the continuous efforts of the Group to improve its asset quality, mainly through the utilization of the HAPS NPE securitizations. As at 30 June 2022, the Group NPE coverage ratio increased to 46.1% from 40.5% as at 31 December 2021.

Profit & Loss

The Group's net interest income amounted to € 591 million in the first half of 2022, presenting a decrease of 23.4% compared to the first half of 2021, mainly attributed to the loss of NPE-related income due to the derecognition of NPEs. Net fee and commission income (including rental income and income from non-banking activities) amounted to € 238 million in the first half of 2022, 22.1% higher compared to the first half of 2021. Other income rose to € 667 million in the first half of 2022 compared to € 500 million in the in the first half of 2021. Both periods were mainly affected by enhanced trading gains.

Total net income in H1.2022 amounted to € 1.5 billion presenting an increase of 2.0% compared to H1.2021. The Group's total operating expenses before provisions, in H1.2022 stood at € 419 million, compared to € 467 million in H1.2021. Excluding the € 40 million extraordinary costs related with VES from the first half of 2021 and the € 11 million one-off costs in the first half of 2022, total operating expenses amounted to € 408 million in the first half of 2022, a reduction of 4.4% versus the comparative period.

Selected figures of the Income Statement	30/6/2022	30/6/2021 As reclassified	YoY
Net Interest Income	591	772	-23.4%
Net Fee and Commission Income [1]	238	195	22.1%
Other income	667	500	33.4%
Total Net Income	**1,496**	**1,467**	**2.0%**
Staff costs	(192)	(233)	-17.6%
-excl. VES costs	(186)	(193)	-3.6%
Administrative expenses	(172)	(179)	-3.9%
Depreciation and amortization	(54)	(56)	-3.6%
Total Operating Expenses Before Provisions	**(419)**	**(467)**	**-10.3%**
-excl. VES and other non-recurring costs	(408)	(427)	-4.4%
Profit Before Provisions, Impairment and Income Tax	**1,076**	**1,000**	**7.6%**
ECL impairment losses and other credit risk related charges on loans and advances to customers at amortised cost	(420)	(3,266)	-87.1%
Other impairment & provisions	(11)	(64)	-82.8%
Share of profit/ (loss) of associates and joint ventures	(9)	(7)	28.6%
Profit / (Loss) Before Income Tax	**635**	**(2,337)**	-
Income tax benefit / (expense)	(22)	(111)	-
Profit/ (Loss) for the Period	612	(2,450)	-
Profit/ (Loss) attributable to the equity holders of the parent (from Continuing Operations)	614	(2,449)	-
Profit / (Loss) attributable to the equity holders of the parent (from Discontinued Operations)	(1)	(2)	-
EPS Reported (from Continuing Operations)	0.49	(5.65)	-

(1) Net Fee and Commission Income also includes income from non banking activities

As a result of the above, Group's profit before provisions, impairments and income tax for the first half of 2022 amounted to € 1.1 billion, compared to € 1.0 billion in the first half of 2021, an increase of 7.6%. The results of H1.2022 were burdened by ECL impairment charges on loans amounting to € 269 million, relating mainly with losses of the Sunrise III and Solar NPE securitizations, whereas the results of H1.2021, were burdened by € 3.0 billion ECL impairment charges on loans, relating with losses of the Phoenix, Vega and Sunrise I securitizations and other NPE sales, over and above the recurring organic cost of risk.

The Group's profit before income tax in H1.2022 amounted to € 635 million compared to a loss of € 2.3 billion in H1.2021, while profit from continuing operations attributable to equity holders of the parent amounted to € 614 million compared to a loss of € 2.4 billion in H1.2021.

Capital

As at 30 June 2022, the Group's total equity amounted to € 6.2 billion, compared to € 6.5 billion as at 30 June 2021. The Group's Basel III total capital adequacy ratio (TCR) stood at 15.75% compared to 14.85% on 30 June 2021. The CET 1 ratio stood at 11.01% vis-à-vis levels of 10.87% at 30 June 2021. Pro-forma Total Capital Adequacy ratio and CET 1 for the Group stands at 16.67% and at 11.77%, respectively, taking under consideration the expected impact of the Iolcus and Natech transaction developments concluded post 30 June 2022, the Risk Weighted Assets (RWA) relief of the Sunrise 3 and Solar NPE securitization portfolios, classified as Held for sale (HFS) as at 30 June 2022, the RWA relief expected from the mortgage and blended portfolio signed synthetic securitizations, to be concluded in the forthcoming period as well as other financial developments post 30 June 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 30 June 2022, reduced by € 3.7 billion compared to 30 June 2021. The Group's fully loaded TCR stood at 14.31%, compared to 12.91% as at 30 June 2021.

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% under Greek Law 4261/2014, and (d) the transitional Other Systemically Important Institutions ("O-SII") capital buffer of 0.75% for 2022 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 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.

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, which continued with solid economic growth in early 2022, and the prospects for a sustainable rate of growth of GDP in the medium term, taking into account also the deployment of the RRF funds to the Greek economy that are estimated to support GDP growth and will allow the Greek economy's 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 2022 year-to-date, as well as the expected acceleration going forward;

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 30 June 2022 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 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 9.1% as at 30 June 2022 from 24.6% as at 30 June 2021 and 12.6% as at 31 December 2021, with the associated cost coming in line with initial estimates;

e) the capital adequacy of the Group, which exceeded the OCR and the MREL ratio of Piraeus Bank Group as at 30 June 2022, which reached 18.0% 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 (synthetic securitizations of performing loans). It is estimated that for the next 12 months the Group's capital adequacy ratios and the MREL ratio will remain higher than the required minimum regulatory levels;

f) the issuance of Additional Tier 1 (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 and also considering market conditions;

g) the geopolitical developments, specifically the Russia/ Ukraine conflict, 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 30 June 2022;

h) the high level of inflation and the rising energy prices, as an aftermath of the volatility in the global supply chains and the Russia/ Ukraine conflict, with the balance sheet de-risking that has been performed in 2021 and 2022, providing safety against adverse scenarios;

i) the decision of the Governing Council of the ECB in its July meeting to raise interest rates by 50 basis points and the prospect for further hikes at the remaining meetings during 2022, which are expected to have a positive impact on net interest income and therefore group profits from H2.2022 onwards.

Based on the analysis performed, Management has concluded that the Condensed Interim Financial Statements have been appropriately prepared on a going concern basis as at 30 June 2022, as the Group and the Company have adequate resources to continue their 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.

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

Non-Financial Information for the first semester of 2022 (Greek Law 4403/2016)

Group Human Resources ("HR")

Our human resources goals are fully aligned with the strategic goals and our corporate culture. In this context, we systematically cultivate a cohesive culture of high performance, continuous development, inclusion, dialogue and open communication, with active participation opportunities for all Group employees.

Action plan for a better working environment

A targeted action plan was designed and is being implemented. The action plan was designed based on the results of the working environment “together, Employee Survey” results, employees’ focus groups proposals and the strategic priorities of the Organization. The plan is organized into sections with actions that shape our daily working life. It has been posted on yello site (further information are disclosed below) in order to inform all employees about the actions and their progress.

Hybrid working model

The experience of the pandemic and the telecommuting of the last 2 years, accelerated the integration of technology into everyday working life and laid the foundations for the new ways of working. The Group’s hybrid model depends on the role and the operational needs of each unit. It is in progress and will be a combination of physical presence and teleworking.

Learning & Knowledge Sharing

All learning activities were designed and developed digitally, on the grounds of modern instructional design, using new technological tools and techniques. A total of 235 training programs were completed, with the participation of 6,524 employees, summing up to 121,774 training hours. The average of training hours per employee was 14 while 77% of employees participated in at least one training initiative.

Banking & Business programs counted for 68% of total learning activity, Risk & Controls programs accounted for 18% and Workplace Wellbeing programs reached 10% of learning activity. At the same time, the tailor-made training and skills development program was continued for employees participating in the Act Transformation Program. The "Effectively setting team's goals" program was developed for all team leaders in Central Units, with a goal to create a common culture.

Performance Management

The 2021 performance cycle “Become & Achieve” was completed for 98% of eligible employees, following the 97 calibration meetings, conducted via teleconference. At the same time, 58% of managers received peer and team feedback.

This year, following the launch of our Become & Achieve calendar and with respect to the motto “There is value on doing things on the right time”, we are committed to achieving the agreed performance cycle for 2022. The performance cycle for 2022 was timely launched early in the year with improved responsiveness from all employees to complete the requested actions timely.

In addition, the Objections Committee for performance evaluations for the years of 2020 & 2021 examined 45 cases and informed employees accordingly.

From 23 June - 1 July, the Become & Achieve Pulse Check was conducted in order to get feedback from employees on their experience about target setting. The participation rate reached 42%, while approximately 300 suggestions and comments were submitted by the participants.

Talent Management & Development

Our priority is to identify and retain talent in the organization. Within this context, the Regulation for Talent Management was developed, providing a clear and structured framework to develop the necessary actions to be linked to talent management. In this direction, the “Become&Achieve” platform has been redesigned in order to ensure that the process to map talent for the whole organization in 2023 will be feasible via the “Become&Grow” module.

Succession Planning

Following the identification of potential successors for CEO’s direct reports that was completed in 2021, the identification of critical roles across the organization was performed in H1 2022 in order to be able to extent the Succession Planning process to the whole organization.

Succession planning is a critical process as it provides the framework for the identification of potential successors for critical positions within the organization, who will be well prepared to undertake these positions whenever the need appears.

Development Centers

Committed in growing a culture of ongoing learning and development, during the 1st semester of 2022, we developed and implemented, in collaboration with external experts, especially designed Development Centers focusing on the identification of competences and potentiality of our employees. The outcomes of the assessment are reported in a comprehensive, constructive and meaningful way to the participants, focusing on both strengths, as well as areas for further improvement, in order to provide the basis of creating and executing an individual developmental plan with mutual benefits for the organization and the individuals. The assessment of the appropriate competences, skills and potentiality for further advancement, is expected to support decision making with regards to talent identification, succession planning, promotions and internal transfers.

Meritocracy in selection and promotion of staff

Effective since last December, the new Promotions Policy specifies precisely the criteria and evaluation tools that are followed to consider and proceed with a promotion. At the same time, the Staffing Policy is implemented with the aim of covering available jobs and new job roles, as a matter of priority from the existing staff of the Group's subsidiaries. The digital platform "Workable" was used to post 32 internal job postings, while 1,075 resumes have been sent so far by the existing staff and 236 transfer requests have been submitted within the platform. Finally, since the beginning of 2022, it is possible for external candidates to send their resume to the "Workable" platform and about 300 resumes have been sent so far.

Management Trainee Program & Internship Program

The Management Trainee Program 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 the 1st half of 2022, 30 candidates were evaluated and 5 new trainees joined the program. The goal of the program is for the best of each year to be hired at the bank with an indefinite contract.

The Group gives the opportunity to undergraduate and postgraduate students, to put their knowledge into practice. During this period of time, about 28 young people completed their internship program.

A culture of ethics, inclusion and equal opportunities

The Group's goal is to ensure business ethics in all aspects of its operation and to fully align its employees with its values and principles. Within the 1st semester 2022, the revision of the content of the Code of Conduct and Ethics commenced in order to align it with the current institutional and regulatory framework, but also with the updated policies and regulations of the Group. At the same time, the Whistleblowing process is implemented through which reports on irregular behavior are submitted. Within the current reporting period, the Whistle Blowing Committee assigned 14 cases to be managed.

With respect to the EQUALL, the Group’s innovative program, and in collaboration with the Group's Cultural and Social Unit, the initiatives for the cultivation of common understanding on issues of inclusion and equal opportunities, with the series of speeches "We put an end to prejudices" have begun. A total of 1,199 entries were registered in the 5 different themes. EQUALL for our people means that we are all together, men and women.

Issues of culture and ethics are included and further developed in the actions of the "Risk culture" program.

Action “WE COORDINATE”

In the context of planning actions to strengthen the commitment and mobilization of our people, the new action "We coordinate" was designed and implemented. The purpose of the action is to inform employees about the “bigger picture” of the Organization, to connect their teams’ work with the strategic goals and to incorporate their views on how these goals can be achieved.

Yello site

We welcomed the internal yello site, with a constant flow of topics and the ability to contribute new and useful information from each colleague or unit. The new site is digital and interactive, with the ability to submit comments and likes. Through the MS Teams application, it is accessible from any device, anywhere and anytime. The “Idea Box” is a new initiative that invites all employees to submit their idea, either individually or as a team, by highlighting the 10 best ideas and rewarding the first 3 further. More than 400 ideas were submitted and 43 of them advanced to the next phase.

Health, safety & well-being of employees and their families

The health, safety and well-being of our people is a constant priority for the Organization, in harmony with the requirements of the competent ministries. We formulate actions and practices that highlight the value of physical and mental health prevention with the aim of supporting employees and, if possible, their family members and securing the Organization from psychosocial risks linked to the human factor.

Regarding the pandemic, in addition to the fixed measures, a single Covid-19 Information telephone line has been created with the participation of doctors, nurses and health professionals. The number of calls received during its operation, exceeded 8,000. In addition, we actively supported the vaccination campaign of the government by granting special vaccination permits.

The personalized consulting support through the 24/7 Help Line and free counselling are active for all employees and their families. Supporting the parental role, the organization granted to new mothers 73 cumulative maternity leave absences.

"Ευ ζην" program

"Ευ ζην", our own holistic program for the health & well-being of our people in the modern working environment, has 3 pillars of actions: Mind - is what defines us, Body - is what supports us, Bonds - is what connects us. The main goal is to connect the multiple aspects of an employee's life, enhancing personal and professional balance.

A total of 36 actions were carried out in which more than 4,600 employees participated. As part of our commitment to the environment and society, we cleaned beaches in regions of Athens and Thessaloniki. We also walked for a good cause, donating to Children's Villages SOS and supporting the Emergency Aid Program for children and families in Ukraine.

"Ευ ζήν" has a monthly program of actions, it is supported by an inter-departmental team and specialized partners inside and outside the Organization.

Identification and Assessment of Critical Roles

During the first half of 2022, the process of identifying the critical roles within the Organization was completed. Critical roles add value to an organization, have a significant impact on its operation, and their effective management can contribute to the achievement of strategic and business objectives, while providing long-term competitive advantage. Especially for Human Resources, the identification and management of critical roles allow, among others, the formulation and implementation of succession plans for these roles, as well as the attraction and retention of talents in the Organization.

Piraeus Bank's Group Personnel Institution for Occupational Retirement (IORP), Life & Medical Provision

In April 2022, the services provided through IORP were expanded, with the inclusion of the Life Insurance and Medical Care. This expansion will significantly contribute to the improvement of the provided level of service for the insured members, as targets have been set for a more timely response to their needs, through the reinsurance company. The IORP is a reliable and modern institution, which is a stable mechanism of effective, long-term savings as well as insurance coverage, factors that are the primary concern of the Organization.

Benefits Policy

In the context of the harmonization of Human Resources Policies, during the first half of 2022, the Benefits Policy was implemented, based on the new levels of responsibility of the Job Family Model. The Group's aim is to offer competitive benefit packages, utilizing market data, in line with the Group's overall strategy to maximize performance, retain talent and ensure competitive advantage and sustainable growth. Investing in the adoption of employee benefits is important because it increases employees' loyalty to the Organization, their participation and productivity, retains their morale at a high level and can significantly contribute to improving their quality of life.

Digital job card

A comprehensive digital application was designed and implemented for the needs of applying the digital job card in banks from 1 July 2022. This application creates from the beginning the appropriate technological infrastructure for correct recording of data in real time. In addition, it incorporates the specifications to cover future needs.

Carbon footprint – Management of carbon dioxide emissions

The Company's subsidiary, Piraeus Bank is registered under the EU Eco-Management and Audit Scheme (EMAS) and its Environmental Management System (EMS) is certified in accordance with ISO 14001:2015. The environmental data and Key Performance Indicators are reported in the Group's Sustainability & Business Report[1] and in the Environmental Statement[2]; are validated by a third party assurance agency and are externally assured. In 2021, Scope 1 and Scope 2 emissions (location-based) dropped by 17%, total electricity consumption dropped by 5% and water consumption per employee was reduced by 17%.

In Scope 1 emissions there was a marginal increase of 0.7% in 2021, while Scope 2 emissions were significantly decreased by 19% compared to 2020[3]. Piraeus Bank purchased Guarantees of Origin, certifying that 100% of the electricity consumed on the Bank's premises was derived from Renewable Energy Sources (42,811 MWh).

In 2021, the calculation of financed emissions (Scope 3 cat. 15) was based on the methodologies described in the relevant standard of Partnership Carbon Accounting Financials (PCAF) per banking product category, covering more asset classes of the Bank's portfolio. Specifically, for the calculation of the Bank's carbon footprint stemming from its business and investment portfolio, corporate bonds and commercial real estate (loans and investments) were included for the first time in 2021, while in previous years only emissions from equity investments and mortgage loans were calculated.

Selected environmental targets: 50% reduction in Scope 1 emissions by 2030; 15% reduction in total electricity consumption (2020-2025); 25% reduction in total heating oil consumption (2020-2025); net zero Scope 2 emissions from 2020 onwards; continuous utilization of state-of-the-art technologies in order to improve the quality of Piraeus Bank's operation and reduce its carbon footprint; assessment of Scope 3 emissions resulting from Piraeus Bank's business loans (cat. 15 – corporate loans).

Addressing Climate Change

Every year Piraeus Bank applies its Climabiz Tool to estimate in monetary terms (€) the climate risk of Greek business borrowers across different economic sectors mostly influenced by climate change. The new methodology adopted by the Bank for the 2021 climate risk assessment, was based on the utilization of three climatic Representative Concentration Pathways (RCP) scenarios of the IPCC (Intergovernmental Panel on Climate Change).

For 2021, the climate risk assessment was made for the first time with all three RCP climate scenarios, for the business portfolio.

The percentage of total climate risk (physical and transition risk) corresponding to the RCP2.6 climate scenario is estimated at 4.4% of the business borrowers' total turnover, while for the RCP4.5 and RCP8.5 climate scenarios the corresponding percentage of total climate risk amounts to 2.7% and 1.7% respectively.

[1] Sustainability & Business Report: https://www.piraeusholdings.gr/en/investors/financials/annual-reports

[2] Environmental Statement https://www.piraeusholdings.gr/en/sustainable-banking/environment-and-society/environment/environmental-fields-of-action/environmental-management >Piraeus Bank's Environmental Statement

[3] Scope 1 emissions are the direct emissions emitted from sources owned or controlled by the Bank (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 Bank's activities, including its financing.

Principles for Responsible Banking

Piraeus Bank was the only Greek financial institution that participated in the development of the UN Principles for Responsible Banking in 2019, as a member of a group of banks from around the world. The CEO of the Group has the overall supervision for their implementation.

The Group has formulated an ESG strategy and has published its Sustainable Development Policy, in which it has integrated the Principles. Piraeus Bank has formulated action plans for the development of products and services, as described in its "Business Plan 2022-2025", to support sustainable development.

The CEO is also one of the 19 Heads of banks and insurance companies from around the world participating in the "Leadership Council" of UNEP FI, an international advisory body that aims to shape the sustainability strategies of the financial sector. The Bank has been elected on the Banking Board of UNEP FI.

To achieve the Principle 2: "Impacts and Target setting", UNEP FI created in 2019 the "Portfolio Impact Analysis Tool for Banks". Piraeus Bank is the only Greek bank that participates in the UNEP FI working group to develop and upgrade the tool.

In 2021 Piraeus Bank conducted its second portfolio impact analysis, using the second version of the Tool and entering data for its retail, business, corporate, and investment portfolio. The analysis concludes that Piraeus Bank's financing has potential positive impacts on the sustainable economic growth and the society of Greece. The most significant positive impacts are in the economy pillar, and specifically in the impact area "healthy inclusive economy", an area of great importance for the sustainable development of the country. Among others, Piraeus Bank's financing is associated with a positive contribution to the issues of employment, housing, and the area of culture and cultural heritage, which are key to the Greek reality. The methodology reflects the fact that financing may also have negative effects on certain sustainable development issues, such as climate and natural resource management.

According to the portfolio impact analysis, and considering the organization's overall strategic approach, the sustainable development areas that the organization focuses on are:

Significant sustainability impact areas		
Economy	Society	Environment
- Inclusive, Healthy Economy - Economic Convergence	- Employment - Housing - Justice and Equality	- Resource Efficiency - Energy - Climate

Science Based Targets Initiative: Target Setting

Since 2020, the Group has committed to the Science Based Targets Initiative (SBTi) and in 2022 submitted its emissions reduction targets for validation. Specifically, the Group capitalizing on the SBTi scientific guidance for the achievement of net zero emissions by 2050, submitted in 2022 near term targets of emissions' reduction by 2030 for nine asset classes, while at the same time it drafted a comprehensive action plan for their achievement.

Project Proteus: incorporating climate and environmental risk

In order for the Group to align with the Supervisory Guide of ECB on climate related and environmental risks, Piraeus Bank launched in October 2021 a dedicated project named Proteus to integrate the climate & environmental risks within all functions of the Bank and also to implement all necessary actions for the full alignment of the Group to regulatory requirements. The project is overviewed and guided by a dedicated Steering Committee (Climate-related & Environmental Risks Steering Committee).

Transparency and Accountability

In 2021, Piraeus Bank published its second Principles of Responsible Banking (PRB) progress report[4] and its second TCFD report (Task Force on Climate Related Financial Disclosures[5]).

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 Group has signed the UN Declaration "United in the Business of a Better World", the Women Empowerment Principles of the UN Global Compact and UN Women and 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, the 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). ISS Corporate Solutions gave the Bank a "1 - HIGHER DISCLOSURE" in the environmental and social pillars and 2 in the governance pillar (10 indicates a higher governance risk).

The Financial Times included the Bank in its "Europe's Climate Leaders" list among the 400 companies that managed the largest reduction of Scope 1 and Scope 2 greenhouse gas emissions in the period 2015-2020.

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

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[4] For the harmonization of Piraeus with the Principles of Responsible Banking, see https://www.piraeusholdings.gr/~/media/Gr/Idiwtes/Files/unep-fi/20211111_Piraeus_PRB-Reporting-and-Self-Assessment.pdf

[5] For the harmonization of Piraeus Bank with the TCFD Recommendations, see https://www.piraeusholdings.gr/en/sustainable-banking/environment-and-society/environment/environmental-policy-principles/tcfd-recommendations

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 UN Women Empowerment Principles, committed to actions to support women in the work environment, the market and society.

- Bloomberg 2022 Gender Equality Index

Piraeus Financial Holdings is one of the 418 companies from 45 countries and regions to be included in the 2022 GEI, a reference index tracking the performance of companies 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

The EQUALL programme

Piraeus Bank commits, through its actions, to contributing to the formation of a society of equal people. That is why it has created the EQUALL programme that comprises the following actions:

- Women Founders and Makers - for the reinforcement of female entrepreneurship

The 1st cycle was completed in June 2022, marking the following impact:

- >740 applications for 50 vacancies
- >70% of the participants came from Greek regional areas (except the prefecture of Attica)
- >94% of the participants said they benefited significantly from what the programme offered them.

- Women Back to Work – for women’s return to the labour market.

The 1st cycle was completed in June 2022, marking the following impact:

- >270 applications for 50 vacancies
- >65% of the participants came from Greek regional areas (except the prefecture of Attica)
- >96% of the participants said they benefited significantly from what the programme offered them.

- Profession has no Gender – for new generation’s awareness regarding gender stereotypes.

The1st cycle was completed in June 2022, marking the following impact:

- >80 applications from schools all over Greece, representing 3,152 students although the initial target was 30 schools and 1,200 students
- >93% of the schools that have registered are located in the Greek peripheral regions and in remote areas, such as Alexandroupolis, Drama, Lipsi, Florina, Veria, etc.
- **>**750 students discussed with the mentors; topics of Profession has no Gender.

- Piraeus EQUALL 360°

Aiming at strengthening social equality and women’s access to business development, Piraeus Bank created and offers “Piraeus EQUALL 360°”, a comprehensive bundled products and services package, with preferential pricing and privileges, exclusively for women entrepreneurs.

- Creation of a mural for the promotion of UN Sustainable Development Goal #5 – Gender Equality

Piraeus Bank participates in the "Genia 17" (Generation 17) initiative for the promotion of the 17 UN Sustainable Development Goals, adopting Goal #5 - Gender Equality. Being the sponsor of Goal #5 – Gender Equality, Piraeus Bank initiated a large-scale mural created by the internationally renowned street artist Atek on a building wall at 31 Panepistimiou Street in the Municipality of Athens.

The mural highlights the contemporary woman, who, trying to maintain her balance between multiple roles, gives prominence to her identity and asserts her right to an equal position in society, without exclusion and discrimination.

<u>Corporate responsibility actions to promote culture</u>

- Piraeus Culture and Creativity 360°

The Group is strongly committed to supporting Art and Culture, vital pillars of Greece’s social and economic growth. Culture and Creativity 360°, is a comprehensive bundled products and services package with preferential pricing and privileges, designed especially for the Cultural and Creative businesses (Small and Medium-sized). Since its launch a year ago, the Culture and Creativity 360° has been acquired by more than 206 Cultural and Creative businesses, over € 1.2 million funds have been disbursed, while applications of more than € 1.3 million of additional funding are being evaluated.

- Bicentennial Actions Programme to celebrate the 200th anniversary since the Greek Revolution

Respecting its institutional role and the social responsibility that derives from it, the Group participated in the celebration of the 200th Anniversary since the Greek War of Independence in 1821.

In this context the Group designed in 2019 and has been still implementing a Bicentennial Actions Programme which relates to scientific research, culture, arts, education and comprises:

- nine anniversary publications;
- three cycles of workshops-lectures;
- nine podcasts;
- six travelling 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 Historical Museum, the General State Archives, the Institute of Technology and Research, the Greek National Opera, the Takis Sinopoulos Foundation – School of Modern Greek Poetry, the Cultural Foundation of Tinos, the Astronauts Theater Group, the Studio Bauhaus productions and reputable scientists and academics.

Within the framework of the national celebration of the Bicentennial, Piraeus Bank signed a Memorandum of Cooperation with the General Secretariat for Greeks Abroad and Public Diplomacy of the Hellenic Ministry of Foreign Affairs, on promoting its Bicentennial Actions in the Greek expatriates' communities around the world.

In order to assess the impact of the Bicentennial Actions Programme implemented, the Group applied the International Standard "Social Return on Investment" (SROI) methodology. The resulting SROI ratio equals to 3.2:1, i.e., it is estimated that for every euro (€ 1) invested in the implementation of the Group's Bicentennial Actions, the value created in society is equivalent to three point two euros (€ 3.2).

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 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 pillars 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 the past two years significantly affected the operation of the PIOP Museums. Therefore, 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. In the first semester of 2022, the organization of activities and exhibitions in the Museums of PIOP contributed to the increase in visitors, creating the conditions for a gradual "return" to pre-Covid 19 visitor numbers.

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 2022, and a relevant detailed reference is included in the Condensed Interim Financial Statements for the six month period ended 30 June 2022.

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 Risk Management (RM) function is not limited to the activities of the Group Risk Management (GRM) and the CRO (Chief Credit Officer) but refers to the processes performed by all 3 lines of defense, based on the assigned responsibilities, in the context of an enhanced risk management.

The Group has established policies, procedures and adequate mechanisms for risk management, at the level of all 3 lines of defense, in order to identify, manage, monitor and report risks. The procedures in place promote the independence of risk-taking, risk management and control activities. The existing organizational structure adequately ensures the separation of tasks and aims to prevent situations that could lead to conflicts of interest.

Through the Risk and Capital Strategy and the individual Risk Management Policies (Risk), the principles of an integrated risk management and risk management framework are defined in order to support the achievement of the Group's strategic and business objectives, as defined by the Board.

The broader risk management framework at Group level is constantly evolving, taking into account the current economic environment, business plans, the Bank's historical data, market dynamics, supervisory and regulatory requirements, the Group's Corporate Governance framework, international best practices and shareholder interests.

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 H1 2022, GRM 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, H1 2022 key risk strategic and functional objectives include:

- Early warning system development for the efficient performing portfolio management;
- Climate Stress testing;
- ECB roadmap on climate-related and environmental risks;
- Large exposures report automation;
- Guidance on loan origination and monitoring;
- Credit risk models calibration based on the EBA New Definition of Default;
- On-site-inspection (OSI) credit risk loan tape development;
- Value at Risk (VaR) methodologies enhancements;
- Interest Rate Risk in the Banking Book (IRRBB) initiatives;

- Operational risk framework enhancement.

The GRM Unit reports to the CRO, with Functions and main initiatives for H1 2022 briefly described below:

CRO's office| Function & Initiatives:

The Unit is responsible to manage, coordinate, advice on and monitor various risk initiatives and projects and consolidate overall view on figures, responses, alignment of stakeholders. Additionally, it undertakes and coordinates the operations of the Board of Directors (BoD) Risk Committee's Secretariat.

During H1 2022, main initiatives include:

- Coordination, support and monitoring of the GRM's targets/operations and coordination of projects and tasks related to the responsibilities of the CRO;
- Coordination, development and maintenance of the risk based pricing framework (policy, methodology, procedures) as well as guidance of the units involved for the implementation and adoption of this framework;
- Coordination of the submission of the annual plan of projects and their prioritization throughout the year.

Credit Risk Management | Function & Initiatives:

During 2022 GRM organizational chart was modified. Credit Risk Management Unit, having direct reporting line to the Group's CRO, was expanded in order to better address all emerging credit risk related issues in the scope of the Group's continuous effort to strengthen its Risk Management framework.

Several tasks and projects were deployed during H1 2022 to facilitate and enhance risk management practices, as described below per responsible unit:

- **Credit Risk Monitoring & Regulatory Reporting**
  - Guide the fine tuning of the Group's full transition to the new Definition of Default;
  - Enhancements in monitoring of new disbursements (e.g. Retail and Small Business infrastructure, Retail Products Vintage Analysis);
  - Enhanced monitoring of the prudential provisioning requirements for NPE's;
  - Enhancements in reporting to further increase upper management insight on credit risk KRIs (Key Risk Inticators) evolution.

- **Credit Portfolio Quality Assessment**
  - Performed sensitivity scenarios on the Group's loan portfolio regarding credit risk impact of the prevailing inflationary pressures;
  - Coordinated the exercise for the identification of vulnerable sectors as a result of the Russia - Ukraine conflict;
  - Credit file reviews on specified cases for credit quality assessment purposes;
  - Supported the pilot exercise of Early Warning System (EWS) in the Business portfolio;
  - Significant progress made regarding the OSI Credit Risk Loan Tape automation.

- **Collective Provisioning & ECL Analysis**
  - Further optimized impairment process by minimizing cycle-time;
  - Implemented new Cure Rate models for Corporate, Mortgage and Consumer portfolios within IFRS 9 Loss Given Default formula;
  - Enhanced Risk Appetite Framework regarding ECL and Industry limits;
  - OSI on IFRS 9 compliance and implementation.

- **Credit Risk Models**
  - Development of Early Warning System models for Business and Retail portfolios;
  - End to end execution of the credit risk module for the for the 2022 Climate Stress Testing exercise;
  - Enhancements of the Risk Based Pricing methodology for the SBL portfolio;
  - Significant progress introducing ESG risks in the credit risk parameters estimation.

Capital Management, Risk Strategy, Market, Liquidity & Asset Liability Management (ALM) Risks | Function and Initiatives:

Capital Management, Risk Strategy, Market, Liquidity & ALM Risks Unit 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 the Risk Adjusted Framework of the Group, in accordance with the Risk Committee and BoD's 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.

Also, the Unit_is responsible for the measurement, monitoring and reporting of capital requirements and capital adequacy ratios of the Group.

The Unit is responsible for the development of the risk management framework (policies, methodologies, models and processes) with respect to market, liquidity and ALM and other financial 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.

During H1 2022, Capital Management, Risk Strategy, Market, Liquidity & ALM Risks unit has undertaken a number of strategic risk initiatives. Indicatively:

Risk Strategy
- Risk Identification and Risk Appetite Policy updates;
- Preparation and Execution of ECB Climate Rik Stress Test 2022 and the Thematic Review on climate related risks;
- PMO (Project Management Office) Lead of Project Proteus, for the implementation of the roadmap on climate

related and environmental risks in alignment with ECB expectations.

Capital Planning and Stress Testing

- Full deployment of the new integrated Stress Testing and Balance Sheet diagnostics platform in development since 2021, and successful utilization in the ICAAP 2021 exercise;
- Enhanced Climate & Environmental Stress Testing approach implemented as part of the ICAAP 2021 exercise;
- ICAAP & Stress Testing 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.

Capital Calculation and Reporting

- Enhancement of capital management analytical and reporting framework, to cover novel activities (e.g. Investments in Collaterilized Loan Obligations (CLOs));
- Deep dive in market risk implementation to reconcile Murex depiction with trading strategies and optimize allocated capital;
- Revamping process of ERMIS I & II synthetic securitisation transactions, in order to enhance the ongoing SRT monitoring process;
- Analyzing Pillar III ESG disclosure requirements in order to incorporate them into the Group's reporting framework in a timely manner.

Market, Liquidity Risks and ALM

- **ALM & IRRBB**
  - Completion of ALM software upgrade project for IRRBB measurement and reporting;
  - Implementation of enhanced Additional Liquidity Monitoring software capabilities with regards to Constant/ Dynamic Balance Sheet functionalities;
  - Initiation of project involving the management of behavioral models employed for IRRBB purposes.

- **Market Risk**
  - Set up of new software (MUREX) and implementation of enhanced VaR measurement methodologies and reporting.

- **Liquidity Risk**
  - Alignment with 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;
  - Completion of the enhancement of the Stress Testing Framework.

Group Control and Risk Data & Solutions | Function and Initiatives:

Group Control and Risk Data & Solutions unit 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 (ICS), 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.

Finally, 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. It also coordinates and monitors projects under the hospice of GRM and being responsible for risk management data and operations.

During H1 2022, 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 (LoD);
- Upgrade of the core Operational Risk (OR) management system and migration to cloud;
- Implementation of a platform within the OR system for the management of internal control deficiencies across the Group;
- Enhancement of OR losses collection and analysis, with focus on legal cases and credit related incidents;
- Enhancement of the risk and control assessment methodologies and procedures;
- Enhancement of the OR framework regarding the management of risks related to Climate & Environmental drivers;
- Development of a methodology for the allocation OR losses to Business Units;
- Development of a bank-wide process model (Mega Process) that will link interrelated processes of various units contributing to the same "end result" and will monitor related risks.

Credit Control

In the context of enhancing Control Framework in accordance with the implementation of three LoD model and its integration with the ICS, Credit Control Performing & Troubled Assets adjusted their scope and responsibilities related to:

- Credit Control Policy (approval Q1'22);
- Credit Review Process manual (approval Q2'22);
- Regular and ad hoc Targeted in Depth Credit Reviews on Retail & Wholesale Core & Non-Core portfolio. Given Covid crisis, Credit Control reviews emphasized in borrowers' ability to meet their obligations and their classification according to policy and regulatory guidelines;
- Enhancement of 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 identification of material findings, to be utilized by 1st and 2nd LoD functions;
- Implementation of new Risk Based Stratification Sampling method in collaboration with Risk Analytics Data Office;
- Implementation of Senior Credit Committees' Charter Implementation Review (new responsibility conducted at least on a semiannual basis).

Model Validation

Following the enhancement of the Group's Internal Control Framework as a functional objective, the update of the procedures and other related documents of the updated Model Validation Framework (2021) was completed, covering additional areas of the Group (e.g. quantitative part of estimation of Present Value of proposed restructurings from Retail/SB/Agri Affordability & Treatment Tool etc.).

Indicatively, the actions performed by Model Validation Unit were:

- Implementation of the new quarterly follow-up process of the model validation findings in cooperation with Unit and Segment Controllers, aiming to a regular and centralized monitoring of the implementation of the remediation actions;
- Analysis enhancements and improvements of the IFRS 9 validation reports of credit risk models. Initial validation of five new IFRS 9 Cure rate models;
- Assessment considering implications to Risk Management and UTP criteria of the quantitative part of Retail/Small Business/Agri Affordability & Treatment Tool regarding the present value of proposed restructurings;
- Enhancement and update of the "Technical Validation Handbook" and "Aggregation Methodology of Quantitative Validation Aspects" based on the updated Model Validation Framework (2021) to adequately assess all model types (credit risk, market risk, interest rate risk, operational risk, etc).

Risk Data and Solutions

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 GRM framework (policies, methodologies, procedures) and
  - the internal control deficiencies (ICDs), such as: RCSA risks, Internal/External Audit findings, Model Validation findings, FTDs (ORAP) risks, Management Acceptance Risk (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 NPL Management Council

ALCO

Operational Risk Committee

Senior Credit Committee, Recovery Credit Committee and other Credit Committees

Macro-economic affairs Committees

Market Scenario Steering Committee

Group Planning Committee

Client Management Committee

Risk Models Oversight Committee

Real Estate Committees

Prospects and challenges of Piraeus Financial Holding Group's Operations in H2 2022

Following a strong rebound in 2021, the recovery of the Greek economy is set to continue in 2022 at a solid but weaker pace, as it is affected by higher energy prices and the economic impact of the Russian invasion in Ukraine.

Economic growth in Greece has kept its momentum in early 2022, with GDP growing 7.0% year over year in Q1 2022, driven by solid consumer spending and investments. However, the full impact of higher inflation is expected to materialize later in the year through higher input costs for businesses and the reduction of real disposable income for households. Growth in 2022 is expected to be supported by the deployment of the Resilience and Recovery Program funds and the solid performance of the tourism sector.

The 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 resumption of tourism to pre-Covid crisis levels are expected to drive the Greek economy to a solid and sustainable growth trajectory in 2022 and for a number of years ahead.

Overall, according to the Summer 2022 Economic Estimates of the European Commission, Greek GDP is expected to grow by 4.0% in 2022 and to slow down to 2.4% in 2023. Inflation on the other hand is projected to reach 8.9% in 2022 and 3.5% in 2023.

For the Group, 2022 is the year when the foundations are set for the return to sustainable profitability, through the execution of the 2022 – 2025 business plan, which aspires for the Group to reach an NPE ratio of approximately 9% in 2022 and land to approximately 3% in 2025, to achieve a sustainable return on tangible equity in 2022 and to increase to above 10% in 2025, while generating sufficient organic capital that will drive total capital ratio to above 16% in 2022 and above 17% in 2025.

The Group has achieved material progress on all pillars of its new business plan during the first half 2022. Its NPE ratio has been reduced to 9.1% from 12.6% at the end of December 2021, though the execution of the last two HAPS NPE securitizations of aggregate € 0.8 billion, while the successful monitoring and management of the Bank's loan book resulted in cycle-low levels of NPE formation during the first half 2022.

The strength of the Group franchise is being unlocked now that the balance sheet cleanup is almost completed. The Group's performing portfolio has expanded by € 1.5 billion in H1 2022, already meeting our target for full year 2022. A historical record net fee income generation has been achieved by the Group in H1 2022, driven by solid performance across the board. Operational efficiency is consistently improving quarter after quarter in line with our targets, and we are on track to achieve approximately 25% cost reduction in the 4-year period of our business plan.

All in all, H1 2022 execution of our business plan has been solid, outperforming on all core operating lines compared to our business plan targets. Further, the rising interest rate environment that the European economy has entered into, post the decision of the ECB to raise the base rates by 50 basis points in its July 2022 meeting, is expected to fair favorably for the banking sector and Piraeus Bank in particular.

For the Group, the second half 2022 is a period of accelerated effort to extract value from and optimize all its core operating lines, with the aim to strengthen the balance sheet, safeguard its profitability and prepare for any potential adverse macroeconomic scenario in the near future.

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 persistence of inflationary pressures, supply chain imbalances and uncertainty, and the difficulties posed by the broader geopolitical conditions, could enhance downside risks to all sectors of the economy, perpetuate debt problems and lead to additional NPE generation that would result in an increase of future provisions, burn capital buffers, which could materially and adversely affect our financial position, capital adequacy and operating results.

In an environment of price increases worldwide, central bank monetary policies are becoming aggressively restrictive. 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 good credit risk management and will focus on operational efficiency and cost control to navigate this environment.

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 as of 30 June 2022. 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 global economy is facing unprecedented challenges and uncertainty. It is at times like this that our firm focus on delivering our strategy is especially critical. The solid foundations that we have set, position us well to navigate the difficult macroeconomic environment that lies ahead. Ensuring we remain focused and agile will allow us to fulfil our responsibility to our shareholders, clients, employees, and society at large, supporting them as they navigate challenging times ahead.

Athens, 2 August 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

ESMA΄s ALTERNATIVE PERFORMANCE MEASURES (APMs) AT GROUP LEVEL

A. APMs

No	APM	APM Definition – Calculation	6M 2021[1]	FY 2021[1]	6M 2022
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 mandatorily at FVTPL, financial assets at FVTOCI, debt securities at amortised cost	12,293	12,754	12,345
2	Loans to Deposits Ratio (LDR) – (Seasonally Adjusted)	Seasonally Adjusted Net Loans over (/) Deposits	64.7%	63.2%	63.1%
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 due 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	8,997	4,860	3,370
4	NPE Ratio	NPEs over (/) gross loans before impairments & adjustments	24.6%	12.6%	9.1%
5	NPE (Cash) Coverage Ratio	ECL allowance for impairments on loans and advances to customers at amortised cost over (/) NPEs	38.8%	40.5%	46.1%
6	New loan disbursements		3,448	6,481	4,425
7	Other Assets	Balancing Item: equals (=) Total Assets minus (-) Net Loans minus (-) Financial Assets	29,595	30,514	34,159
8	Other Income	Balancing item: equals (=) Total net Income minus (-) Net Interest Income minus (-) Net Fee and Commission Income	500	682	667
9	Other Liabilities	Balancing Item: equals (=) Total Liabilities minus (-) Due to Banks minus (-) Customer Deposits	3,495	3,679	4,175
10	Recurring Operating Expenses	Operating expenses minus (-) One-off expenses	(427)	(874)	(408)
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, adding (+) to the numerator the expected impact of the Iolcus and Natech transaction developments concluded post 30 June 2022, as well as other financial developments and subtracting (-) from the denominator the RWA of the Sunrise 3 and Solar NPE securitization portfolios, classified as HFS as at 30 June 2022, and the RWA relief expected from the mortgage and blended portfolio signed synthetic securitizations, to be concluded in the forthcoming	15.82%	15.85%	16.67%

No	APM	APM Definition – Calculation	6M 2021[1]	FY 2021[1]	6M 2022
		period.			
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, adding (+) to the numerator the expected impact of the Iolcus and Natech transaction developments concluded post 30 June 2022, as well as other financial developments and subtracting (-) from the denominator the RWA of the Sunrise 3 and Solar NPE securitization portfolios, classified as Held for sale (HFS) as at 30 June 2022, and the RWA relief expected from the mortgage and blended portfolio signed synthetic securitizations, to be concluded in the forthcoming period	11.58%	11.19%	11.77%

B. APMs Components

Balance Sheet

No	APM Component	APM Definition – Calculation	30/6/2021	31/12/2021	30/6/2022
1	Deposits or Customer Deposits	Due to Customers	51,215	55,442	56,079
2	Due to Banks	Amounts owed to Banks	13,791	14,865	15,406
3	ECL Allowance grossed up with PPA adjustment	ECL allowance for impairment losses on loans and advances to customers at amortised cost	(3,489)	(1,971)	(1,555)
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	36,639	38,492	36,924
5	Net Loans	Loans and advances to customers at amortised cost	33,150	36,521	35,369
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 € 0 as at 30 June 2021 and 30 June 2022	33,150	35,047	35,369

Income Statement

No	APM Component	APM Definition – Calculation	6M 2021[1]	FY 2021[1]	6M 2022
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.	(3,266)	(4,284)	(420)
2	Net Fee & Commission Income (NFI)	Fee and Commission Income minus (-) Fee and Commission Expense (including income from non-banking activities).	195	438	237
3	Net Interest Income (NII)	Interest and Similar Income minus (-) Interest Expense and Similar Charges	772	1,410	591
4	Net Results - Net Profit	Profit / (loss) for the period from continuing operations attributable to shareholders of the Parent	(2,449)	(3,007)	614
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)	1,467	2,526	1,496
6	Non Recurring (one-off) Expenses	Non recurring items include costs related with VES of € 40 million for H1.2021 and € 7 million for H1.2022, as well as non-recurring depreciation charges of € 4 million related to Thalis transaction in H1.2022	(40)	(25)	(11)
7	Non Recurring (one-off) Other Income	In H1.2021, non-recurring other income includes gains booked from sovereign bond portfolio and related derivative transactions amounting to € 479 million. In H1.2022 non-recurring other income includes gains booked from Thalis transaction amounting to € 282 million and gains booked from bond portfolio and related derivative transactions amounting to € 328 million	479	663	609
8	No Recurring (one-off) Impairments	In H1.2021, € 3,014 million impairment charges related with the losses of the Phoenix, Vega and Sunrise I securitizations and other NPE sales, were classified as one-off. In H1.2022, € 269 million impairment charges related with losses of the Sunrise III and Solar NPE securitizations and other NPE sales	3,014	3,874	269
9	Operating Expenses (Opex)	Total operating expenses before provisions	(467)	(899)	(419)

No	APM Component	APM Definition – Calculation	6M 2021[1]	FY 2021[1]	6M 2022
10	Pre Provision Income (PPI)	Profits before provisions, impairment, income tax and share of profit of associates	1,000	1,631	1,076
11	Pre Tax Results - Pre Tax Profits (PBT)	Profit / (loss) before income tax	(2,337)	(2,691)	635
12	EPS	Profit / (Loss) for the Year attributable to the equity holders of the parent per share	(5.65)	(3.51)	0.49

[1] Certain comparative APMs and APMs' components have been restated to reflect the reclassifications performed in the Condensed Interim Income Statements. Further information for the six month period ended 30 June 2021 is presented in Notes 2.1 and 32.

The Board of Directors' Report contains financial information and measures as derived from the Group and the Company's Condensed Interim Financial Statements for the periods ended 30 June 2022 and 30 June 2021, as well as from the Company's Annual Financial Statements for the year ended 31 December 2021, 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 Review Report

To the shareholders of Piraeus Financial Holdings S.A.

Review Report on Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim separate and consolidated statement of financial position of the Company and the Group of Piraeus Financial Holdings S.A. (the "Group") as of 30 June 2022 and the related separate and consolidated condensed interim statements of income, comprehensive income, changes in equity and cash flow for the six-month period then ended, as well as the selective explanatory notes, which together comprise the six-month condensed interim financial statements and which represent an integral part of the six month financial report provided under Law 3556/2007.

Management is responsible for the preparation and presentation of these condensed interim separate and consolidated financial statements in accordance with the International Financial Reporting Standards as endorsed by the European Union and applicable to Interim Financial Reporting (International Accounting Standard "IAS" 34). Our responsibility is to express a conclusion on these condensed interim separate and consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as transposed in Greek legislation, and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim separate and consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Our review has not revealed any material inconsistency or error in the Statements of the Board of Directors and in the information included in the six-month Board of Directors' Report provided under articles 5 and 5a of Law 3556/2007 when compared to the accompanying condensed interim separate and consolidated financial statements.

Athens, 05 August 2022

The Certified Public Accountant

Alexandra V. Kostara
Reg. No. SOEL: 19981
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou Str., 151 25 Maroussi
Reg. No. SOEL: E 120

Condensed Interim Income Statement

€ Million	Note	Group 6 month period ended 30/6/2022	Group 6 month period ended 30/6/2021 As reclassified	Company 6 month period ended 30/6/2022	Company 6 month period ended 30/6/2021 As reclassified
CONTINUING OPERATIONS					
Interest and similar income	6	788	954	56	110
Interest expense and similar charges	6	(197)	(182)	(34)	(43)
NET INTEREST INCOME		**591**	**772**	**22**	**67**
Fee and commission income	7	248	219	21	19
Fee and commission expense	7	(38)	(40)	(16)	(2)
NET FEE AND COMMISSION INCOME		**210**	**180**	**5**	**17**
Income from non-banking activities	8	28	15	-	-
Dividend income		1	1	26	-
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	10	284	90	(1)	(73)
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	11	109	79	-	-
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost		(20)	320	-	-
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	20	281	-	-	-
Net other income/ (expenses)		13	12	(1)	-
TOTAL NET INCOME		**1,496**	**1,467**	**51**	**10**
Staff costs		(192)	(233)	(1)	(1)
Administrative expenses		(172)	(179)	(1)	(7)
Depreciation and amortisation		(54)	(56)	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(419)**	**(467)**	**(2)**	**(8)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**1,076**	**1,000**	**49**	**2**
ECL impairment losses on loans and advances to customers at amortised cost	4.2	(359)	(3,177)	-	(1,517)
Other credit-risk related charges on loans and advances to customers at amortised cost	12	(61)	(89)	-	(11)
Impairment (losses)/releases on other assets		(9)	(14)	-	(10)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI		1	(10)	-	-
Impairment on subsidiaries and associates		(2)	(23)	-	(1,597)
Impairment of property and equipment and intangible assets		(2)	(2)	-	-
Impairment on debt securities at amortised cost		(2)	(19)	1	(1)
Other provision (charges)/ releases		3	4	-	-
Share of profit/ (loss) of associates and joint ventures		(9)	(7)	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX		**635**	**(2,337)**	**50**	**(3,133)**
Income tax benefit/ (expense)	13	(22)	(111)	-	-
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**613**	**(2,448)**	**50**	**(3,133)**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	9	(1)	(2)	-	-
PROFIT/ (LOSS) FOR THE PERIOD		**612**	**(2,450)**	**50**	**(3,133)**
From continuing operations					
Profit/ (loss) attributable to the equity holders of the parent		614	(2,449)	-	-
Non controlling interest		(1)	1	-	-
From discontinued operations					
Profit/ (loss) attributable to the equity holders of the parent		(1)	(2)	-	-
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):					
From continuing operations					
- Basic & Diluted	14	0.49	(5.65)	-	-
From discontinued operations					
- Basic & Diluted	14	(0.00)	(0.00)	-	-
Total					
- Basic & Diluted	14	0.49	(5.65)	-	-

The notes on pages 54 to 119 form an integral part of the Condensed Interim Financial Statements

Condensed Interim Statement of Comprehensive Income

€ Million	Note	Group		Company	
		6 month period ended		6 month period ended	
		30/6/2022	30/6/2021	30/6/2022	30/6/2021
CONTINUING OPERATIONS					
Profit/ (loss) for the period (A)		**613**	**(2,448)**	**50**	**(3,133)**
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	15	(177)	(70)	-	-
Change in currency translation reserve	15	(1)	3	-	-
Items that will not be reclassified subsequently to profit or loss					
Change in reserve from equity instruments measured at FVTOCI	15	(3)	(33)	-	-
Other comprehensive expense, net of tax (B)	15	**(181)**	**(100)**	**-**	**-**
Total comprehensive income/ (expense), net of tax (A)+(B)		**432**	**(2,548)**	**50**	**(3,133)**
- Attributable to equity holders of the parent		433	(2,549)	-	-
- Non controlling interest		(1)	1	-	-
DISCONTINUED OPERATIONS					
Loss for the period		**(1)**	**(2)**	**-**	**-**
Total comprehensive expense, net of tax		**(1)**	**(2)**	**-**	**-**
- Attributable to equity holders of the parent		(1)	(2)	-	-
- Non controlling interest		-	-	-	-

The notes on pages 54 to 119 form an integral part of the Condensed Interim Financial Statements

Condensed Interim Income Statement

€ Million	Note	Group 3 month period ended 30/6/2022	Group 3 month period ended 30/6/2021 As reclassified	Company 3 month period ended 30/6/2022	Company 3 month period ended 30/6/2021 As reclassified
CONTINUING OPERATIONS					
Interest and similar income	6	403	495	27	49
Interest expense and similar charges	6	(97)	(88)	(17)	(21)
NET INTEREST INCOME		**306**	**407**	**9**	**28**
Fee and commission income	7	126	123	11	10
Fee and commission expense	7	(18)	(21)	(14)	(1)
NET FEE AND COMMISSION INCOME		**108**	**102**	**(3)**	**9**
Income from non-banking activities	8	16	9	-	-
Dividend income		1	-	26	-
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	10	61	13	(1)	(39)
Net gains/ (losses) from financial instruments measured at fair value through other comprehensive income ("FVTOCI")	11	11	69	-	-
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost		(4)	3	-	-
Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures	20	-	-	-	-
Net other income/ (expenses)		16	4	(1)	-
TOTAL NET INCOME		**513**	**607**	**31**	**(1)**
Staff costs		(101)	(136)	-	(1)
Administrative expenses		(90)	(90)	(1)	(2)
Depreciation and amortisation		(25)	(28)	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(216)**	**(254)**	**(1)**	**(3)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**298**	**353**	**29**	**(5)**
ECL impairment losses on loans and advances to customers at amortised cost	4.2	(163)	(2,245)	-	(709)
Other credit-risk related charges on loans and advances to customers at amortised cost	12	(27)	(47)	-	(5)
Impairment (losses)/releases on other assets		(6)	(9)	-	(10)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI		(1)	(5)	-	-
Impairment on subsidiaries and associates		-	(23)	-	(1,597)
Impairment of property and equipment and intangible assets		-	(1)	-	-
Impairment on debt securities at amortised cost		(1)	(3)	1	(1)
Other provision (charges)/ releases		(1)	2	-	-
Share of profit/ (loss) of associates and joint ventures		(5)	(1)	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX		**93**	**(1,980)**	**30**	**(2,327)**
Income tax benefit/ (expense)	13	(1)	(65)	1	0
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**92**	**(2,045)**	**30**	**(2,327)**
DISCONTINUED OPERATIONS					
Profit/ (loss) after income tax from discontinued operations	9	-	1	-	-
PROFIT/ (LOSS) FOR THE PERIOD		**92**	**(2,044)**	**30**	**(2,327)**
From continuing operations					
Profit/ (loss) attributable to the equity holders of the parent		92	(2,046)	-	-
Non controlling interest		-	1	-	-
From discontinued operations					
Profit/ (loss) attributable to the equity holders of the parent		-	1	-	-
Non controlling interest		-	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):					
From continuing operations					
- Basic & Diluted	14	0.07	(2.49)	-	-
From discontinued operations					
- Basic & Diluted	14	(0.00)	0.00	-	-
Total					
- Basic & Diluted	14	0.07	(2.49)	-	-

The notes on pages 54 to 119 form an integral part of the Condensed Interim Financial Statements

Condensed Interim Statement of Comprehensive Income

€ Million	Group		Company	
	3 month period ended		3 month period ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
CONTINUING OPERATIONS				
Profit/ (loss) for the period (A)	**93**	**(2,044)**	**30**	**(2,327)**
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	(40)	(40)	-	-
Change in currency translation reserve	1	1	-	-
Items that will not be reclassified subsequently to profit or loss				
Change in reserve from equity instruments measured at FVTOCI	(2)	(50)	-	-
Other comprehensive expense, net of tax (B)	**(41)**	**(89)**	**-**	**-**
Total comprehensive income/ (expense), net of tax (A)+(B)	**52**	**(2,133)**	**30**	**(2,327)**
- Attributable to equity holders of the parent	52	(2,134)	-	-
- Non controlling interest	-	1	-	-
DISCONTINUED OPERATIONS				
Profit for the period	**-**	**1**	**-**	**-**
Total comprehensive income, net of tax:	**-**	**1**	**-**	**-**
- Attributable to equity holders of the parent	-	1	-	-
- Non controlling interest	-	-	-	-

Condensed Interim Statement of Financial Position

€ Million	Note	Group 30/6/2022	Group 31/12/2021	Company 30/6/2022	Company 31/12/2021
ASSETS					
Cash and balances with Central Banks		17,901	15,519	-	-
Due from banks		764	1,344	51	50
Financial assets at FVTPL		747	906	-	-
Financial assets mandatorily measured at FVTPL		210	205	10	9
Derivative financial instruments	16	1,900	591	-	-
Loans and advances to customers at amortised cost	17	35,369	36,521	-	-
Loans and advances to customers mandatorily measured at FVTPL		76	77	25	26
Financial assets measured at FVTOCI	19	1,811	2,366	-	-
Debt securities at amortised cost	19	9,501	9,200	740	757
Investment property		1,381	1,041	-	-
Investments in subsidiaries	20	-	-	5,539	5,539
Investments in associated undertakings and joint ventures	20	534	630	-	-
Property and equipment		922	890	-	-
Intangible assets		283	267	-	-
Tax receivables	21	157	160	12	20
Deferred tax assets	12	6,128	6,070	-	-
Other assets		3,568	3,453	29	26
Assets held for sale	18	505	435	-	-
Assets from discontinued operations	9	117	114	-	-
TOTAL ASSETS		**81,872**	**79,789**	**6,406**	**6,428**
LIABILITIES					
Due to banks	22	15,406	14,865	-	-
Due to customers	23	56,079	55,442	-	-
Derivative financial instruments	16	775	393	-	-
Debt securities in issue	24	981	971	-	-
Other borrowed funds	25	903	935	902	934
Current income tax liabilities		9	5	-	-
Deferred tax liabilities		10	10	1	1
Retirement and termination benefit obligations		66	75	-	-
Provisions		131	136	-	-
Liabilities held for sale		2	3	-	-
Other liabilities		1,270	1,124	40	54
Liabilities from discontinued operations	9	28	28	-	-
TOTAL LIABILITIES		**75,660**	**73,987**	**943**	**989**
EQUITY					
Share capital	27	1,188	1,188	1,188	1,188
Share premium	27	18,112	18,112	18,112	18,112
Other equity instruments	27	600	600	600	600
Less: Treasury shares	27	(1)	(2)	-	-
Other reserves and retained earnings	28	(13,703)	(14,110)	(14,437)	(14,460)
Capital and reserves attributable to equity holders of the parent		**6,196**	**5,788**	**5,463**	**5,439**
Non controlling interest		17	15	-	-
TOTAL EQUITY		**6,213**	**5,803**	**5,463**	**5,439**
TOTAL LIABILITIES AND EQUITY		**81,872**	**79,789**	**6,406**	**6,428**

The notes on pages 54 to 119 form an integral part of the Condensed Interim Financial Statements

Condensed Interim Statement of Changes in Equity

Group		Attributable to equity shareholders of the parent entity												
€ 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	Non-taxed reserves	Retained Earnings	Total	Non controlling interest	Total
Opening balance as at 1/1/2021		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**115**	**-**	**(10,980)**	**7,091**	**106**	**7,197**
Restatement due to change in the presentation of Non-taxed reserves [1]		-	-	-	-	-	-	-	-	351	(351)	-	-	-
Restated Opening balance as at 1/1/2021 [1]		**2,620**	**13,075**	**2,040**	**-**	**(1)**	**(59)**	**281**	**115**	**351**	**(11,331)**	**7,091**	**106**	**7,197**
Other comprehensive income/ (expense), net of tax	15	-	-	-	-	-	3	(103)	-	-	-	(100)	-	(100)
Loss after tax for the period 1/1 - 30/06/2021		-	-	-	-	-	-	-	-	-	(2,451)	(2,451)	1	(2,450)
Total comprehensive income/ (expense) for the period 1/1 - 30/6/2021		**-**	**-**	**-**	**-**	**-**	**3**	**(103)**	**-**	**-**	**(2,451)**	**(2,551)**	**1**	**(2,550)**
Conversion of Cocos into ordinary shares		2,366	-	(2,040)	-	-	-	-	-	-	(353)	(27)	-	(27)
Share capital increase, net of issue costs		1,200	101	-	-	-	-	-	-	-	-	1,301	-	1,301
Reduction of par value per share		(4,936)	4,936	-	-	-	-	-	-	-	-	-	-	-
AT1 capital instrument, net of issue costs		-	-	-	600	-	-	-	-	-	(8)	592	-	592
(Purchases) / sales of treasury shares		-	-	-	-	(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		-	-	-	-	-	-	-	3	-	1	4	2	6
Balance as at 30/6/2021		**1,250**	**18,112**	**-**	**600**	**(2)**	**(56)**	**179**	**119**	**351**	**(14,082)**	**6,471**	**109**	**6,581**
Opening balance as at 1/7/2021		**1,250**	**18,112**	**-**	**600**	**(2)**	**(56)**	**179**	**119**	**351**	**(14,082)**	**6,471**	**109**	**6,581**
Other comprehensive income/(expense), net of tax		-	-	-	-	-	2	(34)	-	-	-	(32)	-	(32)
Loss after tax for the period 1/7 - 31/12/2021		-	-	-	-	-	-	-	-	-	(563)	(563)	(2)	(565)
Total comprehensive income/ (expense) for the period 1/7 - 31/12/2021		**-**	**-**	**-**	**-**	**-**	**2**	**(34)**	**-**	**-**	**(563)**	**(595)**	**(2)**	**(597)**
Share capital decrease in kind		(63)	-	-	-	-	-	-	-	-	-	(63)	-	(63)
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
Disposals and movements in participating interests		-	-	-	-	-	-	-	(1)	-	2	1	(93)	(92)
Balance as at 31/12/2021		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Opening balance as at 1/1/2022		**1,188**	**18,112**	**-**	**600**	**(2)**	**(54)**	**144**	**118**	**351**	**(14,669)**	**5,787**	**15**	**5,803**
Other comprehensive expense, net of tax	15	-	-	-	-	-	(1)	(180)	-	-	-	(181)	-	(181)
Profit after tax for the period 1/1 - 30/06/2022		-	-	-	-	-	-	-	-	-	612	612	(1)	611
Total comprehensive income/ (expense) for the period 1/1 - 30/06/2022		**-**	**-**	**-**	**-**	**-**	**(1)**	**(180)**	**-**	**-**	**612**	**432**	**(1)**	**431**
Payment to the holders of AT1 capital instrument		-	-	-	-	-	-	-	-	-	(26)	(26)	-	(26)
(Purchases)/ sales of treasury shares		-	-	-	-	1	-	-	-	-	-	1	-	1
Disposals and movements in participating interests		-	-	-	-	-	-	-	2	-	-	2	3	5
Balance as at 30/6/2022		**1,188**	**18,112**	**-**	**600**	**(1)**	**(56)**	**(35)**	**120**	**351**	**(14,084)**	**6,196**	**17**	**6,213**

The notes on pages 54 to 119 form an integral part of the Condensed Interim Financial Statements

Company € Million	Share Capital	Share Premium	Contingent Convertible Bonds	Other equity instruments	Other reserves	Non-taxed reserves	Retained earnings	Total
Opening balance as at 1/1/2021	**2,620**	**13,075**	**2,040**	**-**	**96**	**-**	**(11,123)**	**6,708**
Restatement due to change in the presentation of Non-taxed reserves[1]	-	-	-	-	-	351	(351)	-
Restated Opening balance as at 1/1/2021[1]	**2,620**	**13,075**	**2,040**	**-**	**96**	**351**	**(11,474)**	**6,708**
Loss after tax for the period 1/1 - 30/6/2021	-	-	-	-	-	-	(3,133)	(3,133)
Total comprehensive expense for the period 1/1 - 30/6/2021	**-**	**-**	**-**	**-**	**-**	**-**	**(3,133)**	**(3,133)**
Conversion of CoCos into ordinary shares	2,366	-	(2,040)	-	-	-	(353)	(27)
Share capital increase, net of issue costs	1,200	101	-	-	-	-	-	1,301
Reduction of par value per share	(4,936)	4,936	-	-	-	-	-	-
AT1 capital instrument, net of issue costs	-	-	-	600	-	-	(8)	592
Balance as at 30/6/2021	**1,250**	**18,112**	**-**	**600**	**96**	**351**	**(14,968)**	**5,441**
Opening balance as at 1/7/2021	**1,250**	**18,112**	**-**	**600**	**96**	**351**	**(14,968)**	**5,441**
Profit after tax for the period 1/7 - 31/12/2021	-	-	-	-	-	-	87	87
Total comprehensive income for the period 1/7 - 31/12/2021	**-**	**-**	**-**		**-**		**87**	**87**
Share capital decrease in kind	(63)	-	-	-	-	-	-	(63)
Payment to the holders of AT1 capital instrument	-	-	-	-	-	-	(26)	(26)
Balance as at 31/12/2021	**1,188**	**18,112**	**-**	**600**	**96**	**351**	**(14,908)**	**5,439**
Opening balance as at 1/1/2022	**1,188**	**18,112**	**-**	**600**	**96**	**351**	**(14,908)**	**5,439**
Profit after tax for the period 1/1 - 30/6/2022	-	-	-	-	-	-	50	50
Total comprehensive income for the period 1/1 - 30/6/2022	**-**	**-**	**-**	**-**	**-**	**-**	**50**	**50**
Payment to the holders of AT1 capital instrument	-	-	-	-	-	-	(26)	(26)
Balance as at 30/6/2022	**1,188**	**18,112**	**-**	**600**	**96**	**351**	**(14,884)**	**5,463**

[1] As of 30 June 2022, the Group and the Company have proceeded to the change in the presentation of certain types of reserves after taking into account their nature and purpose in accordance with the applicable legal and tax framework in Greece. In particular, reserves of € 351 million mainly relating to dividends and gains from the sale of participations, which were previously included within retained earnings are presented in category "Non-taxed reserves". Comparative information has been restated in order to align with the aforementioned changes in the presentation of Non- taxed reserves and retained earnings.

Condensed Interim Cash Flow Statement

€ Million	Group 6 month period ended 30/6/2022	Group 6 month period ended 30/6/2021	Company 6 month period ended 30/6/2022	Company 6 month period ended 30/6/2021
Cash flows from operating activities				
Profit/ (Loss) before income tax	634	(2,339)	50	(3,134)
Adjustments to profit/ (loss) before income tax:				
Add: provisions and impairment	433	3,304	(1)	3,129
Add: depreciation and amortisation charge	56	57	-	-
Add: retirement benefits and cost of voluntary exit scheme	9	43	-	-
Net (gain)/ losses from financial instruments measured at FVTPL	299	(18)	1	46
Net (gain)/ losses from financial instruments measured at FVTOCI	(109)	(79)	-	-
(Gains)/ losses from investing activities	(291)	11	(26)	-
Accrued interest from investing and financing activities	31	15	34	42
Cash flows from operating activities before changes in operating assets and liabilities	1,063	994	58	84
Changes in operating assets and liabilities:				
Net (increase)/ decrease in cash and balances with Central Banks	(2)	(1)	-	-
Net (increase)/ decrease in financial instruments measured at FVTPL	229	(373)	-	(46)
Net (increase)/ decrease in financial assets mandatorily measured at FVTPL	(30)	(4)	-	-
Net (increase)/ decrease in debt securities at amortised cost	(1,577)	(3,751)	18	(20)
Net (increase)/ decrease in amounts due from banks	663	(169)	-	-
Net (increase)/ decrease in loans and advances to customers	343	774	-	(141)
Net (increase)/ decrease in reverse repos with customers	-	8	-	-
Net (increase)/ decrease in other assets	(108)	24	6	79
Net increase/ (decrease) in amounts due to banks	468	2,415	-	-
Net increase/ (decrease) in amounts due to customers	649	1,579	-	-
Net increase/ (decrease) in other liabilities	39	5	(14)	(4)
Net cash flow from operating activities before income tax payment	1,738	1,500	68	(48)
Income tax paid	(1)	-	-	-
Net cash inflow/ (outflow) from operating activities	**1,737**	**1,500**	**68**	**(48)**
Cash flows from investing activities				
Purchases of property and equipment	(50)	(39)	-	-
Proceeds from disposal of property and equipment and intangible assets	9	3	-	-
Purchases of intangible assets	(34)	(10)	-	-
Proceeds from disposal of assets held for sale	536	83	-	-
Purchases of financial assets at FVTOCI	(982)	(2,967)	-	-
Proceeds from disposal of financial assets at FVTOCI	1,463	3,204	-	-
Acquisition of subsidiaries net of cash and cash equivalents acquired and participation in share capital increases/ decreases	(90)	2	-	(1,567)
Subscription of AT 1 capital instrument	-	-	-	(595)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed	3	-	-	-
Acquisition, establishment and participation in share capital (increases)/ decreases of associates and joint ventures	-	(1)	-	
Proceeds from disposal of associates	3	-	-	-
Dividends received	6	1	26	-
Net cash inflow/ (outflow) from investing activities	**862**	**275**	**26**	**(2,162)**
Cash flows from financing activities				
Expenses directly attributable to the conversion of CoCos into ordinary shares	-	(27)	-	(27)
Net proceeds from the issue of ordinary shares	-	1,301	-	1,301
Net proceeds from the issue/ (repayment) of AT1 capital instrument	(26)	592	(26)	592
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(69)	(69)	(66)	(66)
(Purchases) / sales of treasury shares and preemption rights	-	(1)	-	-
Principal and interest portion of lease liability	(13)	(17)	-	-
Net cash inflow/ (outflow) from financing activities	**(108)**	**1,780**	**(93)**	**1,799**
Effect of exchange rate changes on cash and cash equivalents	13	4	-	-
Net increase/ (decrease) in cash and cash equivalents (A)	**2,505**	**3,559**	**1**	**(411)**
Cash and cash equivalents at the beginning of the period (B)	**15,868**	**9,303**	**50**	**462**
Cash and cash equivalents at the end of the period (A) + (B)	**18,373**	**12,862**	**51**	**51**

The Company presented distinctly in the cash flow statement the subscription of AT1 capital instrument, which was presented, prior to the said reclassification, with in line item “Acquisition of subsidiaries net of cash and cash equivalents acquired and participation in share capital increases/ decreases”.

1 General information

Piraeus Financial Holdings S.A. (the “Company”), registered under General Commercial Registry (“GEMI”) number 225501000, 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. The duration of the Company lapses on 6 July 2099. The Company and its subsidiaries (hereinafter the “Group”) provide services in Southeastern and Western Europe. As of 30 June 2022, the headcount of the Group is 10,263 full time employees (FTEs), of which 929 FTEs refer to discontinued operations (IMITHEA Single Member S.A.) and 128 FTEs refer to held for sale operations.

Apart from the ATHEX General Index, Piraeus Financial Holdings S.A. is a constituent of other major indices as well, such as FTSE/ATHEX (Large Cap, Banks, ESG Index), FTSE (Emerging Markets, Med 100), MSCI (Emerging Markets, Greece), Stoxx (All Europe TMI, Emerging Markets, Balkan), S&P (Global, Greece BMI), FTSE4Good, Bloomberg Gender Equality and CDP Carbon Disclosure Project.

The Board of Directors of Piraeus Financial Holdings S.A. that approved the condensed interim financial statements for the six-month period ended 30 June 2022 (the “Condensed Interim Financial Statements”), as of 2 August 2022 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
Francesca. A. Tondi	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 Summary of significant accounting policies

2.1 Basis of preparation

The Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and include selected explanatory notes, rather than all the information required for a full set of annual financial statements. Therefore, the Condensed Interim Financial Statements should be read in conjunction with the annual financial statements included in the 2021 Annual Financial Report of the Group and the Company, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as endorsed by the European Union (the "EU").

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments of existing standards effective as of 1 January 2022 as detailed in Note 2.3. In addition, the Group has changed the presentation of specific income statement line items, as well as the presentation of non-taxed reserves, and reclassified comparative period figures to conform to changes in current period's presentation. Refer to Note 8 "Income from non- banking activities", Note 12 "Other credit risk related charges on loans and advances to customers at amortised cost", Note 32 "Reclassifications of comparative period figures" and to the condensed interim statement of changes in equity for further information.

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.

The Condensed Interim Financial Statements have been prepared under the historical cost convention, except for financial assets and financial liabilities held at fair value through profit or loss ("FVTPL") or at fair value through other comprehensive income ("FVTOCI"), derivative financial instruments and investment property, which have been measured at fair value.

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, which continued with solid economic growth in early 2022, and the prospects for a sustainable rate of growth of GDP in the medium term, taking into account also the deployment of the RRF funds to the Greek economy that are estimated to support GDP growth and will allow the Greek economy's 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 2022 year-to-date, as well as the expected acceleration going forward;

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 30 June 2022 (refer to the Liquidity section below) as well as Management's assessment of the impact of stress test scenarios, within the Internal Capital Adequacy Assessment Process and (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) framework, on the Group's liquidity position and on mandatory liquidity ratios;

d) the actions taken by the Group for the reduction of non-performing exposures (NPEs), which have resulted in the NPE ratio dropping to 9.1% as at 30 June 2022 from 24.6% as at 30 June 2021 and 12.6% as at 31 December 2021, with the associated cost coming in line with initial estimates;

e) the capital adequacy of the Group, which exceeded the Overall Capital Requirement (OCR) (refer to the Capital Adequacy section below) and the Minimum Requirement for own funds and Eligible Liabilities (MREL) ratio of Piraeus Bank Group as at 30 June 2022, which reached 18.0% 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 (e.g. synthetic securitizations of performing loans). It is estimated that for the next 12 months the Group's capital adequacy ratios and the MREL ratio will remain higher than the required minimum regulatory levels;

f) the issuance of Additional Tier 1 (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 and also considering market conditions;

g) the geopolitical developments, specifically the Russia / Ukraine conflict, 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 30 June 2022;

h) the high level of inflation and the rising energy prices, as an aftermath of the volatility in global supply chains and the Russia / Ukraine conflict, with the balance sheet de-risking that has been performed in 2021 and 2022, providing safety against adverse scenarios;

i) the decision of the Governing Council of the ECB in its July meeting to raise interest rates by 50 basis points and the prospect for further hikes at the remaining meetings during 2022, which are expected to have a positive impact on net interest income and therefore group profits from the second semester of 2022 onwards.

Based on the analysis performed, Management has concluded that the Condensed Interim Financial Statements have been appropriately prepared on a going concern basis as at 30 June 2022, as the Group and the Company have adequate resources to continue their operations for a period of twelve months from the reporting date. For this reason, the Group continues to adopt the going concern basis of accounting for preparing its financial statements.

Macroeconomic environment

The Greek economy is once again facing the consequences of a global crisis. The degree of resilience at this point in time depends not only on the extent and intensity of international events, but also on the course of Greek economic activity to date and the new challenges and opportunities that arise.

In 2021, the Greek economy returned, in terms of real GDP, close to pre-pandemic levels recording a growth rate of 8.3% and reaching € 181.0 billion (2019: € 183.6 billion). Its rapid recovery from the pandemic is indicative of improved resilience to shocks, with the Q1.22 remaining on a positive trajectory. In particular, in Q1.22 real GDP increased by 7.0% on an annual basis mainly due to the positive contribution of private consumption and investments. At the same time, the increase of nominal GDP by 15.0% on an annual basis (4.4% on a quarterly basis), indicates the dynamics of the economy but also the negative impact of inflationary pressures on the real growth rate. Furthermore, the European Commission (2022) report "Summer 2022 Economic Forecast" mentioned real growth rates of 4.0% in 2022 and 2.4% in 2023.

According to the short-term indicators of economic activity: (a) in the labour market, the unemployment rate maintained a downward trajectory. In April, the seasonally adjusted (s.a) unemployment rate reached 12.5% (Apr. 2021: 17.2%) and employment increased by 10.8% on an s.a annual basis (Apr. 2021: 4.6% yoy), (b) turnover and volume indicators linked to activity in industry, trade, construction and services have maintained an upward trend, (c) in the period from January to May

2022, travel receipts increased to € 2.5 billion representing 87.8% of the corresponding figure for 2019. However, in the same period, the current account deficit increased by € 4.1 billion compared to the same period in 2021, mainly due to the deterioration of the balance of goods, (d) in the real estate market, the apartment price index increased in Q1.22 by 8.6%, (Q1.21: 4.5%), while the office price index increased in H2.2021 by 2.4% on an annual basis and in 2021 by 1.8% (2020: 1.2%).

The Greek economy is experiencing the consequences of the international crisis, as reflected in the imbalances on the energy price front and their gradual effects on the activity. In the second quarter of 2022, the Economic Sentiment Indicator stood at 105.8 points compared to 113.8 points in the first quarter, thereby reflecting increased levels of uncertainty. Strong inflationary pressures are a key feature of 2022, both in the global market and in Greece. In particular, in the first half of the year, headline inflation (CPI) reached 9.3% (H1.2021: -0.7%), burdened mainly by energy and food prices. In this context, its deviation from core inflation (CPI, excluding food, beverages, tobacco and energy) is significant, but even in this case the upward trend of core inflation is also a fact (2.1% versus -1.5% in H1.2021). During the same period, harmonized inflation (HICP) reached 8.5%. The European Commission estimated in its latest forecasts that HICP inflation will reach 8.9% in 2022 and decline to 3.5 % in 2023.

Nevertheless, strong foundations for rapid and sustainable growth have been created on the one hand by stimulating demand, employment and the real estate market, and on the other hand by streamlining fiscal surpluses and easing requirements for a primary surplus target of 3.5% of GDP. This last parameter provides the fiscal space for easing measures (such as abolishing the solidarity tax, reducing ENFIA, income taxation, etc.) but also for measures to deal with the energy crisis and support disposable income. The gradual lifting of pandemic–related measures and the "opening up" of the economy, have also led to the de-escalation of the implementation of fiscal measures aimed at dealing with the health crisis. However, support measures were taken in order to reduce mainly the energy costs in disposable income. In January - June 2022, the state budget deficit, on a modified cash basis, was reduced to € 6.55 billion (€ 12.2 billion in the corresponding period of 2021) and the primary deficit stood at € 3.4 billion, (€ 9.1 billion in the corresponding period of 2021).

The RRF will be a key component in supporting the economy. On July 13, 2021, the Economic and Fiscal Affairs Council approved the National Recovery and Resilience Plan "Greece 2.0", which includes European funds of € 30.5 billion (€ 17.8 billion in grants and € 12.7 billion in loans) and is expected to mobilize € 60 billion in total investments in the country over the next five years. Until mid-May 2022, 230 projects amounting to a total budget of € 10.2 billion have been included in the RRF. On April 8, 2022, Greece received the first instalment of € 3.6 billion (€ 1.72 billion in subsidies and € 1.84 billion in loans) and had received, pre-financing in amount of € 3.96 billion (€ 2.31 billion subsidies and € 1.65 billion loans) in early August 2021.

With regard to the country's credit rating, its gradual upgrade has resulted in it being one notch away from an "investment grade" rating. In particular, on March 18, 2022, the agency DBRS Morningstar upgraded the rating to "BB (high)" from "BB", with Stable outlook and on April 22, 2022, the rating agency S&P Global upgraded the credit rating to "BB+" from "BB", with a Stable outlook. Fitch places the country's credit rating at "BB, with a Positive outlook" and Moody's at "Ba3, with a Stable outlook".

The 14th assessment of the Greek economy was successfully completed in May 2022, under the enhanced supervision regime. Moreover, on June 16, 2022 the Eurogroup, among others, welcomed the intention of the European Commission not to prolong enhanced surveillance after its expiration on 20 August 2022, due to the successful implementation of most of the commitments. This means that the monitoring of Greece's economic, fiscal and financial situation will continue both in the framework of the established post-programme surveillance and in the context of the European Semester. In parallel, in early April 2022, Greece completed its third consecutive early debt repayment to the IMF amounting to € 1.86 billion and paid off loans totaling approximately € 7.9 billion due in 2024, thus reducing the cost of financing the public debt.

The development prospects of the Greek economy depend on the utilization of European funds, the de-escalation of inflationary pressures, geopolitical developments, the improvement of the epidemiological situation and the further recovery of tourism activity. The primary risk factors affecting the developments of the Greek economy, the domestic banking sector in general and the Group in particular relate to the ongoing impact created by international geopolitical challenges, the deterioration of supply and demand imbalances, the maintenance of high inflationary pressures, the supply chain's volatility, uncertainty in financial markets and the sequence of the pandemic. The Russian invasion of Ukraine, in addition to the humanitarian crisis caused in the region, may result in the resurgence of migration flows, while the economic consequences will mainly be linked to production activity and inflation, limitations on international trade and weaker confidence in households and businesses. However, the extent of these impacts will depend on the manner, scope and duration of the conflict, as well as the impact of current sanctions and possible additional measures.

Specifically, for the Russia-Ukraine crisis, the Group 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), UN, MINEFI].

Therefore, a potential slow and weak economic recovery, along with persistently high 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 center capabilities help to reduce the impact of attacks.

Liquidity

As at 30 June 2022, Group deposits increased by 2.2% compared to 31 March 2022, to € 56.1 billion, following the marginal decrease of 1.1% witnessed in the first quarter of the year.

In 2020, as a response to Covid-19 pandemic's effects on the European economy, the ECB announced easing off the conditions for TLTRO, in order to leverage its use by credit institutions. The Group has raised a total of € 14.5 billion as of 30 June 2022 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 stood at € 0.1 billion as at 30 June 2022, compared to € 0.2 billion as at 31 March 2022.

Regarding the maturity profile of the € 14.5 billion raised under TLTRO auctions, an amount of € 0.4 billion matures in 2022, € 10 billion in 2023 and the rest in 2024. Although liquidity is expected to be impacted, mainly in 2023, the Group has the capacity to repay the upcoming TLTRO maturities due to the ample position of € 18.0 billion in cash and balances with central banks.

Moreover, the ECB's Governing Council decided on 21 July 2022 to raise the three key ECB interest rates by 50 basis points. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility increased to 0.50%, 0.75% and 0.00% respectively, effective since 27 July 2022. This development has the potential to negatively affect funding costs, however the impact is expected to be minimal since the Group's deposit rates are already slightly positive.

The Group's balance sheet deleveraging, coupled with the medium-term customer deposits restoration trend, alongside the active markets access through Tier 2 issuances (in 2019 and early 2020), as well as AT1 Capital instrument and Green Senior Preferred Bond issued in 2021, improved the Group's funding mix and increased its high-quality liquid assets ("HQLA") buffer.

As at 30 June 2022, the Group's LCR stood at 205% (thus, double than the regulatory requirement of 100%) and the net LDR at 63.1%.

Based on the Group's most recent ILAAP assessment, both the LCR and Net Stable Funding Ratio (NSFR) ratios are expected to remain above minimum regulatory thresholds throughout the next 12 months.

Capital adequacy

The Group's Basel III Common Equity Tier 1 ("CET1") ratio as at 30 June 2022 stood at 11.01% while the total regulatory capital ratio stood at 15.75% as at the same date.

Following the conclusion of the Supervisory Review and Evaluation Process (SREP), the ECB informed the 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 ("CCB") 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.

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").

Refer to Note 31 for further details on the Group's capital adequacy.

2.3 Adoption of International Financial Reporting Standards

The following amendments to existing standards and annual improvements have been issued by the International Accounting Standards Board ("IASB"), have been endorsed by the EU as of the date the Condensed Interim Financial Statements were issued and are effective from 1 January 2022. The Group and the Company have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Accounting Standards

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 of amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, such sale 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 adoption of the amendments and annual improvements did not have an impact on the Condensed Interim Financial Statements.

3 Critical accounting judgements and key sources of estimation uncertainty

In preparing the Condensed Interim Financial Statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for those presented below.

3.1 Key sources of estimation uncertainty

Macroeconomic factors

The Group prepares forecasts for the possible evolution of macroeconomic variables that affect the level of ECL on loans and advances to customers at amortised cost under multiple economic scenarios. Management assessed and revised its macroeconomic forecasts as of 30 June 2022.

The table below presents the annual average forecasts throughout a four-year time horizon, for each key economic variable and scenario utilized in the ECL calculation of the collectively assessed loans and advances to customers at amortised cost.

ECL Key drivers Scenario	30/6/2022 (2022-2025) %	31/12/2021 (2021-2024) %
Real GDP growth		
Optimistic	6.5	7.3
Base	4.2	5.6
Pessimistic	2.1	4.0
Unemployment rates		
Optimistic	10.2	11.3
Base	12.2	12.9
Pessimistic	14.1	14.3
Price index (Residential)		
Optimistic	8.6	7.2
Base	6.7	6.1
Pessimistic	4.9	4.9
Price index (Non residential)		
Optimistic	5.5	5.4
Base	3.4	4.1
Pessimistic	1.4	2.7

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 solid foundations that have been created through stimulating demand, increasing employment, boosting exports, increasing savings funds, combined with the benefit from the utilization of European resources, the implementation of the reforms included in the National Recovery and Resilience Plan, the rationalisation of budget surpluses and the relaxation of Greece's fiscal consolidation requirements provide credible prospects for rapid economic recovery and sustainable growth. 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.

The Russia-Ukraine war may have an impact on Greek economic activity and inflation through higher energy and commodities prices, contraction of international trade and lower household and business confidence. However, the extent of these effects will depend on the manner of the war progressing, as well as the impact of current and future sanctions. The uncertainty about the scale and time horizon of the resulting economic consequences is expected to resolve later, throughout the year. However, the rapid recovery of the Greek economy from the pandemic is also indicative of the improved resilience of the economy to shocks. 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.

As at 30 June 2022, the Group's forecasts of the aforementioned economic variables, across each scenario for 2022 and 2023 are the following:

ECL Key drivers Scenario	2022 Optimistic	2022 Base	2022 Pessimistic	2023 Optimistic	2023 Base	2023 Pessimistic
Real GDP growth	8.3	5.8	4.1	5.4	3.6	1.9
Unemployment rates	12.0	13.2	14.1	10.7	12.4	14.2
Price index (Non residential)	4.8	3.4	2.1	4.7	2.8	0.9
Price index (Residential)	8.9	7.9	7.0	8.5	6.7	5.0

Determination of scenario weights

The Group produces forecasts for the possible evolution of macroeconomic variables that affect the level of ECL on loans and advances to customers at amortised cost under multiple economic scenarios. When estimating the ECL, Management considers three scenarios and each of these are associated with different Propability of Defaults (PDs) and Loss Given Defaults (LGDs) (Optimistic – Base – Pessimistic).

As at 30 June 2022, the three aforementioned scenarios and related macroeconomic factors for the collective loan assessment process were reviewed in light of the economic conditions prevailing at the end of the reporting period. According to our established pre-Covid-19 methodology, the fan-chart method was used to represent the evolution of both forecasts and the uncertainty around future estimates. The central projection of the single most likely path -the Baseline Scenario - is determined. Then, Optimistic and Pessimistic Scenarios are determined based on a degree of uncertainty and a degree of asymmetry. The Pessimistic Scenario corresponds to the threshold partitioning the worst 20% of the outcomes from the best 80% of the outcomes. The Baseline Scenario corresponds to the middle of the distribution, covering 60% of the outcomes. The Optimistic Scenario corresponds to the threshold partitioning the top 20% of the outcomes from the remaining 80%.

As a consequence, the weight allocation between the three scenarios was shifted significantly. The Optimistic and Pessimistic scenarios were weighted with a 20% probability each (31 December 2021: 5% each) while a 60% probability weight was assigned to the Base scenario (31 December 2021: 90%) to best reflect Management's current sentiment regarding the boundaries of economic outcomes.

Held-for sale classification

Sunrise III portfolio: The uncertainty relating to the outcome of the regulatory approval process, that affects the Group's intent to execute the aspired sale of the portfolio through securitization, has been significantly reduced during the second quarter of 2022, following the substantial completion of the Bank's three synthetic securitizations i.e., shipping, mortgages, loans to small and medium and large enterprises and other loans that aims to enhance the capital position of the Group. On this basis, the aforementioned portfolio was classified as held for sale at Group level as of 30 June 2022 and its carrying amount was written down to fair value less cost to sell. The ECL impairment charge recognised in the income statement of the Group for the six month period ended 30 June 2022, as a result of the aforementioned write-down, amounted approximately to € 85 million.

Solar portfolio: Project Solar is a joint securitization process with other Greek financial institutions under the Hellenic Asset Protection Scheme (HAPS). The Group's stake on the joint portfolio is approximately € 0.4 billion. During the second quarter of 2022, the transaction progressed significantly. Management assessed and concluded that the IFRS 5 criteria are met. Therefore, the said portfolio has been classified as held for sale as of 30 June 2022 and its carrying amount was written down to fair value less cost to sell. The ECL impairment charge recognised in the income statement of the Group for the six month period ended 30 June 2022, as a result of the aforementioned write-down, amounted approximately to € 68 million.

4 Financial Risk Management

4.1 Fair values of financial instruments

4.1.1 Financial instruments not measured at fair value

The following tables summarise 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		Fair Value	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Financial assets				
Loans and advances to customers at amortised cost	35,369	36,521	35,054	36,556
Debt securities at amortised cost	9,501	9,200	8,281	8,982
Financial liabilities				
Debt securities in issue	981	971	888	964
Other borrowed funds	903	935	768	957

Company	Carrying Amount		Fair Value	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Financial assets				
Debt securities at amortised cost	740	757	472	780
Financial liabilities				
Other borrowed funds	902	934	768	957

The following methods and assumptions were used to estimate the fair values of the aforementioned financial instruments as at 30 June 2022 and 31 December 2021.

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.

Debt securities at amortised cost, debt securities in issue and other borrowed funds: Fair value is estimated using market prices, or, if such are not available, using discounted cash flow models based on current market interest rates offered for instruments with similar credit quality and duration.

4.1.2 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 used, 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 by hierarchy, of the financial assets and liabilities which are measured at fair value, on a recurring basis, and continue to be recognized, in their entirety, on the Group΄s Statement of Financial Position at the end of the reporting period.

Financial instruments measured at fair value and basis of valuation								
Group	**30/6/2022**				**31/12/2021**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Derivative financial instruments	-	1,900	-	**1,900**	-	591	-	**591**
Financial assets at FVTPL	746	1	-	**747**	849	57	-	**906**
Financial assets mandatorily measured at FVTPL	103	-	106	**210**	112	-	93	**205**
Loans and advances to customers mandatorily measured at FVTPL	-	-	76	**76**	-	-	77	**77**
Financial assets at FVTOCI	1,493	295	22	**1,811**	2,132	212	22	**2,366**
Financial liabilities								
Derivative financial instruments	-	775	-	**775**	-	393	-	**393**

Financial instruments measured at fair value and basis of valuation								
Company	**30/6/2022**				**31/12/2021**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Financial assets mandatorily measured at FVTPL	-	-	10	**10**	-	-	9	**9**
Loans and advances to customers mandatorily measured at FVTPL	-	-	25	**25**	-	-	26	**26**

Transfers between Level 1 and Level 2

Within the six-month period ended 30 June 2022, € 157 million and € 42 million of bonds issued by financial institutions and corporations, were transferred from Level 1 to Level 2 and from Level 2 to Level 1, respectively, due to change in their trading activity. There were no transfers of financial liabilities between Level 1 and Level 2 during the six-month period ended 30 June 2022 and the year ended 31 December 2021. Transfers between levels of the 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"). The said assets are valued using an income approach expected cash flow (expected present value) technique incorporating unobservable inputs.

b) Financial assets 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 and variable consideration assets recognized following the disposal of loans and corporate receivables the fair value of which was estimated at € 24 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 I and Sunrise II, Phoenix and Vega I,II,III securitizations retained by the Group as of 30 June 2022 classified within "Loans and advances mandatorily measured at FVTPL", which have been valued using multiple valuation techniques incorporating significant unobservable inputs.

During the period ended 30 June 2022 and the year ended 31 December 2021, 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:

Group	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 1/1/2021	**71**	**50**	**35**
Gain/ (loss) recognised in the income statement	19	(2)	-
Purchases / additions	11	-	-
Recognition of Phoenix, Vega I,II,III 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**
Gain/ (loss) recognised in the income statement	(17)	(1)	-
Purchases / additions	26	-	-
FX Differences	4	-	-
Closing Balance as at 30/6/2022	**106**	**76**	**22**

Company	Reconciliation of Level 3 Instruments	
	Financial assets mandatorily measured at FVTPL	Loans and advances to customers mandatorily measured at FVTPL
Opening Balance as at 1/1/2021	**10**	**-**
Gain/ (loss) recognised in the income statement	(1)	-
Recognition of Phoenix, Vega I,II,III and Sunrise I and II subordinated notes	-	147
Disposals/ Contributions	-	(121)
Closing Balance as at 31/12/2021	**9**	**26**
Gain/ (loss) recognised in the income statement	1	(1)
Closing Balance as at 30/6/2022	**10**	**25**

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 determined 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. 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 GRM 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 30 June 2022 and 31 December 2021, 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 GRM 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 measurement as at 30 June 2022 and 31 December 2021

Financial instruments[4]	Fair Value	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs		Range of Inputs	
	30/6/2022	31/12/2021			30/6/2022		31/12/2021	
					Low	High	Low	High
Financial assets mandatorily at FVTPL – Contingent & variable considerations	56	43	Monte Carlo simulation	Revenue volatility Discount rate Expected EBITDA/CF	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, mutual funds	73	72	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 I, II, III and Sunrise I and II subordinated notes	33	34	Market approach	Binding quotes from third parties	15%[5]	36%[5]	15%[5]	36%[5]
Loans and advances to customers mandatorily measured at FVTPL – other	43	43	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 subordinated 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.

4.2 Credit Risk Management

4.2.1 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 17.

The Company has no Loans and advances to customers at amortized cost as at 30 June 2022 and 31 December 2021.

Loans and advances to customers at amortised cost for the Group as at 30 June 2022 and 31 December 2021 are summarised as follows:

Group 30/6/2022	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	4,425	1,945	296	319	6,985
Less: ECL Allowance for impairment losses	(3)	(28)	(38)	(12)	(82)
Total Mortgages	**4,421**	**1,916**	**258**	**307**	**6,903**
Consumer, Personal and Other loans					
Gross carrying amount	845	331	195	81	1,452
Less: ECL Allowance for impairment losses	(15)	(33)	(102)	(18)	(169)
Total Consumer, Personal and Other loans	**830**	**298**	**92**	**63**	**1,283**
Credit Cards					
Gross carrying amount	360	125	44	3	532
Less: ECL Allowance for impairment losses	(1)	(6)	(35)	(3)	(45)
Total Credit Cards	**359**	**119**	**9**	**-**	**487**
Retail Lending					
Gross carrying amount	5,630	2,401	535	403	8,969
Less: ECL Allowance for impairment losses	(20)	(68)	(176)	(33)	(297)
Total Retail Lending	**5,610**	**2,333**	**359**	**370**	**8,672**
Large Corporate Lending					
Gross carrying amount	16,245	1,041	1,206	111	18,603
Less: ECL Allowance for impairment losses	(28)	(12)	(378)	(19)	(436)
Total Large Corporate Lending	**16,217**	**1,029**	**828**	**93**	**18,167**
SMEs Lending					
Gross carrying amount	6,199	1,357	1,315	293	9,163
Less: ECL Allowance for impairment losses	(32)	(82)	(619)	(86)	(819)
Total SMEs Lending	**6,167**	**1,274**	**696**	**207**	**8,345**
Public Sector Lending					
Gross carrying amount	181	-	5	2	189
Less: ECL Allowance for impairment losses	(1)	-	(3)	-	(3)
Total Public Sector Lending	**181**	**-**	**2**	**2**	**186**
Corporate and Public Sector Lending					
Gross carrying amount	22,625	2,398	2,526	406	27,955
Less: ECL Allowance for impairment losses	(60)	(95)	(999)	(105)	(1,258)
Total Corporate and Public Sector Lending	**22,565**	**2,303**	**1,527**	**301**	**26,697**
Loans and advances to customers at amortised cost					
Gross carrying amount	28,255	4,799	3,061	810	36,924
Less: ECL Allowance for impairment losses	(80)	(162)	(1,175)	(138)	(1,555)
Total Loans and advances to customers at amortised cost	**28,175**	**4,637**	**1,886**	**672**	**35,369**

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**
Large Corporate Lending					
Gross carrying amount	15,304	1,171	1,430	113	**18,017**
Less: ECL Allowance for impairment losses	(38)	(22)	(460)	(13)	**(533)**
Total Large Corporate Lending	**15,266**	**1,148**	**970**	**100**	**17,484**
SMEs Lending					
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 SMEs Lending	**5,322**	**1,592**	**1,361**	**317**	**8,593**
Public Sector Lending					
Gross carrying amount	1,545	-	5	2	**1,553**
Less: ECL Allowance for impairment losses	(1)	-	-	-	**(2)**
Total Public Sector Lending	**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**

Stage 1 exposures presented under note line "Large corporate lending" include collateralised loan obligations (CLOs) with a gross carrying amount of € 226 million as of 30 June 2022 (31 December 2021: € 93 million). The corresponding ECL, for both periods is immaterial. Refer also to note 17.

The movement of the ECL allowance for impairment losses on loans and advances to customers at amortised cost for the Group for the six-month periods ended 30 June 2022 and 2021 and for the Company for the six-month period ended 30 June 2021, is as follows:

Movement in ECL allowance	Group				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2022	91	175	1,508	197	**1,971**
Transfer (to)/ from Held for Sale	(1)	(3)	(375)	(84)	**(464)**
Transfers between stages (net)	42	(22)	(20)	-	**-**
ECL impairment charge/ (release) for the period (P&L)	(59)	6	357	54	**359**
Change in the present value of the allowance	-	-	20	6	**27**
Write-off of interest recognised from change in the present value of the allowance	-	(1)	(37)	(9)	**(47)**
Write-offs	(2)	-	(221)	(20)	**(244)**
Disposals of loans and advances	-	-	-	(1)	**(1)**
FX differences and other movements	10	6	(57)	(5)	**(46)**
ECL allowance as at 30/6/2022	**80**	**162**	**1,175**	**138**	**1,555**

Movement in ECL allowance	Group				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**107**	**257**	**6,482**	**3,058**	**9,904**
Transfer (to)/ from Held for Sale	(1)	(6)	(1,904)	(1,424)	**(3,334)**
Transfers between stages (net)	20	(34)	14	-	**-**
ECL impairment charge/ (release) for the period (P&L) (as reclassified)	7	163	2,087	920	**3,177**
Change in the present value of the allowance	-	-	133	75	**208**
Write-off of interest recognised from change in the present value of the allowance	-	-	(197)	(85)	**(283)**
Write-offs	(4)	(1)	(145)	(123)	**(273)**
Disposals of loans and advances	(9)	(140)	(2,834)	(1,382)	**(4,365)**
FX differences and other movements (as reclassified)	(25)	(43)	(950)	(527)	**(1,545)**
ECL allowance as at 30/6/2021	**96**	**197**	**2,686**	**510**	**3,489**

Movement in ECL allowance	Company				
	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 1/1/2021	**-**	**8**	**1,851**	**995**	**2,853**
Transfers between stages (net)	-	6	(6)	-	**-**
ECL impairment charge/ (release) for the period (P&L) (as reclassified)	10	124	985	398	**1,517**
Change in the present value of the allowance	-	-	60	33	**93**
Write-off of interest recognised from change in the present value of the allowance	-	-	(76)	(37)	**(112)**
Write-offs	-	-	(4)	-	**(4)**
Disposals of loans and advances	(9)	(140)	(2,814)	(1,382)	**(4,345)**
FX differences and other movements (as reclassified)	(1)	2	5	(7)	**(1)**
ECL allowance as at 30/6/2021	-	-	-	-	-

For the reclassifications made during the period ended 30 June 2022, in line item "ECL impairment charge/ (release) for the period (P&L)" and the comparative information which has been adjusted in order to align with the changes in current period's presentation, refer to Notes 12 and 32.

Line item "ECL impairment charge/ (release) for the period (P&L)" of the Group for the six-month period ended 30 June 2022 includes an additional ECL impairment charge of € 153 million relating to Sunrise III and Solar portfolios (refer to Notes 3.1 and 18).

The gross modification impact recognised by the Group and the Company, during the period ended 30 June 2022, for loans with ECL allowance measured at an amount equal to lifetime ECL was a gain of € 1 million and nil, respectively (30 June 2021: loss € 61 million and € 4 million, respectively). The said gain 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 € 13 million and nil, respectively (30 June 2021: € 12 million and € 1 million, respectively). The net impact for the Group and the Company on the income statement for the period ended 30 June 2022 was, therefore, a gain of € 14 million and nil, respectively (30 June 2021: € 49 million and € 3 million, respectively). The gross carrying amount (before modification) of the loans whose cash flows were modified during the period ended 30 June 2022 amounted to € 1,100 million for the Group and nil for the Company (30 June 2021: € 3,524 million for the Group and € 271 million for the Company). The gross carrying amount as at 30 June 2022 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 30 June 2022 is measured at an amount equal to 12-month ECL (Stage 1), is € 137 million (30 June 2021: € 319 million).

4.2.2 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	
	30/6/2022	**31/12/2021**	**30/6/2022**	**31/12/2021**
Derivative financial instruments	96	296	-	-
Debt securities at FVTPL	335	445	-	-
Loans and advances at amortised cost	185	1,551	-	-
Debt securities at amortised cost	7,038	6,698	-	-
Debt securities at FVTOCI	1,116	1,450	-	-
Other assets	763	650	12	20
Total	**9,532**	**11,090**	**12**	**20**

The decrease in the carrying amount of line item "Loans and advances at amortised cost" by approximately € 1.4 billion is mainly due to the repayment of funding provided to OPEKEPE, a public sector organisation, aiming to the prompt distribution of European Union subsidies to Greek farmers.

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, International Business Unit (IBU), 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 real estate owned ("REO") assets, certain equity participations of the Group, funding transactions approved by the Asset and Liability Management Committee ("ALCO") and intersegmental eliminations.

NPE Management Unit ("NPE MU") – Includes the management of any NPEs 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 issued by the securitization special purpose vehicles and 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. Furthermore, the respective segment includes also certain equity participations, as well as equity securities classified in either FVTOCI or FVTPL, and certain associates (i.e. STRIX Asset Management and STRIX Holdings Limited).

All intragroup transactions are undertaken on an arm's length basis 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 - 30/6/2022 [1]	"Core" Segments						
	Retail Banking	Corporate Banking	PFM	Other	Total	NPE MU	Group
Net interest income	204	220	91	68	582	9	**591**
Net fee and commission income	117	82	4	3	206	3	**210**
Income from non-banking activities	-	-	-	25	25	3	**28**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	(17)	-	(17)	(4)	**(20)**
Net other income/ (expenses)	282	-	409	(2)	689	(1)	**688**
Total Net Income	**603**	**302**	**488**	**94**	**1,486**	**10**	**1,496**
Total operating expenses before provisions	(220)	(85)	(30)	(57)	(392)	(27)	**(419)**
Profit/ (loss) before provisions, impairment and income tax	**383**	**216**	**458**	**37**	**1,094**	**(17)**	**1,076**
ECL Impairment losses on loans and advances to customers at amortised cost	(16)	23	1	(6)	3	(361)	**(359)**
Other credit-risk related charges on loans and advances to customers at amortised cost	(13)	(13)	-	-	(26)	(35)	**(61)**
Impairment (losses) / releases on other assets	-	-	-	(9)	(9)	-	**(9)**
Impairment on subsidiaries and associates	-	-	-	(2)	(2)	-	**(2)**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	1	-	1	-	**1**
Impairment of property and equipment and intangible assets	-	-	-	(2)	(2)	-	**(2)**
Impairment on debt securities at amortised cost	-	-	(2)	-	(2)	-	**(2)**
Other provision (charges)/ releases	-	3	-	(1)	2	-	**3**
Share of profit/ (loss) of associates and joint ventures	-	-	-	3	3	(13)	**(9)**
Profit/ (loss) before income tax	**354**	**229**	**457**	**20**	**1,061**	**(426)**	**635**
Income tax expense							(22)
Profit for the period from continuing operations							**613**
Loss after income tax from discontinued operations	-	-	-	(1)	(1)	-	**(1)**
Profit for the period							**612**
As at 30/6/2022							
Total assets from continuing operations (excluding assets held for sale)	9,750	17,951	32,183	12,362	72,245	9,005	**81,250**
Total assets from discontinued operations	-	-	-	117	117	-	**117**
Assets held for sale	9	17	-	9	36	469	**505**
Total assets	9,759	17,968	32,183	12,488	72,398	9,474	**81,872**
Total liabilities	41,532	13,033	17,148	3,448	75,161	498	**75,660**

[1] As of 30 June 2022, the Group has proceeded to the change in presentation of: i) selected equity participations from reporting segment "other" to "NPE MU", in order to align the respective segmental presentation with the organizational structure and responsibilities of NPE MU and ii) selected expenses, included in certain line items (i.e. net Interest income, net other income/ (expenses), ECL impairment losses) from reporting segment "other" into the other four (4) "core" segments of the Group. The comparative information has been adjusted accordingly.

1/1 - 30/6/2021 As reclassified	"Core" Segments					NPE MU	Group
	Retail Banking	Corporate Banking	PFM	Other	Total		
Net interest income	212	224	74	103	613	159	**772**
Net fee and commission income	105	66	3	1	174	5	**180**
Income from non-banking activities	-	-	-	10	10	5	**15**
Net gain/ (losses) from derecognition of financial instruments measured at amortised cost	-	1	316	2	320	-	**320**
Net other income/ (expenses)	3	2	169	5	179	2	**181**
Total Net Income	**320**	**292**	**562**	**121**	**1,296**	**171**	**1,467**
Total operating expenses before provisions	(236)	(83)	(21)	(80)	(419)	(48)	**(467)**
Profit/ (loss) before provisions, impairment and income tax	**84**	**210**	**542**	**42**	**877**	**123**	**1,000**
ECL Impairment losses on loans and advances to customers at amortised cost	(200)	(2)	-	3	(200)	(2,977)	**(3,177)**
Other credit-risk related charges on loans and advances to customers at amortised cost	(22)	(5)	-	-	(28)	(61)	**(89)**
Impairment (losses) / releases on other assets	-	-	-	(14)	(14)	-	**(14)**
Impairment on subsidiaries and associates	-	-	-	(23)	(23)	-	**(23)**
ECL impairment (losses) / releases on debt securities measured at FVTOCI	-	-	(10)	-	(10)	-	**(10)**
Impairment on subsidiaries and associates	-	-	-	-	-	-	**-**
Impairment of property and equipment and intangible assets	-	-	-	(2)	(2)	-	**(2)**
Impairment on debt securities at amortised cost	-	-	(19)	-	(19)	-	**(19)**
Other provision (charges)/ releases	-	-	-	4	4	-	**4**
Share of profit/ (loss) of associates and joint ventures	-	-	-	4	4	(11)	**(7)**
Profit/ (loss) before income tax	**(139)**	**202**	**512**	**13**	**589**	**(2,926)**	**(2,337)**
Income tax benefit/ (expense)							(111)
Profit/ (loss) for the period from continuing operations							**(2,448)**
Loss after income tax from discontinued operations	-	-	-	(2)	(2)	-	**(2)**
Profit/ (loss) for the period							**(2,450)**
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**

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 € 393 million and € 169 million for the periods ended 30 June 2022 and 2021, respectively. The amount of € 688 million presented under line item “net other income/ (expenses)” includes a gain upon loss of control over subsidiaries of € 282 million relating to the disposal of merchant acquiring business unit (refer to Note 20), presented under segment “Retail Banking”.

6 Net interest income

Continuing operations	Group		Company	
	1/1 - 30/6/2022	1/1 - 30/6/2021	1/1 - 30/6/2022	1/1 - 30/6/2021
Interest and similar income				
Debt securities measured at FVTOCI	18	24	-	-
Debt securities at amortised cost	69	36	49	43
Loans and advances to customers at amortised cost and reverse repos	551	736	-	67
Due from banks	3	1	-	-
Negative interest from liabilities to ECB	73	75	-	-
Negative interest from other interest bearing liabilities	2	1	-	-
Other	4	7	-	-
Total interest income for financial instruments not measured at FVTPL	**719**	**881**	**49**	**110**
Financial instruments measured at FVTPL	11	3	7	-
Derivative financial instruments	59	70	-	-
Total interest and similar income	**788**	**954**	**56**	**110**
Interest expense and similar charges				
Due to customers and repurchase agreements	(17)	(23)	-	-
Debt securities in issue and other borrowed funds	(47)	(37)	(34)	(42)
Due to banks	(5)	(1)	-	-
Contribution of Law 128/75	(26)	(32)	-	(1)
Negative interest from interest bearing assets	(33)	(16)	-	(0)
Other	(1)	(1)	-	-
Total interest expense from financial instruments not measured at FVTPL	**(129)**	**(111)**	**(34)**	**(43)**
Derivative financial instruments	(68)	(71)	-	-
Total interest expense	**(197)**	**(182)**	**(34)**	**(43)**
Net interest income	**591**	**772**	**22**	**67**

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 during the period ended 30 June 2022 amounting to € 73 million, includes the additional margin of -0.50% to be provided in the context of TLTRO III program (reduction by 50 basis points of the average deposit facility rate prevailing over the same period, which amounted to -0.50%) for the additional special interest rate period from 24 June 2021 to 23 June 2022, since the Bank has met the requirements for the recognition of the aforementioned interest rate discount, given that it met the net lending expansion eligibility criteria for the period between 1 October 2020 and 31 December 2021.

7 Net fee and commission income

Continuing operations	Group		Company	
	1/1 - 30/6/2022	1/1 - 30/6/2021 As reclassified	1/1 - 30/6/2022	1/1 - 30/6/2021
Fee and commission income				
Commercial banking	218	194	21	19
Investment banking	13	13	-	-
Asset management	17	13	-	-
Total fee and commission income	**248**	**219**	**21**	**19**
Fee and commission expense				
Commercial banking	(34)	(37)	(16)	(2)
Investment banking	(4)	(3)	-	-
Total fee and commission expense	**(38)**	**(40)**	**(16)**	**(2)**
Net fee and commission income	**210**	**179**	**5**	**17**

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 six-month periods ended 30 June 2022 and 2021, per product type and per business segment.

Group	Total Fee and Commission income					
1/1 - 30/6/2022	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	9	5	-	-	-	14
Asset management/Brokerage	20	1	5	1	-	27
Bancassurance	17	2	-	5	-	24
Cards Issuance	26	4	-	-	1	31
Deposits Commissions	4	1	-	-	-	5
Funds Transfer	28	7	-	2	1	38
Letters of Guarantee	1	16	-	-	1	18
Loans and advances to customers	5	41	-	-	-	47
Payments	11	3	-	-	-	14
FX fees	12	3	-	-	-	15
Other	9	5	-	2	-	15
Total	**142**	**87**	**5**	**10**	**3**	**248**

Company	Total Fee and Commission income					
1/1 - 30/6/2022	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Bancassurance	15	2	-	4	-	21
Total	**15**	**2**	**-**	**4**	**-**	**21**

Group	Total Fee and Commission income					
1/1 - 30/6/2021	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Acquiring	22	10	-	-	1	**33**
Asset management/Brokerage	16	1	3	1	-	**21**
Bancassurance	17	3	-	2	1	**23**
Cards Issuance	18	3	-	-	1	**22**
Deposits Commissions	4	-	-	-	-	**4**
Funds Transfer	22	6	-	2	-	**30**
Letters of Guarantee	1	13	-	-	2	**16**
Loans and advances to customers	4	28	-	-	1	**33**
Payments	10	2	1	-	-	**13**
FX fees	6	1	-	1	-	**8**
Other	8	6	-	2	-	**16**
Total	**128**	**73**	**4**	**8**	**6**	**219**

Company	Total Fee and Commission income					
1/1 - 30/6/2021	Retail Banking	Corporate Banking	Piraeus Financial Markets	Other	NPE MU	Total
Bancassurance	15	2	-	1	1	**19**
Total	**15**	**2**	**-**	**1**	**1**	**19**

b. Other income

The tables below present other income from contracts with customers of the Group and the Company, for the six-month periods ended 30 June 2022 and 2021, which fall within the scope of IFRS 15.

Group	Other Income				
1/1 - 30/6/2022	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	14	-	14
Gain from sale of investment property	-	-	1	-	1
Gain from sale of other assets	-	-	2	1	3
Total	**-**	**-**	**17**	**1**	**18**

Group	Other Income				
1/1 - 30/6/2021	Retail Banking	Corporate Banking	Other	NPE MU	Total
Other operating income	-	-	22	2	**24**
Gain from sale of other assets	-	-	1	2	**3**
Total	**-**	**-**	**23**	**4**	**27**

For the Company, the respective income for the six-month periods ended 30 June 2022 and 2021 is immaterial.

8 Income from non-banking activities

During the first semester of 2022, the Group and the Company amended the presentation of income from non-banking activities, mainly comprising rental income from investment property, previously reported in line item "Net Other income/ (expenses)" into line item "Income from non-banking activities". Refer to Note 32 for the said change in presentation of the comparative figures.

9 Discontinued operations

The Group's discontinued operations as at 30 June 2022 and 2021 comprise solely IMITHEA Single Member S.A.

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 transaction is subject to the Hellenic Competition Authority's approval.

A) Profit / (loss) after income tax from discontinued operations

	1/1 - 30/6/2022	1/1 - 30/6/2021
Net other income	21	20
Total net income	**21**	**20**
Staff costs	(13)	(14)
Administrative expenses	(7)	(6)
Depreciation and amortisation	(2)	(2)
Total operating expenses before provisions	**(22)**	**(22)**
Loss after income tax from discontinued operations	**(1)**	**(2)**

B) Assets and liabilities from discontinued operations

	30/6/2022	31/12/2021
ASSETS		
Property and equipment	79	80
Deferred tax assets	9	9
Other assets	29	25
Total Assets	**117**	**114**

	30/6/2022	31/12/2021
LIABILITIES		
Retirement and termination benefit obligations	2	2
Provisions	4	4
Other liabilities	22	22
Total Liabilities	**28**	**28**

10 Net gain/ (losses) from financial instruments measured at FVTPL

The Group's net gains/ (losses) from financial instruments measured at FVTPL for the period ended 30 June 2022 mainly comprise gains of € 379 million from derivatives (30 June 2021: gains of € 88 million) and losses of € 73 million from debt securities, the majority of which relates to sovereign bonds' sales (30 June 2021: losses of € 7 million).

11 Net gains/ (losses) from financial instruments measured at FVTOCI

The Group's net gains/ (losses) from derecognition of financial instruments measured at FVTOCI for the period ended 30 June 2022 amounted to a gain of € 109 million (30 June 2021: € 79 million) from recycling of valuation adjustments and ECL allowance upon disposal of debt securities of total nominal value € 973 million. Gains of € 105 million relate to disposal of Greek Government Bonds ("GGBs") and Greek treasury bills, of total nominal value € 764 million.

12 Other credit risk related charges on loans and advances to customers at amortised cost

In the first semester of 2022, the Group and the Company amended the presentation of fees payable for managing the NPE portfolio, such as assets under management ("AUM") fees and success fees, previously included in line items "Administrative expenses" and "ECL Impairment losses on loans and advances to customers at amortised cost", respectively, into line item "Other credit-risk related charges on loans and advances to customers at amortised cost". For the six-month period ended 30 June 2022, AUM fees amounted to € 13 million for the Group and nil for the Company (six-month period ended 30 June 2021: € 25 million for the Group and € 6 million for the Company), while success fees amounted to € 36 million for the Group and nil for the Company (six-month period ended 30 June 2021: € 61 million for the Group and € 5 million for the Company). Finally, for the first semester of 2022, credit protection fees payable by the Group and the Company in the context of synthetic securitizations, amounting to € 11 million and nil, respectively are also classified in line item "Other credit-risk related charges on loans and advances to customers at amortised cost" (six-month period ended 30 June 2021: € 3 million for the Group and nil for the Company). Refer to Note 32 for the said change in presentation of comparatives.

13 Income tax benefit / (expense)

Continuing operations	Group	
	1/1 - 30/6/2022	1/1 - 30/6/2021
Current tax expense	(4)	(4)
Deferred tax benefit / (expense)	(18)	(107)
Income tax benefit / (expense)	**(22)**	**(111)**

Under the tax amendments of Greek Law 4799/2021 corporate income tax rate for legal entities, other than credit institutions, decreased to 22% for tax years as of 2021 onwards.

The corporate income tax rate applicable to financial institutions, remains at 29% for 2022 and 2021, provided that the specific provisions of art. 27A of the Greek Income Tax Code ("ITC") apply to those tax years.

For the Company, income tax expense for the six-month periods ended 30 June 2022 and 2021 is immaterial.

The deferred tax recognized for the Group 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:

	Group	
	1/1 - 30/6/2022	1/1 - 30/6/2021
Pensions and other post retirement benefits	(3)	(7)
Loans and advances to customers	121	(36)
Other provisions	-	(1)
Derivative financial instruments valuation adjustment	(24)	22
Investment property fair value adjustment	(2)	-
Depreciation of property and equipment	(2)	(1)
Amortisation of intangible assets and lease liabilities	7	13
Impairment of Greek government bonds (PSI related)	(28)	(28)
Equity participations	(55)	(4)
Other temporary differences	(32)	(65)
Total	**(18)**	**(107)**

Management has estimated that the tax losses carried forward of € 12 million for the Group as at 30 June 2022 can be offset by future taxable profits and thus the Group has recognised a DTA amounting to € 2 million (31 December 2021: € 2 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 30 June 2022 of € 1,828 million and € 1,624 million respectively (31 December 2021: € 2,107 million and € 1,615 million for the Group and the Company, respectively), for which no DTA was recognized in the Statement of Financial Position.

As at 30 June 2022, the Group has recognised a deferred tax asset of € 6,128 million (31 December 2021: € 6,070 million) and a deferred tax liability of € 10 million (31 December 2021: € 10 million). The Company for the same reporting period as well as for the comparative period has not recognised any deferred tax asset, whilst the deferred tax liability as at 30 June 2022 and 31 December 2021 amounted to € 1 million, respectively.

As at 30 June 2022, the DTA of the Group that meets the provisions of article 27 of Law 4172/2013, i.e. eligible for Deferred Tax Credit ("DTC"), amounted to € 3.6 billion (31 December 2021: € 3.6 billion), of which € 1.1 billion relates to unamortised PSI losses (31 December 2021: € 1.1 billion) and € 2.5 billion relates to temporary differences between the accounting and tax base of loans and advances to customers (31 December 2021: € 2.5 billion).

Effective from tax year 2021 onwards, par. 3A of article 27 of the Greek Income Tax Code ("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 may be 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 2022 and 2021 (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 Greek Law 4172/2013 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 for the periods ended 30 June 2022 and 2021, amounted approximately to € 3 million, and it has been recognized in the Condensed Interim Income Statement, within line item "Net other income/ (expenses)".

14 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 period, excluding the average number of ordinary shares held by the Group.

	1/1 - 30/6/2022	1/1 - 30/6/2021	1/4 - 30/6/2022	1/4 - 30/6/2021
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing operations	614	(2,449)	92	(2,046)
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from discontinued operations	(1)	(2)	-	1
Profit/(loss) for the period attributable to ordinary shareholders of the parent entity from continuing and discontinued operations	**613**	**(2,451)**	**92**	**(2,045)**
Weighted average number of ordinary shares in issue (basic and diluted earnings/losses)	1,249,851,815	433,269,267	1,249,972,618	822,681,525
Basic and diluted earnings/(losses) per share in € from continuing operations	0.49	(5.65)	0.07	(2.49)
Basic and diluted earnings/(losses) per share in € from discontinued operations	(0.00)	(0.00)	(0.00)	0.00
Basic and diluted earnings/(losses) per share in € from continuing and discontinued operations	**0.49**	**(5.65)**	**0.07**	**(2.49)**

15 Tax effects relating to other comprehensive income / (expense) for the period

Group - Continuing operations	1/1 - 30/6/2022			1/1 - 30/6/2021		
	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	(248)	71	(177)	(102)	32	(70)
Change in currency translation reserve	(1)	-	(1)	3	-	3
Items that will not be reclassified subsequently to profit or loss						
Change in reserve from equity instruments measured at FVTOCI	(4)	1	(3)	(46)	13	(33)
Other comprehensive income/ (expense) from continuing operations	**(253)**	**72**	**(181)**	**(145)**	**45**	**(100)**

16 Derivative financial instruments

Group's derivative financial instruments comprise mainly with forward rate agreements and options, as well as currency and interest rate swaps ("IRSs"), held either for trading or for hedging interest rate risk, with a total fair value as of 30 June 2022 of € 1,900 million and € 775 million, for derivative assets and derivative liabilities, respectively (31 December 2021: € 591 million and € 393 million, respectively). Specifically, derivatives assets and liabilities held for trading, with a carrying amount at the end of reporting period of € 857 million and € 775 million, respectively (31 December 2021: € 377 million and € 393 million) relate mainly to IRSs. Furthermore, the fair value of derivative assets held for hedging amounted to € 1,043 million at the end of the reporting period (31 December 2021: € 214 million).

The Group applies fair value hedge accounting in order to mitigate its exposure arising from interest rate variability on GGBs and other sovereign bonds, by using IRSs. The total nominal values of the aforementioned hedging instruments and the hedged sovereign bonds measured at FVTOCI and amortised cost, for which fair value hedge accounting was applied as of 30 June 2022, amounted to € 202 million and € 4,044 million, respectively (31 December 2021: € 460 million and € 6,189 million, respectively). For the six-month period ended 30 June 2022, the impact of fair value hedge accounting on the said debt securities was a loss of € 1,314 million, of which amount of € 1,274 million and € 40 million relates to the hedged debt securities measured at amortised cost and FVTOCI, respectively (30 June 2021: losses of € 68 million and € 9 million, respectively), which was offset by a valuation gain of € 1,296 million of the hedging derivatives, resulting to a net loss of € 18 million recognised in the Group's Condensed Interim Income Statement.

17 Loans and advances to customers at amortised cost

	Group	
	30/6/2022	31/12/2021
Mortgages	6,982	7,191
Consumer/ personal and other loans	1,438	1,486
Credit cards	532	490
Retail Lending	**8,952**	**9,168**
Corporate and Public Sector Lending	**27,701**	**29,125**
Collateralised loan obligations	**226**	**93**
Total gross loans and advances to customers at amortised cost	**36,879**	**38,386**
Less: ECL allowance	(1,510)	(1,864)
Total	**35,369**	**36,521**

For the purposes of this disclosure, both the gross carrying amount and the ECL allowance for impairment losses have not been grossed up with the PPA adjustment. As such, the respective amounts reported above do not reconcile to Note 4.2.1.

The Senior Notes of the securitisations Phoenix, Vega I, II and III, Sunrise I and II, with a total gross carrying amount of € 6,131 million as at 30 June 2022 (31 December 2021: € 6,236 million), are included within note line "Corporate and Public Sector Lending".

A reconciliation of the gross carrying amount and the ECL allowance of loans and advances to customers at amortised cost, as defined in Note 4.2.1, against the amounts presented in the aforementioned table is provided below, having taken into account the unamortised PPA as of the reporting date. The figures relating to collateralised loan obligations are presented within note line "corporate and public sector lending" for the purpose of this reconciliation.

	Group	
	30/6/2022	31/12/2021
Mortgages (grossed up with PPA adjustment)	6,985	7,195
Less PPA adjustment	(3)	(4)
Mortgages	**6,982**	**7,191**
Consumer/ personal and other loans (grossed up with PPA adjustment)	1,452	1,503
Less PPA adjustment	(13)	(17)
Consumer/ personal and other loans	**1,438**	**1,486**
Credit cards (grossed up with PPA adjustment)	532	491
Less PPA adjustment	-	(1)
Credit cards	**532**	**490**
Retail Lending (grossed up with PPA adjustment)	8,969	9,189
Less PPA adjustment	(17)	(21)
Retail Lending	**8,952**	**9,168**
Corporate and Public Sector Lending (grossed up with PPA adjustment)	27,955	29,303
Less PPA adjustment	(29)	(85)
Corporate and Public Sector Lending	**27,927**	**29,218**
Total gross loans and advances to customers at amortised cost (grossed up with PPA adjustment)	36,924	38,492
Less PPA adjustment	(45)	(106)
Total gross loans and advances to customers at amortised cost (A)	**36,879**	**38,386**
Less: ECL allowance (grossed up with PPA adjustment)	(1,555)	(1,971)
Less PPA adjustment	45	106
Less: ECL allowance (B)	**(1,510)**	**(1,864)**
Net loans and advances to customers at amortised cost (A) + (B)	**35,369**	**36,521**

18 Assets held for sale

As at 30 June 2022, the carrying amount of the Group's assets held for sale amounted to € 505 million (31 December 2021: € 435 million) and comprised mainly of loans and advances to customers. Management has concluded that the IFRS 5 criteria continue to apply to the portfolios of assets that had been classified as held for sale during previous reporting periods and are yet to be disposed as at 30 June 2022. Further information on portfolios classified as held for sale or sold during the current period, is provided below:

Sunrise III and Solar

Management assessed and concluded that the held for sale classification criteria were satisfied as at 30 June 2022. For additional information on the basis and factors applied by Management in its assessment, refer to Note 3.1. Following the held for sale classification of the said portfolios as at 30 June 2022, the carrying amount of the Sunrise III and Solar portfolios was written down to € 202 million and € 103 million, respectively. The impairment losses charged in the Group's condensed interim income statement for Sunrise III and Solar in the six month period ended 30 June 2022 amounted to € 85 million and € 68 million, respectively.

Sunshine

The net assets of Sunshine Leases Single Member S.A. are held for sale as at 30 June 2022. The establishment of Sunshine Leases Single Member S.A., took place in the context of the restructuring of the leasing business of the Group. The assets and liabilities of the aforementioned business, which amounted to € 121 million and € 2 million, respectively at the reporting date (mainly consisting of finance lease receivables) are included under line items “Assets held for Sale” and “Liabilities Held for Sale” in the Group’s condensed interim statement of financial position. Refer to Note 30 for further information.

Trinity XI

A new sale process is currently under way for the remaining portion of Trinity IV, which has subsequently been re-designated as Trinity XI. The portfolio is equivalent to € 125 million total legal claims and its sale is expected to be concluded in the current year.

Eagle

The sale of corporate loans equivalent to € 76 million total legal claims is expected to be completed before year end.

Thea

The sale of corporate loans equivalent to € 9 million total legal claims is expected to be completed before year end.

Navy & White

The sale of corporate loans equivalent to € 117 million total legal claims is expected to be completed in the first quarter of 2023.

Trinity IV-b

The sale of corporate loans of € 24 million total legal claims was completed in February 2022 for a consideration of € 16 million.

Dory

The sale of shipping loans of € 699 million total legal claims was completed in March 2022 for a total consideration of € 228 million. This amount includes a variable consideration that is included under line item “Financial Assets mandatorily measured at FVTPL”. Refer to Note 4.1.2 for further information.

Thalis

Thalis refers to the sale of the Bank’s merchant acquiring business via a carve-out of the said business activity into a newly established legal entity. The assets and liabilities of Thalis were classified as held for sale on 31 December 2021. The sale was completed in March 2022 for a consideration of € 300 million. Refer to Note 20 for further information.

Wheel

The sale of corporate loans of € 19 million total legal claims was completed in May 2022 for a consideration of € 8 million.

Trinity X

The sale of corporate loans equivalent to € 9 million total legal claims was completed in June 2022 for a consideration of € 4 million.

19 Debt securities at amortised cost and financial assets measured at FVTOCI

As of 30 June 2022, the Group's portfolios of debt securities measured at amortised cost and financial assets measured at FVTOCI amounted to € 9,501 million and € 1,811 million, respectively (31 December 2021: € 9,200 million and € 2,366 million, respectively). The aforementioned investment securities mainly consist of foreign and domestic government bonds, the vast majority of which have a residual maturity higher than 12 months. The Company's debt securities at amortised cost comprise solely the Tier 2 Notes, issued by Piraeus Bank (in the context of the demerger completed on 30 December 2020). This intragroup transaction has no impact on the Group's financial statements.

During the six-month period ended 30 June 2022, the Group purchased debt securities measured at amortised cost of total nominal value € 1,943 million, of which € 1,628 million relates to GGBs and € 300 million to foreign government bonds. The impact of fair value hedge accounting on the debt securities measured at amortised cost was a loss of € 1,274 million, which was offset by the valuation gain of the hedging derivatives (refer to Note 16). The disposals of debt securities measured at FVTOCI during the six-month period ended 30 June 2022 are disclosed in Note 11.

Debt securities at amortised cost are classified in Stage 1, in their entirety, and the resulting ECL allowance as of 30 June 2022 amounted to € 21 million (31 December 2021: € 19 million). Additionally, debt securities measured at FVTOCI of an amount of € 1,718 million are classified in Stage 1 (31 December 2021: € 2,277 million) with a corresponding ECL allowance of € 11 million (31 December 2021: € 15 million), while debt securities of an amount of € 30 million are classified in Stage 2 (31 December 2021: € 22 million), with a corresponding ECL allowance of € 3 million (31 December 2021: € 2 million). Refer to Note 28 for the ECL charge recognised in other comprehensive income during the reporting period.

20 Investments in consolidated companies

The investments of the Group and the Company in consolidated companies as at 30 June 2022, are analysed below:

A. Subsidiaries (full consolidation method)

a/a	Name of Company	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	-	100.00%	-

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	Group % holding	Company % holding
3.	Sunshine Leases Single Member S.A.	Financial Leasing	Greece	-	100.00%	-
4.	Piraeus Property Real Estate Management Single Member S.A.	Property management	Greece	-	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%	-
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	75.76%	-
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.	Trading of boat vehiches, cars and equipment	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%	-

a/a	Name of Company	Activity	Country	Unaudited tax years (1)	Group	Company
					% holding	% holding
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.	Piraeus Support Services Single Member S.A.	Support services	Greece	-	100.00%	-
41.	Trastor Real Estate Investment Company	Real estate investment property	Greece	2016-2021	98.37%	-
42.	Tirana Leasing Sh.A.	Finance leases	Albania	2018-2021	100.00%	-
43.	Cielo Consultancy Sh.P.K.	Property management	Albania	2014-2021	99.09%	-
44.	Beta Asset Management EOOD	Rent and management of real estate	Bulgaria	2013-2021	100.00%	-
45.	Bulfina E.A.D.	Property management	Bulgaria	2008-2021	100.00%	-
46.	Bulfinace E.A.D.	Property management	Bulgaria	2008-2021	100.00%	-
47.	Delta Asset Management EOOD	Real estate development	Bulgaria	-	100.00%	-
48.	Varna Asset Management EOOD	Real estate development	Bulgaria	2014-2021	100.00%	-
49.	Asset Management Bulgaria EOOD	Travel - rental services and property management	Bulgaria	2012-2021	100.00%	-
50.	Besticar Bulgaria EOOD	Receivable's collection	Bulgaria	2012-2021	100.00%	-
51.	Besticar EOOD	Receivable's collection from problematic clients	Bulgaria	2012-2021	100.00%	-
52.	Emerald Investments EOOD	Property management	Bulgaria	2018-2021	100.00%	-
53.	Piraeus Nedvizhimi Imoti EOOD	Property management	Bulgaria	-	100.00%	-
54.	Vitosha Invest 146 EOOD	Property management	Bulgaria	-	100.00%	-
55.	Infinity Omnia 11 OOD	Hospitality and restaurant business	Bulgaria	-	100.00%	-
56.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	Cyprus	2018-2021	90.85%	2.21%
57.	R.E. Anodus Two Ltd	Holding and investment company	Cyprus	2013-2021	99.09%	-
58.	Tellurion Ltd	Holding company	Cyprus	2013-2021	100.00%	-
59.	Tellurion Two Ltd	Holding company	Cyprus	2015-2021	99.09%	-
60.	Trieris Two Real Estate LTD	Holding, Investment and Real Estate Portfolio Management	Cyprus	2011-2021	100.00%	-

a/a	Name of Company	Activity	Country	Unaudited tax years [1]	Group % holding	Company % holding
61.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	Cyprus	2014-2021	100.00%	-
62.	Lakkos Mikelli Real Estate Ltd	Property management	Cyprus	2018-2021	50.66%	-
63.	Philoktimatiki Public Ltd	Land and property development	Cyprus	2018-2021	53.29%	-
64.	Sunholdings Properties Company Ltd	Land and property development	Cyprus	2018-2021	26.65%	-
65.	Philoktimatiki Ergoliptiki Ltd	Construction company	Cyprus	2018-2021	53.29%	-
66.	SunriseMezz Ltd	Acquiring , holding and managing bonds, shares or other investment instruments	Cyprus	-	100%	100%
67.	JSC Piraeus Bank ICB	Banking activities	Ukraine	-	99.99%	99.99%
68.	Akinita Ukraine LLC	Real estate development	Ukraine	2014-2021	100.00%	-
69.	Sinitem LLC	Sale and purchase of real estate	Ukraine	2013-2021	99.94%	-
70.	Solum Enterprise LLC	Property management	Ukraine	2012-2021	99.94%	-
71.	Solum Limited Liability Company	Property management	Ukraine	2018-2021	99.94%	-
72.	Piraeus Leasing Romania S.A.	Monitoring and collection services for loans disbursed by the company	Romania	2003-2021	100.00%	-
73.	Daphne Real Estate Consultancy SRL	Real estate development	Romania	2014-2021	99.09%	-
74.	Priam Business Consultancy SRL	Real estate development	Romania	2014-2021	99.18%	-
75.	Proiect Season Residence SRL	Real estate development	Romania	2018-2021	100.00%	-
76.	R.E. Anodus SRL	Real estate development	Romania	2013-2021	99.09%	-
77.	Piraeus Rent Doo Beograd	Operating leases	Serbia	2007-2021	100.00%	-
78.	Piraeus Real Estate Egypt LLC	Property management	Egypt	2011-2021	100.00%	-
79.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	British Virgin Islands	-	100.00%	-
80.	Piraeus Group Capital Ltd	Debt securities' issuance	United Kingdom	2021	100.00%	100.00%
81.	Piraeus Group Finance PLC	Debt securities' issuance	United Kingdom	-	100.00%	-
82.	Praxis I Finance PLC	SPV for securitization of consumer loans	United Kingdom	-	-	-
83.	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 9).

The subsidiaries duly numbered 82 - 83 are special purpose vehicles ("SPVs") for securitization of loans and advances to customers and issuance of debt securities. The investment numbered 64 is a subsidiary due to majority presence in the Board of Directors of the company.

Furthermore, as at 30 June 2022 the subsidiaries numbered 6, 12, 22, 27, 28, 42 and 74 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." and c) "Kion Holdings Ltd". The full consolidation of the aforementioned companies would not have a significant effect on the Condensed Interim Consolidated Statements of Financial Position and Income 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.

Disposal of the merchant acquiring business unit

On 15 March 2022, the Bank completed the sale of its merchant acquiring business unit (project Thalis) to Euronet Worldwide, after receiving the required approvals, for a total consideration of € 300 million. The Bank's gain from the transaction amounted to € 282 million, included in line item "Net gains/ (losses) from loss of control over subsidiaries/ disposal of associates and joint ventures" of the Condensed interim income statement.

Acquisition of Trastor Real Estate Investment Company S.A.

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

The acquisition of Trastor 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, ii) capture of the dynamics of the Greek real estate market, especially in the segments of prime office and logistic spaces where Trastor is mainly focused and iii) strengthening of the Group's capabilities in real estate platforms in Greece.

The fair value of each major class of assets acquired and liabilities assumed as at the acquisition date is provided below:

	Trastor Real Estate Investment Company
ASSETS	
Due from banks	10
Property and equipment	327
Other assets	6
Total Assets	**343**
LIABILITIES	
Due to banks	72
Other liabilities	23
Total Liabilities	**95**
Shareholders' equity	248
Total liabilities and shareholders' equity	**343**
Goodwill recognized	
Cash consideration	98
Effective settlement of pre-existing relationships	66
Non controlling interest	6
Previously held interest	81
	251
Fair value of identifiable net assets	248
Goodwill	**3**

The resulting goodwill has been recognized within balance sheet line item "Intangible Assets". The remeasurement at fair value of the previously held interest in Trastor resulted to a gain of approximately € 2 million.

The table below presents (a) Trastor's post-acquisition total net income and profit before tax that were included in the consolidated income statement for the first semester 2022 and (b) the total net income and profit before tax which would have been included in the consolidated income statement had the acquisition occurred on 1st January 2022.

	Post acquisition results up to 30 June 2022 (a)	Results of Trastor for the 6-month period ended 30 June 2022 (b)
Total net income	24	27
Profit before tax	19	21

For the period from 1 January 2022 up to the acquisition date, the Group's share (44.75%) in Trastor's total net income and profit before tax was € 1.3 million and € 0.7 million, respectively.

The Bank acquired an additional 1.6% stake in Trastor, resulting to a total stake as of 30 June 2022 of 98.37%, in the context of a Mandatory Tender Offer that was completed in June 2022.

Financial statements of subsidiaries

The annual financial statements of the Group's subsidiaries for the year ended 31 December 2021 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.

B. Associates and joint ventures (equity accounting method)

B.1 Associates

The Group's associates as at 30 June 2022 are the following:

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	Group % Holding	Company % 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	24.92%	-
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.	Piraeus Direct Services S.A.	Support & e-commerce services, trade of time renewal cards	Greece	2016-2021	49.90%	-
18.	ANEK Lines S.A.	Maritime transport - Coastal shipping	Greece	2019-2021	27.68%	-
19.	Perigenis Business Properties S.A.	Property management	Greece	2020-2021	20.61%	-
20.	Neuropublic S.A.	Development and management of information systems	Greece	2021	5.00%	-
21.	Abies S.A. [2]	Property management	Greece	2016-2021	40.14%	-
22.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	Greece	2016-2021	1.00%	-

s/n	Name of Company	Activity	Country	Unaudited tax years [1]	Group	Company
					% Holding	% Holding
23.	Euromedica Societe Anonyme for provision of Medical Services	Hospital and health services	Greece	2021	29.35%	-
24.	Trieris Real Estate Ltd	Property management	British Virgin Islands	2018-2021	32.35%	-
25.	Exus Software Ltd	IT products retailer	United Kingdom	2021	49.90%	-
26.	Strix Holdings LP	Holdings limited partnership	Ireland	-	100.00%	-
27.	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 30 June 2022.

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 the equity method but recognised at cost. This non-significant associate accounted for approximately 0.17% of Group's total net income, 0.03% of Group's total equity and 0.03% of Group's 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 numbered 1, 9 and 26, where the Group's shareholding and voting rights exceed 50%. Significant influence is also exercised to the companies numbered 14, 20 and 22, where the Group's shareholding and voting rights do not exceed 20%. Strix Holdings LP is a material associate of the Group.

B.2 Joint ventures

The Group's joint ventures as at 30 June 2022 are the following:

s/n	Name of Company	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	-	-
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.*

Refer to Note30 for an analysis of significant changes in the portfolio of consolidated companies.

21 Tax receivables

	Group		Company	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Tax receivables	208	212	12	20
Accumulated impairment of tax receivables	(51)	(51)	-	-
Net tax receivables	157	160	12	20

Net tax receivables for the Group as at 30 June 2022 amounted to € 157 million (31 December 2021: € 160 million), of which € 143 million and € 12 million are attributable to Piraeus Bank and the Company, respectively, and € 2 million to other subsidiaries of the Group.

Piraeus Bank S.A.

Net tax receivables comprise the following:

a) Receivables from withholding taxes on interest of bonds and treasury bills of € 67 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 par. 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 € 34 million, which are subject to the provisions of par. 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 € 32 million derived from corporate bonds, which are refundable by the Greek State.

d) Various other tax claims of € 6 million.

Company

Net tax receivables comprise the following:

a) Withholding taxes on corporate bonds of € 5 million, withheld in years 2020-2021 which are refundable by the Greek State.

b) Various other tax claims of € 7 million.

22 Due to banks

	Group	
	30/6/2022	31/12/2021
Amounts due to ECB and central banks	14,259	14,348
Interbank deposits	99	90
Securities sold to credit institutions under agreements to repurchase	78	286
Other	969	142
	15,406	**14,865**

Line item "Due to Banks" mainly includes as at 30 June 2022 funding liabilities of Piraeus Bank S.A. due to the ECB of € 14,259 million, securities sold under agreements to repurchase of € 78 million and other placements with credit institutions of € 99 million (31 December 2021: € 14,332 million, € 286 million and € 90 million, respectively). The increase of € 827 million in the "Other" category is mainly attributed to derivatives' transactions (Margin accounts). During the period ended 30 June 2022, the revenue recorded in "Net Interest Income", amounting to € 73 million, includes the additional margin of -0.50% to be provided in the context of TLTRO III program for the additional special interest rate period from 24 June 2021 to 23 June 2022, since the Bank met the net lending expansion requirements for the period between 1 October 2020 and 31 December 2021 (refer to Note 6).

As of 30 June 2022 and 31 December 2021 the Company has no dues to Banks.

23 Due to customers

	Group	
	30/6/2022	31/12/2021
Corporate		
Current and sight deposits	15,011	14,231
Term deposits	1,918	2,105
Blocked deposits, guarantee deposits and other accounts	297	283
Total (A)	**17,226**	**16,618**
Retail		
Current and sight deposits	6,784	6,238
Savings accounts	24,515	24,322
Term deposits	7,472	8,186
Blocked deposits, guarantee deposits and other accounts	40	44
Total (B)	**38,810**	**38,791**
Cheques payable and remittances (C)	**43**	**32**
Total Due to customers (A)+(B)+(C)	**56,079**	**55,442**

As of 30 June 2022 and 31 December 2021 the Company has no dues to customers.

24 Debt securities in issue

		Group	
	Weighted Interest Rate (%)	30/6/2022	31/12/2021
Covered Bonds - floating rate - Series 4	3m Euribor + 250bp	471	471
Senior Preferred Bond	3.875%	510	500
Total debt securities in issue		**981**	**971**

The financial terms of the debt securities held by third parties as of the end of the reporting 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 3rd Parties
Group 30/6/2022													
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	-	-	-	510	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 3rd Parties
Group 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%

As of 30 June 2022 and 31 December 2021, the Company has zero balances in the line item “Debt securities in issue”. The following table includes the financial terms of debt securities retained by the Group as of the end of the reporting period:

Issuer	Description	Underlying Loan Type	Issue Date	Maturity Date	Currency	Weighted Interest Rate/ Coupon Frequency	Nominal value	Outstanding nominal amount	Redemptions	Cancellations
Group										
30/6/2022										
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
Group										
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	-	-

As at at 30 June 2022 and 31 December 2021, 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 € 3,921 million and € 4,160 million, respectively.

25 Other borrowed funds

During the six month period ended 30 June 2022, the Group and the Company did not proceed with any repurchases of other borrowed funds.

26 Contingent liabilities, assets pledged, transfers of financial assets and commitments

26.1 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 recognized, either the estimation of the lawyers for the legal cases is favorable for the Group or 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 legal counsels, the ultimate disposition of these matters is not expected to have a material adverse effect on the Condensed Interim Financial Statements. As at 30 June 2022, the Group has established a provision for cases under litigation of € 28 million (31 December 2021: € 29 million) which represents Management's best estimate on the probable loss to be incurred upon finalization of these pending legal cases, while the respective amounts as of 30 June 2022 and 31 December 2021 for the Company are nil.

26.2 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.

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 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 country- 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.

Fiscal years 2014, 2015 and 2016 have been tax audited by PricewaterhouseCoopers S.A and the tax audit certificates issued were unqualified. 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 to 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 fiscal year 2020 have been completed and the relevant tax audit certificates have been issued. 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 Condensed Interim Financial Statements.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 20 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, it is not expected to have a material effect on the financial position of the Group.

26.3 Credit commitments

In the normal course of business, the Group enters into contractual credit commitments towards its customers to facilitate their financing needs or obligations. Due to their nature, credit commitments are treated as off-balance sheet items. These credit commitments comprise 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 30 June 2022 and 31 December 2021, the Group had undertaken the following credit commitments:

	Group	
	30/6/2022	31/12/2021
Financial guarantees	4,247	3,764
Letters of credit	96	42
Irrevocable undrawn credit commitments	1,071	1,050
Total commitments	**5,414**	**4,856**

As at 30 June 2022 and 31 December 2021, the Company has zero balances.

The ECL allowance of the Group on credit commitments as at 30 June 2022 amounted to € 95 million (31 December 2021: € 103) and is included in line item "Provisions" in the Condensed interim statement of financial position.

26.4 Assets pledged

	Group	
	30/6/2022	31/12/2021
Due from banks	383	1,044
Financial assets at fair value through profit or loss	698	854
Loans and advances to customers	6,234	5,318
Financial assets at FVTOCI	1,046	1,552
Debt securities at amortised cost	9,248	8,821
Other assets	29	29
	17,637	**17,618**

The aforementioned financial assets are mainly pledged either for drawing liquidity from the Eurosystem, under the general terms applying to such agreements, and for margins in regards with a) derivative transactions engaged under ISDA (International Swaps and Derivatives Association) master netting agreements and CSA (Credit Support Annex) 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 € 97 million (31 December 2021: € 227 million) are used for liquidity purposes. The said amount includes GGBs of nominal value € 89 million (31 December 2021: € 221 million).

In addition to the aforementioned pledged assets, as at 30 June 2022 and 31 December 2021 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 line item "Due from banks".

The decrease of due from banks pledged assets in comparison to 31 December 2021, is mainly attributed to derivatives' transactions (Margin accounts).

27 Share capital

	Number of shares		
	Company		Group
	Issued shares	Treasury shares	Net number of shares
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**
Opening balance at 1/1/2022	**1,250,367,223**	**(1,256,654)**	**1,249,110,569**
Purchases of treasury shares	-	(11,526,443)	**(11,526,443)**
Sales of treasury shares	-	11,741,956	**11,741,956**
Balance at 30/6/2022	**1,250,367,223**	**(1,041,141)**	**1,249,326,082**

The Company's share capital as at 30 June 2022 and 31 December 2021 amounted to € 1,188 million divided into 1,250,367,223 ordinary registered shares with a nominal value of € 0.95 each.

On 22 July 2022, the AGM of the Company's shareholders, approved a share capital reduction in kind of € 25 million by decreasing the nominal value of each ordinary share by the amount of € 0.02, without changing the total number of common shares pursuant to article 31 para. 1 of Law 4548/2018 in conjunction with the provisions of article 17 of Law 4548/2018, in order to distribute to the shareholders shares issued by the Cypriot subsidiary company under the name "SUNRISEMEZZ LTD" held by the Company, with a value corresponding to the value of the Company's share capital decrease. The aforementioned AGM's decision has no effect on the Company's share capital as at 30 June 2022.

Following the above decrease, the share capital of the Company will amount to € 1,163 million divided into 1,250,367,223 common registered voting shares with a nominal value of € 0.93 each.

The purchases and sales of treasury shares during the current period and the year 2021, as well as the treasury shares owned as at 30 June 2022 and 31 December 2021, relate to transactions that are carried out by the Group's subsidiary Piraeus Securities S.A. in the context of its activities, which derive from its role as a market maker.

28 Other reserves and retained earnings

	Group		Company	
	30/6/2022	31/12/2021 As reclassified	30/6/2022	31/12/2021 As reclassified
Legal reserve	84	84	69	69
Reserve from financial assets measured at FVTOCI	(35)	144	-	-
Currency translation reserve	(56)	(54)	-	-
Other reserves	36	34	27	27
Non-taxed reserves	351	351	351	351
Total other reserves	**380**	**559**	**447**	**447**
Retained earnings	**(14,084)**	**(14,669)**	**(14,884)**	**(14,908)**
Other reserves and retained earnings	**(13,703)**	**(14,110)**	**(14,437)**	**(14,460)**

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 Condensed Interim Statement of Changes in Equity.

	Group	
	30/6/2022	31/12/2021
Opening balance	**144**	**281**
Losses from the valuation of debt securities	(138)	(74)
Gains/(losses) from the valuation of equity securities	(4)	17
ECL on debt securities	(1)	11
Recycling of valuation adjustments and accumulated impairments upon disposal	(109)	(87)
Transfer to retained earnings	-	(62)
Deferred taxation	72	59
Closing balance	**(35)**	**144**

Regarding the "Recycling of valuation adjustments and accumulated impairments upon disposal" for the period ended 30 June 2022 refer to Note 11.

29 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 and 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 party 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 party 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, collaterals and non-payment risk.

29.1 Key Management Personnel and other related party

The table below presents the Group's related party transactions with Key Management Personnel and the related party referred to in points (b) and (c) above, as well as HFSF. No significant transactions occurred with the HFSF during the six month period ended 30 June 2022.

Group	30/6/2022		31/12/2021	
(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)	3,518	416	3,725	369
Due to customers	3,254	369	3,418	474

Group	1/1 - 30/6/2022		1/1 - 30/6/2021	
(amounts in thousand €)	Key Management Personnel	Other related party	Key Management Personnel	Other related party
Income	19	18	14	7
Expense	18	-	-	-

No transactions have occurred between the Company and the Key Management Personnel and other related party for any of the transaction types referred to in the tables above.

Members of the Key Management Personnel benefits	Group		Company	
(amounts in thousand €)	1/1 - 30/6/2022	1/1 - 30/6/2021	1/1 - 30/6/2022	1/1 - 30/6/2021
Short-term benefits	2,984	2,819	98	97
Contributions to the Institution for Occupational Retirement, Life and Medical Provision	43	40	2	2
Post-employment benefits	46	24	2	2

Short-term benefits of Key Management Personnel include wages, salaries, employees' share on social contributions and other charges, while "Post-employment benefits" include the cost of post-employment benefit.

The total provision for post-employment benefits to Key Management Personnel as at 30 June 2022 amounted to € 1 million for the Group and less than € 0.1 million for the Company (31 December 2021: € 1 million for the Group and less than € 0.1 million for the Company) and is included in line item "Retirement and termination benefit obligation" in the Condensed Interim Statement of Financial Position.

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 30 June 2022 and 31 December 2021 amounted to less than € 0.1 million, while the respective balances for the Company are nil.

As of 30 June 2022, Key Management Personnel and other related party held 186 thousand ordinary shares of the Company, compared to 185 thousand as of 31 December 2021.

29.2 Subsidiaries

The Company's related party transactions with subsidiaries are presented below:

(amounts in thousand €)	Company	
	30/6/2022	31/12/2021
Assets		
Due from Banks	51,422	50,048
Debt securities at amortised cost (Gross carrying amount)	768,885	786,468
Other assets	795	782
Total	**821,102**	**837,298**
Liabilities		
Other liabilities	33,428	46,831
Total	**33,428**	**46,831**

(amounts in thousand €)	Company	
	1/1 - 30/6/2022	1/1 - 30/6/2021
Income		
Interest and similar income	48,916	42,871
Net other income/ (expenses)	25,604	(484)
Total	**74,521**	**42,387**
Expenses		
Interest expense and similar charges	-	(7,727)
Fee and commission expense	(12,782)	(67)
Net loss from financial instruments measured at FVTPL	-	(73,473)
Operating expenses	(270)	(300)
Total	**(13,052)**	**(81,567)**

The carrying amount of the Company's debt securities measured at amortised cost, regarding the fully subscribed Back-to-back Tier 2 Notes issued by the Bank, amounted to € 740 million as at the end of the current reporting and includes ECL allowance of € 28 million (31 December 2021: € 29 million). The ECL release for the current period amounted to € 1 million (30 June 2021: charge of € 1 million).

29.3 Associates

The Group's and the Company's related party transactions with associates are presented below:

(amounts in thousand €)	Group		Company	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Loans and advances to customers at amortised cost (Gross carrying amount)	830,931	910,320	-	-
Other assets	3,991	5,818	3	114
Due to customers	396,375	400,083	-	-
Other liabilities	24,231	29,885	-	-

(amounts in thousand €)	Group		Company	
	1/1 - 30/6/2022	1/1 - 30/6/2021	1/1 - 30/6/2022	1/1 - 30/6/2021
Total expense and capital expenditure	(60,632)	(98,702)	-	(15,110)
Total income	21,515	22,733	9	-

The ECL allowance for impairment on loans and advances to customers granted from the Group and the Company to their associates as at 30 June 2022 amounted to € 151 million and nil, respectively (31 December 2021: € 124 million for the Group and nil for the Company). The ECL measurement on loans and advances to customers at amortised cost for the period ended 30 June 2022 amounted to € 26 million for the Group and nil for the Company (30 June 2021: immaterial for the Group and nil for the Company).

Letters of guarantee to associates as at 30 June 2022 amounted to € 16 million for the Group and nil for the Company (31 December 2021: € 17 milion for the Group and nil for the Company).

29.4 Joint ventures

The Group's and the Company's related party transactions with joint ventures are presented below:

(amounts in thousand €)	Group		Company	
	30/6/2022	31/12/2021 As restated	30/6/2022	31/12/2021
Loans and advances to customers at amortised cost (Gross carrying amount)	104,542	103,880	-	-
Due to customers	146,748	145,299	-	-

(amounts in thousand €)	Group		Company	
	1/1 - 30/6/2022	1/1 - 30/6/2021	1/1 - 30/6/2022	1/1 - 30/6/2021
Total income	841	441	-	-

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 30 June 2022 amounted to € 42 million and nil, respectively (31 December 2021: € 42 million as restated, for the Group and nil for the Company). Letters of guarantee to joint ventures as at 30 June 2022 amounted to € 117 million for the Group and nil for the Company (31 December 2021: € 60 million for the Group and nil for the Company).

30 Changes in the portfolio of consolidated companies

a) New subsidiaries, associates and joint ventures recognised during the period:

On 25 May 2022, within the context of the restructuring and rationalization of the leasing business of the Group through a corporate demerger, the 100% subsidiaries of the Group were established namely Piraeus Leasing Single Member S.A., Sunshine Leases Single Member S.A. and Piraeus Property Real Estate Management Single Member S.A. (the beneficiary entities), following the demerger of the 100% subsidiaries of the Group namely Piraeus Leasing Single Member S.A., Piraeus Financial Leasing Single Member S.A. and Piraeus Leases Single Member S.A. (the demerged entities), by transferring from each demerged entity certain assets and liabilities to a) each beneficiary entity (the net asset value transferred to each beneficiary are of an amount of € 92 million, € 19 million and € 7 million, respectively) and b) to Piraeus Bank S.A. (a net asset value of € 70 million). Hence, the aforementioned demerged entities were deleted from the General Commercial Registry, while the subsidiary of Piraeus Financial Leasing Single Member S.A. namely Dynamic Asset Operating Leasing S.A., became a subsidiary of Piraeus Leasing Single Member S.A. Refer also to Note 18.

Except for the above, during the first semester of 2022 the Company did not make any new investment through acquisition or establishment 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 30 June 2022, in excess of € 10 million, were the following:

On 25 February 2022, the held for sale company of the Group, IMITHEA Single Member S.A., has completed a share capital increase, through debt capitalization of a total amount of € 145 million.

On 2 March 2022, Piraeus Bank S.A. acquired another 52% of the equity stake of its associate, namely Trastor Real Estate Investment Company, for a cash consideration of € 98 million, becoming thus its subsidiary, together with its subsidiaries, Dorida S.A. and Syzefxis Ltd.

c) Liquidation, disposal and merging of subsidiaries:

On 3 February 2022, the SPVs Axia Finance III PLC, Axia Finance PLC, Axia III APC Limited, Estia Mortgage Finance PLC, Estia Mortgage Finance II PLC, Praxis II APC Limited, Praxis II Finance PLC, Axia III Holdings Ltd and Praxis II Holdings Ltd were dissolved, while the dissolution of the SPV Kion Mortgage Finance PLC was performed on 11 April 2022.

On 31 May 2022, the liquidation of the subsidiary of the Group, Rhesus Development Projects SRL, was completed and the subsidiaries of Piraeus Bank S.A. namely Geniki Single Member S.A. Financial & Consulting Services and Geniki Information Single Member S.A. were set under liquidation.

On 2 June 2022, Bulfina E.A.D. 100% subsidiary company of the Group disposed of its total participation in its subsidiary namely Office Project 2021 EOOD.

On 17 June 2022, the subsidiary of Piraeus Bank S.A. namely Trastor Real Estate Investment Company, absorbed its wholly owned subsidiaries namely Dorida S.A. and Syzefxis Ltd.

On 28 June 2022, Piraeus Nedvizhimi Imoti EOOD, 100% subsidiary company of the Group disposed of its total participation in its subsidiaries Lozenetz Construction EOOD and Mladost Home EOOD.

31 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 is currently inforce.

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.

The ECB, through the SREP decision on 2 February 2022, informed the Management on the revised OCR levels, effective since 1 March 2022. The Group has to maintain, on a consolidated basis, a Total SREP Capital Requirement (TSCR) of 11% and an OCR of 14.25%, which includes:

a) the minimum Pillar I total capital requirements of 8.0% as per article 92(1) of Regulation 575/2013/EU;

b) an additional Pillar II capital requirement of 3.0% 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 0.75% for 2022 under Greek Law 4261/2014.

The capital adequacy ratios as at 30 June 2022 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	
	30/6/2022	31/12/2021
Common Equity Tier 1 Capital (CET1)	3,474	3,582
Tier 1 Capital	4,074	4,182
Total regulatory capital	4,967	5,073
Total risk weighted assets (on and off- balance sheet items)	31,540	32,207
CET1 Capital ratio	11.01%	11.12%
T1 Capital ratio	12.92%	12.98%
Total Capital ratio	15.75%	15.75%

As at 30 June 2022, the Total Capital Adequacy ratio for the Group stood at 15.75% and the CET1 ratio stood at 11.01%, covering the minimum Overall Capital Requirement ("OCR") levels.

During the second quarter of 2022, the Group received SRT approval for portfolio of Triton, a synthetic securitization transaction of performing shipping loans that led to a RWA relief of approximately € 0.4 billion.

The Group has 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 amendment of article 468, institutions may remove from the calculation of their Common Equity Tier 1 items the amount of unrealized 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.

Finally, Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 was applied from the end of December 2020 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.

32 Reclassifications of comparative period figures

The reclassifications reflected in the Condensed Interim Income Statement of the six months period and three months period ended 30 June 2021 are presented below. Refer to Note 8 "Income from Non-Banking activities" and Note 12 "Other credit-risk related charges on loans and advances to customers at amortised cost" for further details.

€ Million	Group		
	6 month period ended 30/6/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	954	-	954
Interest expense and similar charges	(182)	-	(182)
NET INTEREST INCOME	**772**	**-**	**772**
Fee and commission income	219	-	219
Fee and commission expense	(42)	2	(40)
NET FEE AND COMMISSION INCOME	**177**	**2**	**180**
Income from non-banking activities	-	15	15
Dividend income	1	-	1
Net gains/ (losses) from financial instruments measured at FVTPL	90	-	90
Net gains/ (losses) from financial instruments measured at FVTOCI	79	-	79
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	320	-	320
Net other income/ (expenses)	27	(15)	12
TOTAL NET INCOME	**1,464**	**2**	**1,467**
Staff costs	(233)	-	(233)
Administrative expenses	(202)	24	(179)
Depreciation and amortisation	(56)	-	(56)
Net gain/ (losses) from sale of property and equipment and intangible assets	-	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(491)**	**24**	**(467)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**973**	**26**	**1,000**
ECL impairment losses on loans and advances to customers at amortised cost	(3,240)	63	(3,177)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	(89)	(89)
Impairment (losses)/ releases on other assets	(14)	-	(14)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	(10)	-	(10)
Impairment on subsidiaries and associates	(23)	-	(23)
Impairment of property and equipment and intangible assets	(2)	-	(2)
Impairment on debt securities at amortised cost	(19)	-	(19)
Other provision (charges)/ releases	4	-	4
Share of profit/ (loss) of associates and joint ventures	(7)	-	(7)
PROFIT/ (LOSS) BEFORE INCOME TAX	**(2,337)**		**(2,337)**
Income tax benefit/ (expense)	(111)	-	(111)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(2,448)**	**-**	**(2,448)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	(2)	-	(2)
PROFIT/ (LOSS) FOR THE PERIOD	**(2,450)**	**-**	**(2,450)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	(2,449)	-	(2,449)
Non controlling interest	1	-	1
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent	(2)	-	(2)
Non controlling interest	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	(5.65)	-	(5.65)
From discontinued operations			
- Basic & Diluted	(0.00)	-	(0.00)
Total			
- Basic & Diluted	(5.65)	-	(5.65)

€ Million	Group		
	3 month period ended 30/6/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	495	-	495
Interest expense and similar charges	(88)	-	(88)
NET INTEREST INCOME	**407**	**-**	**407**
Fee and commission income	123	-	123
Fee and commission expense	(22)	2	(21)
NET FEE AND COMMISSION INCOME	**101**	**2**	**102**
Income from non-banking activities	-	9	9
Net gains/ (losses) from financial instruments measured at FVTPL	13	-	13
Net gains/ (losses) from financial instruments measured at FVTOCI	69	-	69
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	3	-	3
Net other income/ (expenses)	13	(9)	4
TOTAL NET INCOME	**606**	**2**	**607**
Staff costs	(136)	-	(136)
Administrative expenses	(101)	11	(90)
Depreciation and amortisation	(28)	-	(28)
Net gain/ (losses) from sale of property and equipment and intangible assets	-	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(266)**	**11**	**(254)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**340**	**13**	**353**
ECL impairment losses on loans and advances to customers at amortised cost	(2,279)	34	(2,245)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	(47)	(47)
Impairment (losses)/ releases on other assets	(9)	-	(9)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	(5)	-	(5)
Impairment on subsidiaries and associates	(23)	-	(23)
Impairment of property and equipment and intangible assets	(1)	-	(1)
Impairment on debt securities at amortised cost	(3)	-	(3)
Other provision (charges)/ releases	2	-	2
Share of profit/ (loss) of associates and joint ventures	(1)	-	(1)
PROFIT/ (LOSS) BEFORE INCOME TAX	**(1,980)**	**-**	**(1,980)**
Income tax benefit/ (expense)	(65)	-	(65)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(2,045)**	**-**	**(2,045)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	1	-	1
PROFIT/ (LOSS) FOR THE PERIOD	**(2,044)**	**-**	**(2,044)**
From continuing operations			
Profit/ (loss) attributable to the equity holders of the parent	(2,046)	-	(2,046)
Non controlling interest	1	-	1
From discontinued operations			
Profit/ (loss) attributable to the equity holders of the parent	1	-	1
Non controlling interest	-	-	-
Earnings/ (losses) per share attributable to the equity holders of the parent (in €):			
From continuing operations			
- Basic & Diluted	(2.49)	-	(2.49)
From discontinued operations			
- Basic & Diluted	0.00	-	0.00
Total			
- Basic & Diluted	(2.49)	-	(2.49)

€ Million	Company		
	6 month period ended 30/6/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	110	-	110
Interest expense and similar charges	(43)	-	(43)
NET INTEREST INCOME	**67**	**-**	**67**
Fee and commission income	19	-	19
Fee and commission expense	(2)	-	(2)
NET FEE AND COMMISSION INCOME	**17**	**-**	**17**
Income from non-banking activities	-	-	-
Net gains/ (losses) from financial instruments measured at FVTPL	(73)	-	(73)
Net gains/ (losses) from financial instruments measured at FVTOCI	-	-	-
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	-
Net other income/ (expenses)	-	-	-
TOTAL NET INCOME	**10**	**-**	**10**
Staff costs	(1)	-	(1)
Administrative expenses	(13)	6	(7)
Depreciation and amortisation	-	-	-
Net gain/ (losses) from sale of property and equipment and intangible assets	-	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(14)**	**6**	**(8)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**(4)**	**6**	**2**
ECL impairment losses on loans and advances to customers at amortised cost	(1,522)	5	(1,517)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	(11)	(11)
Impairment (losses)/releases on other assets	(10)	-	(10)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	-	-	-
Impairment on subsidiaries and associates	(1,597)	-	(1,597)
Impairment of property and equipment and intangible assets	-	-	-
Impairment on debt securities at amortised cost	(1)	-	(1)
Other provision (charges)/ releases	-	-	-
Share of profit/ (loss) of associates and joint ventures	-	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX	**(3,133)**	**-**	**(3,133)**
Income tax benefit/ (expense)	-	-	-
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(3,133)**	**-**	**(3,133)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	-	-	-
PROFIT/ (LOSS) FOR THE PERIOD	**(3,133)**	**-**	**(3,133)**
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	Company		
	3 month period ended 30/6/2021		
	As published	Reclassifications	As reclassified
CONTINUING OPERATIONS			
Interest and similar income	49	-	49
Interest expense and similar charges	(21)	-	(21)
NET INTEREST INCOME	**28**	**-**	**28**
Fee and commission income	10	-	10
Fee and commission expense	(1)	-	(1)
NET FEE AND COMMISSION INCOME	**9**	**-**	**9**
Net gains/ (losses) from financial instruments measured at fair value through profit or loss ("FVTPL")	(39)	-	(39)
Net gains/ (losses) from financial instruments measured at FVTOCI	-	-	-
Net gains/ (losses) from derecognition of financial instruments measured at amortised cost	-	-	-
Net other income/ (expenses)	-	-	-
TOTAL NET INCOME	**(2)**	**-**	**(2)**
Staff costs	(1)	-	(1)
Administrative expenses	(5)	3	(2)
Depreciation and amortisation	-	-	-
Net gain/ (losses) from sale of property and equipment and intangible assets	-	-	-
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	**(6)**	**3**	**(3)**
PROFIT/ (LOSS) BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX	**(7)**	**3**	**(5)**
ECL impairment losses on loans and advances to customers at amortised cost	(711)	2	(709)
Other credit-risk related charges on loans and advances to customers at amortised cost	-	(5)	(5)
Impairment (losses)/releases on other assets	(10)	-	(10)
ECL impairment (losses)/ releases on debt securities measured at FVTOCI	-	-	-
Impairment on subsidiaries and associates	(1,597)	-	(1,597)
Impairment of property and equipment and intangible assets	-	-	-
Impairment on debt securities at amortised cost	(1)	-	(1)
Other provision (charges)/ releases	-	-	-
Share of profit/ (loss) of associates and joint ventures	-	-	-
PROFIT/ (LOSS) BEFORE INCOME TAX	**(2,327)**		**(2,327)**
Income tax benefit/ (expense)	0	-	-
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(2,327)**	**-**	**(2,327)**
DISCONTINUED OPERATIONS			
Profit/ (loss) after income tax from discontinued operations	-	-	-
PROFIT/ (LOSS) FOR THE PERIOD	**(2,327)**	**-**	**(2,327)**
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	-	-	-

33 Cash and cash equivalents

For the purpose of the Condensed Interim Cash Flow Statement, cash and cash equivalents comprise the following outstanding balances as at 30 June 2022 and 31 December 2021 with less than 90 days maturity from the date of their initial recognition.

	Group		Company	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Cash and balances with Central Banks	17,894	15,514	-	-
Due from banks	312	229	51	50
Financial assets at fair value through profit or loss	16	61	-	-
Financial assets at fair value through other comprehensive income	151	64	-	-
	18,373	**15,868**	**51**	**50**

34 Events Subsequent to the End of the Reporting Period

- On 6 July 2022, the Company announced that its subsidiary Piraeus Bank S.A. has entered into binding agreements for three synthetic securitizations of performing loans in Greece, comprising mortgage, corporate/SME and other exposures (together the "Transactions"). In the context of the Transactions, Piraeus Bank will purchase credit protection under a financial guarantee. The underlying loan portfolios have an aggregate gross book value of approximately € 2.7 billion and will continue to be recognised by the Group. The Transactions are subject to customary approvals, which are expected to be granted within the current year. On 14 July 2022, Piraeus Bank S.A. received significant risk transfer approval for one of the three aforementioned loan portfolios, comprising shipping exposures, of gross book value € 0.6 billion. As a result of these transactions the Group expects to decrease its RWAs by approximately € 1.1 billion.

- On 8 July 2022, the ECB announced the results of the first EU-Wide Climate Stress Test Exercise ("Exercise"), to assess supervised institutions' level of preparedness for properly managing climate risk. Piraeus Bank scored at par with the average of the European participating banks in the Exercise, indicating that the status of challenges that the economy faces regarding climate change are similar to those affecting Piraeus Financial Holding Group. The results indicated an advanced climate risk stress testing framework (module 1), where the Bank achieved a top ranking among European peers, while it also performed well on data quality. The Bank will use the results of the Exercise to further examine how to engage with its clients in order to direct them on a low-carbon path and hence manage potential sensitivities to long-term transition risk, high concentration of corporate exposures into carbon intensive counterparties, as well as short-term transition and physical risks.

- On 11 July 2022, Piraeus Bank S.A. submitted to the Greek Ministry of Finance an application for inclusion of the senior notes to be issued in the context of the Sunrise III Portfolio in the HAPS, pursuant to Law 4649/2019, of a nominal amount € 200 million.

- On 14 July 2022, the Company fully covered the share capital increase of Shnappi S.A. (“Shnappi”) with € 19 million, in the context of the Group’s strategic partnership with Natech S.A. to develop an independent innovative digital bank for customers in Greece and the rest of the European Market. Following the aforementioned share capital increase, the Company holds a 55% controlling stake in Shnappi, hence is a subsidiary of the Group. The total net assets of Shnappi as at the acquisition date amounted to € 25 million, comprising intangible assets of € 5 million and cash of € 20 million. The non-controlling interest and goodwill as at the acquisition date, amount to € 11 million and € 5 million, respectively.

- On 18 July 2022, Piraeus Bank S.A. completed the acquisition of 100% shareholding in Iolcus Investments AIFM (“Iolcus”), based on the relevant agreement signed on 5 April 2022, after having obtained all required regulatory approvals. The total consideration of the transaction amounted to € 10 million. On 2 August 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 Iolcus, 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 estimated.

- On 22 July 2022, the Annual General Meeting of the Company’s Shareholders approved the offseting of an amount equal to approximately € 14,557 million in the Company’s “share premium” account by writing-off equivalent losses (€ 14,557 million) in the general ledger account 42 “Accumulated losses carried forward”, which includes accumulated losses of approximately € 14,908 million and a tax-free reserve of approximately € 351 million.

  The AGM also approved the share capital decrease in kind by € 25 million by decreasing the nominal value of each ordinary registered share issued by the Company by the amount of € 0.02, and the payment of the amount of the share capital decrease in kind by distributing to the Company’s shareholders shares issued by the subsidiary namely “SUNRISEMEZZ LTD” (registered in the Cyprus registry of companies), of a value corresponding to the value of the share capital decrease, i.e. 178,623,889 shares of the Cypriot Company in total, of nominal value of € 0.14 each, at a ratio of 1 share of the Cypriot Company for every 7 shares of the Company already held by them. The said share capital decrease of € 25 million will be recognised upon completion of the distribution in kind.

- On 22 July 2022, the Board of Directors of the subsidiary company Imithea Single Member S.A., owner of Henry Dunant Hospital, announced that it has resolved to initiate the process for the absorption of the Euromedica Group, with the aim of creating one of the largest health groups in Greece (Piraeus Bank S.A. currently owns 100% of Imithea Single Member S.A. and 29.35% of the associate Euromedica). The completion of the absorption process is subject to the approval of the competent Competition Authorities and the receipt of the corporate approvals provided for in the law. In view of the fact that said absorption process is currently at a very initial stage, the Group can not currently provide a precise and reliable estimate of the transaction on the Group’s financial position and results of operations.

- On 2 August 2022, Piraeus Bank S.A. together with the other three systemic banks submitted to the Greek Ministry of Finance a joint application for inclusion of the senior notes to be issued in the context of the Solar Securitisation in the HAPS Scheme, pursuant to Law 4649/2019, of a nominal amount € 320 million.

Athens, 2 August 2022

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GROUP CHIEF FINANCIAL OFFICER	CHIEF FINANCIAL OFFICER
GEORGE P. HANDJINICOLAOU ID No X 501829	CHRISTOS I. MEGALOU ID No AE 011012	THEODOROS CH. GNARDELLIS ID No AI 662109	KONSTANTINOS S. PASCHALIS ID No AZ 630875 License No Class A 29358

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